

2025

SECOND QUARTER REPORT



**DETROIT LAND BANK
AUTHORITY**
BuildingDetroit.org

A Continued Partnership Focused on
Visibility & Accessibility to the Community



Our Mission

The Detroit Land Bank Authority's mission is to return the city's blighted and vacant properties to productive use.

Utilizing a variety of sales programs, the DLBA makes homeownership and land purchases accessible to Detroiters. Our commitment to revitalizing the city extends beyond sales, requiring renovation and occupancy to enhance neighborhoods and deter real estate speculation.

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January 23, 2025

a word from the

CHIEF EXECUTIVE OFFICER

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 2025, 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.

In the second quarter, we closed out 2024 on a strong note, achieving several key milestones:

- Progressing the pilot program with MSHDA, listing the DLBA's first modular home for sale.
- Reached 20,000 DLBA structures sold.
- Maintained momentum with our communications and engagement team, connecting and engaging with community members through over 40 events.
- Kicked off Phase 3 of our customer service operational improvement process, further enhancing the service we provide to our patrons.

Additionally, we continue to see an increase in vacant lot listings, which present valuable opportunities for community purchase and development.

As we anticipate a continued decrease in inventory with more properties being sold, we remain committed to evolving our strategy and working closely with community members to create lasting, positive change across Detroit's neighborhoods, one vacant property at a time.

We look forward to our continued collaboration with City Council to achieve our shared goals.

Sincerely,



TAMMY DANIELS

Chief Executive Officer
Detroit Land Bank Authority

DLBA *fast*
FACTS

<p>129 Auction Closings</p>	<p>202 Own-it-Now Closings</p>	<p>21,774 All Sales Across Programs</p>
<p>286 Side Lots Sold</p>	<p>256 Neighborhood Lots Sold</p>	<p>28,801 Total Vacant Lots Sold to Date</p>
<p>6 Community Partner Lots & Structures Sold</p>	<p>35 Project Lots & Structures Sold</p>	<p>1,321 Buy Back Closings to Date</p>
<p>5,454 Currently Monitored Properties</p>	<p>9,996 Sales Achieved Compliance to Date <i>(Auction, Own-it-Now, Community Partners)</i></p>	<p>2,086 NAP Achieved Compliance to Date</p>

Inventory *Total properties: 66,177*

Structures: 5,174

Residential: 4,612

- Sales/Salvage – Sale Pending: 453

- Sales/Salvage – Unsold: 2,077

- Demolition: 1,148

Occupied: 908

Non-Residential: 60

Accessory: 502

Vacant Land: 59,617

Side Lots for Sale: 3,693

Neighborhood Lots for Sale: 24,055

Community Engagement

Community Meetings Hosted & Attended: 48

Customer Calls Answered: 11,239

Customer Lobby Visits: 1,139

Contact

Main Office: (313) 974-6869

Questions: inquire@buildingdetroit.org

Website: www.buildingdetroit.org

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Threads: @BuildingDet

PROPERTY REHAB

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.

UPDATES:



Beniteau Project Update

Two Properties at 90% Completion

Two Properties with Stabilization Activities Completed
(Construction to begin in Spring 2025)

Modular Highlights

The Modular property is currently under contract and progressing through the closing process.



Total Closings Since Inception: 109

COMPLIANCE

The Compliance Team ensures that property owners adhere to agreements they've entered into either by purchasing a property from the DLBA ("Sales Compliance") or if their property was involved in a Nuisance Abatement Program action ("NAP Compliance"). In both instances, property owners commit to rehabilitating their property within a specified time frame and are required to provide regular updates demonstrating their progress. Should a property owner encounter challenges in meeting compliance within the initial time frame but can demonstrate satisfactory "proof of progress," the Compliance Team will assess the situation to decide if an extension is justified.



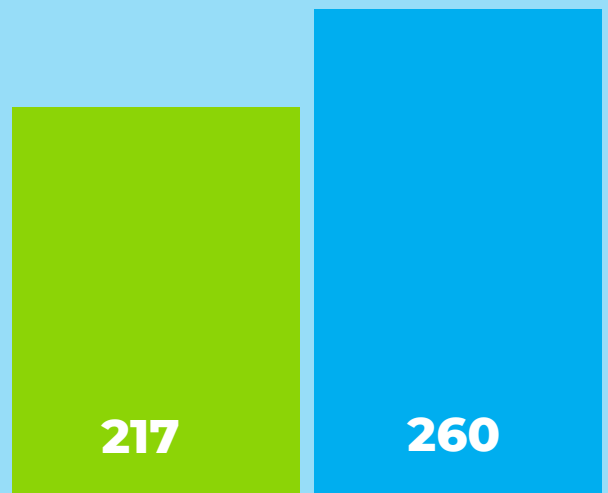
Before and After, Auction Property on Vancouver (District 6)

SALES COMPLIANCE

The reporting period for Sales Compliance begins on the date of closing, when the property owner (PO) acquires title to the property and gains possession. During closing, the PO signs a Reconveyance Deed that the DLBA may record if the PO fails to fulfill the rehabilitation requirements and meet the obligations specified in the Purchase Agreement. Achieving Sales Compliance entails meeting a set of five objective criteria:

- Buildings, Safety, Engineering, and Environmental Department (BSEED) Inspection (if required)
- Active Utility Usage
- Functioning Bathroom and Kitchen
- Installed Furnace and Water Heater
- Entire property, Yard and Exterior maintained - no boards, no blight

Q2 SALES COMPLIANCE



Incoming Cases

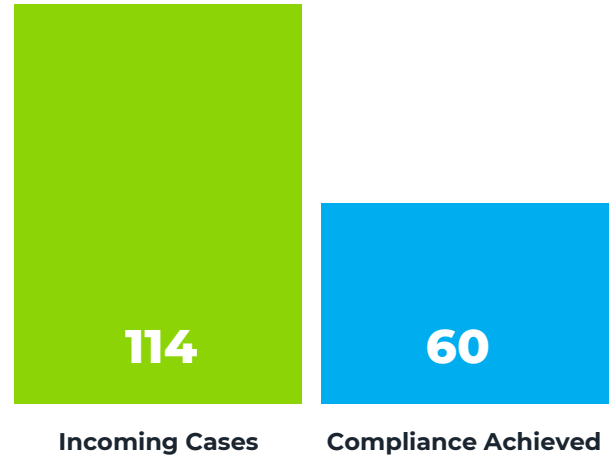
Compliance Achieved

Q2 NAP COMPLIANCE

NUISANCE ABATEMENT PROGRAM (NAP)

The NAP Compliance program works with property owners who have entered into an agreement to avoid or stop litigation concerning properties identified as vacant, blighted, and a nuisance. These agreements outline the responsibilities for rehabilitating or demolishing, or selling it to a buyer who will.

Failure to provide "proof of progress" on the designated property prompts the Compliance Team to refer the case to DLBA attorneys for legal action. Owners must demonstrate that the property no longer poses a nuisance to residents or the neighborhood, as evidenced by occupancy and exterior upkeep, i.e., eliminating boarded-up windows and blight. Upon achieving NAP Compliance, the DLBA lifts its lis pendens and dismisses the lawsuit.



COMPLIANCE CASES FAILED

	2015 - 2018	2019	2020	2021	2022	2023	2024	TOTAL	ALL TIME COMPLIANCE FAIL RATE	2024 COMPLIANCE FAIL RATE
Reconveyed	302	86	9	104	361	947	469	2,277	14% of total sales cases "All Time"	7% of total cases being monitored

*As of Dec. 03, 2024 (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			
	<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 Achieved Compliance	9,282				52				688			
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	586	849	7,601	0	0	0	43	25	64	52	547
Escrow Expired	0	0	0	12	0	0	0	0	0	0	0	3
Occupied	205	525	788	7,240	0	0	0	0	21	62	49	517
Listed for sale or rent	31	500	54	300	0	0	0	51	4	2	3	27
Demolished	10	11	7	48	0	0	0	1	0	0	0	0
Other	0	0	0	1	0	0	0	0	0	0	0	0

DLBA IN THE COMMUNITY

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 resident's 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.

NOV NOV	<i>The Baltimore Banner</i>	A land bank helped with Detroit's vacants, but Baltimore leaders are unconvinced,
	CNBC	I bought 2 abandoned homes in Detroit for \$3,300 and spent over \$100,000 renovating them - take a look inside



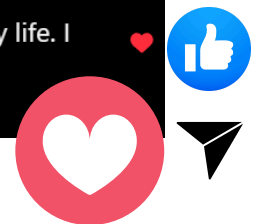
@22
media
mentions
in Q2

mr.brucesherman Love to see it! Appreciate the staff for helping the community thrive! 🎉 🙌 🤝 🙏 🎁

2w 1 like Reply

loveismin3 One of the best decisions I ever made in my life. I still be in disbelief that I own OWN MY home now.

2w 1 like Reply

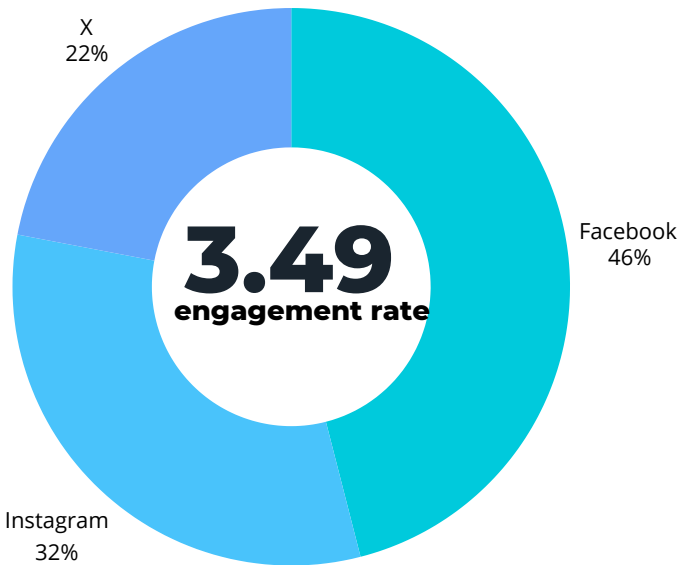


DIGITAL CONTENT SPECIALIST

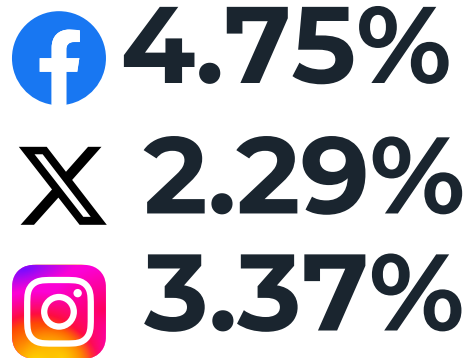
The Digital Content Specialist (DCS) is responsible for the voice of the DLBA and is focused on creating informative content, telling constituent stories and designing compelling content. The DCS maintains the DLBA's social media channels, creates and maintains brand standards, and designs and updates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

Q2 SOCIAL MEDIA FOLLOWERS				
MONTH	FACEBOOK	INSTAGRAM	THREADS	LINKEDIN
October	28,255	12,918	2,404	4,138
November	28,278	13,122	2,471	4,162
December	28,409	13,541	2,485	4,192

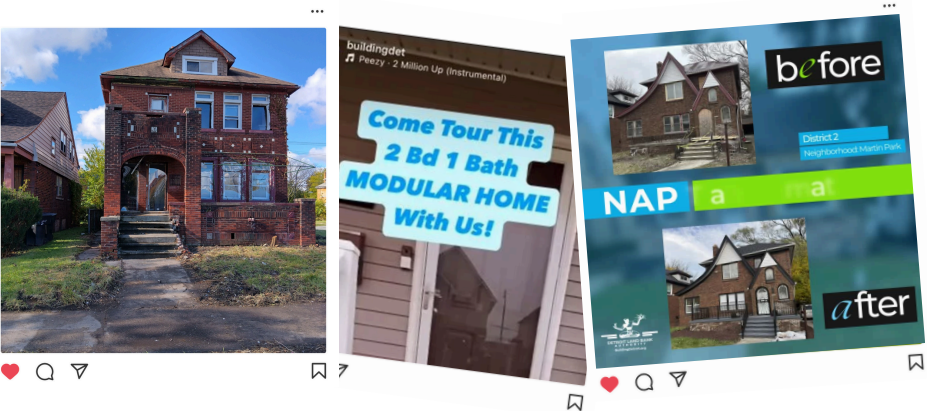
AVERAGE POST ENGAGEMENT RATE



AVERAGE POST ENGAGEMENT RATE (BY SOCIAL NETWORK)



44,664
followers across all accounts



increased
followers by
890 in Q2

CITY COUNCIL AND GOVERNMENT LIAISON

The City Council and Government Liaison (CGL) serves as a dedicated resource to foster relationships with City Council, the Ombudsman's Office, the Department of Neighborhoods, and other government agencies. The CGL identifies opportunities to provide proactive updates to each district, and also 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 CITY COUNCIL & GOVERNMENT INQUIRIES			
MONTH	CITY PARTNERS (CITY COUNCIL, DONS, OMBUDSMAN)	INTERNAL ANALYSIS	COMMUNITY ENGAGEMENT
October	77	21	17
November	62	N/A	16
December	15	N/A	7
Total	154	21	40

COMMUNITY INITIATIVES

The Community Initiatives Program Manager (CIP) supports the Communications & Engagement Team with coordinating community engagement events, meetings, and providing presentations on behalf of the DLBA. The CIP develops communication strategies to improve residential awareness of DLBA programs and increase transparency of departmental and organizational activities. To achieve this, the CIP fosters relationships with City and community partners to ensure open lines of communication between agencies. Through these relationships, the CIP identifies areas of need and improvement for programs and pilots.

Q2 COMMUNITY ENGAGEMENT						
MONTH	DONS	CITY COUNCIL	CITY INITIATIVES	COMMUNITY PARTNERS & BLOCK CLUBS	DLBA HOSTED	TOTAL
October	4	2	5	10	4	25
November	4	3	2	5	0	14
December	3	1	3	1	1	9
Total	11	6	10	16	5	48

PLANNING & ANALYSIS

The Detroit Land Bank Authority's (DLBA) 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.

BACK TO THE DISTRICT

In December, the DLBA hosted a "Back to the District" event that brought together residents from Districts 2 and 3. Held at Second Ebenezer Church, the event saw over 150 neighbors in attendance. These "Back to the District" events aim to inform residents about available Side Lots, Neighborhood Lots, and various DLBA programs, including Community Partner, Create-a-Project, Auction, Own-it-Now, Rehabbed and Ready, and NAP. DLBA staff are in the process of planning the next Back to the District event for the next quarter



SIDE LOT & NEIGHBORHOOD LOTS

In Q2, staff listed 3,113 vacant lots through various vacant land programs, including 2,225 side lot listings across all districts. Staff are planning a bulk listing of new Side Lots and Neighborhood Lots in early Q3 to make more lots available for purchase.

Q2 VACANT LOT LISTINGS BY DISTRICT

DISTRICT	NEIGHBORHOOD LOTS	SIDE LOTS
1	51	139
2	61	143
3	129	608
4	212	502
5	132	263
6	150	245
7	117	325
Total	852	2,225

CREATE-A-PROJECT (CAP)

In Q2, the DLBA received 39 Create-a-Project applications bringing the total program applications to 518. Of the 518 applications, 162 have been approved as purchasers and moved forward to lot selection. Staff ordered title work on a total of 43 properties during Q2.

IMPROVED LOTS

The DLBA has identified over 7,300 improved lots citywide. Since the launch of the Improved Lot Policy earlier this year, staff have been diligently working on creating an internal procedure to process improved lots. This quarter, staff listed 29 Improved Lots

IMPROVED LOTS IDENTIFIED BY DISTRICT

DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	DISTRICT 7	TOTAL
883	622	1820	998	913	1,032	1,102	7,370

STRUCTURE INSPECTIONS

This quarter, staff ordered 919 structure inspections. This represents a notable increase in inspections over Q1 due to the number of properties entering inventory from increase in inspections compared to Q1 is due to the recent property transfers from Wayne County and the nuisance abatement program.

Many of these inspections are in progress or under review. Once inspections are received and reviewed, properties that are confirmed vacant and salvageable will be dispatched to the Demolition Department for stabilization while they undergo the title process. Of the inspections that have been reviewed, 558 properties have been confirmed vacant and salvageable and moved towards sale or stabilization depending on current title status, 120 properties are in the demo pipeline and 16 are occupied.

To complement the stabilization efforts of the City of Detroit Construction & Demolition Department, staff have begun ordering pre-sale preservation services on select structures identified for the Auction program. These preservation services include interior & exterior debris removal, lawn maintenance and other additional services such as roof tarps, basement pump-outs, graffiti abatement and securement, as needed. This quarter, the DLBA completed sale preservation services on 29 structures utilizing staff or vendors. This work resulted in the removal of 2,143 cubic yards of debris, securement of 25 windows and 8 doors, the installation of 19 padlocks and 25 lawns cut.

INSPECTION TYPE # OF PROPERTIES
RECURRING INVENTORY INSPECTIONS 410
NUISANCE ABATEMENT INSPECTIONS 203
RECONVEYANCE INSPECTIONS 153
WAYNE COUNTY TRANSFERS 140
ONE OFF & EMERGENCY INSPECTIONS 13
TOTAL 919

STRUCTURE SALES POLICY

This quarter, staff began working to implement a pair of updates to the structure sales policy. The first amendment was to the Demolition Candidates sales policy. The DLBA Board of Directors recently approved a revision to the policy creating two tiers of eligibility requirements for purchasers of structures with significant structural defects. The policy offers more robust eligibility requirements to ensure potential buyers are prepared to achieve compliance on the land bank's more challenging structures. Staff are currently working with colleagues in the Operations Department's Information Technology Division to create the requisite backend infrastructure and website enhancements.

The second amendment was Encroached Lot sales policy, which allows the sale of uninhabitable portions of structures to the owner of the adjoining structure. While these circumstances are rare – the land bank currently holds approximately 40 eligible parcels, such as sunrooms, additions, and attached garages – staff lacked an efficient mechanism to sell these parcels prior to the policy's approval. Staff are currently preparing offer documents with colleagues in the Legal and Real Estate Sales & Marketing Departments, and expect to begin reaching out to homeowners in Q3.

OCCUPIED INSPECTIONS

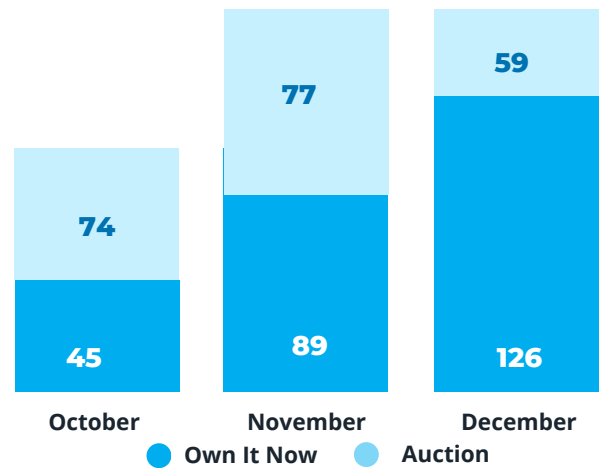
Staff on the Department’s Housing and Neighborhood Initiatives team help manage an inventory of approximately 950 DLBA-owned homes believed to be occupied. Staff inspect eligible occupied houses every two months with the goal of confirming vacancy or beginning engagement with occupants so they may be vetted for programming. Staff select properties inspection based upon a combination of factors including the length of time since occupancy was last confirmed, reports of vacancy or illegal activities from residents, and vacancy indicators such as boarding requests or USPS data.

In the second quarter, staff ordered 662 vendor inspections as part of the regular cadence of occupied inspections. The team reviewed results for 858 inspections for 725 properties. As a result of this effort, staff moved 106 properties into non-occupied pipelines. September saw the kick-off of outreach efforts by the City’s Housing and Revitalization Department (HRD), wherein City staff support occupants relocation services or assistance qualifying for DLBA programs. Staff will continue to coordinate with HRD and maintain inspection rates in the coming quarters.

HOME LISTINGS

Staff continue to work closely with the Real Estate Sales and Programs department to list properties through Auction and Own It Now, as soon as the title becomes clear. The teams continue to improve processes to better synchronize clear title, updated inspections, and stabilization work. completion. Tax issues on properties have been an obstacle that is slowing the listing rate. There are currently 283 properties in the queue awaiting some form of tax clearance, that would otherwise be ready for sale. Staff believe these will be the primary source of new home listings in Q3.

HOME LISTINGS, BY MONTH

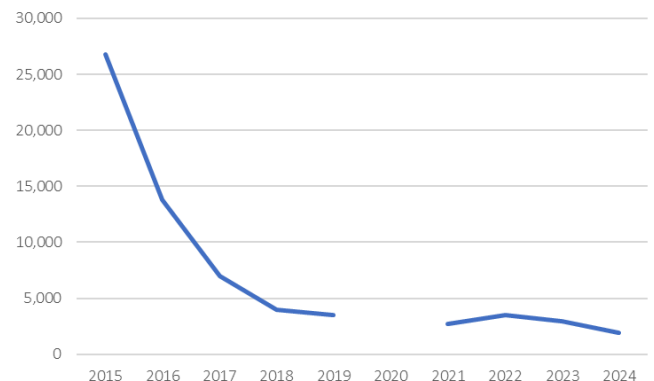


TAX FORECLOSURES

This quarter marked the end of the Wayne County Treasurer’s 2024 tax foreclosure cycle. This year, the Treasurer’s office foreclosed on 1,930 parcels in Detroit. As Detroit’s population and housing market have grown in recent years, and tax payment rates have increased, the number of tax foreclosures has declined precipitously, from a high of 26,765 in 2015 to 1,930 this year.

By statute, the Treasurer’s office must attempt to sell foreclosed property through a pair of public auctions. The Wayne County Treasurer’s Office then offers remaining unsold residential property to the land bank. This quarter, the Treasurer’s office completed two transfers of unsold property to the land bank. In November, the land bank received the blight bundle, comprised of 142 structures requiring blight abatement. In December, the land bank received 104 additional parcels left unsold after the second auction. Staff are currently completing inspections of the second round of parcels and will have inspections completed in early Q3.

CITY OF DETROIT TAX FORECLOSURES, BY YEAR, 2015 - 2024



*Note: Due to the COVID-19 pandemic, 2020 foreclosures were postponed

REAL ESTATE, SALES & MARKETING

The Detroit Land Bank Authority's (DLBA) 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 time frame wins the property.



AUCTION CLOSED COMPARISON OF FISCAL YEAR Q2 CLOSING TRENDS

YEAR	TOTAL CLOSED (Q2)
2016	100
2017	98
2018	131
2019	222
2020	116
2021	115
2022	62
2023	185
2024	75
2025	100

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

YEAR	TOTAL CLOSED (Q2)
2017	145
2018	203
2019	246
2020	534
2021	814
2022	133
2023	291
2024	200
2025	172

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

	1	2	3	4	5	6	7	GRAND TOTAL
Auction	16	9	17	9	15	7	27	100
Own-it-Now	17	11	35	50	31	8	20	172
Grand Total	33	20	52	59	46	15	47	272

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	63	73	237	74	141	91	141	820
Own-it-Now	90	153	516	321	213	94	358	1745
Grand Total	153	226	753	395	354	185	499	2562

DISCOUNTS

The DLBA promotes a variety discount programs to provide purchasing opportunities for eligible participants.

DISCOUNTS BY CATEGORY FOR Q1

APPLICATIONS	% OFF	APPROVED	REJECTED	USED
City Employee	50%	22	11	13
Detroit School Employee	50%	17	19	2
Skilled Trade Employment Program STEP	50%	9	1	1
Home Buyer Counseling	20%	41	29	24
Community Partner Endorsement	20%	0	1	0
Community Resident – Fitz	80%	0	0	0
Community Violence Intervention	50%	0	0	0
Benefits-Period Homeowner Program	50%	71**	0	0
Q1 Total		160	61	40

****Registered**

SIDE LOTS & VACANT LAND REUSE

Since 2014, and as of the date of this report, the DLBA has sold 28,724 Side Lots, making it the Land Bank's most popular sales platform. During Q2, the DLBA sold 244 Side Lots, as well as 223 Neighborhood Lots, 7 Accessory Structure/Oversized Lots, 2 IHOA Lots, 15 Improved Lots, and 29 Create-A-Project Lots.

SIDE LOTS SOLD BY COUNCIL DISTRICT FOR Q2								
MONTH SOLD	1	2	3	4	5	6	7	GRAND TOTAL
October	6	11	9	18	15	5	9	73
November	5	8	16	14	15	23	4	85
December	3	4	19	19	12	17	12	86
Grand Total	14	35	44	51	42	45	25	244

*(+/-1 variance)

TITLE SERVICES

The DLBA Title Team received 334 new title orders in Q2. Additionally, the Title Team processed the following title assessments:

Q2 TITLE ASSESSMENTS	
REVIEW TYPE	# OF ASSESSMENTS PROCESSED
Initial Review	183 Title Clear
Update Review	519 Title Clear
In-House Title Clearance	196
Referred for Quiet Title	209
Total	1,107

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

Nafess, LLC purchased the property located at 7370 Melrose, in the North End neighborhood of Detroit. In just under 3 months, he turned this blighted 5,000 sq ft structure into a beautiful home.



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.

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.

Q2 BUY BACK CLOSINGS		
MONTH-YEAR	CLOSED	TOTAL
Oct 2024	6	\$6,000
Nov 2024	20	\$20,000
Dec 2024	6	\$6,000
Total	32	\$32,000

EXECUTIVE SUMMARY	
Buy Back Closed (inception to date)	1,321
Buy Back Complete (inception to date)	1,179
Monitor Compliance for immediate exit	22
Monitor Compliance for July 2025 exit	81
Reconveyance Complete (inception to date)	24

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.

Q2 OCCUPIED NON-PROFIT/ OCCUPIED PROPERTY DISPOSITION PROGRAM CLOSINGS	
MONTH-YEAR	CLOSED
Oct 2024	5
Nov 2024	6
Dec 2024	0
Total	11

EXECUTIVE SUMMARY	
ONP/OPDP Closed	273
ONP/OPDP Compliance Achieved	173
Reconveyance Complete	17

LEGAL

The Legal Department is responsible for the legal affairs of the Detroit Land Bank Authority (DLBA). 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 first quarter of fiscal year 2025. During the quarter, courts were open primarily on a remote basis for certain civil actions including quiet title and nuisance abatement.

QUIET TITLE

During the second quarter, the Quiet Title Team received judgments clearing title to 316 properties and filed 7 additional lawsuits representing 212 properties.

NUISANCE ABATEMENT

ABANDONED PROPERTIES

During the second quarter, the Legal Department placed nuisance abatement notices on 231 properties identified to be vacant and blighted. The NAP Team also filed nuisance abatement lawsuits against 154 vacant and blighted properties in the second quarter. Court proceedings were conducted in a primarily remote format, and 86 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 147 abatement agreements with private owners to rehabilitate their properties. NAP agreements continued to be a successful tool in addressing private blight with 90 properties achieving Compliance in the second quarter.

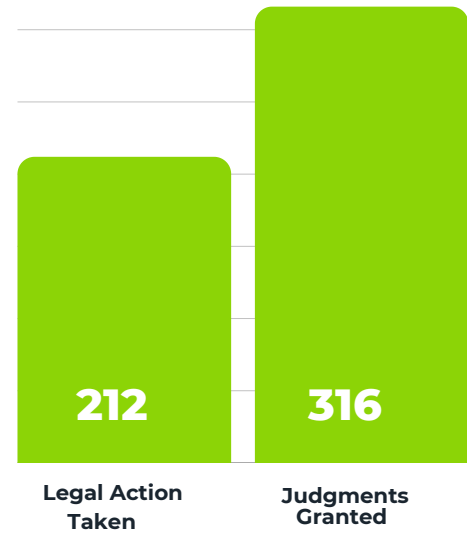
DRUG HOUSE UNIT

During the second quarter, DPD reported 35 applicable raids to the DHU. Of these, 25 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 10 raids were conducted at DLBA-owned properties and are under investigation by the Occupied Properties Team. Four Nuisance Abatement lawsuits were filed for illegal narcotic activity during the second quarter.

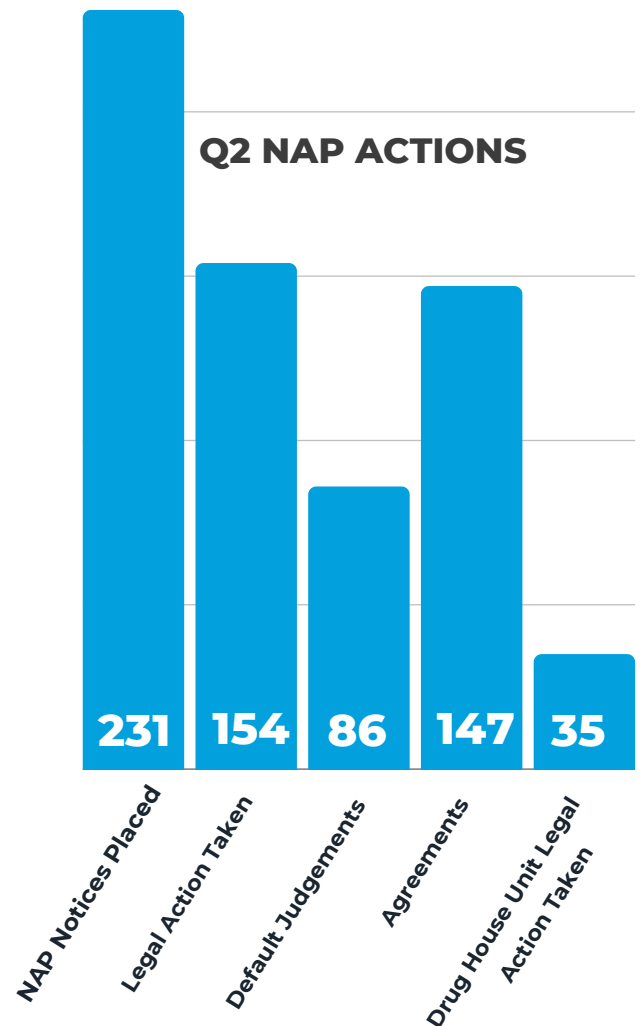
FREEDOM OF INFORMATION ACT (FOIA) REQUESTS

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 first quarter, the DLBA received 14 new FOIA requests and completed all 14 within the statutory timeframes. The DLBA issued another 2 responses during the first quarter pursuant to a request that requires periodic responses over a six-month period. Both were completed within the statutory timeframes.

Q2 QUIET TITLE



Q2 NAP ACTIONS



BEFORE AND AFTER

RENOVATED AS A RESULT OF A NAP AGREEMENT



12040 Duchess – District 4



5525 Maryland – District 4

ADMINISTRATION & SUPPORT

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.

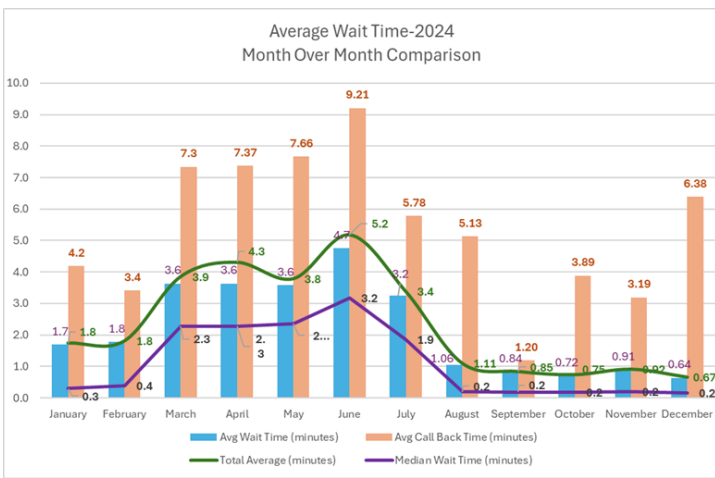
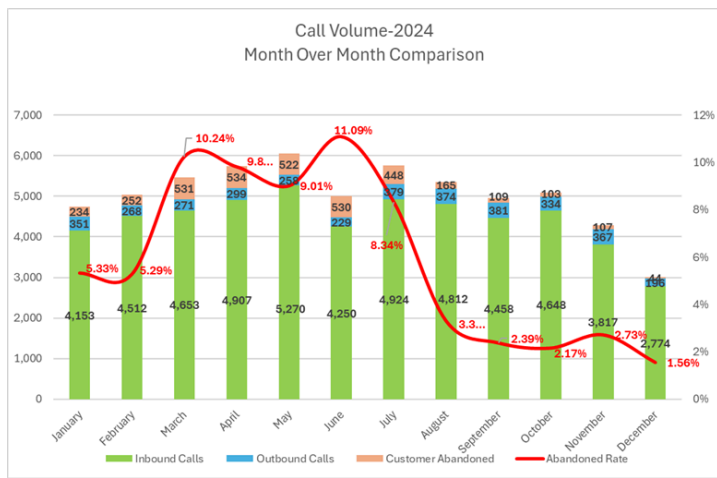
CUSTOMER SERVICE

The Customer Service Team are DLBA's brand ambassadors assisting Detroit residents engaging in the land bank's variety of programs and property concerns. The team operates a call center and the organization's public lobby. The operational service metrics below highlight our successes.

OPERATIONAL SERVICE METRICS

PHONE CALLS

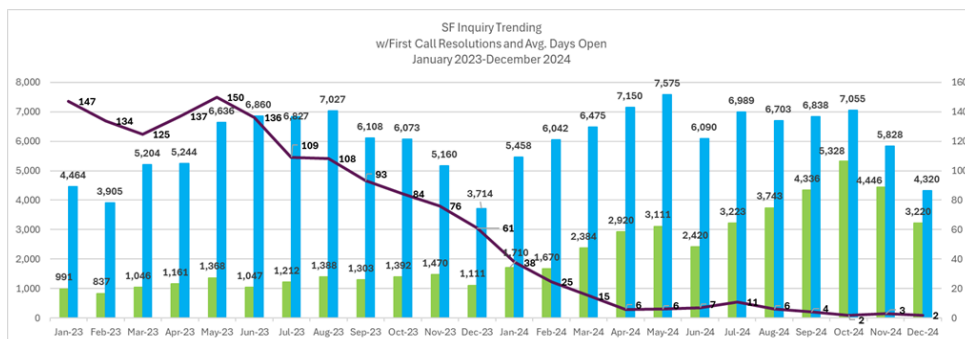
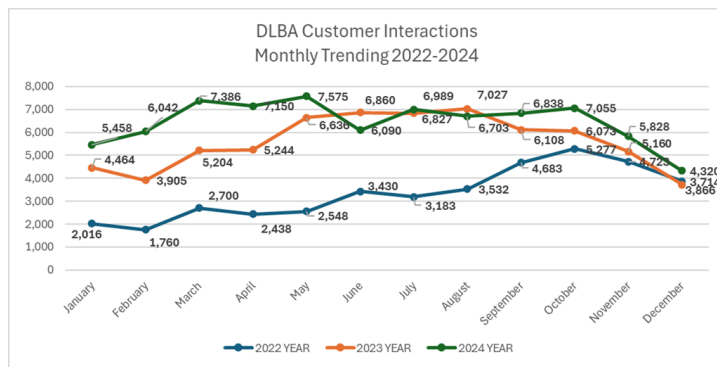
Phone calls received in December 2024 decreased 28% from November 2024, due to four less working days. The percentage of total inbound calls answered increased to 98% from November 2024's 97%, which is a program high. The abandoned rate decreased to 1.6% in December 2024 compared to November's 2.7%. December 2024 average wait time decreased to 0.67 minutes compared to November's 0.92 minutes. Below are graphs illustrating the improvements in call metrics over the last 12 months and monthly comparisons, as well as the stabilization in average wait times to speak to a Customer Service Representative of less than 1 minute.



SALESFORCE INQUIRIES

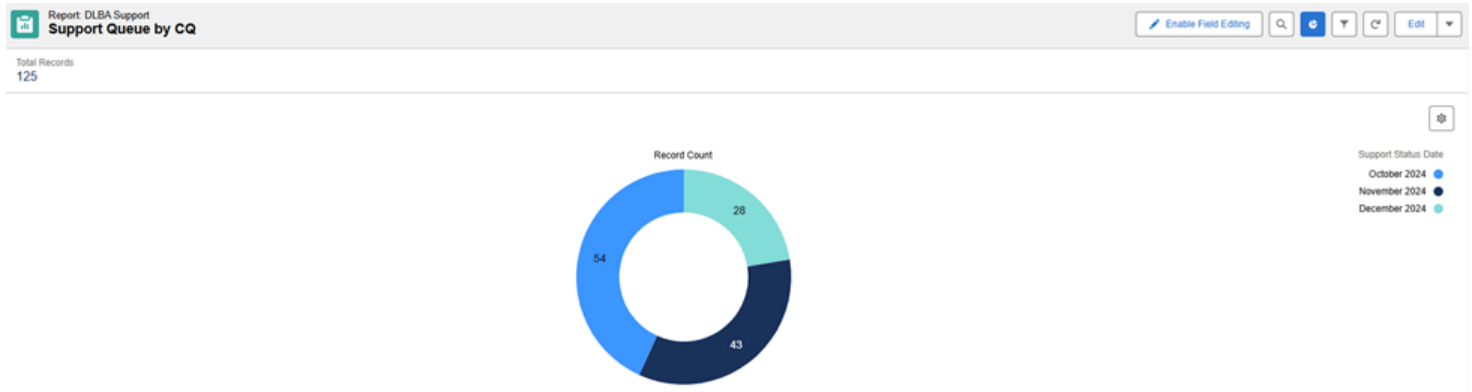
The DLBA received 4,320 Salesforce inquiries in December 2024, compared to November 2024's 5,828. Inquiries received for 2024 are 77,434 interactions compared to 67,222 in 2023 and 40,156 in 2022. 2024 interactions increased 15% from 2023. Below is the monthly trending year over year for 2022 through 2024.

Our efforts to improve customer service delivery and accountability have yielded significant improvements in First Call Resolution and Average Days Open metrics as noted in the graph below. We accomplished this with organization wide dashboard reporting for inquiry aging, incorporating service level expectations, and managing monthly compliance. Additionally, we are implementing a new communications platform in March 2025, which will provide additional methods for customers to interact with the DLBA including web chat and social media, which will also provide customer self-service functionality.



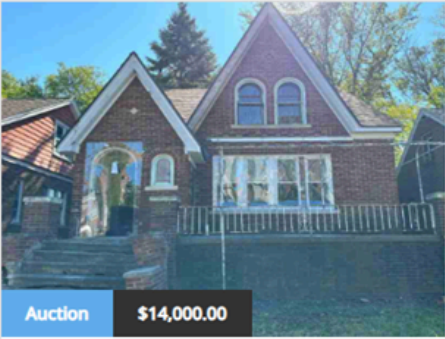
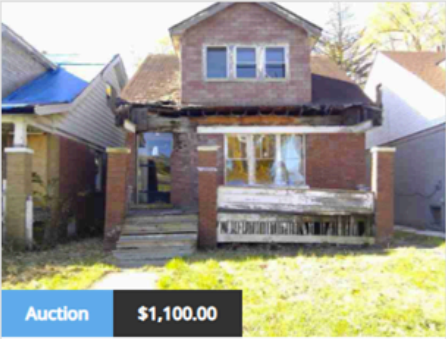

THE SYSTEM DESIGN TEAM

The System Design Team, in collaboration with the Detroit Land Bank Authority (DLBA), is responsible for managing the organization's information technology and systems. Their primary duties include overseeing Salesforce and enabling property transactions through <https://buildingdetroit.org>, which serves as a central platform for multiple online sales channels. The team also plays a key role in delivering critical IT services to DLBA employees, ensuring support for their day-to-day operations and strategic initiatives, whether working in the office or engaging with the community.

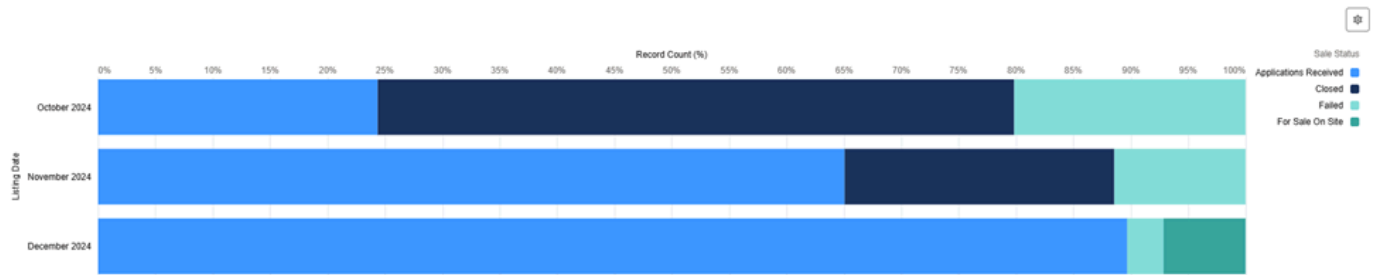


WEBSITE AND SUPPORT

The System Design Team is integral to the success of <https://www.buildingdetroit.org>, a key platform in the DLBA's mission to revitalize Detroit by restoring abandoned properties. This quarter, the team concentrated on enhancing the website's functionality and ensuring its reliability. Their efforts included strengthening security protocols, optimizing operational efficiency, and updating content to improve the user experience. In addition, the team successfully managed e-commerce transactions for nearly 411 properties.

 <p>Auction \$14,000.00</p> <p>13368 Maiden Outer Drive-Hayes, 48213, District 4</p> <p>Sale Date : 12/19/2024</p> <p>Area:1470 Sq ft 3 2</p>	 <p>Auction \$1,100.00</p> <p>12455 Dresden LaSalle College Park, 48205, District 4</p> <p>Sale Date : 12/19/2024</p> <p>Area:1317 Sq ft 3 1</p>	 <p>Auction \$1,000.00</p> <p>11411 Mendota Barton-McFarland, 48204, District 7</p> <p>Sale Date : 12/19/2024</p> <p>Area:852 Sq ft 3 1</p>
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Total Records
411



Requests
11.12M

Data transfer
404.6 GB

Page views
1.81M

Visits
963.53k

API requests
3.37M

HTTP traffic for buildingdetroit.org Print report Download data ▶

Previous 30 days ▼

Requests over time 📄

Review spikes in [HTTP requests](#) and the top request attributes.

All Referer Host Country Path Edge status code ...

● Total requests
11.12M

Time (local)	Requests
Thu 21	100k
Fri 22	400k
Sat 23	350k
Sun 24	300k
Mon 25	350k
Tue 26	300k
Wed 27	300k
Thu 28	250k
Fri 29	250k
Sat 30	300k
Sun 01	300k
Mon 02	450k
Tue 03	500k
Wed 04	450k
Thu 05	350k
Fri 06	350k
Sat 07	300k
Sun 08	450k
Mon 09	480k
Tue 10	450k
Wed 11	500k
Thu 12	350k
Fri 13	300k
Sat 14	300k
Sun 15	380k
Mon 16	400k
Tue 17	420k
Wed 18	420k
Thu 19	300k

OPERATIONS & FINANCE

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 include IT Support and Data Systems, Procurement and Property Maintenance. Overall, Finance & Operations combines fiscal stability while ensuring the operational effectiveness of the organization.

As of July 1 2024, the Detroit Land Bank Authority adopted an annual budget for the fiscal period FY25. The budget attached for your review highlights multiple revenue sources and related expenses in core function areas.

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

FINANCIAL STATEMENTS
(With Required Supplementary Information)

June 30, 2024 and 2023



DETROIT LAND BANK AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

November 6, 2024

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, 2024 and 2023, 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, 2024 and 2023, 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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Cincinnati, Ohio 45202
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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, 2024, 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.

GJC CPA's & Advisors

Detroit, Michigan

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2024 and 2023

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, 2024 and 2023. 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, 2024. The DLBA no longer participates in demolition activities. The DLBA’s inventory of property decreased to 67,220 parcels, compared to 71,942 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, 2024 and 2023

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.

DETROIT LAND BANK AUTHORITY

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

June 30, 2024 and 2023

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, 2024, 2023, and 2022:

Table 1
Statements of Net Position
June 30, 2024, 2023, and 2022
(in millions of dollars)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Assets:			
Cash	\$ 29.0	\$ 39.2	\$ 39.1
Escrow deposits	2.0	2.0	2.0
Investments	20.8	7.1	2.0
Accounts receivable	2.1	5.3	2.8
Property held for resale	13.1	13.7	14.7
Capital assets	-0-	0.1	0.2
Prepaid expenses	0.2	0.1	0.3
	<u>67.2</u>	<u>67.5</u>	<u>61.1</u>
Liabilities:			
Accounts payable and accrued expenses	2.0	2.6	1.6
Deferred revenue	5.5	7.0	3.5
Escrow deposits payable	2.0	2.0	2.0
Advances and loans	2.0	2.0	2.0
	<u>11.5</u>	<u>13.6</u>	<u>9.1</u>
Net Position:			
Net investment in capital assets	-0-	0.1	0.2
Restricted	3.6	3.5	3.5
Unrestricted	52.1	50.3	48.3
	<u>55.7</u>	<u>53.9</u>	<u>52.0</u>
Total Net Position	<u>\$ 55.7</u>	<u>\$ 53.9</u>	<u>\$ 52.0</u>

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

June 30, 2024 and 2023

FINANCIAL ANALYSIS OF THE ORGANIZATION AS A WHOLE (CONTINUED)

Total assets decreased to \$67.2 million as of June 30, 2024, from \$67.5 million as of June 30, 2023. The DLBA had investment activity that increased the investment balance by \$13.7 million in the current fiscal year, which was offset by corresponding decreases in cash, accounts receivable, and property held for resale.

Total liabilities decreased to \$11.5 million as of June 30, 2024, compared to \$13.6 million as of June 30, 2023. This decrease was due primarily to a \$1.5 million decrease in deferred revenue. In addition, accounts payable and accrued expenses decreased by more than \$600,000 during the year ended June 30, 2024.

Table 2 reflects a condensed summary of the DLBA’s revenue, expenses, and changes in net position for the years ended June 30, 2024, 2023, and 2022:

Table 2
Statements of Activities
For the Years Ended June 30, 2024, 2023, and 2022
(in millions of dollars)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenue:			
Program revenue	\$ 27.9	\$ 25.9	\$ 26.8
Expenses:			
Land bank program	<u>26.1</u>	<u>24.0</u>	<u>21.9</u>
Change in Net Position	1.8	1.9	4.9
Net Position, Beginning of Year	<u>53.9</u>	<u>52.0</u>	<u>47.1</u>
Net Position, End of Year	<u>\$ 55.7</u>	<u>\$ 53.9</u>	<u>\$ 52.0</u>

For the year ended June 30, 2024, the DLBA’s general fund revenue on the modified accrual basis was \$27.9 million, compared to the final budget of \$28.2 million. Total general fund expenses on the modified accrual basis were \$26.1 million, compared to the final budget of \$29.5 million.

Total revenue for the year ended June 30, 2024 on the accrual basis increased to \$27.9 million from \$25.9 million in the previous year, primarily due to an overall increase in sales revenue.

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

June 30, 2024 and 2023

FINANCIAL ANALYSIS OF THE ORGANIZATION AS A WHOLE (CONTINUED)

Total expenses for the year ended June 30, 2024, on the accrual basis increased to \$26.1 million from \$24.0 million in the previous year, primarily due to program activity.

CAPITAL ASSETS

As of June 30, 2024, the DLBA has \$1,527,629 invested in capital assets, including furniture, computers, software, and other equipment. Accumulated depreciation as of June 30, 2024 was \$1,484,665.

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.

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

June 30, 2024 and 2023

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. More recently, the DLBA has been awarded \$6.5 million in rounds 1 through 5 of State Blight Elimination Grant funding. These grants are reimbursable upon completion of rehabilitation projects approved by the State of Michigan.

During the current fiscal year, the DLBA experienced an increase in sales. 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.

DETROIT LAND BANK AUTHORITY

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

June 30, 2024 and 2023

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, 2024 and 2023

	Governmental Activities	
	2024	2023
Assets:		
Cash (Note B):		
Unrestricted	\$ 25,392,059	\$ 35,700,368
Restricted	3,584,540	3,547,841
Total Cash	28,976,599	39,248,209
Escrow deposits (Note B)	2,000,000	2,000,000
Investments (Note B)	20,811,326	7,128,059
Accounts receivable (net of allowance of approximately \$2,235,000 and \$-0- in 2024 and 2023, respectively)	2,056,490	5,266,873
Prepaid expenses	145,834	124,878
Property held for resale (Note A)	13,149,201	13,702,963
Capital assets (Note C):		
Depreciable capital assets, net	42,964	84,779
Total Assets	67,182,414	67,555,761
Liabilities:		
Accounts payable and accrued expenses	1,992,779	2,641,466
Deferred revenue (Note D)	5,512,743	6,997,401
Escrow deposits payable (Note B)	2,000,000	2,000,000
Advances and loans (Note E)	2,000,000	2,000,000
Total Liabilities	11,505,522	13,638,867
Net Position:		
Net investment in capital assets	42,964	84,779
Restricted	3,584,540	3,547,841
Unrestricted	52,049,388	50,284,274
Total Net Position	\$ 55,676,892	\$ 53,916,894

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2024 and 2023

	Governmental Activities	
	2024	2023
Expenses:		
Land bank program:		
Demolition expenses	\$ 355,454	\$ 2,752,347
Salaries and wages	11,007,065	10,480,175
Payroll taxes	873,013	821,482
Employee benefits	2,135,376	2,094,036
Acquisition and maintenance	5,315,896	3,801,408
Board-ups, sales preparation, and debris removal	254,482	470,506
Professional fees	527,692	230,422
Advertising	30,033	39,407
Occupancy	1,482,920	1,453,761
Office expenses	526,666	404,219
Insurance	210,340	234,022
Depreciation (Note C)	53,361	134,962
Other expenses	3,370,850	1,017,660
	26,143,148	23,934,407
Program Revenue:		
Land bank program:		
Hardest Hit Fund grant	487,050	811,950
Other grants and contracts	16,901,550	13,760,135
Donated properties	340,000	275,550
Structure sales	10,095,420	9,510,268
Side lot sales	1,220,979	2,517,337
Other program revenue	1,022,186	492,911
Loss on disposition of property held for resale	(2,164,039)	(1,470,716)
	27,903,146	25,897,435
	1,759,998	1,963,028
General Revenue:		
Loss on disposition of capital assets	-0-	(7,994)
	1,759,998	1,955,034
Net Position, Beginning of Year	53,916,894	51,961,860
	\$ 55,676,892	\$ 53,916,894

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

BALANCE SHEETS — GOVERNMENTAL FUNDS

June 30, 2024 and 2023

	2024			2023		
	General Fund	Special Revenue Fund	Total All Funds	General Fund	Special Revenue Fund	Total All Funds
ASSETS						
Cash (Note B):						
Unrestricted	\$ 25,061,117	\$ 330,942	\$ 25,392,059	\$ 35,444,718	\$ 255,650	\$ 35,700,368
Restricted	3,584,540		3,584,540	3,547,841		3,547,841
Total Cash	28,645,657	330,942	28,976,599	38,992,559	255,650	39,248,209
Escrow deposits (Note B)	2,000,000		2,000,000	2,000,000		2,000,000
Investments (Note B)	20,811,326		20,811,326	7,128,059		7,128,059
Accounts receivable (net of allowance of approximately \$2,235,000 and \$-0- in 2024 and 2023, respectively)	2,056,490		2,056,490	5,266,873		5,266,873
Prepaid expenditures	145,834		145,834	124,878		124,878
Property held for resale (Note A)	13,149,201		13,149,201	13,702,963		13,702,963
Total Assets	\$ 66,808,508	\$ 330,942	\$ 67,139,450	\$ 67,215,332	\$ 255,650	\$ 67,470,982
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenses	\$ 1,992,779	\$ -0-	\$ 1,992,779	\$ 2,641,466	\$ -0-	\$ 2,641,466
Deferred revenue (Note D)	5,512,743		5,512,743	6,997,401		6,997,401
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	11,505,522	-0-	11,505,522	13,638,867	-0-	13,638,867
Fund Balances:						
Nonspendable	13,295,035		13,295,035	13,827,841		13,827,841
Restricted	3,584,540	330,942	3,915,482	3,547,841	255,650	3,803,491
Unassigned	38,423,411		38,423,411	36,200,783		36,200,783
Total Fund Balances	55,302,986	330,942	55,633,928	53,576,465	255,650	53,832,115
Total Liabilities and Fund balances	\$ 66,808,508	\$ 330,942	\$ 67,139,450	\$ 67,215,332	\$ 255,650	\$ 67,470,982

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEETS TO STATEMENTS OF NET POSITION

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Total Fund Balances, Governmental Funds	\$ 55,633,928	\$ 53,832,115
<p>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:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of the following:</p>		
<p>Depreciable capital assets:</p>		
Cost	1,527,629	1,516,083
Less: Accumulated depreciation	<u>(1,484,665)</u>	<u>(1,431,304)</u>
Total Net Position, Governmental Activities	<u><u>\$ 55,676,892</u></u>	<u><u>\$ 53,916,894</u></u>

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

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

For the Years Ended June 30, 2024 and 2023

	2024			2023		
	General Fund	Special Revenue Fund	Total All Funds	General Fund	Special Revenue Fund	Total All Funds
Revenue:						
Hardest Hit Fund grant	\$ 487,050	\$ -0-	\$ 487,050	\$ 811,950	\$ -0-	\$ 811,950
Other grants and contracts	16,826,550	75,000	16,901,550	13,750,135	10,000	13,760,135
Donated properties	340,000		340,000	275,550		275,550
Structure sales	10,095,420		10,095,420	9,510,268		9,510,268
Side lot sales	1,220,979		1,220,979	2,517,337		2,517,337
Other revenue	1,021,534	652	1,022,186	492,747	164	492,911
Loss on disposition of property held for resale	(2,164,039)		(2,164,039)	(1,470,716)		(1,470,716)
Total Revenue	27,827,494	75,652	27,903,146	25,887,271	10,164	25,897,435
Expenditures:						
Current:						
Demolition expenses	355,454		355,454	2,752,347		2,752,347
Salaries and wages	11,007,065		11,007,065	10,480,175		10,480,175
Payroll taxes	873,013		873,013	821,482		821,482
Employee benefits	2,135,376		2,135,376	2,094,036		2,094,036
Acquisition and maintenance	5,315,896		5,315,896	3,801,408		3,801,408
Board-tips, sales preparation, and debris removal	254,482		254,482	470,506		470,506
Professional fees	527,692		527,692	230,422		230,422
Advertising	30,033		30,033	39,407		39,407
Occupancy	1,482,920		1,482,920	1,453,761		1,453,761
Office expenses	526,666		526,666	404,219		404,219
Insurance	210,340		210,340	234,022		234,022
Other expenses	3,370,490	360	3,370,850	1,017,242	418	1,017,660
Capital outlay (Note C)	11,546		11,546	35,302		35,302
Total Expenditures	26,100,973	360	26,101,333	23,834,329	418	23,834,747
Change in Fund Balances	1,726,521	75,292	1,801,813	2,052,942	9,746	2,062,688
Fund Balances, Beginning of Year	53,576,465	255,650	53,832,115	51,523,523	245,904	51,769,427
Fund Balances, End of Year	\$ 55,302,986	\$ 330,942	\$ 55,633,928	\$ 53,576,465	\$ 255,650	\$ 53,832,115

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

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

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Change in Fund Balances, Governmental Funds	\$ 1,801,813	\$ 2,062,688
<p>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:</p> <p>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:</p>		
Capital outlay	11,546	35,302
Depreciation expense	(53,361)	(134,962)
Loss on disposition of capital assets	-0-	(7,994)
	<u>11,546</u>	<u>(107,654)</u>
Change in Net Position, Governmental Activities	\$ 1,759,998	\$ 1,955,034

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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, 2024 and 2023

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, 2024 and 2023

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 Accounting

Government-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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

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. As of June 30, 2024, the DLBA recorded an allowance of approximately \$2,235,000 for demolition revenue not received from the City.

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.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

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

Capital Assets (continued)

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.

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 67,220 and 71,942 properties in inventory held for resale as of June 30, 2024 and 2023, respectively, with a cost of \$13,149,201 and \$13,702,963 as of June 30, 2024 and 2023, 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 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

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

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.

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, 2024, the DLBA utilized one vendor for purchases of \$2,868,334, or approximately 21 percent of total purchases. A balance of \$2,216 was due to this vendor as of June 30, 2024.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

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, 2024 and 2023, 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:

	<u>2024</u>	<u>2023</u>
Carrying amount of deposits	<u>\$ 28,976,599</u>	<u>\$ 39,248,209</u>
Total bank balances	<u>\$ 29,013,152</u>	<u>\$ 39,261,996</u>
Uninsured and uncollateralized bank balances	<u>\$ 28,013,152</u>	<u>\$ 38,261,996</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, 2024 and 2023 is summarized as follows:

	<u>Fair Value Measurements</u>			
	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Total</u>
2024				
Assets:				
Investments at fair value:				
U.S. Treasury securities	\$ -0-	\$ 20,806,285	\$ -0-	\$ 20,806,285
Money market funds	5,041			5,041
	<u>\$ 5,041</u>	<u>\$ 20,806,285</u>	<u>\$ -0-</u>	<u>\$ 20,811,326</u>

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

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

Investments (continued)

	Fair Value Measurements			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
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>

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.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

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, 2024 or as of June 30, 2023, 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, 2024 and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Investments held by the counterparty's trust department or agent in the DLBA's name:		
U.S. Treasury securities:		
Matures August 1, 2024	\$ 5,323,827	\$ -0-
Matures September 19, 2024	3,244,183	-0-
Matures September 26, 2024	2,177,842	-0-
Matures November 14, 2024	10,060,523	-0-
Matures August 1, 2023	-0-	5,056,286
Matures September 28, 2023	-0-	2,066,900
Money market funds:		
Aaa-mf rating from Moody's:		
Federated Hermes Treasury Obligations Fund, Institutional Shares (weighted average maturity of 32 days and eight days for 2024 and 2023, respectively)	4,951	4,873

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.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

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

Escrow Deposits (continued)

As of June 30, 2024 and 2023, 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>2024</u>	<u>2023</u>
Carrying amount of deposits	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
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, 2024 and 2023 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, 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
Acquisitions	11,546				11,546
Balance, June 30, 2024	\$ 404,127	\$ 542,627	\$ 533,062	\$ 47,813	\$ 1,527,629
Accumulated Depreciation:					
Balance, July 1, 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
Depreciation expense	32,093	11,705		9,563	53,361
Balance, June 30, 2024	\$ 392,964	\$ 536,692	\$ 533,062	\$ 21,947	\$ 1,484,665

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE C — CAPITAL ASSETS (CONTINUED)

	<u>Furniture and Equipment</u>	<u>Computer and Telephone</u>	<u>Software</u>	<u>Vehicles</u>	<u>Total</u>
Net Depreciable Capital Assets:					
Balance, June 30, 2023	\$ 31,710	\$ 17,640	\$ -0-	\$ 35,429	\$ 84,779
Balance, June 30, 2024	<u>\$ 11,163</u>	<u>\$ 5,935</u>	<u>\$ -0-</u>	<u>\$ 25,866</u>	<u>\$ 42,964</u>

NOTE D — DEFERRED REVENUE

The DLBA had \$5,512,743 and \$6,997,401 as of June 30, 2024 and 2023, 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, 2024 and 2023 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, 2024 is as follows:

Balance, July 1, 2022	<u>\$ 2,000,000</u>
Balance, June 30, 2023	<u>2,000,000</u>
Balance, June 30, 2024	<u>\$ 2,000,000</u>

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.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

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, 2024, 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, 2024, the DLBA incurred expenditures in excess of the amounts budgeted as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Demolition expenses	\$ 180,500	\$ 355,454	\$ (174,954)
Salaries and wages	10,951,346	11,007,065	(55,719)
Advertising	30,000	30,033	(33)

Revenue was sufficient to cover the excess expenditures.

REQUIRED SUPPLEMENTARY INFORMATION

DETROIT LAND BANK AUTHORITY

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

For the Years Ended June 30, 2024 and 2023

	2024				2023			
	Original Budget	Final Budget	Actual	Positive (Negative) Variance with Final Budget	Original Budget	Final Budget	Actual	Positive (Negative) Variance with Final Budget
Revenue:								
Hardest Hit Fund grant	\$ 487,050	\$ 487,050	\$ 487,050	\$ -0-	\$ 811,950	\$ 800,000	\$ 811,950	\$ 11,950
Other grants and contracts	11,000,000	12,550,000	16,826,550	4,276,550	10,500,000	10,535,000	13,750,135	3,215,135
Donated properties	335,000	335,000	340,000	5,000	250,000	250,000	275,550	25,550
Structure sales	9,581,401	12,610,000	10,095,420	(2,514,580)	9,922,000	8,465,000	9,510,268	1,045,268
Side lot sales	2,245,000	1,250,000	1,220,979	(29,021)	1,745,000	2,250,000	2,517,337	267,337
Other revenue	7,805,866	5,755,588	1,021,534	(4,734,054)	335,000	496,500	492,747	(3,753)
Loss on disposition of property held for resale			(2,164,039)	(2,164,039)		115,000	(1,470,716)	(1,585,716)
Total Revenue	31,119,317	32,987,638	27,827,494	(5,160,144)	23,313,950	22,911,500	25,887,271	2,975,771
Expenditures:								
Current:								
Demolition expenses		180,500	355,454	(174,954)		3,000,000	2,752,347	247,653
Salaries and wages	11,664,662	10,951,346	11,007,065	(55,719)	10,866,880	12,500,000	10,480,175	2,019,825
Payroll taxes	933,173	880,744	873,013	7,731	869,350	1,500,000	821,482	678,518
Employee benefits	2,041,316	2,160,885	2,135,376	25,509	1,901,704	2,500,000	2,094,036	405,964
Acquisition and maintenance	4,558,300	6,639,500	5,315,896	1,323,604	5,574,094	5,090,100	3,801,408	1,288,692
Board-ups, sales preparation, and debris removal	460,000	325,000	254,482	70,518	425,000	850,000	470,506	379,494
Professional fees	550,000	580,750	527,692	53,058	349,772	600,000	230,422	369,578
Advertising	40,000	30,000	30,033	(33)	55,000	55,000	39,407	15,593
Occupancy	1,632,000	1,632,000	1,482,920	149,080	1,632,000	1,675,000	1,453,761	221,239
Office expenses	565,500	535,500	526,666	8,834	435,500	552,000	404,219	147,781
Insurance	300,000	268,700	210,340	58,360	146,250	375,000	234,022	140,978
Other expenses	8,374,366	5,323,700	3,370,490	1,953,210	1,058,400	1,306,500	1,017,242	289,258
Capital outlay			11,546	(11,546)			35,302	(35,302)
Total Expenditures	31,119,317	29,508,625	26,100,973	3,407,652	23,313,950	30,003,600	23,834,329	6,169,271
Change in Fund Balance	\$ -0-	\$ 3,479,013	\$ 1,726,521	\$ (1,752,492)	\$ -0-	\$ (7,092,100)	\$ 2,052,942	\$ 9,145,042

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

DETROIT LAND BANK AUTHORITY

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

For the Years Ended June 30, 2024 and 2023

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.