

2024

SECOND QUARTER

REPORT



DETROIT LAND BANK
AUTHORITY
BuildingDetroit.org

A Continued Partnership Focused on
Visibility & Accessibility to the Community



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A WORD FROM THE CEO

January 12, 2024

The Honorable Mary Sheffield
President Detroit City Council
Coleman A. Young Municipal Activity Center, 13th Floor
Detroit, MI 48226



Subject: City Council Quarterly Report, 2nd Quarter FY 2024, Detroit Land Bank Authority

Dear Council President Sheffield:

I am pleased to submit this quarterly report on behalf of the Detroit Land Bank Authority (DLBA) to this honorable body.

This quarter, the DLBA continued to improve transparency and community engagement, participating in 73 community events. Our Constituent Experience Liaison launched a new initiative, partnering with two Detroit Public Library branches to provide constituent service hours, with plans to continue through this fiscal year. The DLBA also launched a new event called Cultivating Create-a-Project, to support block clubs and community groups in selecting and applying for neighborhood lots, drawing plot plans, applying to the Neighborhood Beautification Grant, and finding more resources. Over 100 people attended the inaugural event, with 40 organizations placing new applications.

Our Customer Service department continued to serve an extremely high volume of resident calls and office visits efficiently. We continued to answer a large call volume with 11,130 calls in the second quarter. However, our Customer Service representatives served customers quickly with wait times averaging just 2.2 minutes in December, a tremendous improvement from an average of 49.2 minutes from the prior fiscal year. The DLBA is currently investigating technological solutions that can be implemented within this fiscal year, to further reduce caller wait times.

The Nuisance Abatement Program (NAP) efforts in the second quarter continued to support the push to eliminate residential blight within the city. Nuisance Abatement notices were placed on 472 privately-owned, vacant, blighted properties; the team filed NAP lawsuits on 241 of those properties. In addition, the NAP Team entered into 216 agreements with private owners to rehabilitate their properties. NAP agreements continue to be a successful tool in addressing private blight with 39 properties achieving Compliance in the second quarter.

In October, our Next Five strategic planning team launched a new landing page on our website (www.buildingdetroit.org/nextfive) and an online survey for Detroit residents to participate in and provide feedback toward the strategic planning process with the DLBA. By the end of the second quarter, 104 respondents completed the survey, with residents representing 79.1% of the responses received.

This quarter, the Citywide Neighborhood Survey team completed their first pass of the city, having visited every structure to document the privately-owned, vacant, and blighted residential structures. The results of this first pass will be finalized and reported before the end of the next quarter. The DLBA is working on building out the next iteration of the survey and expects to launch it at the beginning of the next quarter as well.

In the second quarter, the DLBA staff listed a total of 7,435 vacant lots through various vacant land programs. An additional 415 structures were listed for sale through the Auction and Own-it-Now programs. With more than 10,000 properties achieving Compliance and over 25,000 lots sold, DLBA's programs continue to make a significant impact on revitalizing Detroit's neighborhoods. We look forward to continued collaboration with City Council as we work to achieve our mutual goals for Detroit and its residents.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tammy Daniels', with a long horizontal flourish extending to the right.

TAMMY DANIELS

Chief Executive Officer
Detroit Land Bank Authority

DLBA FAST FACTS

FY24 Q2 Sales & Closings



Compliance All Programs (Auction, OIN, Community Partners, NAP)



Inventory Total properties: 70,198

Structures: 7,697

Residential: 7,052

- Sales/Salvage – Sale Pending: 517
- Sales/Salvage – Unsold: 2,750
- Demolition: 2,300
- Occupied: 1,485

Non-Residential: 61

Accessory: 584

Vacant Land: 62,501

Side Lots for Sale: 4,010

Neighborhood Lots for Sale: 22,131

Community Engagement

Community Meetings Hosted & Attended: 73

Client Service Calls Answered: 11,130

Lobby Visitors Served: 1,075

Contact

Main Office: (313) 974-6869

Questions: inquire@buildingdetroit.org

Website: www.buildingdetroit.org

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CHIEF EXECUTIVE OFFICER

PROPERTY REHAB TAMMY DANIELS

In addition to leading the Detroit Land Bank Authority's core business functions and strategy, the CEO remains focused on identifying critical areas for organizational growth, promoting best practices, and expanding community outreach efforts.

The CEO also oversees the DLBA's Communications & Engagement team and its property rehabilitation divisions: Rehabbed & Ready and Compliance.

REHABBED & READY

Rehabbed & Ready (R&R) is a philanthropic initiative to improve residential market values and bolster home ownership in the City of Detroit. Through collaboration with Rocket Community Fund and construction contractors, as well as the City's Housing & Revitalization Department, Planning & Development Department, and Department of Neighborhoods, dilapidated DLBA structures undergo full rehabilitation to at-or-above-market conditions. As a neighborhood-based initiative, there are parallel efforts in place to reduce blight and encourage occupancy via the demolition of DLBA-owned structures, along with the DLBA's Nuisance Abatement and disposition programs in areas selected for Rehabbed & Ready projects.

- **Closings:** The R&R team has successfully renovated and sold a total of 99 residential properties, with new homeowners moving into neighborhoods including Crary/St Marys, College Park, Evergreen-Outer Drive, Bagley, Schulze, East English Village, Martin Park, Greenfield-Grand River, Morningside, Island View Greater Villages, and Fitzgerald.
- **Public Open Houses:** Public Open Houses ensure prospective homeowners have adequate opportunities to view new R&R homes. The DLBA also offers private showings and Virtual Sales Events. Flexibility allows more opportunity to engage the public and move inventory efficiently.
- **Public Open Houses:** occur on Wednesdays and Sundays, for the entire time a home is listed for sale.
- **Private Showings:** prospective buyers can schedule private tours of current listings through buildingdetroit.org Sunday through Friday.

FEATURED PROPERTY

2446 Seyburn, D5, Construction Completed



PROPERTY REHABILITATION

INFILL (MSHDA MOD)

The Property Rehabilitation Team was awarded \$200,000 through the MSHDA MOD Grant Program

Project Description: Modular Development on DLBA vacant lots

Project Location: 3572/3578 16th Street (highlighted parcels)



Updates:

Title Clearance: Completed

Parcel Application: Completed

Procurement: Completed

Unit Ordered: Completed

Foundation Poured: Completed

Unit Delivered: Completed

Onsite Construction: In Progress

Listed for Sale: Pending



COMPLIANCE

The DLBA's Compliance Team enforces agreements signed by property owners who have either purchased a property from the DLBA ("Sales Compliance") or whose property was the subject of a Nuisance Abatement Program action ("NAP Compliance"). For both Sales and NAP Compliance, property owners agree to rehabilitate the property within six months and provide regular updates to the Compliance Team documenting and verifying progress (See Compliance Requirements below). For Sales in Historic Districts, property owners agree to rehabilitate the property within nine months and provide regular updates to the Compliance Team documenting and verifying progress. If a property owner is not able to achieve Compliance within the initial time frame but has shown acceptable "proof of progress," the Compliance Team will evaluate progress to determine if an extension is warranted.



Before and After, Auction Property on Canton St. (District 5)

SALES COMPLIANCE

The Sales Compliance reporting period begins on the date of closing when the property owner takes title to the property and obtains possession. At closing, the property owner executes a Reconveyance Deed the DLBA can record if the property owner fails to rehabilitate the property and meet the obligations outlined in the Purchase Agreement. Achieving Sales Compliance involves objective, three-part criteria including:

- Obtaining the appropriate inspection from the City of Detroit's Buildings, Safety, Engineering, and Environmental Department (BSEED)
- Occupying the property
- Exterior maintained – no boards, no blight

NUISANCE ABATEMENT PROGRAM (NAP)

The NAP Compliance program works with property owners who have entered into an agreement to avoid or stop litigation on properties identified as vacant, blighted, and a nuisance. The agreement outlines their responsibilities for rehabilitating or demolishing the property or selling it to someone who will. If the property owner fails to provide "proof of progress" on the subject property, the Compliance Team transfers the matter to DLBA attorneys for court action. To achieve NAP Compliance, owners must demonstrate the property is no longer a nuisance to the residents and the neighborhood evidenced by occupancy and exterior maintenance – no boards, no blight. After achieving NAP Compliance, the DLBA releases its pendens and dismisses the lawsuit.

CURRENTLY MONITORED

	AUCTION/OWN-IT-NOW (SALE)	COMMUNITY PARTNERS (SALES)	NUISANCE ABATEMENT PROGRAM (NAP)	ALL PROGRAMS
Program-to-Date	5,214	146	719	6,079
FY2024	2,769	70	522	3,361
FY24 Q2 (10-1-12/31)	1,207	36	225	1,468

*As of December 29, 2023

COMPLIANCE ACHIEVED

	AUCTION/OWN-IT-NOW (SALES)	COMMUNITY PARTNERS (SALES)	NUISANCE ABATEMENT PROGRAM (NAP)	ALL PROGRAMS
Program-to-Date	8,321	309	1,745	10,375
FY2024	660	24	67	751
FY24 Q2 (10-1-12/31)	302	5	38	345

*As of December 29, 2023

COMPLIANCE CASES FAILED

	2015-2018	2019	2020	2021	2022	2023	TOTAL	ALL TIME COMPLIANCE FAIL RATE	2023 COMPLIANCE FAIL RATE
Reconveyed	302	86	9	104	367	958	1,826	12% of total sales cases "All Time"	12% of total cases being monitored

*As of December 29, 2023 (Chart reflects Involuntary Reconveyances only)

CITY EMPLOYEE/EDUCATOR DISCOUNT AGREEMENTS THAT HAVE ACHIEVED COMPLIANCE

SHOWING AGE OF AGREEMENT

	AUCTION/OWN-IT-NOW PROGRAM TO DATE				AUCTION/OWN-IT-NOW EDUCATOR DISCOUNT				AUCTION/OWN-IT-NOW CITY EMPLOYEE DISCOUNT			
	Total Under Compliance				46				622			
Age of Agreement	<6 Mo	.5-1 yr	1-2 yrs	2+ yrs	<6 Mo	.5-1 yr	1-2 yrs	2+ yrs	<6 Mo	.5-1 yr	1-2 yrs	2+ yrs
Total to Achieve Compliance	246	596	907	6148	0	0	0	46	25	63	56	478
Escrow Expired	0	0	0	12	0	0	0	0	0	0	0	3
Occupied	205	535	840	5797	0	0	0	46	21	61	53	449
Listed for sale or rent	31	50	58	294	0	0	0	0	4	2	3	26
Demolished	10	11	9	44	0	0	0	0	0	0	0	0
Other	0	0	0	1	0	0	0	0	0	0	0	0

DLBA IN THE COMMUNITY

COMMUNICATIONS & ENGAGEMENT

The Communications & Engagement team's overall engagement strategy is focused on fostering connections with Detroiters and community partners, expanding awareness of DLBA programs, improving transparency, and addressing residents' concerns. The team's goal is to accommodate as many meetings and presentation requests as possible by coordinating colleagues across departments, creating new resource materials for distribution, and continuing to leverage technology where appropriate.

PUBLIC RELATIONS MEDIA COVERAGE

The DLBA continued to enjoy increasingly positive media coverage in the second quarter. The Digital Content Specialist continued to support with media responses and interviews, and managed critical media coverage, including water line issues.



OCT

- Crain's Detroit* GILBERT'S REHABBED & READY PROGRAM COMPLETES 100TH HOME, LAUNCHES DOWN PAYMENT ASSISTANCE
- Detroit Free Press* BUSINESSES HELP DETROIT NONPROFIT'S SOLAR POWER TRAINING HOUSE PROJECT MOVE FORWARD
- Outlier Media* THIS WEEK IN DETROIT DEVELOPMENT: PLANTING 4,000 TREES, BRUSH PARK NEW BUILD AND A WILD TAX PLAN

NOV

- Outlier Media* FIX IT OR LOSE IT: LAND BANK HOMEBUYERS GOING BROKE REPAIRING WATER LINES CUT BY THE CITY
- WXYZ 7* DETROIT LAND BANK PUSHES OWNERS OF VACANT, BLIGHTED HOUSES TO RENOVATE OR RISK LOSING PROPERTIES IN COURT
- WXYZ 7* POTENTIAL BUYERS OF DETROIT LAND BANK HOUSES WARNED OF COSTLY REPAIRS, NO REFUNDS
- WDET* DETROIT EVENING REPORT: MENTION OF CULTIVATING CREATE-A-PROJECT EVENT

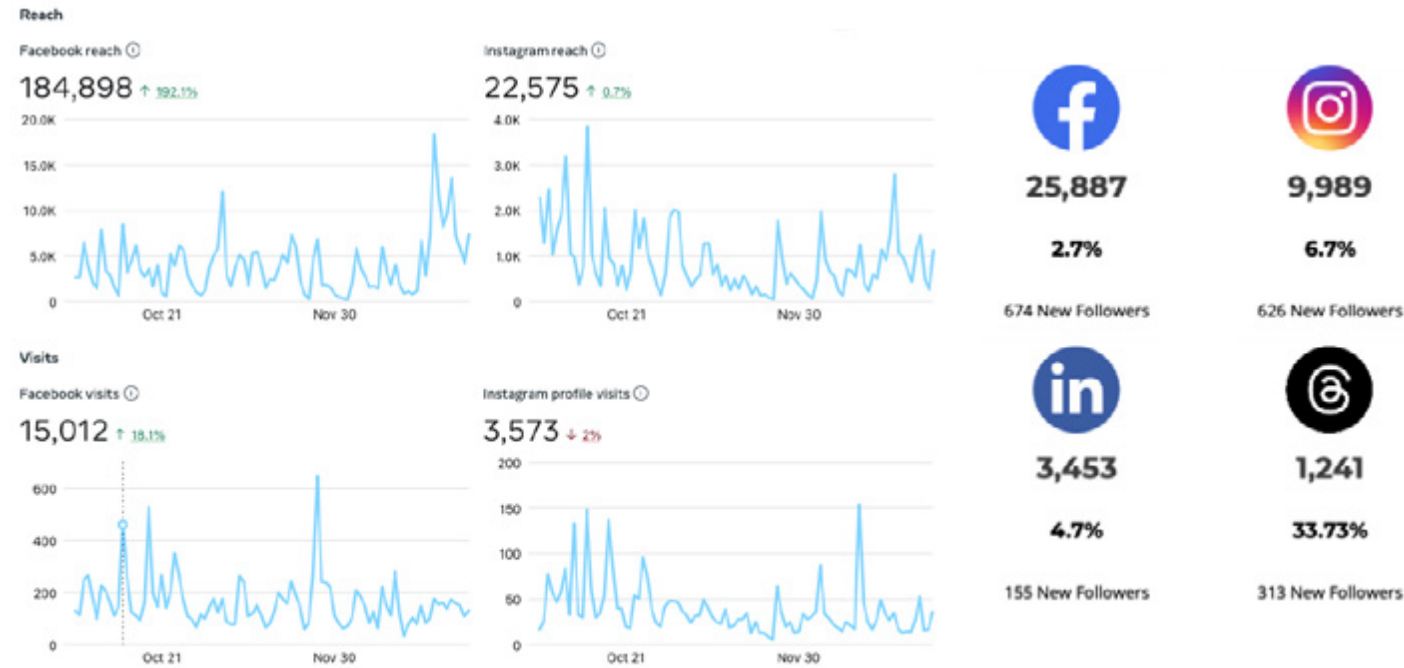
DEC

- Detroit News* HOW HENRY FORD HEALTH PURCHASED HUNDREDS OF PARCELS OF LAND, MOVED TOWARD MEGA PROJECT
- Detroit Free Press* HOW A GREAT-GRANDMA NAVIGATED DETROIT'S BUREAUCRACY TO TURN A HOVEL INTO A HUNK OF HEAVEN



DIGITAL CONTENT SPECIALIST

The Digital Content Specialist (DCL), Stephanie Hume, is responsible for the voice of the DLBA and is focused on creating informative content, telling constituent stories and designing compelling content. To achieve this, the DCL maintains the DLBA's social media channels, creates and maintains brand standards, and designs and updates client-facing materials such as printed handouts, the DLBA website, and other digital content.



CONSTITUENT EXPERIENCE LIAISON

The Constituent Experience Liaison (CEL), Antonisha Smith, is committed to improving the quality and efficacy of the DLBA's interaction with Detroit residents and assisting constituents with complicated, escalated concerns. To achieve this, the CEL identifies areas for DLBA improvement, conducts ongoing analysis of core customer service functions, supports leadership with navigating escalated inquiries, and fosters community engagement efforts.

Q2 CONSTITUENT INQUIRIES				
	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Internal Analysis	9	4	5	18
Constituent Inquiry Escalations	7	N/A	N/A	7
Inquiries (City Partners)	2	1	25	28
Community Outreach	2	5	5	12
Total	20	10	35	65

CITY COUNCIL AND GOVERNMENT LIAISON

The City Council and Government Liaison (CGL) is a hub for inquiries from the City Council, the Ombudsman's Office, the Department of Neighborhoods, and other government agencies. The function of this role includes streamlining responses and identifying common challenges faced by stakeholders. To achieve this, the CGL serves as a dedicated resource to foster relationships with elected officials to identify opportunities to provide proactive updates to each district.

Q2 CITY COUNCIL & GOVERNMENT INQUIRIES				
MONTH	OMBUDSMAN	CITY COUNCIL	DONS	TOTAL
October	17	27	10	54
November	12	20	6	38
December	n/a	n/a	n/a	n/a
Total	29	47	16	92

COMMUNITY INITIATIVES

The Community Initiatives Program Manager (CIP), London Scott, supports the Communications & Engagement Team with coordinating community engagement events, meetings, and presentations on behalf of the DLBA. To achieve this, the CIP fosters relationships with City and community partners to ensure open lines of communication between agencies.

Q2 ENGAGEMENT								
MONTH	DONCAST	DON MEETINGS	CITY COUNCIL	COMMUNITY PARTNERS & BLOCK CLUBS	FAITH BASED	CITY INITIATIVES	DLBA TEAMS	TOTAL
Oct	5	3	4	6	1	11	7	37
Nov	3	3	5	1	0	7	3	22
Dec	2	0	4	1	0	5	2	14
Total	10	6	13	8	1	23	12	73



PLANNING & ANALYSIS

ROBERT LINN
DIRECTOR

The Detroit Land Bank Authority's Planning & Analysis Department oversees the acquisition, assessment, pipeline assignments, and listing of DLBA-owned lots and structures. The department also oversees data analysis and coordinates inter-agency planning with other City agencies to inform a flexible and dynamic sales strategy for the organization.

THE NEXT FIVE STRATEGIC PLANNING PROCESS

Staff have engaged with the public at over 20 events in Q2, making significant progress towards our goal of 100 community engagement events. Events so far have included DLBA hosted events such as Lots of Lots and Cultivating CAP and other City of Detroit events including the Mayor's Charter Mandated meetings, various district events and block clubs and community groups' meetings. In the coming months, DLBA staff will be attending a variety of events across the city in collaboration with City Council, the Department of Neighborhoods, and interested community groups. Staff will also host open office hours at our offices in the Guardian Building. An event calendar can be found on the new Next Five landing page at www.buildingdetroit.org/nextfive/ where new events are being added regularly.

DLBA : The Next 5 Years

Next Five is the Detroit Land Bank Authority's current **strategic planning** effort. We are engaging in a multi-month process to set goals, priorities, and specific actions for the next five years.

[COMMUNITY INPUT](#) [CALENDAR](#) [TIMELINE](#) [FAQ](#)

Share Your Input
Take our short survey to share some of your ideas and perspectives.
[TAKE THE SURVEY](#)

Where you can find us
We will be attending at least 100 events during the **next five** process to learn more about what is important for you. Join us at one of our upcoming community events to learn more about the Detroit Land Bank Authority, ask questions, and share your feedback.

Sun	Mon	Tue	Wed	Thu	Fri	Sat
26	27	28	29	30	1	2
3	4	5	6	7	8	9
10	11	12	13 District 5 Charter Better Block Det	14	15	16
17	18 Next Five Office	19	20	21	22	23
24	25	26	27	28	29	30
31	1 Next Five Office	2	3	4	5 Next Five Office	6

Want us to host an event in your community? [Contact us here!](#)

The web page also hosts a link to a survey where residents are invited to share their input toward the strategic planning process with the DLBA. Council Members, City partners, and Detroit residents are encouraged to participate in the survey.

The current survey has been distributed through Department of Neighborhood Managers, DLBA social media channels and an email campaign where it was successfully delivered to 6,986 email addresses. There will be a secondary survey presented to Detroit residents after the cultivation of ideas formed through the synthesis of resident feedback, areas of focus within the core working groups, and the expert feedback of the advisory panel. By the end of Q2, 104 respondents completed the survey, with residents representing 79.1% of the responses received.

Q2 NEXT FIVE SURVEY RESPONSES BY DISTRICT

DISTRICT	RESPONSES
Unsure	24
1	8
2	9
3	5
4	11
5	30
6	21
7	6

IMPROVED LOTS COUNCIL DISCUSSION

In late November, the DLBA hosted a successful conversation with City Council Staff to discuss the proposed Improved Lot Sales Policy. Improved Lots are lots that have been found to have an enhancements such as a fence, driveway, or wheelchair ramp that is currently in use by a neighbor. The DLBA has been working to virtually inspect all of our lots to identify these improvements and has identified almost 6,000 improved lots citywide. More than 5,000 of these lots contain fences and over 700 contain driveways. The proposed Improved Lot Policy will allow DLBA staff to inspect, list, and sell these lots in a more informed and fair way. This policy is still a draft and will be heading to the DLBA's Board of Directors for review and approval in Q3.

IMPROVED LOTS IDENTIFIED BY DISTRICT

DISTRICT	NO. OF IMPROVED LOTS
1	762
2	523
3	1,423
4	654
5	688
6	860
7	947
Total	5,857

LIEN DISCHARGES

In December, the department hired a short-term contractor to do a specific Register of Deed (ROD) search for Michigan State Housing Development Authority's Hardest Hit Fund lien discharges. These liens, which were recorded by the State after sites were demolished with Hardest Hit Fund support, are typically discharged several years after the demolition is complete, but DLBA staff would like to verify these liens have been discharged, both to ensure purchasers have good title, and to expedite the sales process. Additionally, finding lien discharges allows the DLBA to be more flexible with selling these lots, especially when they cannot be sold as a Side Lot due to a lack of eligible neighbors.

PROPERTY TRANSFER AFFIDAVITS

This quarter, staff continued their partnership with the Office of the Assessor to reconcile ownership records for Detroit Land Bank Authority sales and acquisitions across the city. Through this partnership, the DLBA will now file a property transfer affidavit (PTA) to formally notice the Office of the Assessor of all DLBA closings after 45 days. This timing allows purchasers to file the PTA themselves within the 45-day statutory window. If a purchaser does not file the PTA within the 45-day period, the DLBA will now file the PTA on their behalf as the DLBA wishes for the property to be back on the tax roll. This quarter, staff filed 632 disposition PTAs and 198 acquisition PTAs.

TAX FORECLOSURE

This quarter, the Wayne County Treasurer's Office concluded the 2023 tax foreclosure cycle. After foreclosing on 2,912 parcels earlier this year, the Treasurer's Office held two public auctions in September and October. In furtherance of our mission to serve as an owner of last resort, the Detroit Land Bank Authority has agreed to accept the 611 unsold residential properties left unsold after the two public auctions.

Earlier this quarter, the DLBA accepted a transfer of 117 structures in the Treasurer's blight bundle, including vacant structures that had been foreclosed while in the demolition process.

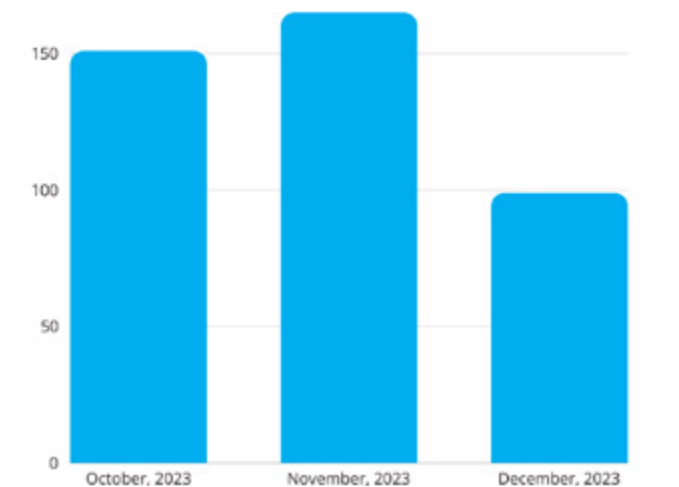
UNSOLD RESIDENTIAL PROPERTIES BY PROPERTY CLASS

PROPERTY CLASS	PROPERTIES
Accessory Structures	7
Vacant Lots	585
Residential Structures	19
Total	611



HOME LISTINGS

The team continues to list any property within 30 days of it being ready to list, meaning it has a recent inspection and clear title. The number of homes returning from Proposal N stabilization work has continued to be steady, and the DLBA successfully resolved tax issues that were preventing sale, allowing more properties to be listed for sale than originally anticipated. Auction and Own-it-Now listings rose slightly in November, and the DLBA suspended listings for the holidays as of December 16, resulting in a lower number of listings this past month.



AUCTION AND OWN-IT-NOW LISTINGS,
BY MONTH, Q2 FY24



BUILDING BLOCKS EVENTS

This past quarter, the team hosted two Building Blocks events – one in the District 2 neighborhood of Grixdale Farms and the other in the District 3 neighborhood of Nolan. The DLBA had representatives from the Customer Service, Land Reuse, Marketing, Housing & Neighborhood Stabilization, Sales & Programs, and Compliance teams present to answer questions specific to their programs. DLBA staff also engaged with attendees to get feedback on what they want to see in their community as part of Next Five, the DLBA's 5-year strategic plan. Additionally, many DLBA partner organizations participated, including Council Member Johnson's staff, District Manager Kim Tandy, Bridging Communities, Detroit Water & Sewerage Department, Detroit Economic Development Corporation, CLEARCorps Detroit, and Buildings, Safety, Engineering & Environmental Department.

For the Nolan neighborhood event, the DLBA partnered with Rescue MI Nature Now, a DLBA community partner, to host the event at a house and on several lots that the organization purchased from the DLBA. The organization purchased one structure and 29 lots from the DLBA and has since transformed into a space for educating area youth on cultivating the land, beekeeping, and nature restoration.

January's Building Blocks event will be on the 18th in the Schoolcraft-Southfield neighborhood of District 1. Partnering with the Schoolcraft Improvement Association, the DLBA is looking forward to engaging with residents to bring information about available property, DLBA programs and processes, as well as resources from partner organizations. Future neighborhoods scheduled include Outer Drive-Hayes (District 4) on February 29, and Nardin Park (District 7), Midwest (District 6), and Dexter-Linwood (District 5) in Spring 2024.

PROPERTY INSPECTIONS

This quarter, staff ordered inspections of 593 vacant homes, including 282 inspections ordered as part of the regular inventory inspection batches. These structures include those awaiting sale due and failed sales that require updated inspections as well as properties returning from the demolition and Proposal N stabilization pipelines that will be listed for sale through the Own-it-Now program. Beyond that universe, properties in the quiet title process after reconveyance continue to make up another large portion of inspection orders, representing 255 inspections this quarter. As inspection results are reviewed, properties that are confirmed vacant, salvageable and in a quiet title batch are transferred to the Proposal N stabilization pipeline. This quarter, staff moved 91 of these homes to the stabilization queue. The remaining properties are awaiting inspection results or were determined to be unsalvageable, occupied or have signs of active rehab which requires further investigation once the quiet title process is complete.

CITYWIDE NEIGHBORHOOD SURVEY

Since September 2023, the Neighborhood Survey Team (NST) has continued to survey the city, recording results for vacant, privately-owned, blighted houses. The intent of the citywide blight survey is to complete multiple passes of the city to ensure a high degree of accuracy, to monitor the progression of properties over, and to expand or shift the survey scope to focus on more specific universes. The survey team completed their first pass of the city this winter, having visited every structure in the city. After field inspections are completed, office staff conduct a quality control review, and refer vacant, blighted, residential structures to the appropriate agency for intervention.

The survey team has identified 7,600 vacant properties with blighted conditions. The conditions of 2,648 of those properties have been confirmed and results finalized. The remaining properties will be reviewed in Q3 and dispatched to the appropriate agency.

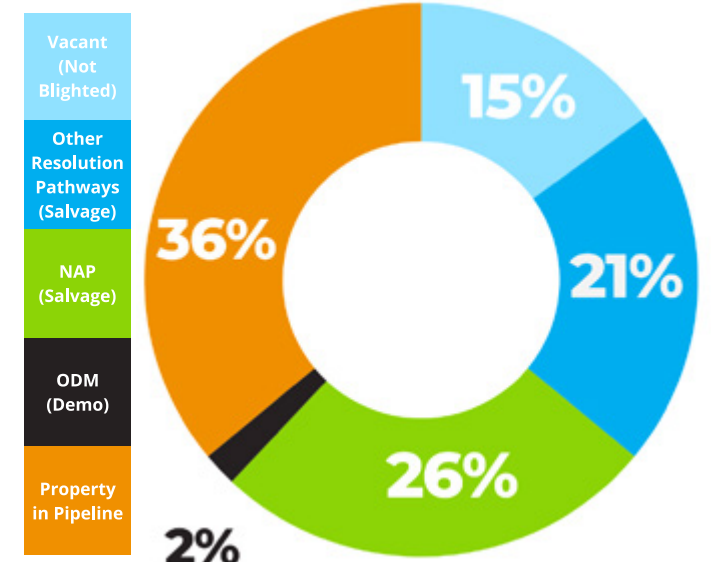
CITYWIDE NEIGHBORHOOD SURVEY						
PROPERTY CONDITIONS	REFERRED TO THE CITY	NAP	DEMO	ALREADY IN THE PIPELINE	AWAITING QC	TOTAL
Some Blight	420	122	0	356	4,015	4,949
Significant Blight	185	746	12	607	763	2,313
Extreme Blight	1	6	59	137	135	383

To date, staff have reviewed surveys for and triaged 3,380 vacant and/or blighted properties.

Staff are working on ways to improve communications regarding the survey. In Q1 staff began looking into alternative tools for creating dashboards and presenting results. Staff hope to create a dashboard that can be housed on the DLBA website that will allow residents better access to the survey results and progress. Improvements have also been made to survey process guides both for the field team to use while surveying, as well as for office-based staff to use while finalizing the results of their review.

Final results for Iteration 1 are on schedule to be finalized and reported before the end of Q3. Staff are working on the final stages of the build out for the second iteration of the survey, and expect to launch it at the beginning of Q3.

NEIGHBORHOOD SURVEY RESULTS Q2 FY2024



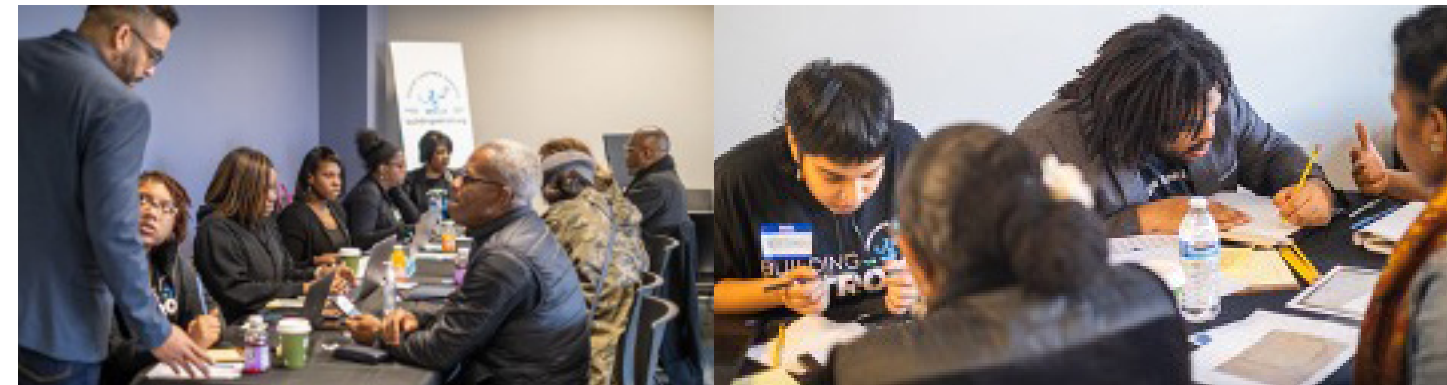
OCCUPIED PROGRAMMING

Staff monitor the land bank's occupied inventory for vacancy indicators, such as resident reports of vacancy, reported illegal activity inquiries, USPS and fire department data, and the length of time since our last inspection of the property. When staff suspect a property may be vacant, they order a physical inspection of the home to determine whether the property is vacant.

During the second quarter, staff issued and reviewed inspection work orders for occupancy verification at 396 properties. Among these homes, staff confirmed 127 were vacant and moved them to other pipelines, such as Proposal N Stabilization, Demolition, and Own-it-Now. Additionally, the inspection notices posted on properties during the inspection process prompted 73 occupants to follow-up with DLBA staff to confirm occupancy, providing the opportunity to evaluate eligibility for occupied programming. An additional 100 properties were inspected in Q2, but were not reviewed by staff before the beginning of Q3.

There are approximately 1500 properties that staff will continue to monitor for vacancy indicators. Apart from the properties where occupants have been in recent communication with staff, regular ongoing exterior inspections will be issued to confirm the occupancy status.

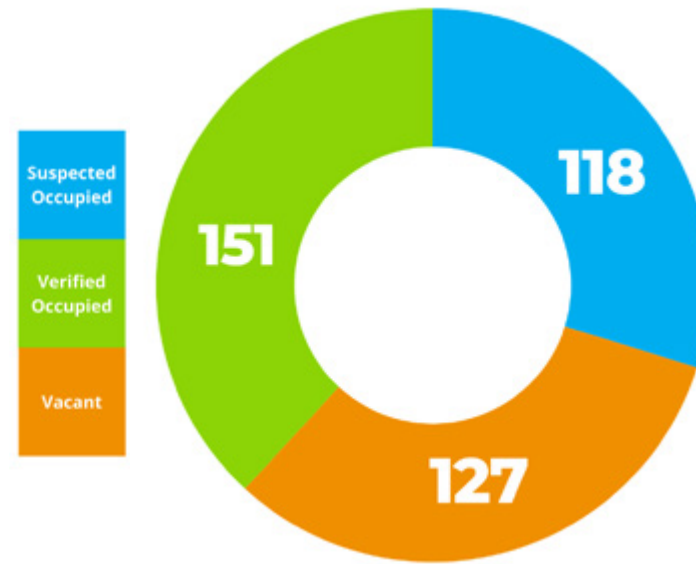
This quarter, the team met with the Housing and Revitalization Department (HRD) to begin discussions on a long-term partnership aimed at providing the occupants of DLBA properties who do not qualify for Buy Back, wrap-around services, potentially including relocation opportunities.



CREATE-A-PROJECT

On November 18th, the DLBA hosted its first ever Cultivating CAP, a Create-a-Project event at the Michigan Welcome Center in Southwest Detroit. This event was aimed at Detroit block clubs and community groups interested in purchasing land for neighborhood beautification projects through the Create-a-Project Program. The event was a huge success, boasting an attendance of over 100 people with 40 organizations placing new applications. At the event, attendees received assistance with placing applications, lot selection, and even drawing their plot plans. Attendees were also invited to enjoy baked goods from Mexicantown Bakery, provide feedback for the Next 5, and to chat with

OCCUPANCY INSPECTIONS,
Q2 FY24



a variety of different resources. These resources included the DLBA's Community Partner Team, The Detroit Building & Safety Department, The City of Detroit's Neighborhood Beautification Team and more.

In Q2, the DLBA received 74 Create-a-Project applications bringing total program applications at the end of Q2 to 369. Of the 369 applications, 94 have been approved as purchasers and moved forward to lot selection. Staff ordered title work on a total of 84 properties during Q2 and were able to send 5 projects consisting of 15 lots to closing.

SIDE LOT & NEIGHBORHOOD LOTS

In Q2, staff listed a total of 7,435 vacant lots through various vacant land programs. This included a Side Lot Listing of 566 lots and a large Neighborhood Lot listing of over 6,600 lots. Staff answered over 2,350 purchase inquiries on DLBA owned vacant lots in Q2 which led to an additional 250 one-off listings through various vacant land programs.

Q2 VACANT LOT LISTINGS BY DISTRICT		
DISTRICT	NEIGHBORHOOD LOTS	SIDE LOTS
1	569	45
2	507	67
3	1,708	170
4	1,801	140
5	853	94
6	310	132
7	927	112
Total	6,675	760

REAL ESTATE SALES & MARKETING

JANO HANNA
DIRECTOR

The Detroit Land Bank Authority’s core blight remediation effort is the disposition of property. The Real Estate, Sales & Marketing Department facilitates structure and land sales through a wide range of programs. Most of the DLBA’s structure and land transactions are online through the Auction, Own-it-Now, Side Lot, and Neighborhood Lot platforms. The DLBA also sells property through Rehabbed & Ready, Occupied Programs, Real Estate team, and, per the Memorandum of Understanding with the City of Detroit, the DLBA engages in real estate transactions in support of strategic City initiatives.

AUCTION

The DLBA auctions houses daily on its website, buildingdetroit.org. Auction properties are the DLBA’s strongest rehabilitation candidates, focused in areas with the best potential return on buyer investment. The number of available Auction properties continues to decline as the DLBA exhausts its strongest inventory and moves into neighborhoods with weaker real estate markets and structures requiring more extensive sales preparation and renovation.



OWN-IT-NOW

Own-it-Now responds to public requests for properties in emerging neighborhoods. Any person can contact the DLBA with an address, and with certain exceptions, we will work to list the property for sale. Once a property is listed online, offers are accepted 24 hours a day, seven days a week. The first offer on a property triggers a 72-hour countdown and the person with the highest offer at the close of that timeframe wins the property.



AUCTION CLOSED COMPARISON OF FISCAL YEAR Q2 CLOSING TRENDS

YEAR	TOTAL CLOSED (Q2)
2015	76
2016	100
2017	98
2018	131
2019	122
2020	115
2021	115
2022	62
2023	185
2024	75

OWN-IT-NOW CLOSED COMPARISON OF FISCAL YEAR Q2 CLOSING TRENDS

YEAR	TOTAL CLOSED (Q2)
2017	140
2018	203
2019	246
2020	534
2021	816
2022	133
2023	291
2024	200

AUCTION AND OWN-IT-NOW CLOSED BY COUNCIL DISTRICT FOR Q2

	1	2	3	4	5	6	7	GRAND TOTAL
Auction	7	3	21	8	10	16	10	75
Own-it-Now	12	9	78	34	20	36	36	200
Grand Total	19	12	99	42	30	46	46	275

BIDDERS

Closings are only one way to measure market demand for a given region. The number of applications processed also informs demand as seen in the table below.

AUCTION AND OWN-IT-NOW BIDDERS BY COUNCIL DISTRICT FOR Q2

	1	2	3	4	5	6	7	GRAND TOTAL
Auction	29	35	103	31	30	17	69	314
Own-it-Now	162	138	439	255	147	198	232	1571
Grand Total	191	173	542	286	177	215	301	1885

DISCOUNTS

Supporting the DLBA's mission of returning Detroit's blighted and vacant properties to productive use, the department promotes a variety of sales initiatives. Discount programs provide the opportunity for eligible participants to utilize a 50% discount on DLBA Auction homes. The 20% Home Buyer Counseling Discount & Community Partner Endorsement is available to eligible participants for Own-it-Now or Auction homes. Each discount request is verified by the HR/ Designated Point Person (DPP) for the applicable entity. Discounts will be applied at closing. One discount will be given per registered discount bidder. Bidders cannot combine or use multiple discounts.

DISCOUNTS BY CATEGORY FOR Q2

APPLICATIONS	% OFF	APPROVED	REJECTED	USED
City Employee	50%	6	18	3
Detroit School Employee	50%	10	22	0
Skilled Trade Employment Program STEP	50%	26	7	0
Home Buyer Counseling	20%	11	17	17
Community Partner Endorsement	20%	0	0	0
Community Resident – Fitz	80%	0	1	2
Q1 Total		53	65	22

SIDE LOTS & VACANT LAND REUSE

The Side Lot program caters exclusively to Detroit homeowners and provides easy access to vacant lots adjacent to occupied homes for \$100. Since 2014, and as of the date of this report, the DLBA has sold 23,290 Side Lots, making it the Land Bank's most popular sales platform. During Q2, the DLBA sold 496 Side Lots, as well as 199 Neighborhood Lots, 11 Accessory Structure/Oversized Lots, and 19 Create-A-Project Lots.

SIDE LOTS SOLD BY COUNCIL DISTRICT FOR Q2

MONTH SOLD	1	2	3	4	5	6	7	GRAND TOTAL
July	11	4	29	12	8	13	7	84
August	6	37	38	33	32	59	35	241
September	5	8	47	20	33	32	26	171
Grand Total	22	49	114	65	73	104	68	496

*(+/-1 variance)

CLOSINGS

The Closing Team is responsible for coordinating all aspects of pre-closing and closing services for all disposition programs within the Detroit Land Bank Authority, including, but not limited to, coordinating with lenders and title companies, conducting the closing, preparation and recording of documents, and authorizing appropriate post-closing disbursements and reconciliation associated with the settlement process.

Q2 closing numbers for October and November were typical in comparison to the recent months, with 148 and 115 respectively. Prior to the December holiday break, there were 73 closings.

TITLE SERVICES

Clear, insurable title is critical for anyone buying property—not just from the DLBA, but in general. Clear title provides confidence to the property owner in their ownership and any investment they make. It is an absolute prerequisite for any lending institution considering a mortgage. In fact, clear title is so important that it is one reason the state legislature created land banks. In the second quarter, the Title Team received 710 new title orders. New title orders include examination of the title commitment for ownership (vesting) and underwriter's requirements to eliminate outstanding interests, including tax and utility status, that may prevent future marketable title.

In total, 1,329 properties were assessed in Q2 FY2024. Of those, 344 (Initial Review) were confirmed to have a marketable title with no delinquent taxes and graded as ready for sale. 425 (Update Reviews) were reviewed to confirm continued clear title with no new interested parties, new recorded/unrecorded liens, or tax bills were assessed against the property, which would prevent moving forward in the sale process. For 361 (In-house title clearance), the Title Team requested tax clearances, BSEED releases, and handled escalations to underwriters to clear title issues. The remaining 199 (Quiet Title required), required court action to eliminate outstanding interests on title which would otherwise prevent the sale of the property.

COMMUNITY PARTNERSHIP & ECONOMIC DEVELOPMENT

The Community Partnership and the Economic Development teams work collaboratively on a wide variety of projects. Developers and Community Partners follow the same process for property acquisition, however, with a recent policy amendment, our Community Partners now receive additional benefits. Applicants looking to acquire property through either track may do so through the application portal process or through the marketing program.

Developer Spotlight

HABITAT FOR HUMANITY DETROIT

Community Partner Habitat for Humanity Detroit purchased a house at 4789 Maryland. Habitat for Humanity completed the rehab in November 2023, just under 1 year after closing. Below are the before and after photos of the transformation.

Before: 4789 Maryland

After: 4789 Maryland



MARKETING PROGRAM

In addition to the DLBA's online sales platforms, the team uses licensed realtors to promote properties through the traditional real estate market. Buyers can find DLBA single-family homes, mixed bundles of structures and vacant land, infill lots, and assemblages for Land Based Projects on the DLBA's website, buildingdetroit.org, as well as the Multiple Listing Service (MLS) and place offers through real estate Brokers.

COMMUNITY PARTNERSHIP PROGRAM

The Community Partnership program continues to encourage faith-based and community organizations to transform the neighborhoods that they serve through projects such as home rehabilitation, deconstruction, new construction, lot beautification, community gardens, and pocket parks. The program guides nonprofits, faith-based organizations, and community development organizations through the process of acquiring property through the DLBA. This program allows organizations to present proposed projects through development plans.

COMMUNITY PARTNER ELIGIBILITY CRITERIA:

- Headquartered in the City of Detroit
- Have a federal 501(c)(3) tax exempt status
- Be current on its property taxes
- No blight violations or fines

COMMUNITY PARTNER BENEFITS:

- 50% discount for direct sales (not to fall below \$250 for lots and \$1,000 for structures)
- 20% discount on the purchase of homes online
- Discounts on Quiet Title Services
- Historic pricing for sales holds

COMMUNITY PARTNERSHIP ENDORSEMENTS

The DLBA also encourages Community Partners to help better their blocks by identifying and endorsing potential homeowners who have the ability renovate a house. The Community Partner must provide, in writing to the DLBA, its process for selecting and endorsing a bidder. It is expected that a bidder endorsed by a community group will be the owner-occupant for at least three years.

For each Auction of a house in its service area, the Community Partner may endorse one bidder it deems to be a good neighbor for the community. The Community Partner's endorsement means the endorsed bidder will get an automatic 20% discount on the final bid price (not to fall below \$1,000 final price).

All winning bidders must comply with the terms of the Auction Purchase Agreement including the deadlines for closing, rehabilitating, and occupying the property. If endorsed bidders fail to meet these deadlines, the DLBA may terminate the Endorsement Partnership. The DLBA is relying on the Community Partners to vet bidders before endorsing them.

OCCUPIED PROGRAMS

The DLBA's Occupied Programs focus on providing pathways for occupants living in DLBA-owned properties, along with returning properties to the tax roll. The DLBA's people-first approach includes the Buy Back Program and Occupied Property Disposition Program.

BUY BACK PROGRAM

The Buy Back Program provides a path forward for occupants of DLBA-owned houses. It allows an eligible occupant of a DLBA-owned property the opportunity to gain ownership of the house in which they live. After qualifying for Buy Back and purchasing the property for \$1,000, the occupant officially enters program monitoring and must display consistent savings until their first tax bill is issued and paid in full in July of next calendar year. Participants also attend regular homeowner and financial workshops with DLBA partner organizations and must pay their first Summer tax bill in full before exiting the program.

The DLBA currently has 90 participants in the Buy Back Program. When they successfully achieve their milestones in the summer of 2024, this will bring the all-time total to over 1,200 homeowners created by this DLBA program.

Q2 BUY BACK CLOSINGS			EXECUTIVE SUMMARY	
MONTH-YEAR	CLOSED	TOTAL	Buy Back Closed (inception to date)	1235
October 2023	8	\$8,000	Buy Back Complete (inception to date)	1101
November 2023	10	\$10,000	Monitor Compliance for immediate exit	0
December 2023	13	\$13,000	Monitor Compliance for July 2023 exit	90
Total	23	\$31,000	Reconveyance Complete (inception to date)	18

OCCUPIED PROPERTY DISPOSITION PROGRAM

For occupied properties that do not qualify for Buy Back, the Occupied Property Disposition Program (OPDP) provides an opportunity for the DLBA to sell occupied property to OPDP Partners. Partners are committed to renovating the houses and working with occupants to help them stay in the house as a homeowner or tenant, or to provide relocation assistance. The policy enacting the Occupied Property Disposition Program was approved by the Detroit Land Bank Board of Directors in December 2021 and transfers through OPDP began in 2022.

Q2 OCCUPIED NON-PROFIT/ OCCUPIED PROPERTY DISPOSITION PROGRAM CLOSINGS		EXECUTIVE SUMMARY	
MONTH-YEAR	CLOSED	ONP/OPDP Closed	230
October 2023	1	ONP/OPDP Compliance Achieved	132
November 2023	1	Reconveyance Complete	14
December 2023	2		
Total	4		

LEGAL

J. GABRIEL GUERRERO
DEPUTY GENERAL COUNSEL

The Legal Department is responsible for the legal affairs of the Detroit Land Bank Authority. The Legal Department provides legal advice and support to the DLBA that facilitates property disposition, remediates nuisances, and addresses illegal activity at properties throughout Detroit, helping the DLBA achieve its goal of restoring blighted and vacant properties to productive use. The Legal Department also represents the DLBA in a variety of legal, regulatory, transactional, and other contexts.

The response to the coronavirus pandemic continued to impact some of the Legal Department’s activities during the second quarter of fiscal year 2024. During the quarter, courts were open on a remote basis for certain civil actions including quiet title, nuisance abatement, and evictions.

QUIET TITLE

The Legal Department files and oversees expedited Quiet Title Actions pursuant to extraordinary legal authority granted to land banks in Michigan under Section 9 of the Land Bank Fast Track Act, MCL 124.759., which allows the DLBA to obtain quiet title more efficiently, quickly, and cost-effectively than private parties or municipalities. The DLBA files quiet title actions on its properties in support of its commitment to sell structures with clear, insurable title. By doing so, the DLBA provides buyers with confidence in their ownership and any investment they make in property purchased from the DLBA. Clear title also fulfills a standard requirement of a lender providing financing secured by a mortgage.

During the second quarter, the Quiet Title Team received judgments clearing title to 653 properties and filed 9 additional lawsuits representing 405 properties.

NUISANCE ABATEMENT ABANDONED PROPERTIES

The DLBA established its Nuisance Abatement Program (NAP) in February 2014, after the Detroit City Council delegated to the DLBA non-exclusive authority to commence Nuisance Abatement litigation on February 18, 2014 (Council Action Number 23). The criteria for being designated as a NAP-eligible property include that the property is vacant, boarded, and appears to be abandoned or neglected.

The NAP team identifies potential properties using several resources, including city-wide surveys as well as input from the City’s Department of Neighborhoods, community groups, and neighbors. Specific locations are then verified by investigators, who place a large notice (poster) on the property.

To achieve proper service of process, the DLBA searches tax, title, and other records for each property to determine current interest holders of record, including owners, mortgage companies, and other lien holders. A NAP civil suit names current owners and other interest holders of record and requests abatement of the nuisance created by the property’s condition. Owners or interest holders in a property who fail to respond to the lawsuit or enter into an agreement with the DLBA to abate the nuisance, may lose their ownership rights to the property at a hearing for default judgment.

During the second quarter, the Legal Department placed nuisance abatement notices on 472 properties identified to be vacant and blighted. The NAP Team also filed nuisance abatement lawsuits against 241 vacant and blighted properties in the second quarter. Court proceedings were conducted in remote format, and 116 judgments transferring title to the DLBA were issued as the new filings work their way through the court process. In addition, the NAP Team entered into 216 agreements with private owners to rehabilitate their properties.

NAP agreements continued to be a successful tool in addressing private blight with 39 properties achieving Compliance in the second quarter, including the following examples.

BEFORE AND AFTER RENOVATED AS A RESULT OF A NAP ABATEMENT AGREEMENT, DISTRICT 1



RENOVATED AS A RESULT OF A NAP ABATEMENT AGREEMENT, DISTRICT 5



DRUG HOUSE UNIT

The Drug House Unit (DHU) is a part of the NAP team and represents a joint effort by the Detroit Police Department (DPD) and the DLBA to help stabilize neighborhoods by addressing the use of properties for drug trafficking. The DHU receives weekly emails from DPD reporting properties where officers found drugs and drug paraphernalia during surveillance and raids. Using this information, the DHU determines next steps based on the ownership of the property. If a property is privately-owned, and more than two raids occur within a 12-month period, the DHU may proceed with a lawsuit. If a property is DLBA-owned, the DLBA's Occupied Property Team determines how to address occupancy at the property based on its internal investigation into the nature of the reported activities.

During the second quarter, DPD reported 18 applicable raids to the DHU. Of these, 15 occurred at privately-owned properties. Only privately owned, single-family residences are eligible for DHU action, so warning letters were sent or are in the process of being sent to these property owners. The remaining 3 raids were conducted at DLBA-owned properties and are under investigation by the Occupied Properties Team. 9 Nuisance Abatement lawsuits were filed for illegal narcotic activity during the second quarter.

OCCUPIED PROPERTIES

There are a variety of reasons why DLBA-owned houses become occupied without authorization. Sometimes, unauthorized occupants are former owners who lost the property to tax foreclosure and never left, others are victims of fraudulent "leases" or "sales", some use a DLBA-owned house for illegal activity, and many others are "squatters" with no connection to a property.

The DLBA receives reports of occupied properties from several sources including neighbors, DLBA employees engaged in sales preparation, and City agencies such as DPD, the Demolition Department, and the Building, Safety Engineering and Environmental Department. Until recently, upon receiving a report of an occupied structure, the Legal Department would open an investigation and move the property toward one of several resolutions. The first step was posting a notice on the property that informs occupants that the house is owned by the DLBA and that anyone living there should contact the DLBA immediately. The ultimate resolutions include the occupants leaving of their own accord, qualified occupants being referred to the DLBA's occupied property sales programs including Buy Back, occupants finding alternative housing with the assistance of the City's Housing and Revitalization Department, or removal through formal court action or DPD intervention.

During the first quarter of fiscal year 2024, this function was largely transferred from the Legal Department to the Planning and Analysis Department. The Legal Department remains available to consult throughout the process and will continue to take the lead when a removal is pursued through formal court proceedings.

Due to the previous closing of courts for civil actions and moratoriums on evictions by various jurisdictions during the pandemic, the DLBA completed minimal removal proceedings during that time. Although these moratoriums have now expired, the DLBA recognizes the public health and safety concerns surrounding removals of occupants during a public health crisis. Accordingly, the DLBA only initiated removals in extremely limited circumstances. During the second quarter, the DLBA initiated no new eviction proceedings nor were any eviction judgments granted.

FREEDOM OF INFORMATION ACT (FOIA) REQUESTS

Under the Michigan Freedom of Information Act (FOIA), MCL 15.231 et seq., all persons, except those who are incarcerated, can submit a FOIA request to the DLBA FOIA Coordinator. During the second quarter, the DLBA received 7 new FOIA requests and completed 5 all within the statutory timeframes. Two of the requests were received at the end of the second quarter and will be answered in the third quarter, in compliance with the notice of extension pursuant to MCL 15.235(2)(d). The DLBA issued another 2 responses during the second quarter pursuant to a request that requires periodic responses over a six-month period. Both were completed within the statutory timeframes.

ADMINISTRATION & SUPPORT

REGINALD SCOTT
CHIEF OPERATING OFFICER

The Administration & Support Departments of the Detroit Land Bank Authority direct the day-to-day operations and centralized resources of the DLBA. Providing Office Management, Information Technology, Data Solutions, and Customer Service support. In addition to internal programming, they also support the vast programs utilized by external stakeholders, the public, and other City entities including the DLBA's Salesforce database and buildingdetroit.org.

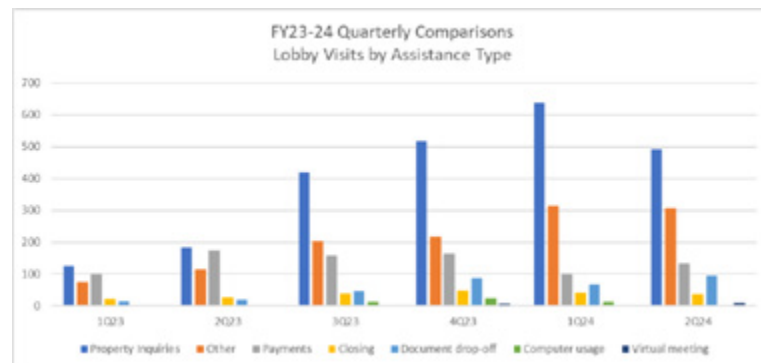
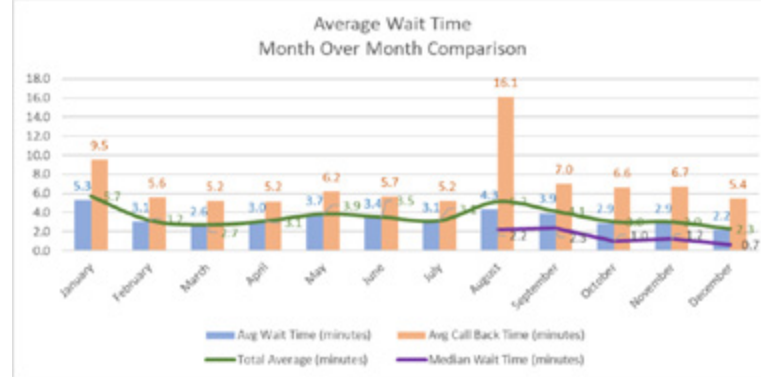
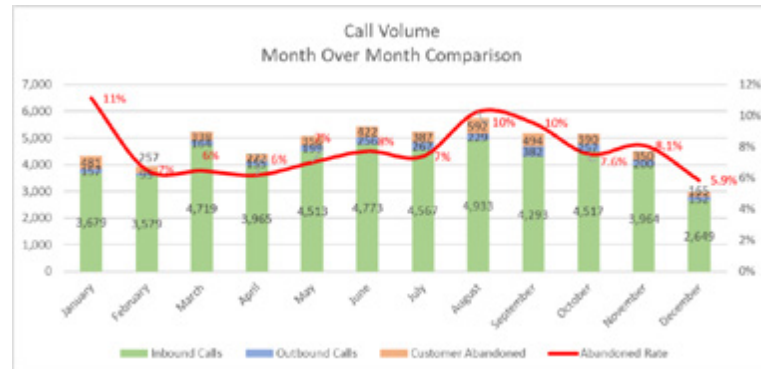
CUSTOMER SERVICE

The Customer Service Team is the Detroit Land Bank Authority's front-line for assisting Detroit residents engaging with the DLBA's variety of programs and property concerns. The team operates a call center and the organization's public lobby. Customer Service is fully staffed and trained to provide constituents with personalized service via phone calls, lobby visits and email inquiries. The operational service metrics below highlight the successes resulting from the team's reorganization and process improvement efforts implemented at the beginning of fiscal year 2023.

OPERATIONAL SERVICE METRICS

PHONE CALLS

Phone calls received in Q2 FY24 decreased 21.2% from Q1 FY24. The calls answered percentage of total inbound calls increased to 92.5% in Q2 FY24 compared to 90.4% in Q1 FY24. December's calls answered percentage is 94.1%, which is the highest since July 2022 when process improvements were implemented. The abandoned rate percentage decreased to 7.5% in Q2 FY24 compared to 9.6% in Q1 FY24. Average call wait time decreased slightly to 2.2 minutes in December compared to November's 2.9 minutes. The graphs to the right illustrate the significant improvements in calls answered over the last 12 months, as well as the shift to answered calls directly with a Customer Service Representative compared to calls via the queue call back and the significant reduction in average wait times to speak to a Customer Service Representative.

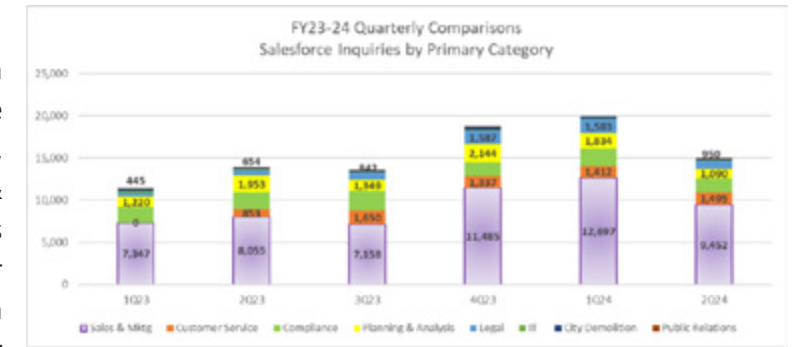


LOBBY VISITS

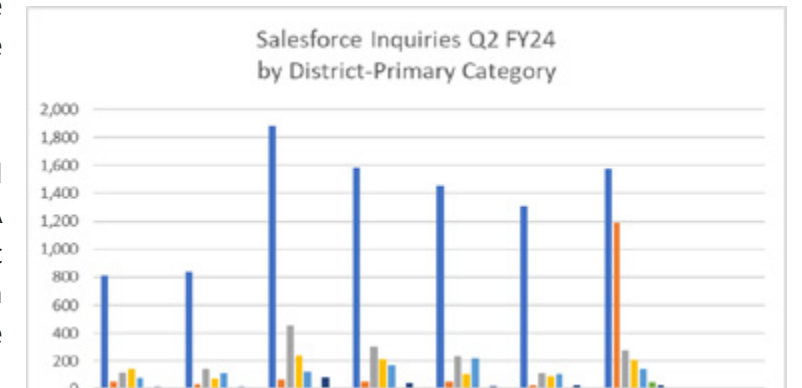
The Customer Service team assisted 1,075 constituents in Q2 FY24. Lobby visits increased 105% compared to Q2 FY23. Lobby visits decreased 8.8% from Q1 FY24 due to five less workdays. Customers were mainly assisted with property inquiries, payments, and other concerns.

SALESFORCE INQUIRIES

The DLBA received 14,947 Salesforce inquiries in the second quarter FY24, compared to 19,962 in the first quarter FY24. Real Estate, Sales & Marketing, Compliance, Customer Service, and Planning & Analysis continued to be the primary categories for inquiries across all districts. The Customer Service team continues to collaborate with program managers, IT, and Public Relations to identify opportunities for reducing inquiries. The graph to the right illustrates the inquiry totals over the past three quarters.



Districts 3,4 and 7 account for 58% of the total inquiries received in the second quarter. The DLBA is collaborating with City Council partners on public outreach programs to provide DLBA program information. The graph to the right illustrates the inquiry totals by district for Q2 FY24.



THE SYSTEM DESIGN TEAM

The Detroit Land Bank Authority's System Design Team takes charge of overseeing the organization's information technology and systems. Their primary responsibilities involve the management and support of the Salesforce database and the website, buildingdetroit.org, which serves as a host for various online sales platforms. Additionally, the team delivers essential day-to-day and strategic IT services to both in-office and remote DLBA employees.

SALESFORCE SUPPORT

Dedicated to continual improvement, the System Design Team actively enhances the quality of services provided to both internal and external partners of DLBA. In the current quarter, their efforts have been directed towards supporting various City Departments as they undergo a Salesforce enhancement. Through training sessions and information-gathering meetings, the team identifies opportunities to enhance services for external Salesforce users.

WEBSITE & DATA SUPPORT

The System Design Team also plays a vital role in supporting the website, buildingdetroit.org, a critical component of DLBA's mission to revitalize Detroit by repurposing abandoned, blighted and vacant properties. In Q2 FY24, the team placed a strong focus on improving functionality and ensuring the site's stability. This comprehensive approach involves implementing security upgrades, refining processes, and updating content.

HUMAN RESOURCES

MICHELE SHELTON
DIRECTOR

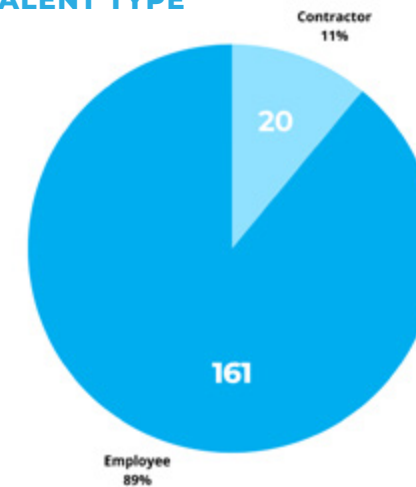
The Human Resources Department (HR) is charged with ensuring Detroit Land Bank Authority employees are adequately managed, appropriately compensated, and effectively trained. HR oversees and administers DLBA recruitment and onboarding, payroll, employee-benefit programs, employee relations, and all employee development, engagement, and communications activities.

The mission of the DLBA Human Resources department is to design and implement people practices that improve the employee experience, the organizational capability, and the stakeholder satisfaction.

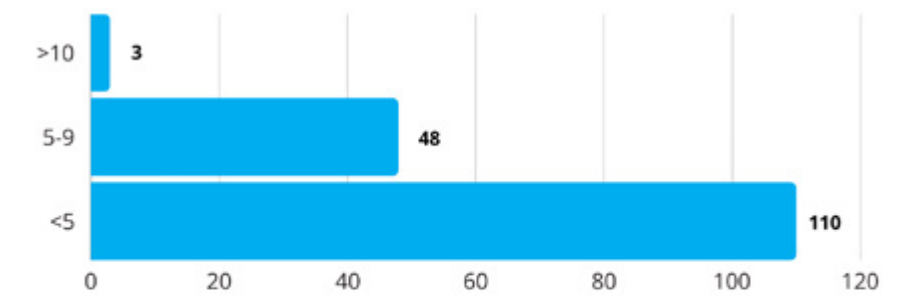
WORKFORCE SNAPSHOT: EMPLOYEE DEMOGRAPHIC ANALYSIS

Based on the diverse generational distribution of DLBA employees, HR intends to consider opportunities for tailoring professional development initiatives to the diverse learning preferences and career aspirations of DLBA staff. HR will continue to assess and adapt communication styles to ensure they resonate with all groups, considering technology preferences, preferred communication channels and the depth of information desired. HR will continue to explore wellness initiatives, like the Mindful Matters workshop planned for January 2024, that address the specific health concerns and priorities of each group.

TALENT TYPE



EMPLOYEE LENGTH OF SERVICE



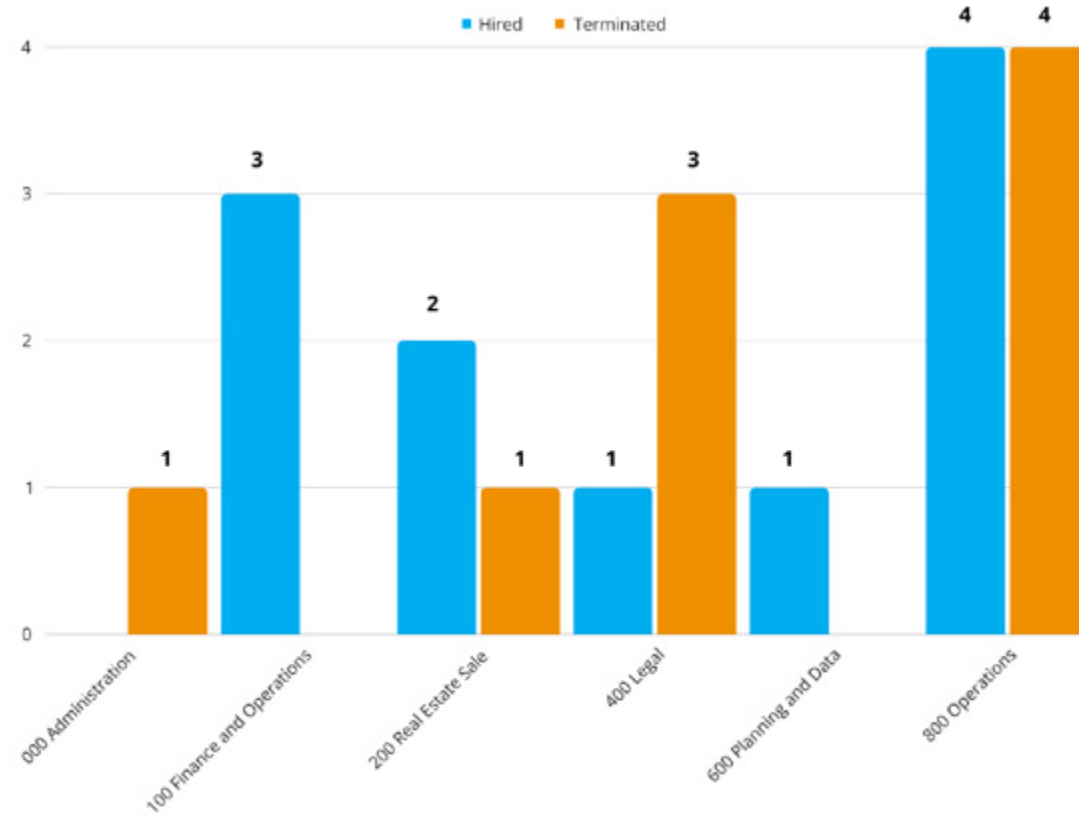
STRATEGIC INITIATIVES

In the second quarter, HR continued to focus on several strategic initiatives including:

Performance Management: HR revamped the performance appraisal system creating separate evaluation forms and evaluation categories for employees and leaders. HR produced job aids and delivered training for all DLBA team members.

Talent Acquisition: HR continues to streamline our onboarding process and provide a seamless experience for both applicants and managers. Sourcing data reveals talent is acquired through employee referrals, job boards, the DLBA website, and word of mouth. This past quarter the recruiting filled 11 vacancies. Current vacancies are listed on the next page.

HIRES VS TERMS



Employee Retention & Turnover: The average turnover was 1.9%. Reasons for separation include new employment, failure to complete probationary period, unsatisfactory work performance, and other.

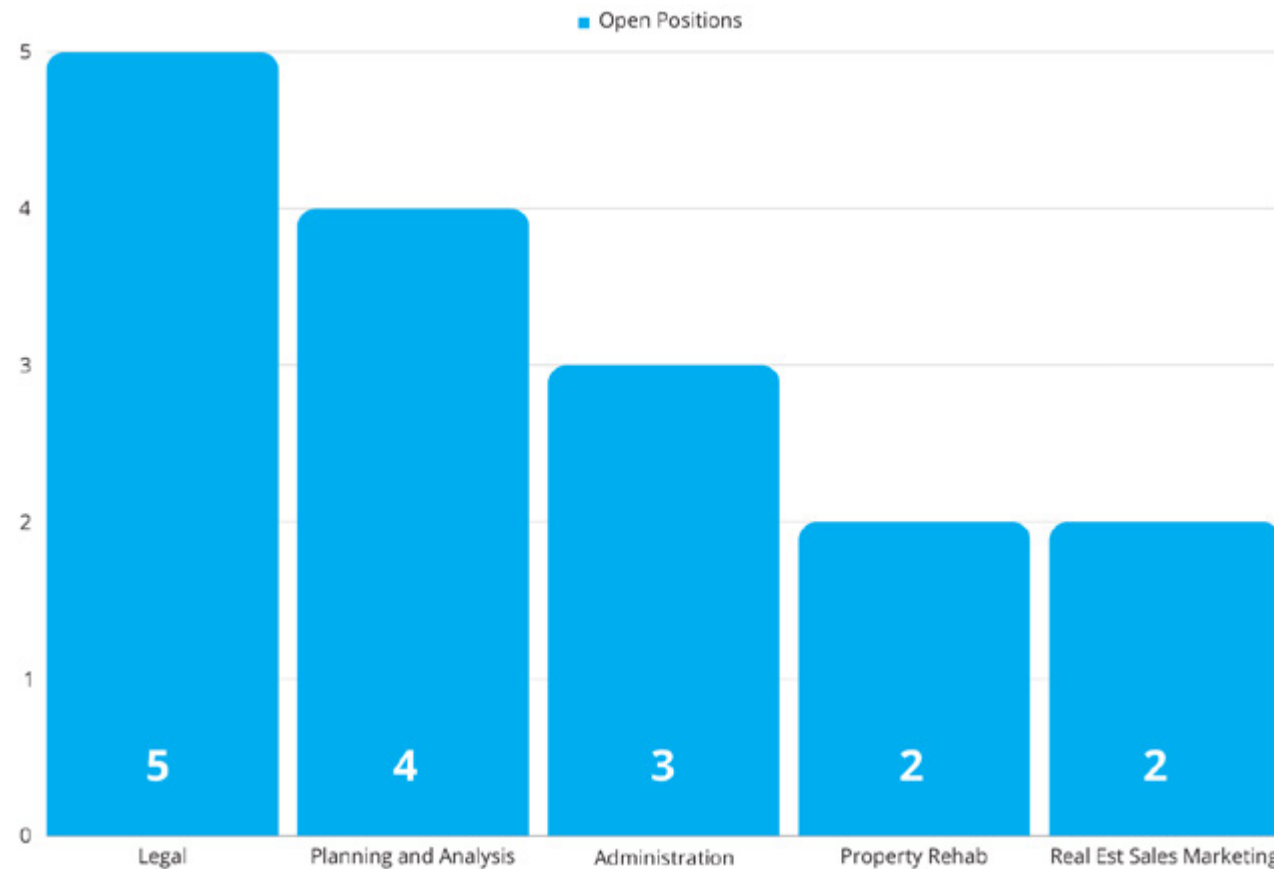
Training & Development: Human Resources continues to support management and employee training and development internally with the use of the Paychex Flex Learning Management System and through the coordination of available training offered by the City of Detroit’s Office of Talent Development and Performance Management. Six (6) executives and nine (9) senior leaders are actively participating in customized training through the end of January 2024.

Employee Recognition & Engagement: Employee recognition was a core focus during the 2nd quarter with targeted recognition being awarded to over 30 employees for a variety of contributions. HR has also been ramping up to spearhead the launch of the second employee engagement survey at the end of January 2024. Areas of opportunity include Communication, Accountability, Quality & Customer Focus, Organizational Effectiveness, and Trust.

Employee Communications: To improve employee communications, we continue to partner with the Communications and Engagement team to maximize the use of our internal communication channels. This quarter Human Resources published HR editions of the DLBA Digest curated with the most relevant and timely information for team members

Each of these initiatives reflects our dedication to creating a workplace that not only attracts top talent but also nurtures their growth, keeps them engaged and aligns their efforts with our organizational objectives. We are committed to maintaining a dynamic HR strategy that evolves with the changing needs of our workforce and the ever-evolving business and community landscape.

FTE VACANCIES AS OF JANUARY 2024



OPERATIONS & FINANCE

REGINALD SCOTT
CHIEF FINANCIAL OFFICER

The Detroit Land Bank Authority Finance Department continues to operate in a transformative manner fully supportive of the DLBA sales programs. The Finance Department also includes Operations which allocates resources to the ever-evolving operational functions that support the internal operations of the organization. Operations includes IT Support and Data Systems, Procurement and Property Maintenance. Overall, Finance & Operations combines fiscal stability while ensuring the operational effectiveness of the organization.

In November 2023, the Detroit Land Bank Authority completed the FY23 annual audit process with the independent auditing firm of George Johnson & Associates PLLC. Subsequently, the Board of Directors accepted the audit report as presented by the auditors without exception.

Overall, FY23 was a positive year for the Detroit Land Bank Authority in which revenue exceeded expenditures. However, revenue is continuing to trend downward due to a reduction in overall sales.

As a result, the DLBA ended the fiscal year with almost 1.9M increase in net position. The DLBA is continually analyzing programs for improvement and expansion in a fiscally prudent manner by allocating resources that continue to address the needs of Detroit residents.

Contained herein is a copy of the Management Letter, Management Discussion & Analysis, Letter of Engagement and Audited Financial Statements.



CPAs | ADVISORS

November 6, 2023

To the Board of Directors
Detroit Land Bank Authority

In planning and performing our audit of the financial statements of the Detroit Land Bank Authority (the "DLBA") as of, and for the year ended, June 30, 2023 in accordance with auditing standards generally accepted in the United States of America, we considered the DLBA's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the DLBA's internal control. Accordingly, we do not express an opinion on the effectiveness of the DLBA'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 DLBA's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given those 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.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the DLBA and is not intended to be, and should not be, used by anyone other than these specified parties.

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EXHIBIT A



INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

November 6, 2023

To the Board of Directors
Detroit Land Bank Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Detroit Land Bank Authority (the “DLBA”) as of, and for the year ended, June 30, 2023, and the related notes to the financial statements, which collectively comprise the DLBA’s basic financial statements, and have issued our report thereon dated November 6, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the DLBA’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the DLBA’s internal control. Accordingly, we do not express an opinion on the effectiveness of the DLBA’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 DLBA’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.

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Board of Directors
Detroit Land Bank Authority
November 6, 2023
Page Two

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS (CONTINUED)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DLBA’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 financial statements. 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 DLBA’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 DLBA’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Detroit, Michigan



INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

November 6, 2023

To the Board of Directors
Detroit Land Bank Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Detroit Land Bank Authority (the “DLBA”) as of, and for the year ended, June 30, 2023, and the related notes to the financial statements, which collectively comprise the DLBA’s basic financial statements, and have issued our report thereon dated November 6, 2023.

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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.

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Board of Directors
Detroit Land Bank Authority
November 6, 2023
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INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS (CONTINUED)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DLBA’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 financial statements. 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 DLBA’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 DLBA’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Detroit, Michigan

DETROIT LAND BANK AUTHORITY
(A Component Unit of the City of Detroit, Michigan)

FINANCIAL STATEMENTS
(With Required Supplementary Information)

June 30, 2023 and 2022



DETROIT LAND BANK AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

November 6, 2023

To the Board of Directors
Detroit Land Bank Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Detroit Land Bank Authority (the "DLBA"), a component unit of the City of Detroit, Michigan, as of, and for the years ended, June 30, 2023 and 2022, as well as the related notes to the financial statements, which collectively comprise the DLBA's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the DLBA as of June 30, 2023 and 2022, and the respective changes in financial position thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS") and *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the DLBA 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 opinions.

Responsibilities of Management for the Financial Statements

The DLBA's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for 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.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management for the Financial Statements (continued)

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 the DLBA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's report that includes our opinions. *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 U.S. GAAS and *Government Auditing Standards* 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 U.S. GAAS and *Government Auditing Standards*:

- We exercise professional judgment and maintain professional skepticism throughout the audit.
- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and we 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.
- We 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 the DLBA's internal control. Accordingly, no such opinion is expressed.
- We evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, and we evaluate the overall presentation of the financial statements.
- We conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the DLBA'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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on the Audit of the Financial Statements (continued)

Required Supplementary Information

U.S. GAAP requires that the management's discussion and analysis on pages 4 through 10 and budgetary comparison on pages 30 through 31 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated November 6, 2023, on our consideration of the DLBA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the DLBA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the DLBA's internal control over financial reporting and compliance.

GSC CPAs & Advisors

Detroit, Michigan

DETROIT LAND BANK AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2023 and 2022

This section of the annual report of the Detroit Land Bank Authority (the "DLBA") presents management's discussion and analysis of the DLBA's financial performance during the fiscal years that ended on June 30, 2023 and 2022. Please read it in conjunction with the DLBA's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The DLBA's purpose is to exercise the powers, duties, functions, and responsibilities of an authority under the Land Bank Act for the benefits of the City of Detroit (the "City") and the State of Michigan. The DLBA endeavors to carry out the powers, duties, functions, and responsibilities of an authority under the Land Bank Act consistent with the inter-governmental agreement including, but not limited to, the power, privilege, and authority to acquire, manage, and dispose of interests in property, and performing all other functions necessary or convenient to implement the purposes, objectives, and provisions of the Land Bank Act and the purposes, objectives, and powers delegated to a City authority under the laws or executive orders.

The DLBA had no demolition activity for the fiscal year ended June 30, 2023. The DLBA no longer participates in demolition activities. The DLBA's inventory of property decreased to 71,942 parcels, compared to 74,341 parcels as of the end of the previous fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report contains two types of financial statements. The statements of net position and statements of activities (which are presented on pages 11 and 12) are considered governmentwide financial statements. The balance sheets and statements of revenue, expenditures, and changes in fund balances for governmental funds (which are presented on pages 13 and 15) are considered fund financial statements. A further discussion of each type of statement follows.

Government-Wide Financial Statements

The government-wide financial statements report information about the DLBA as a whole using accounting methods similar to those used by private-sector companies and non-profit organizations. The statements of net position include all of the DLBA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenue and expenses are accounted for in the statements of activities, regardless of when cash is received or paid.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

June 30, 2023 and 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)Government-Wide Financial Statements (continued)

The two government-wide financial statements report the DLBA's net position and how they have changed. Net position represents the difference between the DLBA's total of assets and deferred outflows of resources and its total of liabilities and deferred inflows of resources, and it represents one way to measure the DLBA's financial health, or position. Over time, increases or decreases in the DLBA's net position are an indicator of whether its financial health is improving or deteriorating.

Fund Financial Statements

The fund financial statements provide more detailed information about the DLBA's funds, not the DLBA as a whole. Funds are accounting devices that the DLBA uses to keep track of specific sources of funding and spending for particular purposes.

Most of the DLBA's activities are included in governmental funds, which focus on how cash, and other financial assets that can be readily converted to cash, flow in and out, and show the balances left at the end of the year that are available for spending. As such, the fund financial statements provide a detailed short-term view that shows whether there are more or fewer financial resources that can be spent in the near future to finance the DLBA's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, additional information is provided on pages 14 and 16 that explains the relationship between the fund financial statements and the government-wide financial statements.

The notes to the financial statements, which begin on page 17, explain some of the information in the financial statements and provide more detailed data. A comparison of the DLBA's general fund revenue and expenditures to its budget is provided on pages 30 and 31.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

June 30, 2023 and 2022

FINANCIAL ANALYSIS OF THE ORGANIZATION AS A WHOLE

Table 1 reflects a condensed summary of the DLBA's assets, liabilities, and net position as of June 30, 2023, 2022, and 2021:

Table 1
Statements of Net Position
June 30, 2023, 2022, and 2021
(in millions of dollars)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Assets:			
Cash	\$ 39.2	\$ 39.1	\$ 34.3
Escrow deposits	2.0	2.0	2.0
Investments	7.1	2.0	-0-
Accounts receivable	5.3	2.8	3.7
Property held for resale	13.7	14.7	16.9
Capital assets	0.1	0.2	0.4
Prepaid expenses	0.1	0.3	0.1
Total Assets	<u>67.5</u>	<u>61.1</u>	<u>57.4</u>
Liabilities:			
Accounts payable and accrued expenses	2.6	1.6	1.5
Deferred revenue	7.0	3.5	4.8
Escrow deposits payable	2.0	2.0	2.0
Advances and loans	2.0	2.0	2.0
Total Liabilities	<u>13.6</u>	<u>9.1</u>	<u>10.3</u>
Net Position:			
Net investment in capital assets	0.1	0.2	0.4
Restricted	3.5	3.5	6.2
Unrestricted	50.3	48.3	40.5
Total Net Position	<u>\$ 53.9</u>	<u>\$ 52.0</u>	<u>\$ 47.1</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

June 30, 2023 and 2022

FINANCIAL ANALYSIS OF THE ORGANIZATION AS A WHOLE (CONTINUED)

Total assets increased to \$67.5 million as of June 30, 2023, from \$61.1 million as of June 30, 2022. This increase was mainly because accounts receivable increased during the current fiscal year. Additionally, the DLBA increased investment activity by \$5.1 million in the current fiscal year.

Total liabilities increased to \$13.6 million as of June 30, 2023, compared to \$9.1 million as of June 30, 2022. This increase was due primarily to a \$3.5 million increase in deferred revenue (grants). In addition, accounts payable increased by \$1.0 million during the year ended June 30, 2023, largely due to an increase in title services and legal expenses.

Table 2 reflects a condensed summary of the DLBA's revenue, expenses, and changes in net position for the years ended June 30, 2023, 2022, and 2021:

Table 2
Statements of Activities
For the Years Ended June 30, 2023, 2022, and 2021
(in millions of dollars)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenue:			
Program revenue	\$ 25.9	\$ 26.8	\$ 30.0
Expenses:			
Land bank program	<u>24.0</u>	<u>21.9</u>	<u>20.0</u>
Change in Net Position	1.9	4.9	10.0
Net Position, Beginning of Year	<u>52.0</u>	<u>47.1</u>	<u>37.1</u>
Net Position, End of Year	<u>\$ 53.9</u>	<u>\$ 52.0</u>	<u>\$ 47.1</u>

For the year ended June 30, 2023, the DLBA's general fund revenue on the modified accrual basis was \$25.9 million, compared to the final budget of \$22.9 million. Total general fund expenses on the modified accrual basis were \$23.8 million, compared to the final budget of \$30.0 million.

Total revenue for the year ended June 30, 2023 on the accrual basis decreased to \$25.9 million from \$26.8 million in the previous year, primarily due to an overall decline in sales revenue.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

June 30, 2023 and 2022

FINANCIAL ANALYSIS OF THE ORGANIZATION AS A WHOLE (CONTINUED)

Total expenses for the year ended June 30, 2023 on the accrual basis increased to \$24.0 million from \$21.9 million in the previous year, primarily due to program expansion and additional staffing.

CAPITAL ASSETS

As of June 30, 2023, the DLBA has \$1,516,083 invested in capital assets, including furniture, computers, software, and other equipment. Accumulated depreciation as of June 30, 2023 was \$1,431,304.

ECONOMIC FACTORS

The DLBA is dedicated to returning Detroit's vacant, abandoned, and foreclosed property to productive use. To meet this mission, there are five main divisions of the DLBA:

- Planning and Analysis division, which is responsible for acquiring property, receiving donated property, evaluating property, and assessing the disposition of property
- Real Estate, Sales, and Marketing division, which is responsible for disposing of property through a variety of structure and vacant land sales programs
- Legal division, which is responsible for clearing title and enforcing compliance with the City's Housing Regulations and representing the DLBA for all legal matters
- Finance and Operations division, which is responsible for financial accounting, office operations, property maintenance, website management and development, and Salesforce database management
- Office of the Chief Executive Officer, which is directly responsible for oversight of human resource management and all other components of the organization

The DLBA is continually maintaining property and disposing of property in conjunction with a development project or other appropriate use. Most transactions that remove a property from the DLBA's inventory generate revenue for the organization. Examples of these transactions include, but are not limited to, property sales, side lot sales, and special purpose projects.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

June 30, 2023 and 2022

ECONOMIC FACTORS (CONTINUED)

The DLBA will continue to execute federal, state, and local grants that have a public land component focused on neighborhood revitalization. During earlier years, the DLBA played a key role in implementing several rounds of the federally funded Neighborhood Stabilization Program in conjunction with the City and the Michigan State Housing Development Authority ("MSHDA"). More recently, the DLBA has substantially completed the MSHDA-administered federal Hardest Hit Fund program and has fully closed out the program.

During the current fiscal year, the DLBA experienced a continual decrease in sales. In spite of these factors, the DLBA will continue to focus on sales, as well as neighborhood revitalization by continuing to build relationships with the philanthropic community, seeking to attract foundation grant support to leverage public funds.

- **Public and Private Partnerships** — The DLBA has formed partnerships with local organizations to implement a program providing newly rehabilitated homes in targeted neighborhoods of Detroit. The DLBA received grants of \$665,000 supported by a loan of \$2 million to rehabilitate the housing and alleviate blight in the surrounding neighborhoods. The DLBA also received a loan loss reserve to fill any shortfalls in sales price versus rehabilitation costs. Property rehabilitation has expanded within a multitude of neighborhoods and is funded by operating revenue and City rehabilitation funding. Independent contractors and organizations will rehabilitate the identified properties.
- Under Michigan law, the DLBA will receive 50 percent of the specific tax generated on all properties that are sold by the DLBA for five years succeeding the transfer of the property to private owners. The specific tax is equal to the ad valorem taxes that would be generated if the property were not exempt from ad valorem taxation. These funds will be received by the DLBA in the same manner and the same time that the City distributes current tax collections to all taxing jurisdictions for which it collects property taxes. The DLBA budget first realized this revenue source in May 2015.
- The DLBA will continue to market its ability to act as a City-wide development tool in areas that are deemed marketable, as well as to increase visibility to support commercial development investments and develop fee-based services, such as title cleansing. The DLBA's long-term strategy is to act as a resource in the City's neighborhood revitalization efforts, aligning its efforts with the City specifically on management of public land, extending relationships with philanthropy, and partnering with community groups to improve Detroit neighborhoods.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

June 30, 2023 and 2022

FINANCIAL CONTACT

This financial report is designed to present its users with a general overview of the DLBA's finances and to demonstrate the DLBA's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Chief Financial Officer's office of the Detroit Land Bank Authority, 500 Griswold, Suite 1200, Detroit, Michigan 48226. Requests can also be made by telephone at (313) 974-6869.

DETROIT LAND BANK AUTHORITY
STATEMENTS OF NET POSITION
June 30, 2023 and 2022

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Assets:		
Cash (Note B):		
Unrestricted	\$ 35,700,368	\$ 35,647,832
Restricted	3,547,841	3,518,631
Total Cash	39,248,209	39,166,463
Escrow deposits (Note B)	2,000,000	2,000,000
Investments (Note B)	7,128,059	1,993,257
Accounts receivable (no allowance considered necessary)	5,266,873	2,785,690
Prepaid expenses	124,878	292,926
Property held for resale (Note A)	13,702,963	14,709,560
Capital assets (Note C):		
Depreciable capital assets, net	84,779	192,433
Total Assets	<u>67,555,761</u>	<u>61,140,329</u>
Liabilities:		
Accounts payable and accrued expenses	2,641,466	1,665,931
Deferred revenue (Note D)	6,997,401	3,512,538
Escrow deposits payable (Note B)	2,000,000	2,000,000
Advances and loans (Note E)	2,000,000	2,000,000
Total Liabilities	<u>13,638,867</u>	<u>9,178,469</u>
Net Position:		
Net investment in capital assets	84,779	192,433
Restricted	3,547,841	3,518,631
Unrestricted	50,284,274	48,250,796
Total Net Position	<u>\$ 53,916,894</u>	<u>\$ 51,961,860</u>

See notes to financial statements.

DETROIT LAND BANK AUTHORITY
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2023 and 2022

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Expenses:		
Land bank program:		
Demolition expenses	\$ 2,752,347	\$ 1,614,508
Salaries and wages	10,480,175	10,071,701
Payroll taxes	821,482	811,764
Employee benefits	2,094,036	1,828,773
Acquisition and maintenance	3,801,408	3,474,549
Board-ups, sales preparation, and debris removal	470,506	473,087
Professional fees	230,422	637,642
Advertising	39,407	16,426
Occupancy	1,453,761	1,245,097
Office expenses	404,219	275,735
Insurance	234,022	258,244
Depreciation (Note C)	134,962	166,185
Other expenses	1,017,660	1,043,581
Total Program Expenses	<u>23,934,407</u>	<u>21,917,292</u>
Program Revenue:		
Land bank program:		
Hardest Hit Fund grant	811,950	1,099,800
Other grants and contracts	13,760,135	13,990,017
Donated properties	275,550	302,000
Structure sales	9,510,268	10,245,676
Side lot sales	2,517,337	3,328,077
Other program revenue	492,911	245,315
Loss on disposition of property held for resale	(1,470,716)	(2,400,371)
Total Program Revenue	<u>25,897,435</u>	<u>26,810,514</u>
Net Program Revenue	1,963,028	4,893,222
General Revenue:		
Loss on disposition of capital assets	(7,994)	-0-
Change in Net Position	1,955,034	4,893,222
Net Position, Beginning of Year	51,961,860	47,068,638
Net Position, End of Year	<u>\$ 53,916,894</u>	<u>\$ 51,961,860</u>

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

BALANCE SHEETS — GOVERNMENTAL FUNDS

June 30, 2023 and 2022

	2023			2022		
	General Fund	Special Revenue Fund	Total All Funds	General Fund	Special Revenue Fund	Total All Funds
ASSETS						
Cash (Note B):						
Unrestricted	\$ 35,444,718	\$ 255,650	\$ 35,700,368	\$ 35,401,928	\$ 245,904	\$ 35,647,832
Restricted	3,547,841		3,547,841	3,518,631		3,518,631
Total Cash	38,992,559	255,650	39,248,209	38,920,559	245,904	39,166,463
Escrow deposits (Note B)	2,000,000		2,000,000	2,000,000		2,000,000
Investments (Note B)	7,128,059		7,128,059	1,993,257		1,993,257
Accounts receivable (no allowance considered necessary)	5,266,873		5,266,873	2,785,690		2,785,690
Prepaid expenditures	124,878		124,878	292,926		292,926
Property held for resale (Note A)	13,702,963		13,702,963	14,709,560		14,709,560
Total Assets	\$ 67,715,337	\$ 255,650	\$ 67,970,987	\$ 60,701,997	\$ 245,904	\$ 60,947,901
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenses	\$ 2,641,466	\$ -0-	\$ 2,641,466	\$ 1,665,931	\$ -0-	\$ 1,665,931
Deferred revenue (Note D)	6,997,401		6,997,401	3,512,538		3,512,538
Escrow deposits payable (Note B)	2,000,000		2,000,000	2,000,000		2,000,000
Advances and loans (Note E)	2,000,000		2,000,000	2,000,000		2,000,000
Total Liabilities	13,638,867	0	13,638,867	9,178,469	0	9,178,469
Fund Balances:						
Nonspendable	13,827,841		13,827,841	15,002,466		15,002,466
Restricted	3,547,841	255,650	3,803,491	3,518,631	245,904	3,764,535
Unassigned	36,200,783		36,200,783	33,002,406		33,002,406
Total Fund Balances	53,576,465	255,650	53,832,115	51,523,523	245,904	51,769,427
Total Liabilities and Fund Balances	\$ 67,215,332	\$ 255,650	\$ 67,470,982	\$ 60,701,992	\$ 245,904	\$ 60,947,896

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEETS TO STATEMENTS OF NET POSITION

June 30, 2023 and 2022

	2023	2022
Total Fund Balances, Governmental Funds	\$ 53,832,115	\$ 51,769,427
Amounts reported for governmental activities in the statements of net position differ from amounts reported in the governmental funds balance sheets due to the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of the following:		
Depreciable capital assets:		
Cost	1,516,083	1,493,745
Less: Accumulated depreciation	(1,431,304)	(1,301,312)
Total Net Position, Governmental Activities	\$ 53,916,894	\$ 51,961,860

See notes to financial statements.

STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS

For the Years Ended June 30, 2023 and 2022

	2023			2022		
	General Fund	Special Revenue Fund	Total All Funds	General Fund	Special Revenue Fund	Total All Funds
Revenue:						
Hardest Hit Fund grant	\$ 811,950	\$ -0-	\$ 811,950	\$ 1,000,800	\$ -0-	\$ 1,000,800
Other grants and contracts	13,750,135	10,000	13,760,135	13,090,017		13,090,017
Donated properties	275,550		275,550	302,000		302,000
Structure sales	9,510,268		9,510,268	10,215,676		10,215,676
Side lot sales	2,517,337		2,517,337	3,328,077		3,328,077
Other revenue	492,717	164	492,881	245,315		245,315
Loss on disposition of property held for resale	(1,470,716)		(1,470,716)	(2,400,371)		(2,400,371)
Total Revenue	25,897,271	10,164	25,897,435	26,810,514	-0-	26,810,514
Expenditures:						
Current:						
Demolition expenses	2,732,347		2,732,347	1,614,308		1,614,308
Salaries and wages	10,480,175		10,480,175	10,071,701		10,071,701
Payroll taxes	821,482		821,482	811,764		811,764
Employee benefits	2,094,036		2,094,036	1,828,773		1,828,773
Acquisition and maintenance	5,801,408		5,801,408	5,474,349		5,474,349
Board-ups, sales preparation, and debris removal	470,306		470,306	473,087		473,087
Professional fees	230,422		230,422	637,642		637,642
Advertising	39,407		39,407	16,426		16,426
Occupancy	1,453,761		1,453,761	1,245,097		1,245,097
Office expenses	404,219		404,219	275,735		275,735
Insurance	234,022		234,022	238,244		238,244
Other expenses	1,017,242	418	1,017,660	1,042,676	905	1,043,581
Capital outlay (Note C)	35,302		35,302			-0-
Total Expenditures	23,834,329	418	23,834,747	21,750,202	905	21,751,107
Change in Fund Balances	2,062,942	9,746	2,062,688	5,060,312	(905)	5,059,407
Fund Balances, Beginning of Year	51,523,523	245,904	51,769,427	46,463,211	246,809	46,710,020
Fund Balances, End of Year	\$ 53,576,465	\$ 255,650	\$ 53,832,115	\$ 51,523,523	\$ 245,904	\$ 51,769,427

See notes to financial statements.

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2023 and 2022

	2023	2022
Change in Fund Balances, Governmental Funds	\$ 2,062,688	\$ 5,059,407
Amounts reported for governmental activities in the statements of activities differ from amounts reported in the governmental funds statements of revenue, expenditures, and changes in fund balances due to the following:		
Capital outlays are reported as expenditures in governmental funds. However, in the statements of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense, and gains and losses on the disposition of capital assets are reported on the statements of activities. During the years presented, these amounts are as follows:		
Capital outlay	35,302	-0-
Depreciation expense	(134,962)	(166,185)
Loss on disposition of capital assets	(7,994)	-0-
Change in Net Position, Governmental Activities	\$ 1,955,034	\$ 4,893,222

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities and Purpose

The Detroit Land Bank Authority (the “DLBA”) was created on February 18, 2009 as a Michigan Public Body Corporate. It was created through an inter-local agreement between the Michigan Land Bank Fast Track Authority and the City of Detroit (the “City”) for the purpose of administering land bank programs and functions in the City.

For financial reporting purposes, the DLBA is a component unit of the City because the majority of the members of the DLBA’s Board of Directors is appointed by the City’s mayor and is confirmed by the Detroit City Council, which approves the DLBA’s budget. There are no fiduciary funds included in the accompanying financial statements.

The DLBA has established the Detroit Land Bank Community Development Corporation (the “DLB CDC”). The DLB CDC is a legally separate, tax-exempt component unit of the DLBA. The DLBA has the power to appoint a majority of the DLB CDC’s directors, and the DLB CDC was created and operates exclusively to support the DLBA. The financial information of the DLB CDC is included as a blended component unit in the accompanying financial statements.

Basis of Presentation

The financial statements of the DLBA consist of government-wide financial statements, which include the statements of net position and statements of activities, and fund financial statements, which include the balance sheets and statements of revenue, expenditures, and changes in fund balances for governmental funds.

Government-Wide Financial Statements

The government-wide financial statements report information about all of the DLBA’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenue, and expenses. Deferred outflows of resources represent the consumption of net assets by the DLBA that is applicable to a future reporting period, while deferred inflows of resources represent the acquisition of net assets by the DLBA that is applicable to a future reporting period, and net position is the residual of all other elements presented in the statements of net position.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Fund Financial Statements

For purposes of the fund financial statements, the accounts of the DLBA are organized on the basis of governmental funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenue, and expenditures. The various funds are summarized by type in the fund financial statements. The following funds, all of which are considered major funds, are used by the DLBA:

General Fund

The general fund is the general operating fund of the DLBA. It is used to account for all financial resources other than those required to be accounted for in another fund.

Special Revenue Fund

The special revenue fund reflects the activities of the DLBA CDC. The primary activity of the DLBA CDC is to raise funds for the DLBA and to provide additional sources of operating income.

The DLBA’s fund balances are classified as follows, based on the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable

These fund balances consist of amounts that are not in a spendable form (such as property held for resale, inventory, or prepaid expenditures) or that are required to be maintained intact.

Restricted

These fund balances consist of amounts that are constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)Basis of Presentation (continued)Fund Financial Statements (continued)Committed

These fund balances consist of amounts that are constrained to specific purposes by the DLBA itself, using its highest level of decision-making authority, which is the Board of Directors. To be reported as committed, such amounts cannot be used for any other purpose unless the Board of Directors takes action to remove or change the constraint. The Board of Directors typically establishes (and modifies or rescinds) fund balance commitments by passage of a resolution, or through adoption and amendment of the budget.

Assigned

These fund balances consist of amounts that the DLBA intends to use for a specific purpose. Such intent can be expressed by the governing body, which is the Board of Directors, or by an official or body to which the Board of Directors delegates the authority, such as the DLBA's duly authorized agents. Assigned fund balances are typically established through adoption or amendment of the budget.

Unassigned

These fund balances consist of amounts that are available for any purpose. Only the general fund has a positive unassigned fund balance.

Basis of AccountingGovernment-Wide Financial Statements

The government-wide financial statements are prepared on the accrual basis of accounting using the economic resources measurement focus. Accordingly, revenue is recorded when earned and expenses are recorded when incurred. Grants and other revenue intended for use in specific projects are classified as program revenue. All other revenue is classified as general revenue.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)Basis of Accounting (continued)Fund Financial Statements

The fund financial statements are prepared on the modified accrual basis of accounting using the flow of current financial resources as a measurement focus. Under the modified accrual basis of accounting, revenue is recorded when susceptible to accrual, which is when it is both measurable and available. "Available" means collectible within the current period or soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when the liability is incurred, if measurable. In applying the susceptible-to-accrual concept to intergovernmental revenue, the legal and contractual requirements of the numerous individual programs are used as guidance. Monies virtually unrestricted as to purpose of expenditure and revocable only for failure to comply with prescribed compliance requirements are reflected as revenue at the time of receipt, or earlier if the susceptible-to-accrual criteria are met.

Expenditures that are incurred for purposes for which both restricted and unrestricted fund balances are available are applied first to available restricted fund balances, then to unrestricted fund balances. Expenditures that are incurred for purposes for which committed, assigned, and unassigned fund balances are available are applied first to available committed fund balances, then to available assigned fund balances, and finally to unassigned fund balances.

Grant Revenue

Grant revenue is recognized when expenses that are reimbursable under an agreement with the funding source are incurred.

Receivables

All receivables are shown as net of an allowance for uncollectible amounts.

Capital Assets

Capital assets are defined by the DLBA as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the related assets, which range from three to seven years.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)Property Held for Resale

Real property inventory consists of properties and their associated costs. Properties are recorded at cost, which includes the purchase price plus all associated costs to get each property ready for sale, and are removed from inventory when title to each property transfers from the DLBA to the purchaser. The DLBA has 71,942 and 74,341 properties in inventory held for resale as of June 30, 2023 and 2022, respectively, with a cost of \$13,702,963 and \$14,709,560 as of June 30, 2023 and 2022, respectively.

Interfund Transactions and Eliminations

Transfers from the DLB CDC to the DLBA to support the DLBA's operations are recorded as interfund transactions in the fund financial statements. All interfund transactions and balances have been eliminated in the accompanying financial statements.

Investments

The DLBA's investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

Units of money market funds and commercial paper are valued at quoted market prices, which represent the net asset value of units held by the DLBA as of the end of the year.

The fair value of U.S. Treasury securities is provided by pricing services that use methods based upon market transactions for comparable securities and various relationships between securities, which are generally recognized by institutional traders.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis.

Fair Value Measurements

The DLBA uses fair value measurements in the preparation of its financial statements, which utilize various inputs, including those that can be readily observable, corroborated, or are generally unobservable. The DLBA utilizes market-based data and valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Additionally, the DLBA applies assumptions that market participants would use in pricing an asset or liability, including assumptions about risk.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)Fair Value Measurements (continued)

The measurement of fair value includes a hierarchy based on the quality of inputs used to measure fair value. Financial assets and liabilities are categorized into this three-level fair value hierarchy based on the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The various levels of the fair value hierarchy are described as follows:

- Level 1 — Financial assets and liabilities whose values are based on unadjusted quoted market prices for identical assets and liabilities in an active market that the DLBA has the ability to access
- Level 2 — Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable for substantially the full term of the asset or liability
- Level 3 — Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement

The use of observable market data, when available, is required in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

Concentration of Credit Risk

During the year ended June 30, 2023, the DLBA utilized one vendor for purchases of \$1,400,000, or approximately 12 percent of total purchases. A balance of \$700,000 was due to this vendor as of June 30, 2023.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE B — CASH AND ESCROW DEPOSITS

Cash Deposits

State of Michigan (the “State”) statutes require that certificates of deposit, savings accounts, deposit accounts, and depository receipts be made with banks doing business, and having a place of business in the State that are also members of a federal or national insurance corporation.

Custodial credit risk is the risk that in the event of a bank failure, the DLBA’s deposits may not be returned to the DLBA. The DLBA does not have a deposit policy for custodial credit risk.

As of June 30, 2023 and 2022, the DLBA’s carrying amounts of deposits and bank balances, and the bank balances that are not covered by federal depository insurance, are as follows:

	2023	2022
Carrying amount of deposits	\$ 39,248,209	\$ 39,166,463
Total bank balances	<u>\$ 39,261,996</u>	<u>\$ 39,180,105</u>
Uninsured and uncollateralized bank balances	<u>\$ 38,261,996</u>	<u>\$ 38,434,201</u>

Investments

The DLBA’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2023 and 2022 is summarized as follows:

	Fair Value Measurements			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
2023				
Assets:				
Investments at fair value:				
U.S. Treasury securities	\$ -0-	\$ 7,123,186	\$ -0-	\$ 7,123,186
Money market funds	4,873			4,873
	<u>\$ 4,873</u>	<u>\$ 7,123,186</u>	<u>\$ -0-</u>	<u>\$ 7,128,059</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE B — CASH, INVESTMENTS, AND ESCROW DEPOSITS (CONTINUED)

Investments (continued)

	Fair Value Measurements			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
2022				
Assets:				
Investments at fair value:				
Commercial paper	\$ 1,969,730	\$ -0-	\$ -0-	\$ 1,969,730
Money market funds	23,527			23,527
	<u>\$ 1,993,257</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,993,257</u>

Credit risk is the risk that the DLBA will not recover its investments due to the inability of the counterparty to fulfill its obligations. State statutes authorize the DLBA to invest in obligations and certain repurchase agreements of the U.S. Treasury and related governmental agencies, commercial paper rated prime at the time of purchase and maturing not more than 270 days from the date of purchase, bankers acceptances and certificates of deposit issued or created by any state or national bank insured with the applicable federal agency, investment pools authorized by the Surplus Funds Investment Act, and mutual funds composed entirely of the above investments. The DLBA has no investment policy that would further limit its investment options.

The DLBA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the DLBA will not be able to recover the value of its investments that are in the possession of an outside party. the DLBA places no limit on the amount it may invest in any one issuer.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE B — CASH, INVESTMENTS, AND ESCROW DEPOSITS (CONTINUED)

Investments (continued)

Individual investments that represent five percent or more of the DLBA's total investments as of June 30, 2023 or as of June 30, 2022, or for which credit risk or interest rate risk disclosures are required, as well as maturities of the DLBA's debt securities as of June 30, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
Investments held by the counterparty's trust department or agent in the DLBA's name:		
U.S. Treasury securities:		
Matures August 1, 2023	\$ 5,056,286	\$ -0-
Matures September 28, 2023	2,066,900	-0-
Commercial paper:		
A-2 rating from Standard & Poor's:		
Credit Suisse, matured December 20, 2022	-0-	985,680
CitiGroup, matured January 3, 2023	-0-	984,050
Money market funds:		
Aaa-mf rating from Moody's:		
Federated Hermes Treasury Obligations Fund, Institutional Shares (weighted average maturity of eight days and ten days for 2023 and 2022, respectively)	4,873	23,527

Escrow Deposits

Escrow deposits are monies which are provided by the City to fulfill the requirements of the DLBA's title company as part of the abatement program. If a Nuisance and Abatement Program issuer receives any filings with the Court of Claims for property sold by the DLBA, those funds held in the escrow account will be used to cover legal expenses associated with enforcing the requirements of the title sale. Any escrow funds not used are required to be remitted back to the City. Therefore, the escrow balance has been recognized as both an asset and a liability in the accompanying financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE B — CASH, INVESTMENTS, AND ESCROW DEPOSITS (CONTINUED)

Escrow Deposits (continued)

As of June 30, 2023 and 2022, the DLBA's carrying amounts of escrow deposits and escrow bank balances, and the escrow bank balances that are not covered by federal depository insurance, are as follows:

	<u>2023</u>	<u>2022</u>
Carrying amount of deposits	\$ 2,000,000	\$ 2,000,000
Total bank balances	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Uninsured and uncollateralized bank balances	<u>\$ 1,750,000</u>	<u>\$ 1,750,000</u>

NOTE C — CAPITAL ASSETS

Depreciable capital asset activity for the years ended June 30, 2023 and 2022 is as follows:

	<u>Furniture and Equipment</u>	<u>Computer and Telephone</u>	<u>Software</u>	<u>Vehicles</u>	<u>Total</u>
Cost:					
Balance, July 1, 2021	\$ 392,581	\$ 542,627	\$ 533,062	\$ 25,475	\$ 1,493,745
Balance, June 30, 2022	392,581	542,627	533,062	25,475	1,493,745
Acquisitions				35,302	35,302
Less: Dispositions				(12,964)	(12,964)
Balance, June 30, 2023	\$ 392,581	\$ 542,627	\$ 533,062	\$ 47,813	\$ 1,516,083
Accumulated Depreciation:					
Balance, July 1, 2021	\$ 226,050	\$ 371,345	\$ 533,062	\$ 4,670	\$ 1,135,127
Depreciation expense	78,516	82,999		4,670	166,185
Balance, June 30, 2022	304,566	454,344	533,062	9,340	1,301,312
Depreciation expense	56,305	70,643		8,014	134,962
Less: Dispositions				(4,970)	(4,970)
Balance, June 30, 2023	\$ 360,871	\$ 524,987	\$ 533,062	\$ 12,384	\$ 1,431,304

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE C — CAPITAL ASSETS (CONTINUED)

	Furniture and Equipment	Computer and Telephone	Software	Vehicles	Total
Net Depreciable Capital Assets:					
Balance, June 30, 2022	\$ 88,015	\$ 88,283	\$ -0-	\$ 16,135	\$ 192,433
Balance, June 30, 2023	\$ 31,710	\$ 17,640	\$ -0-	\$ 35,429	\$ 84,779

NOTE D — DEFERRED REVENUE

The DLBA had \$6,997,401 and \$3,512,538 as of June 30, 2023 and 2022, respectively, available under a number of grant agreements with funds originating from various foundations, corporations, and the City for activities involving the establishment of administrative operations related to the Nuisance Proceedings and Blight Abatement Programs, in addition to planning activities of the DLBA. These balances remained unutilized as of June 30, 2023 and 2022 and are recorded as deferred revenue.

NOTE E — ADVANCES AND LOANS

The DLBA has obtained a \$2,000,000 loan from an outside party to support blight operations. The loan maturity has been extended to October 31, 2026, with the option for the DLBA to make quarterly repayments, beginning January 31, 2022. A maximum of eight quarterly payments is permitted, and each payment must at least equal the proceeds received by the DLBA from homes sold during the previous three calendar months. Payments on this loan will be made primarily from the general fund.

Activity related to advances and loans for the year ended June 30, 2023 is as follows:

Balance, July 1, 2021	\$ 2,000,000
Balance, June 30, 2022	2,000,000
Balance, June 30, 2023	\$ 2,000,000

NOTE F — RISK MANAGEMENT

The DLBA has insurance policies covering its directors and officers. It also has general liability insurance and property insurance covering its various assets. Due to the extent of insurance that the DLBA maintains, the risk of loss to the DLBA, in management's opinion, is minimal.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE G — STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and State law for the general fund. All annual appropriations lapse at the end of the fiscal year.

Under the State's Uniform Budgeting and Accounting Act, actual expenditures for any budgeted expenditure category are not to exceed the amounts budgeted for that category. The Uniform Budgeting and Accounting Act permits governmental entities to amend their budgets during the year, and requires amended budgets to be approved by the governing body prior to expending funds in excess of the amount budgeted for that category.

During the year ended June 30, 2023, the DLBA amended the operating budget to align projected revenue and actual expenditures. Furthermore, the budget amendment was also completed to analyze actual maintenance costs. As a result, the maintenance expenses were extrapolated from one expense account to multiple expense accounts for the purpose of analyzing the costs related to specific services in comparison to aggregate costs.

During the year ended June 30, 2023, the DLBA did not incur expenditures in excess of the amounts budgeted for any category.

DETROIT LAND BANK AUTHORITY

SCHEDULES OF REVENUE AND EXPENDITURES — BUDGET AND ACTUAL — GENERAL FUND (UNAUDITED)

For the Years Ended June 30, 2023 and 2022

	2023				2022			
	Original Budget	Final Budget	Actual	Positive (Negative) Variance with Final Budget	Original Budget	Final Budget	Actual	Positive (Negative) Variance with Final Budget
Revenue:								
Market Fit Fund grant	\$ 811,950	\$ 800,000	\$ 811,950	\$ 11,950	\$ 1,008,300	\$ 1,000,000	\$ 1,000,800	\$ 99,800
Other grants and contracts	10,500,000	10,535,000	13,750,135	3,215,135	11,160,000	11,200,000	13,990,017	2,790,017
Donated properties		250,000	275,550	25,550		300,000	300,000	2,000
Structural sales	9,972,000	8,465,000	9,510,368	1,045,368	9,207,600	8,600,000	10,245,676	1,645,676
Sale for sales	1,745,000	2,250,000	2,517,337	267,337	475,000	2,250,000	3,328,077	1,078,077
Other revenues	335,000	406,500	402,747	(3,753)	340,500	340,370	343,315	(104,015)
Loss on disposition of property held for resale		115,000	(1,470,716)	(1,585,716)		(250,000)	(2,400,371)	(2,150,371)
Total Revenue	23,313,950	22,911,500	25,887,271	2,975,771	22,190,420	23,449,370	26,810,514	3,361,144
Expenditures:								
Current:								
Demolition expenses		3,000,000	2,752,347	247,653		1,775,000	1,614,508	160,492
Salaries and wages	10,866,880	12,500,000	10,480,175	2,019,825	11,265,845	11,150,000	10,071,701	1,078,299
Payroll taxes	869,350	1,500,000	821,482	678,518	901,268	950,000	811,764	138,236
Employee benefits	1,901,704	2,500,000	2,094,036	405,964	1,967,281	1,900,000	1,828,773	71,227
Acquisition and maintenance	5,374,094	5,090,100	3,801,408	1,288,692	5,032,526	5,333,500	3,474,549	1,858,951
Board-ups, sales preparation, and debris removal	425,000	850,000	470,506	379,494			473,087	(473,087)
Professional fees	349,772	600,000	230,422	369,578	255,000	825,000	637,642	187,358
Advertising	55,000	55,000	39,407	15,593	55,000	50,000	16,426	33,574
Occupancy	1,632,000	1,675,000	1,453,761	221,239	1,152,000	1,045,000	1,245,097	(200,097)
Office expenses	435,500	552,000	404,219	147,781	435,500	421,500	275,735	145,765
Insurance	146,250	375,000	234,022	140,978	105,000	375,000	258,244	116,756
Other expenses	1,058,400	1,306,500	1,017,242	289,258	1,021,000	1,332,500	1,042,676	289,824
Capital outlay			35,302	(35,302)				-0-
Total Expenditures	23,313,950	30,003,600	23,834,329	6,169,271	22,190,420	25,157,500	21,750,202	3,407,298
Change in Fund Balance	\$ -0-	\$ (7,092,100)	\$ 2,052,942	\$ 9,145,042	\$ -0-	\$ (1,708,130)	\$ 5,060,312	\$ 6,768,442

See note to schedules of revenue and expenditures — budget and actual (general fund).

REQUIRED SUPPLEMENTARY INFORMATION

**NOTE TO SCHEDULES OF REVENUE AND EXPENDITURES —
BUDGET AND ACTUAL — GENERAL FUND (UNAUDITED)**

For the Years Ended June 30, 2023 and 2022

NOTE A — BUDGETS AND BUDGETARY ACCOUNTING

The Detroit Land Bank Authority (the “DLBA”) establishes a budget that is reflected in the financial statements for the general fund. The budget is presented on the modified accrual basis of accounting.

Budgeted amounts are as presented and approved by the DLBA’s Board of Directors. Appropriations are authorized by the DLBA’s management. Unexpended appropriations lapse at the end of the fiscal year.



CPAs | ADVISORS

November 6, 2023

To the Board of Directors
Detroit Land Bank Authority

We have audited the financial statements of the governmental activities and each major fund of the Detroit Land Bank Authority (the “DLBA”) as of, and for the year ended, June 30, 2023, and have issued our report thereon dated November 6, 2023. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States and Government Auditing Standards

As stated in our communications to the Board of Directors dated August 4, 2023, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the DLBA’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control over financial reporting.

As part of obtaining reasonable assurance about whether the DLBA’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to management in our audit plan summary on July 11, 2023.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the DLBA are described in Note A to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed, during the year. We noted no transactions entered into by the DLBA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no estimates that we considered to be significantly sensitive that affect the DLBA's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no disclosures that we considered to be significantly sensitive that affect the DLBA's financial statements.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Corrected and Uncorrected Misstatements (continued)

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a *disagreement with management* is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the attached management representation letter dated November 6, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the DLBA's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the DLBA's auditor. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

Supplementary Information

We applied certain limited procedures to management's discussion and analysis and the general fund schedule of revenue and expenditures (budget and actual), which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Board of Directors
Detroit Land Bank Authority
November 6, 2023
Page Four

This information is intended solely for the use of the Board of Directors and management of the DLBA and is not intended to be, and should not be, used by anyone other than these specified parties.

GJC CPAs & Advisors

Detroit, Michigan

DETROIT LAND BANK AUTHORITY
SUMMARY OF PASSED ADJUSTMENTS

June 30, 2023

<u>Financial Statement Description</u>	<u>Debit</u>	<u>Credit</u>
Professional fees	101,953	
Accounts payable and accrued expenses		101,953

To accrue unrecorded legal fees for services rendered prior to June 30, 2023.



To: GJC CPA's & Advisors
From: Tammy Daniels, CEO & Reginald Scott II, CFO/COO
cc:
Date: November 6, 2023
Re: Acknowledgement of Client Representation Letter for FY23 Annual Audit

Per your request, we have reviewed and signed off on the client representation letter.


DETROIT LAND BANK AUTHORITY
Tammy Daniels
CEO
500 Griswold Street, Suite 1200
Detroit, MI 48226
313.974.6869
rscott@detroitlandbank.org


DETROIT LAND BANK AUTHORITY
Reginald Scott II
CFO/COO
500 Griswold Street, Suite 1200
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313.974.6869
rscott@detroitlandbank.org

DETROIT LAND BANK AUTHORITY | 500 Griswold, STE #1200 | DETROIT, MI 48226
OFFICE: 313.974-6869

November 06, 2023

GJC CPA's & Advisors
535 Griswold Street, Suite 1200
Detroit, Michigan 48226-3689

This representation letter is provided in connection with your audits of the financial statements of the Detroit Land Bank Authority ("DLBA"), which comprise the respective financial position of the governmental activities and each major fund, as of June 30, 2023 and 2022, and the respective changes in financial position for the years then ended, as well as the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 06, 2023, the following representations made to you during your audits:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 31, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the organization required by U.S. GAAP to be included in the financial reporting entity.
- We acknowledge our responsibility for 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- Related-party relationships and transactions, including revenue, expenditures and expenses, loans, transfers, leasing arrangements, guarantees, and amounts receivable from, or payable to, related parties, have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- The effect of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U. S. GAAP.
- Guarantees, whether written or oral, under which the organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
- As part of your audits, you assisted with the preparation of the financial statements and disclosures and prepared the Return of Organization Exempt from Income Tax (Form 990) for the Detroit Land Bank Community Development Corporation. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities, oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience, evaluate the adequacy and results of the services performed, and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.


Information Provided


- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the organization from whom you determined it necessary to obtain audit evidence.
 - Minutes of the meetings of the Board of Directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the organization and involves:
 - Management
 - Employees who have significant roles in internal control
 - Others where the fraud could have a material effect on the financial statements
- We have no knowledge of any allegations of fraud or suspected fraud affecting the organization's financial statements communicated by employees, former employees, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws, regulations, contracts, or grant agreements whose effects should be considered when preparing the financial statements.
- We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- We have disclosed to you the names of all of the organization's related parties and all of the related-party relationships and transactions, including any side agreements.
- The organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral.
- There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- The organization has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, or net position.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, as well as legal and contractual provisions for reporting specific activities in separate funds.
- We have identified and disclosed to you all instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, as well as any other instances that warrant the attention of those charged with governance.

- We have identified and disclosed to you all instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have identified and disclosed to you all instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- The organization has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended, and GASB Statement No. 84.
- All funds that meet the quantitative criteria in GASB Statements No. 34 and No. 37 for presentation as major are identified and presented as such, and all other funds that are presented as major are particularly important to financial statement users.
- Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions and programs in the statements of activities, and allocations have been made on a reasonable basis.
- Revenue is appropriately classified in the statements of activities within program revenue, general revenue, contributions to term or permanent endowments, or contributions to permanent fund principal.
- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- We have appropriately disclosed the organization's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- We acknowledge our responsibility for the required supplementary information ("RSI"). The RSI is measured and presented within prescribed guidelines, and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- We acknowledge our responsibility for presenting the required supplementary information ("RSI") in accordance with U.S. GAAP, and we believe the RSI, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the RSI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the RSI.

Signed: 
Title: CFO/COO

Signed: 
Title: CEO, Detroit Land Bank Authority

DETROIT LAND BANK AUTHORITY

SUMMARY OF PASSED ADJUSTMENTS

JUNE 30, 2023

Summary of Passed Adjustments

<u>Financial Statement Description</u>	<u>Debit</u>	<u>Credit</u>
Legal fee expense	101,953	
Accounts Payable		101,953

To accrue for legal fee expense incurred as of 6/30/23