



Office of the Auditor General


Mark W. Lockridge, Auditor General

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 216
Detroit, Michigan 48226
Phone: (313) 224-3101
Fax: (313) 224-4091
www.detroitmi.gov

MEMORANDUM

DATE: July 27, 2020

TO : Honorable City Council

FROM: Mark W. Lockridge, CPA ^{DS} 
Auditor General

RE : Detroit Land Bank Limited Scope Forensic Audit

CC : Mayor Mike Duggan
David Bell, Director,
Buildings, Safety Engineering, and Environmental Department
Tyrone Clifton, Director, Detroit Building Authority
LaJuan Counts, Director, Demolition Department
Boysie Jackson, Chief Procurement Officer, Office of the
Chief Financial Officer, Office of Contracting and Procurement
Arthur Jemison, Group Executive and Chief of Services and Infrastructure
David Massaron, Chief Financial Officer, Office of the Chief Financial Officer
John Naglick, Chief Deputy CFO/Finance Director, Office of the
Chief Financial Officer
Donald Rencher, Director, Housing, and Revitalization Department
Saskia Thompson, Executive Director, Detroit Land Bank Authority
David Whitaker, Director, City Council Legislative Policy Division

Attached for your review is the Detroit Land Bank Authority Limited Scope Forensic Audit. The audit was performed by Stout Risius Ross, LLC, and the report contained herein is the product of Stout Risius Ross, LLC.

We would like to thank the employees of the Detroit Land Bank Authority for their cooperation and assistance extended to Raymond Roth, III, the employees of Stout Risius Ross, LLC, and to the Office of the Auditor General during this audit.

Copies of all of the Office of the Auditor General reports can be found on the City's Website: <https://www.detroitmi.gov/government/auditor-gener>

Detroit Land Bank Authority Limited Scope Forensic Audit

**Preliminary Report Of
Raymond A. Roth III, CPA, CFE**

July 27, 2020



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Detroit Land Bank
Limited Scope Forensic
Audit

Prepared by:
Raymond A. Roth III,
CPA, CFE

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CPA, CFE**

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Exhibits

Exhibit 1 – Status of Documents Requested
Exhibit 2 – Curriculum Vitae
Exhibit 3 – Comparison of Subsidy Payments to Non-Demolition Related Expenses
Exhibit 4 – Summary of Disbursements from the Main Operating Account to Related Bank Accounts
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Exhibit 10 – DLBA Credit Card Payments
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I. Scope of Opinion and Disclosures

1. Stout Risius Ross, LLC (“Stout”) has been retained by the City of Detroit’s Office of the Auditor General (“OAG”) to conduct a limited scope forensic audit of funds received by the Detroit Land Bank Authority (“DLBA”) from the City of Detroit (“City”). This engagement was to include the determination of the usage, status, and balance of funds provided by the City to the DLBA as well as a review of internal controls over the period January 1, 2014 through June 30, 2019 (“Review Period”).
2. A forensic accounting audit is different than a financial statement audit in that forensic accounting services generally involve the application of specialized knowledge and investigative skills possessed by CPAs to collect, analyze, and evaluate evidential matter and to interpret and communicate findings in the courtroom, boardroom, or other legal or administrative venue¹ rather than to offer an opinion on financial statements as a whole.
3. As of the date of this report, Stout has not finished its engagement. COVID-19 had a significant impact on the closing of offices around Detroit. This limited the ability of both DLBA staff and Stout to access documents located at the DLBA. It is also Stout’s understanding that COVID-19 had impacts on the DLBA’s budget which resulted in reductions of its labor force that contributed to the delay of providing requested information late in the engagement.
4. As of the date of this report, not all information requested by Stout has been received and some recently provided information has not been fully reviewed. The information contained herein is based on the data reviewed as of the date of this report. Should additional information be made available or a more fulsome review of available information reveal that additional analysis is required, I reserve the right to supplement or amend this report.
5. A detailed list of the sources of information requested from the DLBA and the status of information received is presented in **Exhibit 1**.
6. My curriculum vitae is presented in **Exhibit 2**.

¹ AICPA Forensic & Valuation Services Resources.



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II. Qualifications

7. I am a licensed Certified Public Accountant (State of Michigan) and a Certified Fraud Examiner ("CFE"), with 15 years of experience providing a wide range of professional services.
8. I have consulted with lawyers and their clients, boards of directors and municipalities regarding business, economic and financial issues related to litigation, business disputes, and financial investigations. These assignments have been across a wide array of industries.
9. I am a Director in the Disputes, Compliance and Investigations Practice at Stout. Stout is a premier global financial advisory firm that specializes in Investment Banking, Valuation & Financial Opinions, and Dispute, Compliance and Investigative Services.
10. I received a Bachelor of Business Administration, with a focus in Accounting, degree from Cleveland State University in 2005.
11. Prior to joining Stout, I was a Consultant at a public accounting firm in its Litigation Support and Forensic Services Group.
12. I am a member of the American Institute of Certified Public Accountants ("AICPA"), Association of Certified Fraud Examiners ("ACFE") and the Chairman of the Michigan Association of Certified Public Accountants ("MICPA") Fraud Task Force.
13. With the aforementioned education, training, and experience I am well qualified to present the information contained herein.



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III. Executive Summary

14. Stout was retained by the OAG to conduct a limited scope forensic audit of funds received by the DLBA from the City as well as a review of internal controls from 2014 through 2019. In completing this assignment, Stout observed substantial changes in the DLBA over the Review Period.
15. The DLBA has demolished nearly 15,000 properties in Detroit since 2014; a feat that has never before been attempted in Detroit. Review of the documents and information provided by the DLBA reflect significant operational growth in terms of both annual revenue and employee headcount between 2014 and 2019. In 2014, the DLBA reported operating revenue of \$6.2 million which increased nearly 14 times to \$86.3 million by 2019. In 2014 the DLBA payroll reports reflected 116 employees which nearly doubled to 210 at its peak in 2018.
16. During much of this time period, the DLBA's workforce was not stable. Employee turnover averaged between 53% and 74% between 2015 and 2017. Employee turnover was discussed at Board of Directors Meetings where the DLBA's Executive Director identified a lack of competitive compensation as a contributing factor to employee turnover. As average salaries increased from approximately \$20,000 in 2014 to \$40,000 in 2018, average employee turnover decreased to 27% and 14% in 2018 and 2019, respectively.
17. The DLBA's financial documentation reflect the operational challenges over the Review Period, but also an evolution in capability and transparency. Prior to 2017, the DLBA operated without an enterprise wide accounting information system that integrated property management with the DLBA's financial operations. The DLBA now operates with a Salesforce / Financial Force system that integrates the properties it holds with its financial accounting. Also prior to 2017, most of the DLBA's financial transactions were processed through a single bank account. Since 2017, demolition and payroll transactions have been separated into two separate bank accounts which increases the transparency of those activities.
18. The DLBA's current accounting policies and procedures contain an increased level of process and financial oversight from what was in place in 2015. However, over the course of the Review Period, irregular transactions were identified both before and after revised financial systems, policies and procedures were implemented which include:
 - a. Unapproved vendor payments;
 - b. Unexplained bank reconciliation variances;
 - c. Payroll discrepancies;



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- d. Transactions in the bank statements not recorded in the general ledger;
 - e. Transaction elements not included in the general ledger; and
 - f. Identification and repayment of \$4,500 in prior fraud.
19. In addition, the DLBA has attempted, but has been unable to produce a report that accounts for amounts paid to contractors and reimbursements by Michigan State Housing Development Authority ("MSHDA") and the City to date. The DLBA has represented a willingness to produce this information but also that this type of report is not part of its standard operating reports and would be difficult to generate. The DLBA, OAG and Stout have participated in two working meetings in March and April 2020 specifically dedicated to review and discuss available information. Multiple follow-up attempts via phone and email have been made since by Stout, but a complete accounting has not been provided. Due to the timing of the focused discussions on this activity the effects of COVID-19 have likely impacted the final resolution of this request.
20. Through review of the information provided to date, Stout has identified \$114 million in funds were provided by the City to the DLBA over the course of the Review Period.²
- a. \$61 million has been provided as subsidy payments to cover administrative expenses of the organization.
 - b. \$30 million has been provided in the Demolition Advance Fund, of which \$20 million has been repaid.
 - c. \$3.6 million has been provided for demolition related activities that are not reimbursable under the Hardest Hit Fund ("HHF") program, mainly demolitions over \$25,000.
 - d. \$19.4 million has been provided through fire and insurance proceeds.
21. Most of these funds, \$86.6 million, were identified as deposited into the DLBA's main operating account; \$6 million, were identified as deposited into the DLBA's Demolition Account; and \$11.4 million has not been specifically identified in the DLBA's accounting and bank records.³ As such, the funds deposited into the Main Operating Account have been comingled with other funds and a specific purpose cannot be identified.

² As of the date of this report Stout has not received documentation to trace all of the non-reimbursable and fire and insurance proceeds received by the DLBA into its bank accounts and general ledger.

³ The DLBA at times batches deposits and has not yet provided detailed information to identify all of its sources of funds.



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Similarly, without reporting of the amounts paid to contractors and reimbursements by MSHDA and the City by property it is impossible at this time to identify that the Demo Advance Fund was used for its stated purpose. Below is an identification of subsidy payments received by the DLBA from the City and the non-demolition expenses of the DLBA as reported on its audited financial statements. *See Exhibit 3* for information on these expenses.

Description	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
1 City of Detroit Subsidy Payments	\$ 1,500,000	\$ 14,500,000	\$ 5,000,000	\$ 12,134,972	\$ 14,000,000	\$ 14,000,000	\$ 61,134,972
2 Non-Demolition Expenses	1,991,970	6,147,399	8,426,520	12,271,589	14,125,872	15,081,391	58,044,741
3 Difference	<u>\$ (491,970)</u>	<u>\$ 8,352,601</u>	<u>\$ (3,426,520)</u>	<u>\$ (136,617)</u>	<u>\$ (125,872)</u>	<u>\$ (1,081,391)</u>	<u>\$ 3,090,231</u>

22. The DLBA has represented that it plans to make a \$5 million repayment to the City on the Demolition Advance Fund on July 31, 2020 and that its analysis of demolition payables and receivables will provide enough funds to fully pay the remaining \$5 million balance within 45 days of final reimbursement from MSHDA. Stout has received spreadsheets providing additional documentation of the payables and receivables that the DLBA is managing but not enough supporting documentation to be able to determine the validity of these amounts.
23. The inability to timely provide a property by property accounting of the amounts paid per demolished property and the reimbursements received represent the single largest lack of reporting observed over the course of the Review Period. The DLBA has represented that all demolition activity is complete, but also that it has incurred liabilities that have not been reported in its Accounts Payables and expects future reimbursements of these amounts it has not yet invoiced.⁴ It is Stout's understanding that much of this is the result of the review process the DLBA employs to verify vendor payments and uncertainties regarding MSHDA reimbursements. However, recording amounts incurred but not yet recognized within the DLBA's property management system would improve the transparency of the DLBA's demolition reporting including its ability to repay amounts under the Demolition Advance Fund.

⁴ It is unknown how if or how these amounts are accrued elsewhere in the DLBA's financial reporting.



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IV. Background

24. The DLBA's mission is to return the city's blighted and vacant properties to productive use.⁵
25. Beginning in 2014, the DLBA has received federal grant funds under the Hardest Hit Fund Program ("HHF").⁶ In Michigan, this program is administered by the Michigan State Housing Development Authority ("MSHDA") where the DLBA submits requests for reimbursements under this program after demolitions are completed.⁷
26. As of June 30, 2020, the DLBA has received \$260,725,852 of the \$265,374,825 grant proceeds from MSHDA for completed demolitions with \$4,648,973 outstanding.⁸

DLBA Funding from the City

27. For fiscal years 2014 through 2019, the City has provided \$114,198,727 in funds to the DLBA under the following programs.
 - a. The DLBA has received annual subsidies from the City to fund administrative costs totaling \$61,134,972 between fiscal years 2014 and 2019.⁹
 - b. The City has provided the DLBA with a Demolition Advance Fund to provide funding for the time period between the incurrence of demolition costs under the HHF program and the reimbursement by MSHDA. As of the date of this report, the DLBA has drawn \$30 million on this loan, made repayments of \$20 million leaving a \$10 million outstanding balance under this loan.¹⁰
 - c. Under the HHF program, the DLBA is only reimbursed for demolition costs up to \$25,000 per demolition.¹¹ For demolitions over \$25,000 the DLBA is reimbursed by the City.¹² As of June 27, 2019 the DLBA has received \$3,661,579 under these reimbursements.

⁵ <https://buildingdetroit.org/overview/>

⁶ DLBA City Council Quarterly Report for Fiscal Year 2020, Quarter 4.

⁷ Discussions with the DLBA.

⁸ DLBA City Council Quarterly Report for Fiscal Year 2020, Quarter 4.

⁹ City OCFO and DLBA General Ledger.

¹⁰ DLBA City Council Quarterly Report for Fiscal Year 2020, Quarter 4.

¹¹ Discussions with DLBA.

¹² OAG Memorandum dated February 11, 2020.



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- d. The City has provided \$19,402,176 to the DLBA in relation to reimbursements under insurance proceeds from fire insurance on abandoned properties as of October 30, 2019.¹³

28. Further discussion regarding the use of these funds by the DLBA is included in the remaining sections of this report.

¹³ Source: OAG. The OAG instructed that Stout did not need to focus on these funds as it had already reviewed the use of these funds in prior reviews.



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V. DLBA's Use of City Funds

Overview of Stout Analysis

29. Stout used the DLBA's financial statements, general ledgers and bank statements to analyze how the funds received from the City were recorded and expended. This information was used to identify the DLBA's sources of funds and recipients of payments over the Review Period. This analysis was focused on the DLBA's bank accounts to provide a targeted review of the flow of funds into and out of the DLBA and remove the effects of non-cash accounting transactions for accruals / estimates, period open and close transactions and other adjustments.
30. This analysis used a flow of funds to follow the money received from the City by the DLBA into DLBA bank accounts, transfers to other DLBA bank accounts and ultimately out to DLBA vendors and employees. In this flow of funds, other sources of funding were received by the DLBA so it is not possible to account dollar for dollar of City funding through this process, but the City funds represented the primary source of funds received by the DLBA for non-demolition activities,¹⁴ which allows for the identification of the ultimate recipient of City funds for all material purposes.

Identification of Relevant Bank Accounts

31. The DLBA uses 14 bank accounts to process its financial transactions. However, Stout identified that \$86.6 million of the \$114 million in funds provided by the City were deposited by the DLBA into its Fifth Third Bank Account #9707 referred to as the "Main Operating Account". The only City funds not to be deposited directly into the Main Operating Account were approximately \$6 million, comprised mainly of Demolition Advance Fund proceeds, that were deposited directly into the DLBA's Fifth Third Bank Account #1709, referred to as the "Demolition Account", which was used to process demolition related transactions after June 8, 2016.
32. From the Main Operating Account, Stout identified that \$56.2 million was transferred into other DLBA bank accounts. These bank accounts are as follows, *See Exhibit 4* for related bank transfers from the Main Operating Account:
 - a. Demolition Account - \$25.5 million;
 - b. Fifth Third (#4503) "Payroll Account" - \$20.4 million;
 - c. Fifth Third (#4511) "Restricted Cash" - \$250k;

¹⁴ Stout has not received documentation to identify the source of funds for all DLBA deposits.



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- d. Fifth Third (#8280) "Auction Savings" - \$3.7 million;
- e. Fifth Third (#9844) "Auction Checking" - \$1.5 million;
- f. Fifth Third (#5620) "Detroit Land Bank CDC" - \$1.1 million; and
- g. Liberty Bank - \$200k¹⁵

33. Based on this flow of funds, Stout focused its review on the Main Operating Account, the Demolition Account and the Payroll Account.¹⁶

General Ledger Analysis

34. Stout looked to rely on the DLBA's general ledger, for the aforementioned bank accounts to summarize the DLBA's flow of funds from the City. To verify the completeness of the general ledger's provided, Stout compared the DLBA's general ledgers to its audited financial statements but was unable to reconcile the general ledgers to audited financial statements for every year. ***See Exhibit 5*** for the reconciliation of the DLBA's general ledger to its audited financial statements.
35. Stout also found that transactions representing a transfer of funds between the DLBA and other third parties was not possible using the DLBA's general ledger alone as incoming and outgoing wire payments were coded as "Journal" transaction types which could not be differentiated from other non-cash manual and system generated transactions using the general ledger alone. To identify the transactions that resulted in a flow of funds it was necessary to compare the DLBA's general ledger to its bank statements on a transaction by transaction basis for the accounts analyzed.
36. Stout's analysis used the transaction reference number, date and amount of each transaction from DLBA bank statements and matched these transactions to the DLBA's general ledger to identify the source and recipient of funds.

Source of Funds

37. Stout identified that all subsidy payments by the City were deposited by the DLBA into its Main Operating account. From 2014 to 2019 this totaled \$61.1 million dollars. When removing MSHDA HHF demolition reimbursements, and other City funded demolition, City Subsidy payments comprised 87% of the funding into the DLBA Main Operating account from identified sources. Other large sources of funding into the DLBA's Main

¹⁵ Stout was not provided with Liberty Bank statements and cannot confirm which account this was transferred to.

¹⁶ The Auction Savings, Auction Checking, and Land Bank CDC were not further analyzed as generally more money flowed into the Main Operating Account from these accounts than what flowed out over the Review Period and less material amounts were transferred to the Restricted Cash and Liberty accounts.



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Operating included the Detroit Development Fund, Quicken Loans, Citigroup, and Chase Grants. ***See Exhibit 6*** for sources of funding into the Main Operating Account.

38. The Demolition Account was originally funded through funds transfers from the DLBA Auction Savings accounts in 2016. MHSDA is the main source of funding into this account where \$97.8 million has been deposited between 2017 and 2019 which comprises 69% of all deposits into the Demolition Account. Deposits in the Demolition Account from City funds has been identified as \$6 million (4%). This is comprised of \$5 million in proceeds from the Demolition Advance Fund and \$1 million in other City funding. An additional \$38.9 million (27%) has been transferred into the Demolition Account from other DLBA bank accounts. ***See Exhibit 7*** for sources of funding into the Demolition Account.
39. The Payroll Account was mainly funded through transfers from other DLBA bank accounts. ***See Exhibit 8*** for sources of funding into the Payroll Operating Account.

DLBA Expenditures

40. When comparing the DLBA general ledger to its bank accounts, Stout identified inconsistencies, varying in materiality, between the two documents / reports. A summary of these inconsistencies are as follows, ***See Exhibit 9***
 - a. Transactions in the bank statements were not included in the general ledger (\$5,000,000);¹⁷
 - b. Check numbers were not always included in the general ledger (\$10);
 - c. Transactions were recorded in different amounts between the general ledger and bank statements (average transaction difference +- \$450);
 - d. Transactions were likely recorded with different check numbers in the general ledger and bank statement (average transaction difference +- \$30,000); and
 - e. An identification and repayment of a \$4,500 prior fraud.¹⁸

¹⁷ This consisted of an incoming wire into the Main Operating Account and outgoing wire from the Main Operating Account of \$5,000,000 on the same day (April 30, 2016).

¹⁸ The transaction notes in the DLBA general ledger indicated fraudulent transactions which look to have been repaid. However, Stout did not find evidence in meeting minutes that this fraud was disclosed to the DLBA Board of Directors.



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41. Stout identified that nearly \$1 million was paid by the DLBA in credit card payments over the Review Period, *See Exhibit 10*. From 2017 through 2019¹⁹ a majority of the costs from these transactions were expensed to Office Supplies, IT Hardware, Conferences & Meetings, Software Licenses, Meals, Membership & Licenses, Miscellaneous Expense and IT and Website. The DLBA's accounting policies and procedures allow for the use of corporate credit cards subject to certain approvals and authorizations. Credit card statements and accompanying expense reports were received on July 17, 2020 but have not yet been reviewed for compliance with the DLBA's accounting policies and procedures.
42. In total, Stout identified that the DLBA paid approximately \$315 million to 629 different recipients of funds over the Review Period.²⁰ However, 79 recipients comprising \$50.8 million in funds were made to recipients not included on the DLBA's approved vendor list.²¹ The use of an approved vendor lists serve as internal control that vendor payments have been appropriately authorized and that a legitimate billing relationship exists between the organization and the third-party. Approved vendor lists will commonly contain standard payment details such as bank accounts and addresses to send payments as well year end tax reporting forms such as form 1099. When a payment is made to a vendor not on approved vendor list, it creates uncertainty on whether these payments were authorized. Additionally, the payment details to approved vendors should match the approved vendor list exactly. When payment is made to an approved vendor, all billing and payment details should match the approved vendor list exactly, this ensures that invoices received, and payments made, are to the authorized recipient. Even minor discrepancies in these details can be a red flag of fraudulent activity where an unauthorized payment is made but disguised as a legitimate payment to an approved vendor. Of the \$50.8 million made to recipients not on the DLBA's approved vendor list, approximately \$24.2 million of these disbursements were to vendors containing similar names to vendors on the approved vendor list.²² The remaining \$26.6 million was paid to other vendors not on the approved vendor list in any capacity. *See Exhibit 11* for recipients of funds not included on the DLBA's approved vendor list.
43. *See Exhibit 12* for identification of the use of Funds from the DLBA Main Operating Account, *Exhibit 13* from the Demolition Account and *Exhibit 14* from the Payroll Account.

¹⁹ The DLBA's accounting system in use from 2014-2016 did not allow for identification of the accounts expensed for these transactions.

²⁰ The total number of recipients is likely higher as Stout has not been provided with supporting documentation to verify the recipient of every disbursement.

²¹ Net Payments were made to 231 recipients for \$242,637 where the name consisted of only a property addresses, these transactions have been excluded from this analysis.

²² Other than vendor name, additional payment details have not been compared.



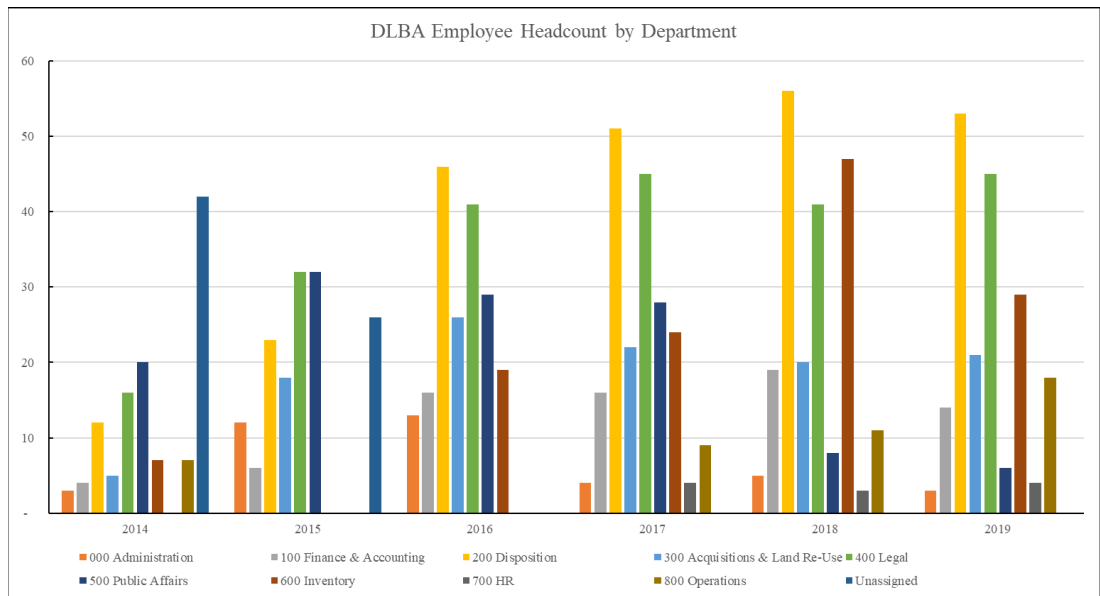
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Payroll Analysis

44. Stout identified Payroll as a significant expense, comprising between 30% and 100% of subsidy payments over the Review Period; most years payroll comprised approximately 60% of the subsidy payment. To better understand DLBA payroll expenditures, Stout reviewed and compared documents that evidenced payroll approvals and disbursements as well as identified the headcount for each department over the Review Period.
45. The employed headcount at the DLBA grew from 116 persons employed in 2014 to a peak of 210 in 2018 and down to 193 in 2019. Average earnings per employee increased from below \$20,000 in 2014 to over \$46,000 in 2019²³ *See Exhibit 15.*
46. The DLBA used 10 position classifications related to its employees: Administration; Finance & Accounting; Disposition; Acquisition & Land Re-Use; Legal; Public Affairs; Inventory; HR; Operations; and Unassigned. a visualization of DLBA employee headcount by department is included below.



- a. In 2014 over one-third of the DLBA's workforce was classified as unassigned, this dropped to 17.5% in 2015 and zero thereafter.
- b. Disposition and Legal combined for the largest headcount in all years. In 2014 these categories comprised 24% of all DLBA workforce which increased to 50% in 2019.

²³ Annualized earnings based off of half calendar year.



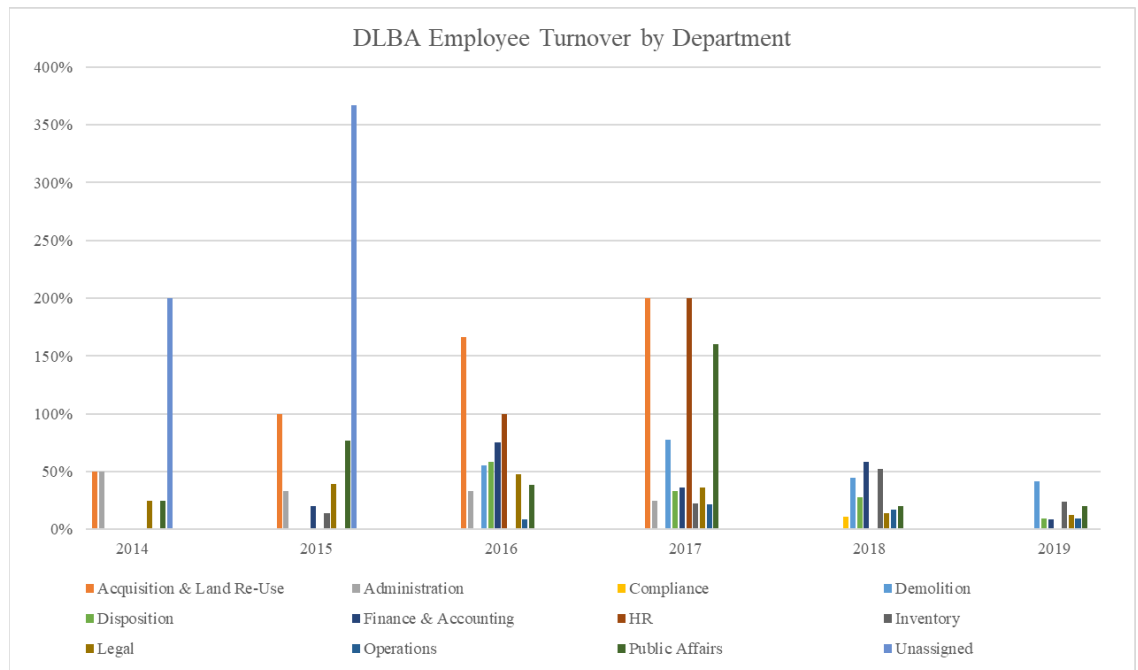
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- c. Public Affairs employed between 14% and 21% of all DLBA workforce between 2014 – 2017 but declined in 2018 and 2019.
- d. Acquisition and Land Reuse was a fairly consistent percentage of the DLBA labor force between 9.5% and 13.7%.
- e. Inventory increased in 2016 and 2017 from 6% in 2015 to 10% and 12% of the DLBA workforce and up to 20% and 15% in 2018 and 2019.

47. The DLBA experienced workforce turnover averaging between 53% and 74% between 2015 and 2017 which decreased to 27% and 14% in 2018 and 2019, respectively. A visualization of employee turnover by department is included below.



48. Stout compared the disbursements from the Payroll Checking Account to amounts paid to employees through pay statements and found the earnings reports reconciled within 5% of the Payroll Account disbursements. Stout also compared a sample, 20% of employees per department per year, of three separate payroll reports as follows:

- a. **Employee Earnings Reports** – Payroll reports that reference amounts employees were paid as well as other withholding and benefit amounts;
- b. **Employee/Contractor Summary Reports** – Monthly summaries of employees' title, department and salary information among other employment related information; and



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- c. **Title Classification Grades** – a listing of salary grades, position title and minimum, maximum and mid-point salary levels.

49. Generally, these reports reconciled with each other with few exceptions:

- a. Stout identified 4 DLBA paid personnel receiving compensation that were not included on the Employee Summary Report;
- b. Stout identified 2 DLBA paid personnel with pay rates from the Employee/Contractor Summary Report that differed from actual compensation in the Employee Earnings Report; and
- c. Stout identified 1 DLBA paid personnel that was paid rates in excess of the compensation range for their title classification and grade.

Bank Reconciliations

50. The reconciliation of bank statements is an important financial control to ensure transactions are properly recorded in an organization's accounting records. As previously mentioned, Stout observed a small amount of transactions where information between the DLBA's bank accounts and general ledgers were inconsistent. These types of inconsistencies should not be present if bank statements are properly reconciled to general ledgers.

51. Stout reviewed the bank reconciliations for the Main Operating Account and the Demolition Account over the Review Period and found periods of unreconciled balances. Most of these items occurred earlier in the Review Period and the latest periods reconciled except for four periods late in 2019 as described below.

52. Inconsistencies in the Main Operating Account are as follows, *See Exhibit 16*:

- a. Missing May 2015;
- b. Six periods contained an unexplained reconciling item totaling nearly \$8,000, four of which were towards the end of 2019;
- c. In 29 periods the general ledger balance was different from what was included in the reconciliation with an average different balance of \$490,000, the last occurrence of this was in December 2016;
- d. In two periods the balance per the bank statement was different on the bank statement from what was recorded in the general ledger with different balances of \$1.9 million and \$500,000, the last occurrence of this was in February 2015.

53. Inconsistencies in the Demolition Account are as follows *See Exhibit 17*:



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- a. Missing May 2018;
- b. Three periods with minor unexplained reconciling items totaling \$30, the last occurrence of this was in July 2017;
- c. In five periods the general ledger balance was different from what was included in the reconciliation with an average different balance of \$4.9 million, the last occurrence of this was in December 2016.

Demolition Advance Fund

54. Stout's review of the Demolition Advance Fund is incomplete as of the date of this report as a per property accounting in which to compare amounts paid to contractors by the DLBA and amounts reimbursed by MHSDA have yet to be received. A high-level summary of draws and repayments from the Demolition Advance Fund have been summarized in ***Exhibit 18***.
55. On November 21, a request was made to the DLBA to provide the following:
 - a. "For each demolished property, please provide: 1) amounts paid to a contractor(s) for demolition and inspection; 2) any amounts still payable to contractors for demolition and inspection; 3) amounts received from Hardest Hit Fund (HHF) grants; and 4) any outstanding receivables from HHF grants."
56. During meetings between the DLBA, the OAG and Stout, the DLBA expressed concern with providing this type of report on a per property basis because of the limitations on the reporting capabilities of the financial systems it was using. In attempting to comply with this request, the DLBA provided three separate reports between March 6, 2020 and June 25, 2020 in attempts to comply with this request.
57. However, the reports provided to date have either not reconciled or are incomplete. The DLBA, OAG and Stout setup two meetings (March 12, 2020 and April 24, 2020) to specifically discuss this request and the information provided by the DLBA including examples of where Stout found this information to not be responsive to the request made.
58. As of the date of this report, a complete accounting of HHF demolition activity on a per property basis has not been provided and therefore no relevant analysis is available.
59. The DLBA has represented though that it plans to repay \$5 million of the \$10 million outstanding balance as of July 31, 2020 and that all remaining HHF demolition activity is complete. The DLBA has further represented that it is managing its remaining payables to vendors and receivables from MSHDA and the City (for demolitions over \$25k) and expects to fully repay



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the City within 45 days of receiving the last reimbursement from MSHDA. Stout has received spreadsheets providing additional documentation of the payables and receivables that the DLBA is managing but not enough supporting documentation to be able to determine the validity of these amounts.

Supplemental HHF Funds

60. The City's Office of the CFO provided a schedule of payments made by the City to the DLBA for demolition related expenses that are not reimbursable under the HHF program, *See Exhibit 19* for supplemental HHF payments made by the City to the DLBA. The City and the DLBA entered into a memorandum of understanding On February 10, 2020 that clarified how these transactions are to be accepted and processed between the two parties. The DLBA has represented that it expects to invoice the City for an additional \$4.5 million of demolition costs in excess of \$25,000 above amounts it has invoiced to date.
61. Stout has not been able to identify the receipt of these payments into the DLBA's bank accounts and accounting records based on the information provided to date. Stout has also not been able to review supporting documentation for these charges as this information is maintained at the DLBA's office which has been closed due to COVID-19.



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VI. Review of DLBA Policies and Procedures and Internal Control

62. Stout received a copy of the DLBA's Accounting Policies and Procedures, updated August 1, 2018 which the DLBA represented was its most current update ("Current Version"). Stout was also provided the DLBA's Accounting Policies and Procedures, last updated June 16, 2015 ("2015 Version") from the OAG from prior audits of the DLBA. Stout reviewed both sets of Accounting Policies and Procedures to identify the evolution over time with an evaluation focus on the Current Version.
63. The Current Version showed much evolution and more robust fiscal management from the 2015 Version. The 2015 Version contained policies and procedures related to cash receipts, cash disbursement and managing assets and records. The Current Version contains more organization and is organized under cash and cash equivalents, accrued / accounts receivable, other current assets, fixed assets, accrued / accounts payable / other liabilities, demo advance fund, annual budget, month end activities (journal entries, financial reporting, annual audit and delegation of authority), procurement (separate HHF and non-HHF) and Files and Record Retention.
64. Stout used the Internal Control – Integrated Framework developed by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in May 2013 to compare the DLBA's Policies and Procedures, DLBA Board Meeting Minutes and observations from Stout's engagement. The COSO Internal Control – Integrated Framework consists of five integrated components further explained below.
 - a. **Control Environment** - The set of standards, processes, and structures that provide the basis for carrying out internal control across the organization. The board of directors and senior management establish the tone at the top regarding the importance of internal control including expected standards of conduct. Management reinforces expectations at the various levels of the organization. The control environment comprises the integrity and ethical values of the organization; the parameters enabling the board of directors to carry out its governance oversight responsibilities; the organizational structure and assignment of authority and responsibility; the process for attracting, developing, and retaining competent individuals; and the rigor around performance measures, incentives, and rewards to drive accountability for performance. The resulting control environment has a pervasive impact on the overall system of internal control.
 - b. **Risk Assessment** - Every entity faces a variety of risks from external and internal sources. Risk is defined as the possibility that an event will occur and adversely affect the achievement of



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objectives. Risk assessment involves a dynamic and iterative process for identifying and assessing risks to the achievement of objectives. Risks to the achievement of these objectives from across the entity are considered relative to established risk tolerances. Thus, risk assessment forms the basis for determining how risks will be managed. A precondition to risk assessment is the establishment of objectives, linked at different levels of the entity. Management specifies objectives within categories relating to operations, reporting, and compliance with sufficient clarity to be able to identify and analyze risks to those objectives. Management also considers the suitability of the objectives for the entity. Risk assessment also requires management to consider the impact of possible changes in the external environment and within its own business model that may render internal control ineffective.

- c. **Control Activities** - Control activities are the actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out. Control activities are performed at all levels of the entity, at various stages within business processes, and over the technology environment. They may be preventive or detective in nature and may encompass a range of manual and automated activities such as authorizations and approvals, verifications, reconciliations, and business performance reviews. Segregation of duties is typically built into the selection and development of control activities. Where segregation of duties is not practical, management selects and develops alternative control activities.
- d. **Information and Communication** - Information is necessary for the entity to carry out internal control responsibilities to support the achievement of its objectives. Management obtains or generates and uses relevant and quality information from both internal and external sources to support the functioning of other components of internal control. Communication is the continual, iterative process of providing, sharing, and obtaining necessary information. Internal communication is the means by which information is disseminated throughout the organization, flowing up, down, and across the entity. It enables personnel to receive a clear message from senior management that control responsibilities must be taken seriously. External communication is twofold: it enables inbound communication of relevant external information, and it provides information to external parties in response to requirements and expectations.
- e. **Monitoring Activities** - Ongoing evaluations, separate evaluations, or some combination of the two are used to ascertain whether each of the five components of internal control, including controls to



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effect the principles within each component, is present and functioning. Ongoing evaluations, built into business processes at different levels of the entity, provide timely information. Separate evaluations, conducted periodically, will vary in scope and frequency depending on assessment of risks, effectiveness of ongoing evaluations, and other management considerations. Findings are evaluated against criteria established by regulators, recognized standard-setting bodies or management and the board of directors, and deficiencies are communicated to management and the board of directors as appropriate.

65. A discussion of each integrated component is presented below.

Control Environment

66. The DLBA Board of Directors met regularly, usually on a monthly cadence, and meeting minutes demonstrate financial oversight and governance of the DLBA. In nearly all regularly scheduled Board of Director meetings, i.e. excluding special meetings, the minutes reflect updates from the Finance and Audit Standing Committee as well as a Treasurers report where discussion was often noted to follow. The only exception to this regular oversight was from November 2018 through May 2019 where it was noted a Board Member was not assigned.

67. Examples of financial oversight and governance exhibited by the DLBA Board of Directors as reported in meeting minutes are below.

- a. **June 2015** – Member Hosey discussed the Committee’s focus on reviewing plans for DLBA upcoming projects and long-term spending. Member Hosey identified the need to increase staff for Finance and Accounting Department as operations continue to grow.
 - i. The DLBA’s payroll records reflect that Finance and Accounting Personnel increased from six staff members in 2015 to 16 in 2016.
- b. **November 2015** – need for AFL-CIO training and transition into Financial Force. Audit / finance committee to be included on designing the format of budget reports.
- c. **December 2015** – DLBA Board of Directors requested the design of new financial reports including illustrative graphics.
- d. **January 2016** – DLBA Board of Directors requested that financial figures be presented as unadjusted and also include budget to actual for sales.



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- e. **November 2016** – DLBA suggested a system to track grant compliance.
 - f. **January 2017** – The Finance and Audit Committee met and reviewed HHF and current projects.
 - g. **February 2017** – The Finance and Audit Committee worked with Experis to discuss, fine tune and document processes, especially related to Finance.
 - h. **April 2017** – The Board of Directors discussed salary and a salary banding study.
 - i. **August 2017** – The Board of Directors discussed working to put tighter controls in place.
 - j. **October 17** – External auditors made a presentation to the board and offered to hold best practice sessions which the DLBA Board of Directors expressed interest.
 - k. **July 2018** – The DLBA Board of Directors inquired about staffing turnover rates. The DLBA Executive Director explained that the DLBA may not be offering competitive salaries.
68. No meetings were posted online between 2014 through 2016 for the Finance Audit Committee although the Board of Director minutes suggest this committee was active and meeting regularly. From 2017 through 2019 meeting dates are posted on the DLBA website but meeting minutes were not available online.
69. No indications of an annual review of policies and procedures were identified in Board of Director Meeting Minutes as required in the Current Version of the DLBA's accounting policies and procedures.
70. Stout's interactions with the DLBA's Executive Director were brief but she regularly attended meetings with the DLBA staff, was a productive influence at meetings and set a tone that the Stout engagement was important and the DLBA would be transparent.
71. The DLBA's CFO during most of the Review Period is no longer employed by the DLBA, as such Stout does not have any interactions in which to comment on the tone that was set by the CFO over the Review Period. However, in numerous meetings with the DLBA, the DLBA expressed challenges in supplying historical financial information due to employee turnover and limitations of legacy systems. The noted challenge of producing historical documents as well as the observations regarding the lack of reconciliation between bank statements, general ledgers and audited



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financial statements suggest a poor tone at the top over financial reporting by the former CFO over most of the Review Period.

Risk Assessment

72. The Current Version contains an overall objective that the policies and procedures are to ensure that assets are safeguarded, financial statements are in conformity with GAAP and that finances are managed with responsible stewardship. The policies often contain specific objectives and procedures in which the objectives are to be executed. However, the Current Version does not identify specific risks to the objectives or any policies or procedures in which risk assessments are to be conducted.
73. The identification of specific risks to DLBA objectives creates the basis for each of its control activities to mitigate identified risks. While the Current Version contains a set of procedures it is unclear how those procedures were designed considering unique aspects of the DLBA's business.

Control Activities

74. The Current Version contains a set of actions that are both preventative and detective in nature. For example, the Current Version clearly sets approvals and authorization limits as well as detailing how different reports are to be reconciled. The Current Version also specifically identifies, by position, the responsible party for each action and includes the creation of a segregation of duties.
75. The Current Version can also be vague though in some of its actions. For example, Section 6 – Demo Advance Fund City of Detroit contains a description of the line of credit, but it does not contain any detail on how it will be used, accounted and monitored.
 - a. As previously discussed, the DLBA has been unable to account for the amounts it has paid contractors and received as reimbursements by property under the HHF programs.
76. Despite many detailed policies and procedures in place, Stout identified certain irregular transactions more fully described in preceding sections, that occurred both before and after the Current Version became effective, which suggest potential breakdowns in the design and implementation of the DLBA's system of internal controls over the Review Period. These include:
 - a. Unapproved vendor payments;
 - b. Bank reconciliation differences;
 - c. Payroll discrepancies;



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- d. Transactions in the bank statements not included in the general ledger;
- e. Transaction elements not included in the general ledger; and
- f. Identification and repayment of prior fraud.

77. In addition to the above, the DLBA hosted the OAG and Stout to provide a demonstration of its Salesforce system on January 22, 2020. During this meeting, the OAG pointed out a potential error in property. The DLBA confirmed an incorrect amount was reflected and proceeded to change the historical amount during the meeting while the presenter's screen was displayed on a screen. This action demonstrated a lack of any control on changing historical amounts within the Salesforce system.

Information and Communication

78. Stout has not reviewed any internal communications or communication processes at the DLBA and therefore does not have any comment or observations.

79. Stout engaged with the DLBA accounting and finance staff regarding the availability of certain financial reports and adherence to stated policies and procedures which serve as examples of external communication. The DLBA controller was described by the DLBA as the most knowledgeable employee regarding its transactions and available reports due to turnover at the CFO position.

80. The DLBA Controller represented to Stout that certain basic financial reports did not exist and/or were not needed. These reports included:

- a. Cash Receipts / Disbursements Journal and other Subsidiary Ledgers on February 4, 2020. The Cash Receipts / Disbursements Journal is referenced in the Current Version. Even after providing a specific reference of these reports to the DLBA Controller, he was still unaware and disputed the existence during a meeting on March 12, 2020.
- b. On February 4, 2020 the DLBA originally represented that Trial Balances did not exist but ultimately provided these reports.
- c. In request of a reconciliation between a demolition property report prepared by MSHDA ("MATT Daily Report") and the DLBA's general ledger, the DLBA controller represented that a working file could not be provided over concerns that he had a specialized computer and the report was too large to run on an ordinary computer. It was represented that the system requirements to run this report required 16gb of Read Only Memory and a solid-state



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hard drive. Stout represented that it commonly works with data sets that comprise many terabytes of data and has many specialized machines to handle non-traditional system requirements. However, on further investigation of the system requirements stated by the DLBA, it was found that the computer specifications needed for this report were the requirements of Stout standard issue computers.

Monitoring Activities

81. Due to COVID-19 Stout's access to the DLBA vendor files and other onsite documentation was unavailable. Review of this documentation would allow Stout to assess how transactions were processed in accordance with stated policies and procedures and allow for discussions with management on how those processes were evaluated and changed over time.
82. The evolution of the DLBA's policies and procedures between the Current Version and 2015 Version suggest evaluations of internal control by the DLBA. As previously discussed in more detail, the DLBA recognized internally the occurrence of a prior fraud, which looks to have been repaid, but communication of this fraud was not included in Board of Directors meeting minutes.



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VII. Conclusion / Recommendations

83. Through the documents and information provided to Stout over the course of the Review Period, Stout identified significant growth and operational challenges at the DLBA most notably significant employee turnover. As the DLBA has stabilized its workforce a corresponding evolution of stronger financial controls and increased transparency in the DLBA's accounting has occurred.
84. As the DLBA continues this evolution, the following recommendations are offered for the DLBA's consideration.
 - a. **Risk Assessment** – The DLBA's Current Version of its Accounting Policies and Procedures do not contain an assessment of the risks of it obtaining its stated objectives. Most notably risks in complying with laws, regulations and other policies. The DLBA has been unable to timely demonstrate that the Demolition Advance Fund has been used for the stated purpose of the loan. It has not demonstrated that it has considered controls to prevent use of these funds outside of the stated purpose.
 - b. **Specialized Reporting** – As the DLBA closes out the HHF program and considers application for programs using other public funds it should consider how reports can be designed at the start of the program that provide granularity of detail but also summarize and integrate into traditional reporting. This type of reporting often requires the architecture of infrastructure prior to beginning a new program. The costs and other resource needs of building such a reporting tool should be considered when making future public fund applications.
 - c. **Vendor Approval** – The DLBA made payments to 629 separate recipients over the course of the Review Period with not all recipients having been preapproved vendors. The DLBA should create tighter controls on approving the vendors / recipients of funds from its accounting system and avoid making manual checks outside of its system.
 - d. **Bank Reconciliations** – The DLBA has many instances throughout the Review Period of unreconciled balances between its bank statements and general ledger including transactions not recorded in its general ledger. The DLBA should prioritize the completion and review of bank reconciliations.



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VIII. Assumptions and Limiting Conditions

85. My conclusions are based on the information received to date. I reserve the right to change those conclusions should additional information be provided.
86. No one that worked on this engagement has any known financial interest in any parties or the outcome of the analysis. Further, Stout Risius Ross, LLC.'s compensation is neither based nor contingent on the results of the analysis.
87. My conclusions are applicable for the stated date and purpose only and may not be appropriate for any other date or purpose. This report is solely for use in the cited dispute, for the purpose stated herein, and is not to be referred to or distributed, in whole or in part, without prior written consent.

A handwritten signature in black ink, appearing to read "Raymond A. Roth III", is written over a horizontal line.

Raymond A. Roth, III, CPA, CFE
Director
Stout Risius Ross, LLC

Exhibit 1

Status of Documents Requested

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Documents Requested

Exhibit 1

Documents Requested			TO BE FILLED OUT BY STOUT	TO BE FILLED OUT BY DLBA			
Request #	Dates Range of Requested Documents	Description	Status	Provided By	Notes:	Expected Date of Full Response	Status
1	January 2014 - June 2019	Standard wage and salary scales by employee type over the Review Period.	Complete	E. Lillie	The DLBA instituted grades and salary banding in 2016. No records exist prior to this date. The DLBA has designated this line item complete as of January 29, 2020 and awaits Stout confirmation of the same		Complete
2	January 2014 - June 2019	Monthly listings of all Detroit Land Bank employees and administrative independent contractors and their authorization levels to: (1) record accounting entries, (2) deposit cash receipts, and (3) authorize, co-sign, or any other involvement in initiating cash disbursements or purchase orders.	Complete	E. Lillie	A month-by-month report for each year has been provided listing DLBA employees. Please note, this record was not maintained prior to June 2014. A separate Excel document has been provided which includes all DLBA contractors during the covered periods. Finally, a document listing those at the DLBA with signing authority during the period of the audit has been provided.	2/14/2020	Complete
2a.	January 2014 - June 2019	Standard pay scale and related employee classifications and wage rates for all employees.	Complete	E. Lillie	The DLBA instituted grades and salary banding in 2016. No records exist prior to this date. The DLBA has designated this line item complete as of January 29, 2020 and awaits Stout confirmation of the same		Complete
3		For each entity and/or bank account over the Review Period that maintains its own accounting records, provide a copy of:	n/a	n/a	n/a	n/a	n/a
3a.	January 2014 - June 2019	General Ledger	Complete	E. Lillie	1/24/2020 - FY2019 .csv file uploaded 1/29/2020 - All years have been provided. FY2014 and FY2015 were completed with QuickBooks. Remaining years have been provided in .csv. Please review to determine if any additional refinement or changes need made 2/5/2020 -FY18 report illustrating process for establishing opening balances uploaded 2/19/2020 - An updated copy of the FY16 GL has been provided Included in GL	2/5/2020	Complete
3b.	January 2014 - June 2019	Cash disbursements journal	On Hold Per Stout	E. Lillie	Please review to determine if additional refinement or changes need made Included in GL	1/29/2020	Complete
3c.	January 2014 - June 2019	Cash receipts journal	On Hold Per Stout	E. Lillie	Please review to determine if additional refinement or changes need made Included in GL	1/29/2020	Complete
3d.	January 2014 - June 2019	Complete transaction listing	On Hold Per Stout	E. Lillie	Please review to determine if additional refinement or changes need made	1/29/2020	Complete
3e.	January 2014 - June 2019	Trial balances by month	Complete	E. Lillie	Each file provided on 2/14/2020 contains trial balances for two years. For example, in the FY 16-17 document, "Current Year" is FY17 and "Last Year" is FY 16. Included in GL	2/19/2020	Complete
3f.	January 2014 - June 2019	Vendor payments reports	On Hold Per Stout	E. Lillie	Please review to determine if additional refinement or changes need made Included in GL	1/29/2020	Complete
3g.	January 2014 - June 2019	Voucher register	On Hold Per Stout	E. Lillie	Please review to determine if additional refinement or changes need made	1/29/2020	Complete

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Exhibit 1

Documents Requested			TO BE FILLED OUT BY STOUT	TO BE FILLED OUT BY DLBA			
Request #	Dates Range of Requested Documents	Description	Status	Provided By	Notes:	Expected Date of Full Response	Status
3i.	January 2014 - June 2019	If accounting record are maintained in QuickBooks or any other accounting system that allows third party access, provide Stout with access and/or a read-only copy	On Hold Per Stout				
4		For each demolished property, please provide:	n/a	n/a	n/a		n/a
4a.	January 2014 - June 2019	Amounts paid to a contractor(s) for demolition and inspection	Partially Completed		MSHDA generated MATT report and high level HHF reconciliation summary have been provided. The MSHDA generated MATT report which is provided Monday through Friday includes a listing of all properties which have passed through the HHF process. The provided report is dated July 1, 2019, and captures all properties which have passed through the HHF process during the period of this audit. Definitions of the MATT stages have been included as a separate document. A revised definition list was provided 1.30.2020.		Complete
					Partially status pending specific feedback from Stout. Please advise if this response is satisfactory and we will update the status to complete.		
4b.	January 2014 - June 2019	Any amounts still payable to contractors for demolition and inspection	Partially Completed	E. Lillie	3/6/2020 - An HHF reconciliation file has been to provided which ties into the high-level summary initially submitted. A one-page overview of the MATT statuses has been uploaded separately	3.13.2020	Complete
4c.	January 2014 - June 2019	Amounts received from Hardest Hit Fund (HHF) grants	Partially Completed	E. Lillie	7.16.20 - The DLBA considers this request complete and waits confirmation of same from Stout.		Complete
4d.	January 2014 - June 2019	Any outstanding receivables from HHF grants.	Partially Completed	E. Lillie	7.16.20 - The DLBA considers this request complete and waits confirmation of same from Stout.		Complete
4e.	January 2014 - June 2019	Any reports issued by MHSDA, by property, detailing demolitions and subsequent reimbursements received from MSHDA	Partially Completed				Partially Completed
5	January 2014 - June 2019	Any and all month-end bank account reconciliations performed over the Review Period	Complete	E. Lillie	These bank account reconciliations reflect all of the DLBA owned bank accounts which have ever contained city funds. As such, the DLBA considers this request complete and awaits confirmation of same from Stout.		Complete
6	January 2014 - June 2019	Year-end payroll register for each calendar year over the Review Period	Complete	E. Lillie	The DLBA considers this request complete and awaits confirmation of same from Stout. An Excel version has been provided. This must be provided in Excel as the CSV version of the file does not capture off the relevant information.		Complete

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Documents Requested

Exhibit 1

Documents Requested			TO BE FILLED OUT BY STOUT	TO BE FILLED OUT BY DLBA		
Request #	Dates Range of Requested Documents	Description	Status	Provided By	Notes:	Expected Date of Full Response
7	January 2014 - June 2019	Vendor report detailing all approved vendors from 2014 to 2019	Complete	E. Lillie	<p>Please note the DLBA has provided two separate files - one from QuickBooks and one from our current accounting software.</p> <p>Per the DLBA's accounting software, a "vendor" includes all entities and individuals who have been set up in the system for disbursement processing</p> <p>The DLBA considers this request complete and awaits confirmation of the same from Stout.</p>	Complete
8	January 2014 - June 2019	Copies of monthly and annual financial statements generated by QuickBooks or Salesforce (profit & loss, balance sheet, and statement of cash flow) for each month over the Review Period)	Complete	E. Lillie	<p>Month by month balance sheets and income statements have been provided. Digitized copies of the any preserved financial reports provided to the DLBA Board of Directors from Jan. 2014 through June 2019 have also been provided. Please note, preserved hard copies do not exist for every board meeting.</p> <p>2/19/2020 - An updated report including all FY16 information has been provided for your convenience.</p>	Complete
9	January 2014 - June 2019	Copies of audited annual financial statements (profit & loss, balance sheet, and statement of cash flow) for the years 2017 through 2018.	Complete	E. Lillie	Also available at: https://treas-secure.state.mi.us/LAFDocSearch/	n/a Complete
10	January 2014 - June 2019	Copy of any and all budgets or forecasts prepared over the Review Period.	Complete	E. Lillie	<p>Please reference the audited financial statements for each year. The budget to the actual report is included in the supplementary information for each year. All annual statements can be found at: https://treas-secure.state.mi.us/LAFDocSearch/.</p> <p>Prior to FY17, there were no cash forecasts prepared or maintained by the DLBA.</p> <p>The DLBA considers this request complete and awaits confirmation of the same from Stout.</p>	Complete
11	January 2014 - June 2019	Schedule of fund accounts used by the DLBA, the purpose of each fund account, and the time periods in which each fund account received and expended monetary contributions from the City of Detroit.	Complete	E. Lillie	Updated version of initial submission provided.	Complete
12	January 2014 - June 2019	Listing of each bank account owned and/or controlled by the Detroit Landbank.	Complete	E. Lillie	The DLBA has designated this line item complete as of January 17th and awaits confirmation of same from Stout.	n/a Complete
12b.	January 2014 - June 2019	For each bank account identified in 12 above , provide copies of bank statements	Complete	E. Lillie	These statements reflect all of the DLBA owned bank accounts which have ever contained city funds. As such, the DLBA has designated this line item complete as of January 17th and awaits confirmation of the same from Stout.	Complete
12C.	January 2014 - June 2019	For each bank account identified in 12 above , please provide deposit and disbursement detail (e.g., deposit slips, cleared check copies, wire remittance detail, etc.)	On Hold Per Stout		On hold per Stout	On Hold Per Stout

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Documents Requested

Exhibit 1

Documents Requested			TO BE FILLED OUT BY STOUT	TO BE FILLED OUT BY DLBA			
Request #	Dates Range of Requested Documents	Description	Status	Provided By	Notes:	Expected Date of Full Response	Status
Additional Requests							
13	n/a	Sales Force Data Dictionary	Complete	E. Lillie	Data dictionaries for those fields entered by the DLBA Demolition team on the case page and invoice object have been provided.	Pending review from Stout	Partially Completed
14	n/a	Key Dates detailing change of reporting processes (e.g. when additional fields were included).	Complete	E. Lillie	A timeline of Demolition Department process improvements as of 10/28/2019 has been provided. Further information and clarification to be provided upon Stout's request	TBD pending clarification	Partially Completed
15	January 2014 - June 2019	Static file of Non Reimbursable property reconciliation	Complete	E. Lillie	A high level HHF reconciliation summary has been provided. HHF rounds 1 and 2 are not included in this overview as those rounds have been closed out. A more detailed report is in process A static parcel by parcel reconciliation has been provided 2/19/2020 - Column E is the sum of columns F + G + H. If additional clarification is requested, a meeting can be scheduled once the outstanding items in request no. 4 are provided This request is better directed to the City of Detroit, who manages and directs the use of Socrata, as discussed in the meeting of 1/22/2020	2/14/2020	Complete
16	n/a	Identification of what fields flow in to Socrata value in Sales Force	On Hold Per Stout			Referral to City	Complete
17	January 2014 - June 2019	Copies of the MATT Daily Report	Complete	E. Lillie	The MSHDA generated MATT report which is provided Monday through Friday includes a listing of all properties which have passed through the HHF process. The provide report is dated July 1, 2019, and captures all properties which have passed through the HHF process during the period of this audit. Definitions of the MATT stages have been included as a separate document. A revised definition list was provided 1.30.2020. The DLBA considers this request complete and waits confirmation of the same from Stout.		Complete
18	n/a	Transaction support for (vendor payments, city and/or MSHDA/city reimbursement) 19930 Cameron	Complete	E. Lillie		2/14/2020	Complete
18	n/a	Transaction support for (vendor payments, city and/or MSHDA/city reimbursement) 9389 Appoline	Complete	E. Lillie		2/14/2020	Complete
19	n/a	DLBA Limited Licensing Agreement for Purposes of Audit	Complete	E. Lillie	2/19/20 - As of 2/18/20, the accounts have been created and access has been granted	2/18/2020	Complete
20	Current Version	DLBA Accounting Policies and Procedures	Complete	E. Lillie	Updated policies and procedures effective as of August 1, 2018	3/13/2020	Complete
21	January 2014 - June 2019	Please provide source bank deposit detail (e.g. deposit slip, wire remittance, etc.) sufficient to identify the source of funds from the Main Account XX9707 for all transactions over the period January 2014 - June 2019	Partially Completed - On Hold - Work From Home	E. Lillie	7.16.20 - The DLBA considers this request complete as it relates to all records currently available during the work from home period. The remaining records relevant to this request are located in the DLBA's offices and do not exist in an electronic format. Due to the volume of the documents covered by this request, the documents must either be reviewed in person, or individual documents may be uploaded in an electronic form pursuant to specific requests.		Partially Completed - On Hold - Work From Home
22	See Exhibit D	Please provide source bank deposit detail (e.g. deposit slip, wire remittance, etc.) sufficient to identify the source of funds from the Demo Account XX1709 for all transactions included on Exhibit D	Complete	E. Lillie	All records have been provided. The DLBA considers this request complete and waits confirmation of the same from Stout.		Complete

Detroit Land Bank Limited Scope Forensic Audit
Documents Requested

Exhibit 1

Documents Requested			TO BE FILLED OUT BY STOUT	TO BE FILLED OUT BY DLBA			
Request #	Dates Range of Requested Documents	Description	Status	Provided By	Notes:	Expected Date of Full Response	Status
23	Supplemental Request to Request #5	Supplemental Request to Original Request #5: Please provide full bank reconciliations that include all reconciling items such as deposits and checks in-transit. Please also confirm that DLBA does not have recs for: (1) Main Checking XX9707 - May 2015 and (2) Demo Checking XX1709 - May 2018.	Complete	E. Lillie	7.16.20 - All records have now been provided. The DLBA considers this request complete and waits confirmation of the same from Stout.		Complete
24	January 2014 - June 2019	Please provide a report detailing all manual journal entries.	Partially Completed - On Hold - Work From Home	E. Lillie	7.16.20 - The records relevant to this request are located in the DLBA's office as and do not exist in electronic form. Due to the volume of the documents covered by this request, the documentation must be reviewed in person.		Partially Completed - On Hold - Work From Home
25	January 2014 - June 2019	Please provide an account mapping of general ledger accounts to the accounts presented in the DLBA's audited financial statements including any allocations of amounts between general ledger accounts to two or more audited financial statement line items over the years 2014 through 2019.	Partially Completed - On Hold - Work From Home	E. Lillie	7.16.20 - The DLBA considers this request complete and waits confirmation of the same from Stout.		Complete
26	January 2014 - June 2019	For the period January 2014 through June 2019, please provide statements for all credit cards that were paid by the DLBA. Additionally, please provide any contemporaneous documentation maintained to support the business purpose of each charge, e.g. expense reports.	Partially Completed - On Hold - Work From Home	E. Lillie	7.16.20 - The DLBA considers this request complete as it relates to all records currently available during the work from home period. The remaining records relevant to this request are located in the DLBA's offices and do not exist in an electronic format. Due to the volume of the documents covered by this request, the documents must either be reviewed in person, or individual documents may be uploaded in an electronic format pursuant to specific requests.		Partially Completed - On Hold - Work From Home
27	January 2014 - June 2019	Please provide access to vendor files where source documentation (e.g. invoices, contracts, etc.) is maintained.	Incomplete - On Hold - Work From Home	E. Lillie	7.16.20 - These records are located in the DLBA's offices and do not exist in an electronic format. Due to the volume of documents covered by this request, the documents must be reviewed in person.		Partially Completed - On Hold - Work From Home
28	January 2014 - June 2019	Please provide access to all employee files containing initial employment forms such as I9 forms, applications and annual additions such as reviews and changes in employment status and compensation levels.	Incomplete - On Hold - Work From Home	E. Lillie	7.16.20 - These records are located in the DLBA's offices and do not exist in an electronic format. Due to the volume of documents covered by this request, the documents must be reviewed in person.		Partially Completed - On Hold - Work From Home
29	n/a	Please provide Appendix 1 - document retention policy referenced in the DLBA's Accounting Policies and Procedures.	Incomplete - On Hold - Work From Home	E. Lillie	The DLBA has provided the records retention policy referenced in Appendix A. The DLBA considers this request complete and waits confirmation of same from Stout.		Complete
30	Supplemental Request to Requests 3b & 3c	Please provide Cash receipts and disbursements journal referenced in section 1.2.3 of the DLBA's Accounting Policies and Procedures.	Complete	E. Lillie	7.16.20 - The DLBA has provided the documents responsive to this request in the format used by the DLBA. The DLBA does not maintain a journal in the format provided by Stout. The DLBA considers this request complete and waits confirmation of same from Stout.		Complete
31	January 2014 - June 2019	Please provide Cash Receipts Log referenced in section 2.3.3 of the DLBA's Accounting Policies and Procedures.	Incomplete - On Hold - Work From Home	E. Lillie	7.16.20 - These records are located in the DLBA's offices and do not exist in an electronic format. Due to the volume of documents covered by this request, the documents must be reviewed in person.		Partially Completed - On Hold - Work From Home

Detroit Land Bank Limited Scope Forensic Audit
Documents Requested

Exhibit 1

Documents Requested			TO BE FILLED OUT BY STOUT	TO BE FILLED OUT BY DLBA			
Request #	Dates Range of Requested Documents	Description	Status	Provided By	Notes:	Expected Date of Full Response	Status
32	January 2014 - June 2019	Please provide payroll reconciliations to Paychex 940 report referenced in section 5.5.2 of Accounting	Partially Completed - On Hold - Work From Home	E. Lillie	7.16.20 - The DLBA is providing a reconciliation of payroll to the Paychex 941s. The DLBA balances to this report as it can be done on a quarterly basis on both a calendar and fiscal year basis, as opposed to the Paychex 940 report, which is limited to a year-end annual basis only.		Partially Completed
33	Years 2014, 2015, & 2017	Payroll Title Classification Grade Information for the Years 2014, 2015 and 2017	Complete	E. Lillie	The DLBA instituted grades and salary banding in 2016. No records exist prior to this date and the DLBA has provided all records within its possession. See item #2A.		Complete
34	n/a	Please provide all documentation to substantiate all amounts on the MATT Daily Report, "HHF Reconciliation by Parcel as of June 30.2019.xls", and "HHF Recon_All_2019.0630V4(OAG Audit).xls" files for 12611 Wyoming	Partially Completed	E. Lillie	The DLBA considers this request complete and waits confirmation of the same from Stout.		Complete
35	n/a	Explanation by the DLBA on how the amounts on the MATT Daily Report as well as the "HHF Reconciliation by Parcel as of June 30.2019.xls", and "HHF Recon_All_2019.0630V4(OAG Audit).xls" files are sourced and reconciled. a.The properties 12611 Wyoming and 5067 Holcomb were selected as examples to use in explaining these reports. b.Please include / use any other properties in addition to the two aforementioned properties that would serve as examples to better understand these files.	Partially Completed	E. Lillie	The DLBA considers this request complete and waits confirmation of the same from Stout.		Complete

Exhibit 2

Curriculum Vitae

Raymond Roth, III

Director



Detroit, MI USA

Office: +1.248.432.1337

Mobile: +1.248.432.1337

rroth@stout.com

Education

B.B.A., Accounting
Cleveland State University

Designations

Certified Public Accountant (CPA)
Certified Fraud Examiner (CFE)

Practice Areas

Complex Business Litigation
Labor & Employment Disputes
Shareholder Disputes
Trade Secrets & Restrictive Covenants
Transaction Disputes
Investigations
Special Assignments
Compliance Services

Industry Focus

Automotive
Consumer, Retail, Food & Beverage
Diversified Industrials
Financials
Government Agencies
Real Estate, Lodging & Leisure

Raymond Roth, III is a Director in the Disputes, Compliance and Investigations group. Mr. Roth has significant experience providing a broad range of business and financial advice to litigating counsel, corporate counsel, audit committees, boards of directors, compliance monitors and other decision makers.

The types of matters in which he has been involved in have required an identification, assessment of adherence and recommendations for improvement of policies and procedures regarding transaction processing and operations management. These assignments have been used to quantify economic damages and provide insights into risk mitigation, measurements of the effectiveness of policy changes and the identification of known or knowable facts surrounding specific performance objectives.

Further, Mr. Roth has developed specialized skills in the management and analysis of large complex data sets (i.e. big data). He has experience in performing detailed analyses at the transactional level to provide business intelligence, risk assessment, and other single and multi-variable attribute analysis. A non-exhaustive list where large data sets have been interpreted to offer opinions include compliance monitoring, FLSA hours worked studies, ERISA stock drop studies, Medicare investigations, asset tracing investigations, breach of contract and automotive and recall litigation.

Mr. Roth has testified in both bench and jury trials. He has been asked to present various topics to law firms, bar associations, state CPA societies and universities. In addition, he has assisted parties in settlement negotiations, mediation and facilitation.

Professional Memberships

- American Institute of Certified Public Accountants
- The Michigan Association of Certified Public Accountants (Including the Chariman of its Fraud Task Force)
- The Association of Certified Fraud Examiners

Raymond Roth, III
Director



Testimony Experience

People of the State of Michigan v. Barry Ellen tuck, In the 48th District Court, 2016

Amelia Quelas v. Daimler Trucks North America, LLC, et al., State of Michigan, In the Circuit Court for the County of Wayne, 2015

Publications

"Start Me Up: Antitrust Compliance Programs Within Automotive Suppliers a Key Focus." *The SRR Journal*, Fall 2014

"Start Me Up: Antitrust Compliance Programs Within Automotive Suppliers a Key Focus." *American Bar Association Section of Commercial and Business Litigation News and Developments*, August 2014

"Why Auto Suppliers Must Focus on Anti-Trust Compliance," *Law360*, June 2014

"The Impact of Expense Reimbursement Fraud," *The SRR Journal*, Fall 2013

"Managing Risk Associated with Occupational Fraud," *The SRR Journal*, Spring 2013

"Game On or Over: When the Whistle Blows Will Corporations be Ready for Dodd-Frank," *The SRR Journal*, Fall 2011

"The Perfect Storm: The Effect of Corporate Downsizing on Internal Controls and Occupational Fraud," *The SRR Journal*, Spring 2011

"Another Side of Pink Slips: Fraud Risk in a Reduced Workforce," *The Journal of Corporate Renewal*, Turnaround Management Association, November/December 2010.

"Looking Beyond Basic Financial Information in Post Acquisition Disputes," *The SRR Journal*, Spring 2010

Raymond Roth, III
Director



Speeches and Seminars

"How to Convey Complex Financial Information to Nonfinancial Stakeholders" Michigan Association of Certified Public Accountants May 19, 2020

"7th Annual State of Automotive Recalls Summit" Society of Automotive Analyst's Automotive Warranty and Recall Symposium, April 2020

"Automotive Recalls Trends and Hot Topics" North American Crisis Management Summit, March 2020

"Check Your Blind Spots: Managing the Risks of Automotive Component Defects" Finance Executives International, June 2019

"6th Annual State of Automotive Recalls Summit" Society of Automotive Analyst's Automotive Warranty and Recall Symposium, March 2019

"When Data Analytics Go Big or Go Home" presented to the Michigan Association of Certified Public Accountants on May 23, 2017 in Troy, Michigan

"Internal Investigations in the Digital Age" presented to the Association of Corporate Counsel on May 11, 2017 in Detroit, Michigan

"Re-engineering Recall: What Will the Future of Recall Look Like?" Society of Automotive Analyst's Automotive Warranty and Recall Symposium, March 2017

"Anatomy of Frauds and Case Studies" presented to the Michigan Association of Certified Public Accountants on February 19, 2015 Utica, Michigan, May 12, 2015 Frankenmuth, Michigan, June 24, 2015 and June 25, 2015 Novi, Michigan

"Human Trafficking and Forced Labor: Emerging Issues and Proactive Solutions" presented to the Michigan Association of Certified Public Accountants on May 19, 2015 in Novi, Michigan

"Financial Fraud Case Studies," presented to Michigan Association of Certified Public Accountants, June 24, 2014

"Use of Excel in eDiscovery," presented to Women in eDiscovery – Detroit Chapter, March 20, 2014

"Financial Statement Fraud," presented to Michigan Association of Certified Public Accountants, November 6, 2013.

"Fighting Financial Statement Fraud – Don't Let it Happen to You," presented to Michigan Association of Certified Public Accountants CPE Mega Conference – Lansing MI, October 22, 2013 and October 29, 2013

"What is Your Fraud IQ," presented to the Michigan Association of Certified Public Accounts, May 16, 2013

"Fraud and Forensic Accounting", presented to Institute of Management Accountants – Eastern Michigan University Chapter, April 4, 2013

"Data Mining Software Programs," presented to the MACPA Anti-Fraud Conference, May 22, 2012

"Fighting Fraud through Superior Internal Controls," presented to the MACPA's West Michigan Management Information & Business Show, June 7, 2012

Raymond Roth, III
Director



“Fraud Risks and Mitigation through Internal Controls,” presented to the MACPA’s Mega Conference, December 7, 2011, October 20, 2011 and October 26, 2011

“Best Practices in Local Government Management Fiscal Management Training,” presented to the Michigan State University Extension, November 10, 2011

“Understanding Financial Statements,” presented to Hahn Loeser, September 22, 2011

“Financial Statements and Occupational Fraud,” Akron Bar Association, Ab Initio Section, May 2010

“Mining Business Tax Returns for Information,” SRR Webinar, May 11, 2010

“Fraud and Forensic Examination,” presented at Principles of Fraud Examination, Baldwin Wallace College, May 2010

“Understanding Financial Statements,” SRR Webinar, April 13, 2010

“Breaking the Cycle of Occupational Fraud,” presented to the Criminal Law Section of the Cleveland Metropolitan Bar Association, March 25, 2010

“Fraud and Forensic Examination,” presented at Principles of Fraud Examination, Baldwin Wallace College, May 2008 and May 2009

“Fraud Case Studies”, presented to Beta Alpha Psi at Cleveland State University, September 2006

“The measurement of economic damages, understanding financial statements and tax returns and other topics,” presented to CLE programs in Cleveland, Ohio, October 2008

Exhibit 3

Comparison of Subsidy Payments to Non-Demolition Related Expenses

**Detroit Land Bank Authority Limited Scope Forensic Audit
Comparison of Subsidy Payments and General & Administrative Expenses
For the Fiscal Years Ending 2014 through 2019**

**Exhibit 3
Schedule 1**

<u>Description</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Total</u>
1 City of Detroit Subsidy Payments	\$ 1,500,000	\$ 14,500,000	\$ 5,000,000	\$ 12,134,972	\$ 14,000,000	\$ 14,000,000	\$ 61,134,972 [a]
2 General & Administrative Expenses	1,991,970	6,147,399	8,426,520	12,271,589	14,125,872	15,081,391	\$ 58,044,741 [b]
3 Difference	<u>\$ (491,970)</u>	<u>\$ 8,352,601</u>	<u>\$ (3,426,520)</u>	<u>\$ (136,617)</u>	<u>\$ (125,872)</u>	<u>\$ (1,081,391)</u>	<u>\$ 3,090,231</u> [c]

[a] Source: Detroit Land Bank General Ledgers.

[b] Source: Schedule 2.

[c] As of June 30, 2019, the Detroit Land Bank's audited financial statements detail \$5,135,708 in deferred revenue from "a number of grant agreements with funds origination from various foundations, corporations, and the City for activities involving the establishment of administrative operations...". When considering this, at least \$56 million of the City of Detroit's subsidy funding has been spent on Administrative activities (\$61.1 million - \$5.1 million = \$56 million).

Source: Detroit Land Bank Audited Financial Statements and General Ledgers.

**Detroit Land Bank Authority Limited Scope Forensic Audit
Calculation of General & Administrative Expenses
For the Fiscal Years Ending 2014 through 2019**

**Exhibit 3
Schedule 2**

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Total</u>
1 Total Operating Expenditures	\$ 4,766,268	\$ 54,454,511	\$ 81,226,350	\$ 64,104,463	\$ 57,757,973	\$ 80,619,185	\$ 342,928,750
Less:							
2 Brightmoor Project	-	371,287	-	-	-	-	371,287
3 Acquisition	-	987,981	5,102,674	5,361,906	5,884,197	6,324,108	23,660,866
4 Board-ups	-	-	3,160,078	2,598,137	2,303,224	2,316,022	10,377,461
5 Developer Agreement Expenses	1,154,809	146,571	-	-	-	-	1,301,380
6 Demolition Expenses	1,180,130	44,919,771	64,537,078	43,872,831	35,444,680	56,897,664	246,852,154
7 Rental Agreement Expenses	11,566	1,320	-	-	-	-	12,886
8 Auction Expenses	246,190	607,683	-	-	-	-	853,873
9 Nuisance & Abatement	25,068	1,186,833	-	-	-	-	1,211,901
10 Public Affairs		15,034	-	-	-	-	15,034
11 Disposition	132,849	-	-	-	-	-	132,849
12 Depreciation	23,686	70,632	-	-	-	-	94,318
13 Subtotal	<u>2,774,298</u>	<u>48,307,112</u>	<u>72,799,830</u>	<u>51,832,874</u>	<u>43,632,101</u>	<u>65,537,794</u>	<u>284,884,009</u>
14 General & Administrative Expenses	<u>\$ 1,991,970</u>	<u>\$ 6,147,399</u>	<u>\$ 8,426,520</u>	<u>\$ 12,271,589</u>	<u>\$ 14,125,872</u>	<u>\$ 15,081,391</u>	<u>\$ 58,044,741</u>

Source: Audited Financial Statements

Exhibit 4

Summary of Disbursements from the Main Operating Account to Related Bank Accounts

Detroit Land Bank Authority Limited Scope Forensic Audit
Summary of Disbursements from the Main Operating Account (XX9707) to Related Bank Accounts
For the Fiscal Years Ending 2014 through 2019

Exhibit 4

Related Bank Accounts	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
Disbursements to:							
1 Demolition Checking XX1709	\$ -	\$ -	\$ -	\$ 21,631,338	\$ 986,469	\$ 2,877,103	25,494,910
2 Payroll Checking XX4503	-	-	-	6,260,388	8,121,826	6,025,374	20,407,588
3 Restricted Cash XX4511	-	-	-	257,000	-	-	257,000
4 Detroit Land Bank CDC XX5620	-	-	-	-	1,100,000	-	1,100,000
5 Auction Savings XX8280	-	-	-	-	-	3,659,202	3,659,202
6 Auction Checking XX9844	-	-	-	-	-	1,513,730	1,513,730
7 Liberty Bank	-	-	-	-	198,592	-	198,592
8 Subtotal - Transfers to Related Accounts	-	-	-	28,148,726	10,406,887	14,075,409	52,631,022
Disbursements from:							
9 Demolition Checking XX1709	-	-	-	6,042,840	-	156,139	6,198,979
10 Payroll Checking XX4503	-	-	-	-	-	-	-
11 Restricted Cash XX4511	-	-	-	183,880	634,624	679,218	1,497,722
12 Detroit Land Bank CDC XX5620	-	1,386,070	338,216	1,155,000	2,261,843	500,020	5,641,149
13 Auction Savings XX8280	-	-	-	1,555,864	-	3,102,537	4,658,401
14 Auction Checking XX9844	-	-	1,020,000	-	-	13,536	1,033,536
15 Liberty Bank	-	-	-	-	-	-	-
16 Subtotal - Transfers From Related Accounts	-	1,386,070	1,358,216	8,937,584	2,896,467	4,451,449	19,029,786
Net Disbursements to Related Bank Accounts							
17 Demolition Checking XX1709	-	-	-	15,588,498	986,469	2,720,964	19,295,931
18 Payroll Checking XX4503	-	-	-	6,260,388	8,121,826	6,025,374	20,407,588
19 Restricted Cash XX4511	-	-	-	73,120	(634,624)	(679,218)	(1,240,722)
20 Detroit Land Bank CDC XX5620	-	(1,386,070)	(338,216)	(1,155,000)	(1,161,843)	(500,020)	(4,541,149)
21 Auction Savings XX8280	-	-	-	(1,555,864)	-	556,665	(999,199)
22 Auction Checking XX9844	-	-	(1,020,000)	-	-	1,500,194	480,194
23 Liberty Bank	-	-	-	-	198,592	-	198,592
24 Net Transfers	\$ -	\$ (1,386,070)	\$ (1,358,216)	\$ 19,211,142	\$ 7,510,420	\$ 9,623,960	\$ 33,601,236

Source: Fifth Third Bank Statements (XX9707).

Exhibit 5

Reconciliation of Audited Financial Statements to the General Ledger

Detroit Land Bank Authority Limited Scope Forensic Audit
Comparison of General Ledger to Audited Financial Statements - Income Statement
Fiscal Year 2014

Exhibit 5
Schedule 1

	FY 2014		
	Audited Financial Statements	General Ledger	Difference
Revenue			
1 Grant Income - Federal	\$ 1,524,684	\$ 1,524,684	\$ 0
2 Grant Income - Other	2,151,521	2,151,521	(0)
3 Donated Goods and Services	4,830,625	4,830,625	-
4 Gain (Loss) from Sale of Property	(2,359,060)	(2,359,060)	(0)
5 Income - Other	88,418	88,418	(0)
6 Total Operating Revenues	6,236,188	6,236,188	(0)
Expenditures			
7 Salaries and Wages	905,182	905,182	0
8 Employment Taxes	75,236	75,236	0
9 Workman's Comp Insurance	2,044	2,044	(0)
10 Fringe Benefits	79,062	79,062	(0)
11 Vehicle Allowance	600	600	-
12 Rent	81,462	81,462	-
13 Utilities	8,386	8,386	(0)
14 Advertising	8,255	8,255	(0)
15 Telephone	10,826	10,826	(0)
16 Office Supplies	24,616	24,616	(0)
17 Printing	9,606	9,606	0
18 Postage & Delivery	2,779	2,779	0
19 D & O Insurance	7,314	7,314	0
20 Property Liability Insurance	10,954	10,954	(0)
21 Travel and Meeting Expenses	4,826	4,826	0
22 Education & Training	4,375	4,375	0
23 Parking	19,522	19,522	0
24 Membership & Licenses	855	855	-
25 Equipment Leases	21,666	21,666	1
26 Depreciation	23,686	23,686	(0)
27 Interest Expense	83,771	83,771	(0)
28 Bank Fees	951	951	0
29 Miscellaneous	4,936	4,932	4
30 Professional Services	477,151	477,151	0
31 Legal	144,928	144,928	0
32 General Administrative Cost	2,666	2,666	0
33 Developer Agreement Expenses	1,154,809	1,154,815	(6)
34 Demolition Expenses	1,180,130	1,180,130	0
35 Rental Agreement Expenses	11,566	11,566	0
36 Auction Expenses	246,190	246,190	(0)
37 Nuisances & Abatement	25,068	25,068	(0)
38 Disposition	132,849	132,849	0
39 Total Operating Expenditures	4,766,267	4,766,267	(0)
40 Change in Fund Balance - Net Position	\$ 1,469,921	\$ 1,469,921	\$ 0

Source: 2014 Audited Financial Statements & 2014 General Ledger

Detroit Land Bank Authority Limited Scope Forensic Audit
Comparison of General Ledger to Audited Financial Statements - Income Statement
Fiscal Year 2015

Exhibit 5
Schedule 2

	FY 2015		
	Audited Financial Statements	General Ledger	Difference
Revenue			
1 Grant Income - Federal	\$ 532,706	\$ 532,706	\$ (0)
2 Grant Income - Other	50,997,941	50,953,671	44,270
3 Donated Properties	15,856,126	15,856,126	-
4 Gain (Loss) from Sale of Property	(4,281,709)	(4,281,709)	(0)
5 Income - Other	2,575,013	2,573,567	1,446
6 Total Operating Revenues	65,680,077	65,634,361	45,716
Expenditures			
7 Salaries and Wages	3,683,451	3,683,450	1
8 Employment Taxes	334,293	334,293	0
9 Workman's Comp Insurance	6,066	6,066	0
10 Fringe Benefits	431,609	432,046	(437)
11 Rent	153,184	153,184	0
12 Utilities	17,864	17,864	0
13 Administrative cost	91	58	33
14 Advertising	1,783	1,783	(0)
15 Telephone	73,945	73,945	0
16 Office Supplies	89,825	89,826	(1)
17 Printing	44,859	44,859	0
18 Postage & Delivery	71,680	71,680	(0)
19 D & O Insurance	12,443	12,443	0
20 Property Liability Insurance	147,665	147,665	-
21 Travel and Meeting Expenses	34,760	34,760	(0)
22 Education & Training	6,744	6,744	0
23 Parking	133,686	133,686	0
24 Membership & Licenses	5,033	5,033	0
25 Equipment/ Leases	209,802	209,802	0
26 Depreciation	70,632	70,632	0
27 Interest Expense	7,045	7,045	0
28 Bank Fees	17,140	17,141	(1)
29 Professional Services	664,431	664,433	(2)
30 Brightmoor Project	371,287	371,287	-
31 Acquisition	987,981	987,981	1
32 Developer Agreement Expenses	146,571	146,571	0
33 Demolition Expenses	44,919,771	43,533,701	1,386,070
34 Rental Agreement Expenses	1,320	1,320	-
35 Auction Expenses	607,683	607,683	0
36 Nuisances & Abatement	1,186,833	1,186,833	(0)
37 Public Affairs	15,034	15,034	(0)
38 Total Operating Expenditures	54,454,511	53,068,846	1,385,665
39 Change in Fund Balance - Net Position	\$ 11,225,566	\$ 12,565,516	\$ (1,339,950)

Source: 2015 Audited Financial Statements and 2015 General Ledger

Detroit Land Bank Authority Limited Scope Forensic Audit
Comparison of General Ledger to Audited Financial Statements - Income Statement
Fiscal Year 2016

Exhibit 5
Schedule 3

	FY 2016		
	Audited Financial Statements	General Ledger	Difference
Revenue			
1 Hardest Hit Fund grant	\$ 53,115,665	\$ 56,751,354	\$ (3,635,689)
2 Other grants and contracts	19,549,005	16,211,763	3,337,242
3 Donated properties	5,626,425	5,626,425	-
4 Structure sales	4,408,432	4,408,432	(0)
5 Side lot sales	657,748	657,748	0
6 Other revenue	1,798,376	815,664	982,712
7 Gain (loss) on disposition of property held for resale	(3,864,638)	(3,864,638)	-
8 Total Revenue	81,291,013	80,606,749	684,265
Expenditures			
9 Demolition expenses	64,537,078	65,387,078	(850,000)
10 Salaries and wages	4,714,770	4,714,770	0
11 Payroll taxes	418,008	418,008	(0)
12 Employee benefits	655,084	655,084	0
13 Acquisition and maintenance	5,102,674	5,102,674	0
14 Board-ups	3,160,078	3,160,078	0
15 Professional fees	774,485	774,485	-
16 Advertising	592,117	592,117	-
17 Occupancy	415,521	415,521	-
18 Office expenses	303,372	303,372	-
19 Insurance	46,243	46,243	-
20 Other expenses	388,055	388,055	-
21 Depreciation	118,865	-	118,865
22 Capital outlay	-	151,410	(151,410)
	81,226,350	82,108,895	(882,545)
23 Excess Revenue over Expenditures	64,663	(1,502,147)	1,566,810
24 Gain (loss) on disposition of capital assets	(32,544)	-	(32,544)
25 Net Position Change	\$ 32,119	\$ (1,502,147)	\$ 1,534,266

Source: 2017 General Ledger (2016 Restated) & 2016 Audited Financial Statements

Detroit Land Bank Authority Limited Scope Forensic Audit
Comparison of General Ledger to Audited Financial Statements - Income Statement
Fiscal Years 2017 through 2019

Exhibit 5
Schedule 4

	2017			2018			2019		
	Audited	General Ledger	Difference	Audited	General Ledger	Difference	Audited	General Ledger	Difference
Revenue									
1 Hardest Hit Fund grant	\$ 36,711,066	\$ 36,711,066	\$ 0	\$ 35,369,033	\$ 35,369,033	\$ 0	\$ 60,230,159	\$ 60,230,159	\$ 0
2 Other grants and contracts	23,642,991	23,582,149	60,842	23,602,611	24,001,475	(398,864)	18,364,383	19,029,384	(665,001)
3 Donated properties	3,021,000	3,021,000	-	910,000	910,000	-	335,750	335,750	-
4 Structure sales	6,127,923	6,127,924	(1)	9,025,906	9,025,906	-	8,603,034	8,603,034	0
5 Side lot sales	519,843	519,843	0	797,737	797,737	0	998,801	998,801	(0)
6 Other program revenue	514,638	575,481	(60,843)	1,513,898	1,340,032	173,866	1,174,540	621,969	552,571
7 Intercompany Revenue	-	-	-	-	2,224,832	(2,224,832)	-	1,803,959	(1,803,959)
8 Gain (loss) on disposition of property held for resale	(3,508,592)	(3,508,592)	(0)	(3,668,750)	(3,668,750)	(0)	(3,454,038)	(3,454,038)	0
9 Total Revenue	67,028,869	67,028,870	(1)	67,550,435	70,000,265	(2,449,830)	86,252,629	88,169,017	(1,916,388)
Expenditures									
10 Demolition expenses	43,872,831	43,872,831	1	35,444,680	35,444,680	0	56,897,664	56,897,664	0
11 Salaries and wages	7,247,977	7,247,977	(0)	7,700,231	7,700,231	(0)	9,091,641	9,091,641	0
12 Payroll taxes	571,936	571,936	(0)	674,718	674,718	(0)	778,549	778,549	0
13 Employee benefits	1,122,680	1,122,680	(0)	1,105,985	1,105,985	0	1,412,641	1,412,641	0
14 Acquisition and maintenance	5,361,906	5,361,906	0	5,884,197	5,884,197	(0)	6,324,108	6,324,108	(0)
15 Board-ups, sales preparation, and debris removal	2,598,137	2,598,137	(0)	2,303,224	2,303,224	(0)	2,316,022	2,316,022	0
16 Professional fees	1,243,714	1,243,714	(0)	1,437,834	1,437,834	0	541,254	541,254	0
17 Advertising	296,690	296,690	(0)	472,226	472,226	0	368,702	368,702	(0)
18 s	809,896	-	809,896	1,184,182	-	1,184,182	1,355,129	-	1,355,129
19 Office expenses	261,207	261,207	(0)	268,068	268,068	0	344,482	344,482	(0)
20 Insurance	69,484	69,484	(0)	77,272	77,272	(0)	271,090	271,090	(0)
21 Depreciation	155,049	155,049	(0)	182,287	182,287	(0)	238,728	238,728	(0)
22 Intercompany Expenses	-	-	-	-	2,449,832	(2,449,832)	-	1,916,387	(1,916,387)
23 Other expenses	492,956	492,954	2	611,155	611,155	(0)	679,175	679,174	1
24 Subtotal	64,104,463	63,294,567	809,896	57,346,059	58,611,709	(1,265,650)	80,619,185	81,180,443	(561,258)
25 Excess Revenue over Expenditures	2,924,406	3,734,303	(809,897)	10,204,376	11,388,556	(1,184,180)	5,633,444	6,985,574	(1,355,130)
26 Loss on Disposal of Assets	-	-	-	-	-	-	2,822	2,820	2
27 Net Change in Position	\$ 2,924,406	\$ 3,734,303	\$ (809,897)	\$ 10,204,376	\$ 11,388,556	\$ (1,184,180)	\$ 5,630,622	\$ 6,985,754	\$ (1,355,132)

Source: 2017 - 2019 General Ledgers & Audited Financial Statements

**Detroit Land Bank Authority Limited Scope Forensic Audit
Comparison of General Ledger to Audited Financial Statements - Balance Sheet
Fiscal Year 2014**

**Exhibit 5
Schedule 5**

	FY 2014		
	Audited Financial Statements	General Ledger	Difference
Assets			
Current Assets:			
1 Cash & Cash Equivalents	\$ 818,181	817,733	448
2 Accounts Receivable	706,426	706,426	0
3 Prepaid Expenses	44,145	44,145	0
4 Purchases in Progress	135,075	131,819	3,256
5 Property Held For Resale	7,741,606	7,732,451	9,155
6 Total Current Assets	<u>9,445,433</u>	<u>9,432,573</u>	<u>12,860</u>
Capital Assets			
7 Equipment, Net of Depreciation	119,679	119,679	(0)
8 Total Assets	<u>9,565,112</u>	<u>9,552,253</u>	<u>12,859</u>
Liabilities			
9 Accounts Payable	1,213,994	1,201,134	12,860
10 Accrued Payroll	192,614	192,614	0
11 Land Contract	3,069	3,069	-
12 Unearned Revenue	1,364,367	1,364,367	(0)
13 Due to CDC	-	-	-
14 Loan - City of Detroit	-	-	-
15 Line of Credit - City of Detroit	-	-	-
16 Auction Deposits	164,038	164,038	0
17 Security Deposit	1,400	1,400	-
18 Total Liabilities	<u>\$ 2,939,482</u>	<u>\$ 2,926,622</u>	<u>\$ 12,860</u>

Source: 2014 Audited Financial Statements & 2014 General Ledger

Detroit Land Bank Authority Limited Scope Forensic Audit
Comparison of General Ledger to Audited Financial Statements - Balance Sheet
Fiscal Year 2015

Exhibit 5
Schedule 6

	FY 2015		
	Audited Financial Statements	General Ledger	Difference
Assets			
Current Assets:			-
1 Cash & Cash Equivalents	\$ 18,803,135	18,638,204	164,931
2 Accounts Receivable	7,350,305	7,265,552	84,753
3 Prepaid Expenses	27,651	27,651	(0)
4 Purchases in Progress	-	-	-
5 Property Held For Resale	23,904,158	23,904,773	(615)
6 Total Current Assets	50,085,249	49,836,180	249,069
Capital Assets			
7 Equipment, Net of Depreciation	370,082	370,083	(1)
8 Total Assets	50,455,331	50,206,263	249,068
Liabilities			
9 Accounts Payable	2,062,861	2,063,913	(1,052)
10 Accrued Payroll	222,731	222,731	0
11 Land Contract	4,464	4,464	-
12 Unearned Revenue	6,200,252	6,200,252	0
13 Due to CDC	84,753	84,753	0
14 Loan - City of Detroit	6,500,000	6,500,000	-
15 Line of Credit - City of Detroit	15,000,000	15,000,000	-
16 Auction Deposits	938,279	938,279	(0)
17 Security Deposit	725	725	-
18 Total Liabilities	\$ 31,014,065	\$ 31,015,117	\$ (1,052)

Source: 2015 Audited Financial Statements and 2015 General Ledger

**Detroit Land Bank Authority Limited Scope Forensic Audit
Comparison of General Ledger to Audited Financial Statements - Balance Sheet
Fiscal Year 2016**

**Exhibit 5
Schedule 7**

FY 2016			
	Audited Financial Statements	General Ledger	Difference
Assets			
1 Cash - Unrestricted	\$ 9,218,221	\$ 9,988,752	\$ (770,531)
2 Cash - Restricted	5,329,211	4,558,680	770,531
3 Total Cash	14,547,432	14,547,431	1
4 Accounts receivable	9,406,273	9,406,273	0
5 Prepaid expenditures	141,686	141,686	0
6 Property held for resale	22,790,279	22,790,279	(0)
Depreciable Assets - Net	359,467	359,466	1
7 Subtotal	32,697,705	32,697,704	1
8 Total Assets	47,245,137	47,245,136	1
Liabilities			
9 Accounts payable and accrued expenses	12,653,673	12,653,673	0
10 Deferred revenue	5,256,180	5,256,180	(0)
11 Advances and loans	13,500,000	13,500,000	-
12 Deposits	61,501	61,501	1
13 Total Liabilities	31,471,354	31,471,353	1

Source: 2017 Audited Financial Statements (Restates 2016)

Detroit Land Bank Authority Limited Scope Forensic Audit
Comparison of General Ledger to Audited Financial Statements - Balance Sheet
Fiscal Years 2017 through 2019

Exhibit 5
Schedule 8

	2017			2018			2019		
	Audited	General Ledger	Difference	Audited	General Ledger	Difference	Audited	General Ledger	Difference
Assets									
1 Cash - Unrestricted	\$ 6,361,212	\$ 6,361,213	\$ (1)	\$ 11,030,872	\$ 11,030,872	\$ 0	\$ 11,810,648	\$ 11,810,647	\$ 1
2 Cash - Restricted	5,533,705	5,533,704	1	7,508,407	7,508,407	(0)	7,601,956	7,601,956	(0)
3 Total Cash	11,894,917	11,894,917	(0)	18,539,279	18,539,279	0	19,412,604	19,412,604	0
4 Escrow deposits	-	-	-	2,000,000	2,000,000	-	2,000,000	2,000,000	-
5 Accounts receivable	18,252,688	18,252,688	0	19,456,157	19,456,157	0	38,900,405	38,900,405	0
6 Prepaid expenses	4,082	4,082	(0)	66,096	66,096	0	186,409	186,409	(0)
7 Property Held for Resale	24,511,421	24,511,421	(0)	23,341,284	23,341,284	0	21,919,066	21,919,066	0
8 Capital Assets	-	-	-	-	-	-	-	-	-
9 Depreciable assets - Net	204,418	204,417	1	616,332	616,331	1	695,096	695,097	(1)
10 Subtotal	42,972,609	42,972,608	1	45,479,869	45,479,868	1	63,700,976	63,700,976	(0)
11 Total Assets	54,867,526	54,867,526	0	64,019,148	64,019,147	1	83,113,580	83,113,580	(0)
12 Liabilities									
13 Accounts payable and accrued expenses	10,973,199	10,973,199	(0)	19,170,400	19,170,400	(0)	27,910,420	27,910,420	0
14 Deferred revenue	5,161,873	5,161,873	0	5,411,918	5,411,918	(0)	5,135,708	5,135,708	0
15 Escrow Deposits Payable	-	-	-	2,000,000	2,000,000	-	2,000,000	2,000,000	-
16 Advances & Loans	18,500,000	18,500,000	-	7,000,000	7,000,000	-	12,000,000	12,000,000	-
17 Subtotal	34,635,072	34,635,072	0	33,582,318	33,582,318	(0)	47,046,128	47,046,128	0
18 Deferred Inflows of Resources:									
19 Unavailable revenue (Note D)	-	-	-	-	-	-	-	-	-
20 Total Liabilities and Deferred Inflows of Resources	\$ 34,635,072	\$ 34,635,072	\$ 0	\$ 33,582,318	\$ 33,582,318	\$ (0)	\$ 47,046,128	\$ 47,046,128	\$ 0

Source: 2017 - 2019 General Ledgers & Audited Financial Statements

Exhibit 6

Deposits into Fifth Third Main Operating Account

Detroit Land Bank Authority Limited Scope Forensic Audit
Summary of Deposits - Main Operating XX9707
For the Period Beginning July 2015 through June 2019

Source	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
1 City of Detroit - Demo Advance	\$ -	\$ 15,000,000	\$ -	\$ 10,000,000	\$ -	\$ -	\$ 25,000,000
2 City of Detroit	291,502	104,124	-	8,991	-	93,587	498,204
3 City of Detroit Subsidy	1,500,000	14,500,000	5,000,000	12,134,972	14,000,000	14,000,000	61,134,972
4 Subtotal - City of Detroit	1,791,502	29,604,124	5,000,000	22,143,963	14,000,000	14,093,587	86,633,176
5 Transfer from XX1709 (Demo Account)	-	-	-	6,042,840	-	156,139	6,198,979
6 Transfer from XX4511 (Restricted Cash)	-	-	-	183,880	634,624	679,218	1,497,722
7 Transfer from XX5620 (Landbank CDC)	-	1,386,070	338,216	1,155,000	2,261,843	500,020	5,641,149
8 Transfer from XX8280 (Auction Savings)	-	-	-	1,555,864	-	3,102,537	4,658,401
9 Transfer from XX9844 (Auction Checking)	-	-	1,020,000	-	-	13,536	1,033,536
10 Subtotal - Related Account Transfers	-	1,386,070	1,358,216	8,937,584	2,896,467	4,451,449	19,029,786
11 MSHDA - MHA	-	6,369,562	55,086,837	3,329,047	-	-	64,785,446
12 Wire Transfer In	-	29,140,095	8,944,814	254,912	953,557	3,085,807	42,379,184 [a]
13 Individual and/or Entity	900	250,174	1,193,464	296,143	2,211,509	82,581	4,034,771
14 Detroit Development Fund	-	2,651,591	-	-	-	-	2,651,591
15 CitiGroup	-	-	1,500,000	-	-	-	1,500,000
16 Chase Grant	-	1,100,000	-	-	-	-	1,100,000
17 Kresge Foundation	250,000	250,000	-	-	-	-	500,000
18 Quicken Loans	-	-	-	-	257,946	-	257,946
19 Deposit	385,023	891,666	1,450,706	85,614	-	474	2,813,482
20 Adjustment Error	-	-	-	-	300	-	300
21 Credit Adjustment	-	-	-	754	-	-	754
22 EPN LLC	-	-	153	-	-	-	153
23 Interest	-	-	-	-	-	146	146
24 Paychex	-	-	511	228	-	-	739
25 Paychex - BOA Payroll	-	5,714	1,739	1,775	-	-	9,228
26 Paychex - CGS Garnish	-	1,094	208	-	-	-	1,302
27 Paychex - Payroll	14,253	5,960	-	-	-	-	20,213
28 Paychex - Taxes	431	-	-	-	-	-	431
29 Paychex - TPS	857	-	-	-	-	-	857
30 Returned Item	-	4,500	-	-	1,020	12,295	17,815
31 Subtotal - Other	651,464	40,670,355	68,178,432	3,968,472	3,424,332	3,181,302	120,074,356
32 Total	\$ 2,442,966	\$ 71,660,549	\$ 74,536,647	\$ 35,050,019	\$ 20,320,799	\$ 21,726,338	\$ 225,737,318

[a] The DLBA batch enters deposits, and therefore, Stout was unable to determine the source of funds utilizing the general ledger. As of the date of this report wire remittance detail was not received by Stout to determine the source of funds.

Cash Basis - Source: DLBA General Ledgers & Fifth Third Bank Statements XX9707

Exhibit 7

Deposits into Fifth Third Demolition Account

Detroit Land Bank Authority Limited Scope Forensic Audit
Summary of Deposits - Demolition Account XX1709
For the Period From June 2016 through June 2019

Exhibit 7

Source	FY 2016	FY 2017	FY 2018	FY 2019	Total
1 City of Detroit - Demo Adv #4	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000
2 City of Detroit - City Funding	-	1,058,673	-	-	1,058,673
3 Subtotal - City of Detroit	-	1,058,673	-	5,000,000	6,058,673
4 Not Identified	-	273,066	36,933	4,448	314,446
5 Interest	-	-	-	3,994	3,994
6 MSHDA - MHA	-	23,944,627	32,232,307	41,600,935	97,777,869
7 Subtotal - Other	-	24,217,693	32,269,240	41,609,376	98,096,309
8 Transfer From XX4511 (Restricted Cash)	-	3,244,458	1,162,050	2,046,856	6,453,364
9 Transfer From XX8280 (Auction Savings)	-	2,000,000	-	-	2,000,000
10 Transfer from XX9707 (Main Account)	-	21,631,338	986,469	2,877,103	25,494,910
11 Transfer From XX8280 (Auction Savings)	5,000,000	-	-	-	5,000,000
12 Subtotal - Related Account Transfers	5,000,000	26,875,796	2,148,519	4,923,958	38,948,274
13 Grand Total	\$ 5,000,000	\$ 52,152,162	\$ 34,417,759	\$ 51,533,335	\$ 143,103,256

Cash Basis - Source: DLBA General Ledgers & Fifth Third Bank Statements XX1709

Exhibit 8

Deposits into Fifth Third Payroll Account

Exhibit 8

Detroit Land Bank Authority Limited Scope Forensic Audit
Summary of Deposits - Payroll Account XX4503
For the Fiscal Years Ending 2017 through 2019

Payee	FY 2017	FY 2018	FY 2019	Total	
1 Transfer from XX9707 (Main Account)	\$ 6,260,388	\$ 8,121,826	\$ 6,025,374	\$ 20,407,588	
2 Transfer from XX8280 (Auction Savings)	554,574	3,105,968	7,278,320	10,938,862	
3 Transfer from XX1709 (Demo Checking)	-	-	1,145,887	1,145,887	
4 Transfer from XX4511 (Restricted Cash)	65,880	344,865	-	410,744	
5 Subtotal - Transfers	6,880,842	11,572,658	14,449,581	32,903,081	
6 Wells Fargo Advisors	-	3,000	-	3,000	
7 Multiple Individuals	-	449	1,796	2,245	[a]
8 Angela Brown	-	-	660	660	
9 Deba Harper	-	-	485	485	
10 Melissa Renee Vela	-	389	-	389	
11 Ashley Ward	-	-	333	333	
12 Andrea Johnson	-	-	322	322	
13 Brooke Jordan	-	-	143	143	
14 Akeem Lee	-	-	35	35	
15 Jenee Smith	-	35	-	35	
16 Michelle West	-	35	-	35	
17 Tamika Riase	-	-	35	35	
18 Jamila Felder	-	-	25	25	
19 Subtotal - Other	-	3,908	3,833	7,742	
20 Grand Total	\$ 6,880,842	\$ 11,576,567	\$ 14,453,414	\$ 32,910,822	

[a] General Ledger detail contained multiple payees for a single deposit.

Cash Basis - Source: DLBA General Ledgers and Bank Statements XX4503.

Exhibit 9

Inconsistent Transactions – Bank Statements vs. General Ledger

Detroit Land Bank Authority Limited Scope Forensic Audit
Unknown Bank Account Disbursements - Main Operating Account XX9707
Check Number Not Identified in Ledger

Exhibit 9

Per Bank Detail

			Statement		Check	
	Year	Date	Period	Amount	No	Bank Account
1	2014	11/7/2014	11/30/2014	10.00	3500	Main Account XX9707

Source: Fifth Third Bank Statements (XX9707) and DLBA General Ledgers

**Detroit Land Bank Authority Limited Scope Forensic Audit
Identified Bank Disbursements with Different Amount Recorded in the General Ledger**

Exhibit 9

Per Bank Detail						Per General Ledger				
Year	Date	Statement Period	Amount	Check No	Bank Account	Ledger Source	Payee Per Ledger	GL Amount	Difference From Bank Amount	Reference Number
1	2018	10/24/2018	10/31/2018	\$ 3,013.00	4130 Demo - Checking XX1709	2019 Ledger	Homrich	\$ 2,500.00	\$ 513.00	4130
2	2017	3/30/2017	3/31/2017	885.00	1904 Demo - Checking XX1709	2017 Ledger	AKT Peerless	895.00	(10.00)	1904
3	2016	8/23/2016	8/31/2016	30.00	7804 Main Account XX9707	2017 Ledger	Chirco Title Company	740.00	(710.00)	7804
4	2016	8/23/2016	8/31/2016	740.00	7805 Main Account XX9707	2017 Ledger	Register of Deeds - DO NOT USE	30.00	710.00	7805
5	2018	3/19/2018	3/31/2018	140.00	10130 Main Account XX9707	2018 Ledger	Armorbearer Investigations	440.00	(300.00)	10130

Source: Fifth Third Bank Statements (XX9707 & XX1709) and DLBA General Ledgers

Detroit Land Bank Authority Limited Scope Forensic Audit

Exhibit 9

Summary of Disbursements - Check Numbers are Inconsistent Between General Ledger and Bank Statement

Per Bank Detail						Per General Ledger				
Year	Date	Statement Period	Amount	Check No	Bank Account	Ledger Source	Payee Per Ledger	GL Amount	Difference From Bank Amount	Reference Number
1	2018	4/27/2018	4/30/2018	\$ 12,451.28	3220 Demo - Checking XX1709	2018 Ledger	Homrich	\$ 11,901.00	\$ 550.28	3220
2	2018	5/1/2018	5/31/2018	5,390.75	3229 Demo - Checking XX1709	2018 Ledger	PSI	2,202.50	3,188.25	3229
3	2018	5/1/2018	5/31/2018	5,006.80	3225 Demo - Checking XX1709	2018 Ledger	PSI	4,348.50	658.30	3225
4	2018	5/1/2018	5/31/2018	4,709.15	3219 Demo - Checking XX1709	2018 Ledger	Gayanga Co. LLC	12,451.28	(7,742.13)	3219
5	2018	5/1/2018	5/31/2018	4,348.50	3226 Demo - Checking XX1709	2018 Ledger	ATC Group Services, LLC	25,381.00	(21,032.50)	3226
6	2018	5/1/2018	5/31/2018	2,202.50	3230 Demo - Checking XX1709	2018 Ledger	DMC Consultants	12,638.00	(10,435.50)	3230
7	2018	5/1/2018	5/31/2018	1,535.00	3222 Demo - Checking XX1709	2018 Ledger	ATC Group Services, LLC	24,504.00	(22,969.00)	3222
8	2018	5/4/2018	5/31/2018	12,981.00	3228 Demo - Checking XX1709	2018 Ledger	ETC	5,390.75	7,590.25	3228
9	2018	5/4/2018	5/31/2018	12,638.00	3215 Demo - Checking XX1709	2018 Ledger	ATC Group Services, LLC	22,002.00	(9,364.00)	3215
10	2018	5/4/2018	5/31/2018	1,315.00	3224 Demo - Checking XX1709	2018 Ledger	ETC	5,006.80	(3,691.80)	3224
11	2018	5/4/2018	5/31/2018	1,019.00	3218 Demo - Checking XX1709	2018 Ledger	ETC	4,709.15	(3,690.15)	3218
12	2018	5/7/2018	5/31/2018	11,901.00	3221 Demo - Checking XX1709	2018 Ledger	PSI	1,535.00	10,366.00	3221
13	2018	5/8/2018	5/31/2018	46,100.00	3217 Demo - Checking XX1709	2018 Ledger	DMC Consultants	1,019.00	45,081.00	3217
14	2018	5/8/2018	5/31/2018	25,381.00	3227 Demo - Checking XX1709	2018 Ledger	DMC Consultants	12,981.00	12,400.00	3227
15	2018	5/8/2018	5/31/2018	24,504.00	3223 Demo - Checking XX1709	2018 Ledger	DMC Consultants	1,315.00	23,189.00	3223
16	2018	5/8/2018	5/31/2018	22,002.00	3216 Demo - Checking XX1709	2018 Ledger	Blue Star	46,100.00	(24,098.00)	3216
17	2019	2/4/2019	3/1/2019	146,529.09	4541 Demo - Checking XX1709	2019 Ledger	PSI	2,284.00	144,245.09	4541
18	2019	2/5/2019	3/1/2019	55,946.00	4536 Demo - Checking XX1709	2019 Ledger	Blue Star	26,451.00	29,495.00	4536
19	2019	2/5/2019	3/1/2019	8,706.00	4539 Demo - Checking XX1709	2019 Ledger	Homrich	117,172.16	(108,466.16)	4539
20	2019	2/5/2019	3/1/2019	5,625.00	4534 Demo - Checking XX1709	2019 Ledger	Able Demolition	98,185.54	(92,560.54)	4534
21	2019	2/6/2019	3/1/2019	26,451.00	4535 Demo - Checking XX1709	2019 Ledger	ATC Group Services, LLC	5,625.00	20,826.00	4535
22	2019	2/8/2019	3/1/2019	117,172.16	4538 Demo - Checking XX1709	2019 Ledger	ETC	1,350.00	115,822.16	4538
23	2019	2/8/2019	3/1/2019	92,265.00	4542 Demo - Checking XX1709	2019 Ledger	Rickman Enterprise Group	146,529.09	(54,264.09)	4542
24	2019	2/11/2019	3/1/2019	102,303.23	4543 Demo - Checking XX1709	2019 Ledger	Salenbien Trucking & Excavating Inc.	92,265.00	10,038.23	4543
25	2019	2/11/2019	3/1/2019	98,185.54	4533 Demo - Checking XX1709	2019 Ledger	Able Demolition	102,303.23	(4,117.69)	4533
26	2019	2/11/2019	3/1/2019	1,350.00	4537 Demo - Checking XX1709	2019 Ledger	DMC Consultants	55,946.00	(54,596.00)	4537
27	2019	2/14/2019	3/1/2019	2,284.00	4540 Demo - Checking XX1709	2019 Ledger	Mannik Smith Group Inc.	8,706.00	(6,422.00)	4540
28 Total			<u>\$ 850,302.00</u>					<u>\$ 850,302.00</u>	<u>\$ -</u>	

Source: Fifth Third Bank Statements (XX1709) and DLBA General Ledgers

Detroit Land Bank Authority Limited Scope Forensic Audit
Unknown Bank Account Disbursements - Main Operating Account XX9707
General Ledger Indicates Forged Checks

Exhibit 9

Per Bank Detail						Per General Ledger					
Year	Date	Statement Period	Amount	Check No	Bank Account	Date	Num	Memo	GL Account	Debit	Credit
1	2014	6/30/2014	6/30/2014	\$ 900.00	2995 Main Account XX9707	6/30/2014	721	Forged checks (2995, 3000, 3007, 3011, 3013) to be reimbursed in July.	1100 · Fifth Third Bank - Other	\$ -	\$ 4,500.00
2	2014	6/30/2014	6/30/2014	900.00	3000 Main Account XX9707	6/30/2014	721	Forged check (2995) to be reimbursed in July.	7700 · Miscellaneous Expense	900.00	-
3	2014	6/30/2014	6/30/2014	900.00	3007 Main Account XX9707	6/30/2014	721	Forged check (3000) to be reimbursed in July.	7700 · Miscellaneous Expense	900.00	-
4	2014	6/30/2014	6/30/2014	900.00	3011 Main Account XX9707	6/30/2014	721	Forged check (3007) to be reimbursed in July.	7700 · Miscellaneous Expense	900.00	-
5	2014	6/30/2014	6/30/2014	900.00	3013 Main Account XX9707	6/30/2014	721	Forged check (3011) to be reimbursed in July.	7700 · Miscellaneous Expense	900.00	-
6						6/30/2014	721	Forged check (3013) to be reimbursed in July.	7700 · Miscellaneous Expense	900.00	-
7						7/1/2014	721R	Forged checks (2995, 3000, 3007, 3011, 3013) to be reimbursed in July.	1100 · Fifth Third Bank - Other	4,500.00	
8						7/1/2014	721R	Reverse of GJE 721 -- Forged check (2995) to be reimbursed in July.	7700 · Miscellaneous Expense	-	900.00
9						7/1/2014	721R	Forged check (3000) to be reimbursed in July.	7700 · Miscellaneous Expense	-	900.00
10						7/1/2014	721R	Forged check (3007) to be reimbursed in July.	7700 · Miscellaneous Expense	-	900.00
11						7/1/2014	721R	Forged check (3011) to be reimbursed in July.	7700 · Miscellaneous Expense	-	900.00
12						7/1/2014	721R	Forged check (3013) to be reimbursed in July.	7700 · Miscellaneous Expense	-	900.00
13	Total			\$ 4,500						\$ 9,000	\$ 9,000

Source: Fifth Third Bank Statements (XX9707) and DLBA General Ledgers

Exhibit 10

DLBA Credit Card Payments

**Detroit Land Bank Authority Limited Scope Forensic Audit
Summary of Identified Credit Card Payments
For the Fiscal Years Ended 2014 through 2019**

Exhibit 10

<u>Description</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Total</u>
1 Identified Credit Card Payments	<u>\$ 72,619</u>	<u>\$ 228,027</u>	<u>\$ 255,455</u>	<u>\$ 107,525</u>	<u>\$ 95,200</u>	<u>\$ 143,360</u>	<u>\$ 902,187</u>

Source: Detroit Land Bank General Ledgers

Detroit Land Bank Authority Limited Scope Forensic Audit
Detail of Identified Credit Card Payments - By General Ledger Expense Account
For the Fiscal Years Ended 2017 through 2019

Exhibit 10

Note: 2014 - 2016 was not analyzed by GL account due to QuickBooks limitations.

	Description	2017	2018	2019	Total
1	Identified Credit Card Payments	\$ 107,525	\$ 95,200	\$ 143,360	\$ 346,085
Summary by GL Account		Debit / (Credit) Balance			
2	110000 - Fifth Third Bank	\$ (107,525)	\$ (95,200)	\$ (143,378)	\$ (346,103)
3	110500 - Fifth Third Bank DLBA CDC	-	-	18	18
4	225000 - Credit Card Liabilities	(4,834)	(64,664)	7,588	(61,910)
5	242200 - Direct Sales Website Deposits	-	-	(1,000)	(1,000)
6	240500 - Accrued Expenses - Non HHF	(10,825)	10,825	(519)	(519)
7	481000 - Interest Income	-	-	(18)	(18)
8	210000 - Accounts Payable	17,307	791	64,532	82,630
9	913000 - Court Filing Fees	30,641	30,860	20,086	81,588
10	735000 - Conferences & Meetings	11,484	26,295	8,124	45,903
11	715000 - Office Supplies	19,095	10,335	8,329	37,759
12	730000 - IT Hardware	15,378	14,214	3,586	33,177
13	830000 - IT and Website	-	19,572	212	19,784
14	736000 - Software Licenses	8,262	6,302	1,488	16,053
15	740000 - Professional Development	-	10,344	3,175	13,519
16	160100 - Inventory - Rehabbed & Ready	600	2,217	9,749	12,566
17	726000 - Website Software & Maintenance	2,207	3,595	5,586	11,388
18	770000 - Miscellaneous Expense	7,426	1,070	2,859	11,355
19	745000 - Memberships & Licenses	2,068	5,093	473	7,634
20	742000 - Meals	-	3,006	2,777	5,783
21	702000 - Advertising & Marketing	2,890	2,671	-	5,561
22	741000 - Recruitment	1,158	2,584	837	4,579
23	890000 - Other Professional Services	-	939	2,507	3,446
24	725000 - Equipment & Leases	410	1,932	338	2,680
25	923000 - Title Expenses	-	2,398	-	2,398
26	180100 - Purchases in Progress	-	2,304	-	2,304
27	922000 - Real Estate Fairs	(20)	667	1,209	1,856
28	900000 - Program Expense - DO NOT USE	619	1,189	-	1,808
29	720000 - Postage and Delivery	1,046	221	(24)	1,243
30	140000 - Accounts Receivable	-	-	1,000	1,000
31	160000 - Inventory - Structures	879	-	-	879
32	771000 - Loss on Disposal of Assets	731	-	-	731
33	923500 - Utilities - Program	662	-	-	662
34	717500 - Printing	243	-	340	583
35	705000 - Telephone & Internet Expense	-	390	125	515
36	920000 - Postage, Delivery - Program	47	41	-	88
37	840000 - Call Center Services	50	-	-	50
38	550000 - Worker's Comp Insurance	-	7	-	7
39	911000 - Advertising and Marketing - Program	-	2	-	2
40	Net Debit (Credit) Balance	\$ (0)	\$ (0)	\$ (0)	\$ (0)

Source: Detroit Land Bank General Ledgers

Exhibit 11

Listing of Vendors Not on Approved Vendor List

**Detroit Land Bank Authority Limited Scope Forensic Audit
Summary of Vendors Not on Master Vendor Listing [a]
For the Fiscal Years 2014 through 2019**

Exhibit 11

Name of Vendor Not on Master Vendor List		Total Disbursements				Net Disbursements [e]			
		2017	2018	2019	Total	2017	2018	2019	Total
1 Salenbien Trucking & Excavating Inc.	[b]	\$ 3,213,770	\$ 4,252,056	\$ 10,461,766	\$ 17,927,592	\$ 2,942,437	\$ 4,242,022	\$ 10,398,199	\$ 17,582,658
2 Able Demolition		3,606,242	4,282,934	6,911,722	14,800,898	3,044,056	4,153,705	6,729,497	13,927,258
3 Blue Star	[c]	1,197,400	819,949	2,537,142	4,554,491	822,600	819,949	2,537,142	4,179,691
4 Den-Man Contractors		-	339,967	3,485,329	3,825,296	-	339,967	3,424,365	3,764,332
5 ABC Demolition		2,109,983	7,500	-	2,117,483	1,666,283	7,500	-	1,673,783
6 Esso Wrecking Co.		1,335,975	693,115	18,260	2,047,350	1,052,170	594,165	18,260	1,664,595
7 Smalley	[d]	-	-	1,794,430	1,794,430	-	-	1,794,430	1,794,430
8 PASI		658,899	-	136,425	795,324	549,604	-	136,425	686,029
9 BBEK Environmental		756,505	-	-	756,505	756,505	-	-	756,505
10 Amrock Inc.		65,513	151,425	262,069	479,008	65,008	150,858	229,348	445,214
11 Housing and Revitalization Department		-	-	458,000	458,000	-	-	458,000	458,000
12 Gayanga Co. LLC		-	370,957	41,190	412,147	-	370,957	13,100	384,057
13 313 Construction, LLC		196,668	-	-	196,668	189,191	-	-	189,191
14 Pitney Bowes (Purchase Power)		30,691	33,834	65,057	129,582	30,691	33,834	61,555	126,081
15 Home Depot Incentives-B8		27,675	39,500	33,000	100,175	24,675	39,500	18,000	82,175
16 Ajax Paving Industries, Inc.		100,000	-	-	100,000	(100,000)	-	-	(100,000)
17 Wayne Metropolitan Community Action Agency		11,230	30,890	20,420	62,540	11,230	27,950	20,420	59,600
18 U Snap Bac, Inc.		17,280	24,180	15,540	57,000	17,280	24,180	15,240	56,700
19 Red Carpet Title Agency		36,100	-	-	36,100	36,100	-	-	36,100
20 Michigan Homeowner Assistance Nonprofit Housing Corporation		13,222	-	22,756	35,978	13,222	-	22,756	35,978
21 Hire It Done (R&R)		34,800	-	-	34,800	34,800	-	-	34,800
22 Pilot, Wadsworth & Kellan		20,285	-	-	20,285	20,285	-	-	20,285
23 Environmental Specialty Services		13,500	-	-	13,500	13,500	-	-	13,500
24 Belmont Properties of Michigan		8,500	-	-	8,500	8,500	-	-	8,500
25 Woodlawn Properties, Inc.		7,000	-	-	7,000	7,000	-	-	7,000
26 Register of Deeds - DO NOT USE		4,424	-	-	4,424	3,205	(905)	-	2,300
27 Building Detroit Futures, Inc.		-	4,260	-	4,260	-	4,260	-	4,260
28 150 Parsons Limited Partnership		-	3,020	-	3,020	-	3,020	-	3,020
29 REMATES DETROIT LLC		-	-	2,710	2,710	-	-	2,710	2,710
30 Eissa Alghaithi		-	-	2,560	2,560	-	-	2,560	2,560
31 The Angel Group, LLC		2,500	-	-	2,500	2,500	-	-	2,500
32 Papiroen, LLC		-	-	2,010	2,010	-	-	2,010	2,010
33 RE3 Inc.		2,000	-	-	2,000	2,000	-	-	2,000
34 Southwest Housing Solutions Corporation		-	1,740	-	1,740	-	1,740	-	1,740
35 Chase Loan Services, Inc.		1,500	-	-	1,500	1,500	-	-	1,500
36 Global Properties Investment Group		1,200	-	-	1,200	1,200	-	-	1,200
37 Bridges to Homeownership, Inc. BTHO		-	1,100	-	1,100	-	1,100	-	1,100
38 RENREV I LLC		-	-	1,030	1,030	-	-	1,030	1,030
39 Detroit Land Development Company		1,000	-	-	1,000	1,000	-	-	1,000
40 Detroit Leasing Company		1,000	-	-	1,000	1,000	-	-	1,000
41 Detroit Property Exchange Company		1,000	-	-	1,000	1,000	-	-	1,000
42 Great Faith Ministries International, Inc.		-	1,000	-	1,000	-	1,000	-	1,000
43 Gwendolyn Titus		-	1,000	-	1,000	-	1,000	-	1,000
44 H.T. Solutions		-	-	1,000	1,000	-	-	1,000	1,000
45 HAZIC INVESTMENTS, LLC		-	-	1,000	1,000	-	-	500	500

**Detroit Land Bank Authority Limited Scope Forensic Audit
Summary of Vendors Not on Master Vendor Listing [a]
For the Fiscal Years 2014 through 2019**

Exhibit 11

Name of Vendor Not on Master Vendor List	Total Disbursements				Net Disbursements [e]			
	2017	2018	2019	Total	2017	2018	2019	Total
46 Investus Exit Strategy (Michigan) LLC,	1,000	-	-	1,000	1,000	-	-	1,000
47 Ken's Auto Sales, LLC	-	1,000	-	1,000	-	1,000	-	1,000
48 MERIGGIARE LLC	-	-	1,000	1,000	-	-	1,000	1,000
49 RTA Holdings LLC	1,000	-	-	1,000	1,000	-	-	1,000
50 Dube Street LLC	-	-	770	770	-	-	770	770
51 Nagi Mohammed	-	770	-	770	-	-	-	-
52 Trezella Goodin	527	-	-	527	527	-	-	527
53 APG 1 LLC	-	-	500	500	-	-	500	500
54 ASA Investments, LLC	-	500	-	500	-	500	-	500
55 D Favor Investment LLC	-	-	500	500	-	-	500	500
56 Frenchy Sirois, LLC	500	-	-	500	500	-	-	500
57 Global Bayou Solutions LLC	500	-	-	500	500	-	-	500
58 Ian Stal	-	500	-	500	-	250	-	250
59 Maria T. Mateo a Resident Agent for TBJ A2 LLC	-	500	-	500	-	500	-	500
60 Michigan Recon Inc	500	-	-	500	500	-	-	500
61 Odell Roy LLC	500	-	-	500	500	-	-	500
62 Premiere Holdings Investments LLC	500	-	-	500	500	-	-	500
63 Shadan Real Estate, LLC	500	-	-	500	500	-	-	500
64 Summit Acquisitions LLC	500	-	-	500	500	-	-	500
65 The Garvey Trust	500	-	-	500	500	-	-	500
66 Vega Investments, Inc.	500	-	-	500	500	-	-	500
67 Detroit Training Center	-	325	-	325	-	325	-	325
68 Andre Johnson	-	250	-	250	-	250	-	250
69 Belle Isle Pizza	-	222	-	222	-	222	-	222
70 313 Town Investments LLC	-	100	100	200	-	100	100	200
71 Crain Communications, Inc.	168	-	-	168	168	-	-	168
72 Detroit Denova LLC	-	-	100	100	-	-	100	100
73 Gumma Property Management LLC	-	-	100	100	-	-	100	100
74 Leading Edge Properties LLC	-	-	100	100	-	-	100	100
75 Life of Luxury Homes LLC	-	-	100	100	-	-	100	100
76 North of Kercheval LLC	-	-	100	100	-	-	100	100
77 JP Morgan Chase	-	-	66	66	-	-	-	-
78 Georgia Secretary of State	-	10	-	10	-	-	-	-
79 Latonya Pace	-	5	-	5	-	5	-	5
80 Total	\$ 13,483,057	\$ 11,062,610	\$ 26,276,852	\$ 50,822,519	\$ 11,225,737	\$ 10,818,955	\$ 25,889,916	\$ 47,934,608

[a] Vendors were considered to be not approved if there was not an exact match (identical spelling) between the approved vendor list and the general ledger vendor name. All disbursements in FY 2015 - FY 2016 were to approved vendors.

[b] Approved vendor list contains "Salenbien".

[c] Approved vendor list contains "Blue Star, Inc.".

[d] Approved vendor list contains "Griffin Smalley & Wilkerson, Inc.".

[e] Inclusive of any payments and/or reimbursements received by vendor.

Exhibit 12

Disbursements by Payee from Fifth Third Main Operating Account

Detroit Land Bank Authority Limited Scope Forensic Audit
Summary of Disbursements by Payee - Main Operating Account XX9707
For the Fiscal Years Ending 2014 through 2019

Exhibit 12

Common Payee [a]		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
1	Transfer to Liberty Main Account (Per Ledger)	\$ -	\$ -	\$ -	\$ -	\$ 198,592	\$ -	\$ 198,592
2	Transfer to XX0003 (Credit Card)	49,191	96,499	-	-	-	-	145,690
3	Transfer to XX0110 (Credit Card)	-	9,545	1,737	-	-	-	11,282
4	Transfer to XX0128 (Credit Card)	-	121,425	245,189	30,599	-	-	397,213
5	Transfer to XX0144 (Credit Card)	-	558	8,529	38,779	2,389	-	50,256
6	Transfer to XX1709 (Demo Checking)	-	-	-	11,631,338	986,469	2,877,103	15,494,910
7	Transfer to XX1709 (Demo Checking) - Movement of Demo Funds	-	-	-	10,000,000	-	-	10,000,000
8	Transfer to XX4503 (Payroll Checking)	-	-	-	6,260,388	8,121,826	6,025,374	20,407,588
9	Transfer to XX4511 (Restricted Cash)	-	-	-	257,000	-	-	257,000
10	Transfer to XX5620 (Detroit Land Bank CDC)	-	-	-	-	1,100,000	-	1,100,000
11	Transfer to XX8280 (Auction Savings)	-	-	-	-	-	3,659,202	3,659,202
12	Transfer to XX8304 (Credit Card)	8,487	-	-	-	-	-	8,487
13	Transfer to XX9844 (Auction Checking)	-	-	-	-	-	1,513,730	1,513,730
14	Bank Disbursement & General Ledger Discrepancy Transactions	[b] 196,459	10	5,000,888	770	140	-	5,198,268
15	Adamo Group, Inc.	-	13,860,466	15,743,390	315,784	-	-	29,919,640
16	Homrich	-	14,017,301	10,139,095	319,190	43,219	2,148	24,520,953
17	City of Detroit Demo Adv (Per Ledger)	-	-	10,000,000	-	-	-	10,000,000
18	Paychex - Payroll	414,053	2,733,492	3,618,859	1,404,766	-	-	8,171,170
19	DMC Consultants, Inc	-	1,162,249	5,441,410	-	1,100	984	6,605,744
20	Rickman Enterprise Group	-	-	5,848,860	255,972	306,611	-	6,411,443
21	MCM	-	5,323,347	-	-	-	-	5,323,347
22	GTJ Consulting, LLC	59,099	1,145,216	427,006	2,011,582	1,033,384	644,294	5,320,581
23	D&D Innovation	-	455,675	2,616,366	1,378,135	731,343	41,751	5,223,270
24	Wayne County	2,641	76,600	1,790,676	579,048	842,260	796,146	4,087,371
25	Able Demolition	-	1,595,328	2,368,387	21,532	2,500	14,177	4,001,924
26	ABC Demolition	-	1,671,050	1,941,577	113,750	-	-	3,726,377
27	Paychex - Taxes	215,082	1,277,314	1,511,562	693,025	-	-	3,696,982
28	Farrow Group	-	306,577	2,094,598	1,000	-	-	2,402,175
29	City of Detroit	59,300	549,716	975,920	789,092	-	2,750	2,376,778
30	eVantage Services Inc.	-	573,575	693,650	325,945	292,812	472,157	2,358,139
31	Blue Star, Inc.	-	1,474,777	862,500	-	-	-	2,337,277
32	DTE Energy	2,199	1,192,407	878,411	36,530	45	23	2,109,614
33	Detroit Wall Street Properties LLC	-	-	-	759,249	983,876	179,720	1,922,845
34	MSHDA	-	1,188,581	308,485	69,527	238,845	89,757	1,895,195
35	PSI	67,264	800,734	788,758	71,490	4,004	8,160	1,740,410
36	US Health and Life Insurance	53,858	409,596	661,526	550,744	-	-	1,675,723
37	Esso Wrecking Co.	-	-	1,276,695	-	-	18,260	1,294,955
38	Cardno ATC	121,026	707,371	426,015	-	-	-	1,254,412
39	ETC Environmental Ser	84,545	602,389	386,745	7,406	10,525	11,847	1,103,457
40	Experis Finance US, LLC	-	-	-	255,890	700,322	144,965	1,101,177
41	VisionSoft International, Inc.	-	-	-	15,900	419,785	562,945	998,630
42	Clark's Construction	392,717	374,428	70,940	9,510	-	-	847,595
43	Detroit Building Authority	-	92,498	194,250	393,000	54,250	-	733,998
44	First Street Garage	-	-	-	105,362	242,413	369,908	717,683
45	Dandelion Detroit	77,667	192,800	190,800	165,000	60,000	-	686,267
46	Salenbien Trucking & Excavating Inc.	-	-	659,460	-	-	11,831	671,291
47	Performance Environ	52,128	281,914	276,450	-	-	-	610,492
48	AKT Peerless	-	40,416	518,873	-	-	-	559,289
49	Dell	38,060	76,836	45,207	94,385	42,444	247,474	544,407
50	Environmental Specialty Ser	-	-	544,120	-	-	-	544,120
51	FinancialForce.com, Inc.	-	-	180,787	97,279	107,816	99,523	485,405
52	Goss Group, The	90,985	171,429	45,206	63,100	60,897	36,961	468,578
53	Rightsize Facility	-	-	-	-	253,063	196,980	450,042
54	H&R Process	7,955	114,963	93,820	70,329	51,302	98,470	436,839
55	Aerotek Professional Services	-	-	-	15,225	122,835	296,229	434,289
56	Corporate FACTS	106,900	76,073	114,115	64,660	27,800	28,900	418,448
57	Comcast	2,646	135,719	127,885	140,863	2,577	1,602	411,293
58	Wells Fargo Advisors	3,250	84,332	135,392	182,318	-	-	405,292
59	Jenkins Construction	-	103,950	295,725	-	-	-	399,675
60	Miller, Canfield, Paddock and Stone	-	-	2,900	138,112	207,670	47,321	396,003
61	Armorbearer	8,045	122,837	71,507	35,529	52,044	43,230	333,192
62	313 Construction	-	-	314,395	-	-	-	314,395
63	Recording Fees	-	-	75,737	85,352	70,400	82,127	313,616
64	Direct Construction Services (HHF2)	-	-	308,377	-	-	-	308,377
65	660 Woodward Associates	-	-	302,665	-	-	-	302,665
66	Title Source, The	-	255,076	43,270	-	-	-	298,346
67	State of Michigan	-	279,975	15,678	317	25	472	296,467
68	O'Brien Edwards	-	235,912	60,080	-	-	-	295,992
69	ATC Group Services, LLC	-	-	225,598	846	37,029	21,862	285,335
70	Salesforce.org	-	28,702	58,134	36,566	72,953	87,042	283,397
71	Plante Moran	-	-	79,257	202,200	-	-	281,457
72	Wilmer Cutler Pickering Hale and Dorr LLP	-	-	-	217,264	31,821	27,150	276,235
73	Dickinson Wright, PLLC	58,999	64,112	14,947	110,997	5,731	17,890	272,677
74	Lakeshore Global	48,269	221,832	-	-	-	-	270,101
75	Aflac	6,129	67,687	105,394	83,903	-	-	263,113
76	BLVD Content	-	-	78,330	126,435	53,147	-	257,912
77	Heinz Tree Service	-	-	-	183,880	45,970	-	229,850
78	Enterprise Business Partners, LLC	-	212,931	15,648	-	-	-	228,578
79	Fink Bressak PLLC	-	-	-	94,373	88,071	45,005	227,448
80	Dan's Tree	-	-	-	-	169,151	48,960	218,111
81	Park Rite	880	112,300	102,945	-	-	-	216,125
82	Fannie Mae	-	-	-	-	28,544	181,616	210,161
83	Amrock Inc.	-	-	-	62,677	131,315	10,492	204,484
84	Staples	-	371	-	60,132	54,909	77,295	192,706
85	Chirco Title Company	-	-	63,840	64,900	54,000	1,000	183,740
86	Commercial Card	-	-	-	29,931	84,674	69,113	183,718
87	Radio One	26,425	17,480	39,700	51,500	44,160	-	179,265

Detroit Land Bank Authority Limited Scope Forensic Audit
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For the Fiscal Years Ending 2014 through 2019

Exhibit 12

Common Payee [a]	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
88 BBEK Environmental	-	-	176,740	-	-	-	176,740
89 Pitney Bowes	3,760	27,649	3,826	34,863	37,570	66,899	174,567
90 EvolveIP	-	-	-	20,692	59,871	89,569	170,132
91 Affordable Abatement	47,033	59,851	55,343	-	-	-	162,226
92 Smalley (HHF1)	-	152,492	-	-	-	-	152,492
93 Data Trace	-	-	-	-	74,567	73,820	148,387
94 STR Grants, L.L.C.	36,543	110,363	-	-	-	-	146,906
95 Leader Business Systems	1,978	34,426	21,102	35,320	31,762	17,340	141,928
96 Sugameli Attorneys & Counselors PLC Client Trust Account	-	-	-	-	-	135,000	135,000
97 ABF Environmental	-	-	132,800	-	-	1,610	134,410
98 Pandora Media	-	7,000	48,500	73,500	-	-	129,000
99 Fifth Third Credit Card	-	-	-	-	49,197	74,265	123,462
100 Answer United	1,388	65,644	53,551	-	-	-	120,583
101 Elite Imaging Systems	-	-	-	-	74,074	46,248	120,323
102 EKS Service Inc	-	27,613	85,583	-	-	-	113,195
103 JHD Associates	4,595	97,783	7,860	-	-	-	110,238
104 Accountemps	-	-	21,601	21,980	55,153	11,142	109,876
105 All Pro Color Design and Printing	7,170	32,974	31,279	17,124	15,904	-	104,452
106 Fort Wayne Contracting, Inc. (HHF1)	-	-	103,671	-	-	-	103,671
107 Infused PR & Events	-	59,363	32,086	5,000	-	-	96,449
108 Brady Policy Consulting	39,546	56,250	-	-	-	-	95,796
109 Emerald Media	10,663	18,174	29,553	35,800	-	-	94,190
110 Rocket Fiber LLC	-	-	-	16,758	41,065	33,253	91,076
111 Parks Title	-	-	-	90,000	-	-	90,000
112 George Johnson & Company	-	-	-	37,988	28,606	22,300	88,894
113 Entercom	-	-	-	-	88,100	-	88,100
114 Cherubim Asset Protection	4,815	23,455	780	44,050	5,950	6,250	85,300
115 Detroit Land Bank Community Development C	-	-	80,753	-	-	-	80,753
116 Thomas Ouvry PE Consulting, Inc.	-	78,000	-	-	-	-	78,000
117 Canon Financial Services	2,366	4,355	7,284	16,126	23,065	22,285	75,482
118 Community Reinvestment Fund	-	-	-	75,000	-	-	75,000
119 DCR Services & Construction, LLC	-	69,157	-	-	-	-	69,157
120 Detroit Development Fund	69,082	-	-	-	-	-	69,082
121 Submission Fees	-	-	16,195	18,039	13,598	18,242	66,073
122 Mannik Smith Group Inc.	-	-	-	-	18,529	46,555	65,084
123 CBS	35,000	14,050	14,000	-	-	-	63,050
124 ESRI	13,356	13,356	4,852	3,000	3,000	22,800	60,364
125 To Fund New Liberty Savings - Designated (Per Ledger)	-	-	-	-	59,354	-	59,354
126 Microsoft	1,350	17,248	1,514	12,363	11,078	13,800	57,354
127 Verizon Wireless	468	6,382	5,839	12,874	14,649	15,234	55,446
128 BAE Networks	-	-	7,778	2,464	34,601	10,451	55,294
129 PBP Acct	-	52,496	-	-	-	-	52,496
130 Fink & Associates Law	-	-	51,489	-	-	-	51,489
131 AT&T (Tablet)	-	23,912	23,134	1,088	-	-	48,135
132 GSM Advisors	48,000	-	-	-	-	-	48,000
133 Clear Channel	22,400	25,250	-	-	-	-	47,650
134 TekSystems, Inc.	-	-	-	-	11,981	35,633	47,614
135 TransUnion Risk and Alternative	-	-	-	12,914	17,310	16,833	47,057
136 PBP Account	-	-	46,730	-	-	-	46,730
137 Butzel Long Attorneys and Counselors	-	-	-	14,103	27,223	5,280	46,606
138 Michigan.com	-	-	-	44,800	-	-	44,800
139 Accident Fund	-	-	766	12,730	25,181	5,592	44,268
140 Robert Half Legal	-	-	-	-	-	43,908	43,908
141 The Greener Side, Inc. DBA CutMyTreeDown.com	-	-	-	-	17,100	26,700	43,800
142 Detroit Legal News	450	-	1,368	5,684	15,132	19,795	42,429
143 Alan C. Young & Associates, P.C.	-	17,500	23,620	-	-	-	41,120
144 NOVA Consultants	-	40,275	-	-	-	-	40,275
145 Creative Breakthroughs, Inc.	-	-	-	-	32,040	7,920	39,960
146 Red Carpet Title Agency	-	-	-	36,100	-	-	36,100
147 Wayne Metropolitan Community	-	-	6,800	24,230	4,080	-	35,110
148 HISS	-	34,826	-	-	-	-	34,826
149 GS Group LLC	29,325	5,050	-	-	-	-	34,375
150 IHeart Media	-	10,050	24,000	-	-	-	34,050
151 K & M Leasing	-	13,776	13,451	5,415	-	-	32,642
152 Korn Ferry	-	-	-	15,741	15,741	-	31,482
153 Paychex - EIB Invoice	2,282	10,626	13,371	4,980	-	-	31,259
154 Board of Water Commissioners	755	27,606	30	2,228	600	-	31,219
155 BDM Transport, LLC	-	3,315	10,986	1,680	15,204	-	31,185
156 Graham Digital	-	-	21,000	10,000	-	-	31,000
157 Office Team	-	-	-	-	26,966	3,303	30,269
158 Dorey-Reagan & Associates	-	-	9,110	19,795	1,200	-	30,105
159 Detroit Public TV	-	-	-	-	30,000	-	30,000
160 U Snap Bac, Inc.	-	-	6,300	17,280	5,640	-	29,220
161 Loveland Technologies	-	-	10,000	10,000	9,000	-	29,000
162 Public Consulting Group, Inc.	-	-	-	-	22,950	5,775	28,725
163 TR3 Studios	-	19,800	4,100	1,010	393	-	25,303
164 Chato Ink	-	7,425	17,493	-	-	-	24,918
165 Cadillac Tower	2,085	18,319	4,396	-	-	-	24,800
166 Kim A. Linthorst Homan	224	222	24,231	-	-	-	24,677
167 Amazon Web Services, Inc.	-	-	-	-	3,429	21,234	24,664
168 Inland Press	5,910	5,099	-	13,157	-	-	24,165
169 Hire It Done	-	16,000	8,000	-	-	-	24,000
170 EDC Charter of Wayne	-	-	23,270	-	-	-	23,270
171 Frank Recruitment Group Inc.	-	-	-	-	-	22,500	22,500
172 CDW Government	4,632	-	-	-	11,720	5,726	22,078
173 Fast Track Solutions, LLC	-	-	-	1,226	20,774	-	22,000
174 Northstar Appraisal, LLC	1,725	20,150	-	-	-	-	21,875

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Common Payee [a]	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
175 Williams Acosta, PLLC	-	5,327	569	5,850	2,266	7,801	21,813
176 Downtown Development Authority	14,375	8,500	-	-	-	-	22,875
177 Lexis Nexis	-	1,742	-	4,800	7,312	7,480	21,334
178 Liberty Title Agency, Inc.	-	-	-	-	-	21,329	21,329
179 DBA Eagle Community Development	20,740	-	-	-	-	-	20,740
180 Brilar	-	20,548	-	-	-	-	20,548
181 Pilot, Wadsworth & Kellan	-	-	-	20,285	-	-	20,285
182 Securitas Security Services USA, Inc.	-	-	-	-	-	19,930	19,930
183 Janutol Printing C., Inc.	-	-	-	10,827	2,639	6,375	19,841
184 Internal Revenue Service	-	-	-	-	3,000	15,930	18,930
185 Harry J. Hummer	-	-	-	18,589	-	-	18,589
186 Filar Electric	-	-	-	425	6,050	11,300	17,775
187 Heritage Vision Plans	352	4,992	7,528	4,726	-	-	17,598
188 Ectohr, Inc.	-	16,782	95	540	-	-	17,416
189 Star Insurance Company	5,654	3,540	5,104	2,636	-	-	16,934
190 LISC AmeriCorps	-	-	-	7,000	-	9,927	16,927
191 Five9, Inc.	-	-	-	16,785	-	-	16,785
192 Pictometry International Corp.	-	-	-	-	-	16,700	16,700
193 Global Valet LLC	-	-	-	2,210	7,440	6,792	16,442
194 Futurestep-NW 5065	-	-	-	16,218	-	-	16,218
195 Stucky Vitale Architects SVA	-	16,160	-	-	-	-	16,160
196 Meltwater News US Inc.	-	-	-	8,000	8,000	-	16,000
197 Michigan Chronicle	-	-	16,000	-	-	-	16,000
198 WDET	-	-	16,000	-	-	-	16,000
199 SMART	-	-	-	556	6,116	8,824	15,496
200 Payne Landscaping	-	15,471	-	-	-	-	15,471
201 The 105.1 Bounce	-	-	-	15,120	-	-	15,120
202 Michelle Story-Stewart	-	40	19	15,000	-	-	15,059
203 Pepper Hamilton, LLP	-	-	-	-	9,510	5,341	14,851
204 Groundwork0,LLC	-	-	-	-	13,365	1,350	14,715
205 Nettie Bender-Wright	-	-	38	14,500	-	-	14,538
206 Detroit Land Bank Authority	-	-	14,390	-	-	-	14,390
207 EPN LLC	-	14,305	-	-	-	-	14,305
208 Central Detroit Christian CDC	-	-	2,400	11,820	-	-	14,220
209 WALZ Group LLC	-	-	-	3,426	3,426	7,263	14,116
210 Actron Security Alarm Systems, Inc.	-	-	-	-	5,538	8,224	13,763
211 Homes 4 You Realty, LLC.	11,800	1,300	450	-	-	-	13,550
212 MapAnything, Inc.	-	-	-	9,000	4,500	-	13,500
213 Ericka N. Richardson	-	13,316	-	-	-	-	13,316
214 ATA National Title Group (Per Ledger)	-	-	-	-	11,526	1,347	12,873
215 Andrew Paterson	-	-	-	12,500	-	-	12,500
216 Thomson Reuters	-	-	-	-	7,403	4,924	12,327
217 Tuesday-Thursdays & Truth, Inc.	-	2,700	9,500	-	-	-	12,200
218 Southwest Economic Solutions	-	-	300	10,530	690	-	11,520
219 Fifth Third Bank	11,491	-	-	-	-	-	11,491
220 Linda Montgomery	-	11,131	-	-	-	-	11,131
221 Dawda Mann Counselors at Law	-	-	-	950	9,960	155	11,065
222 AppExtremes, LLC DbA Conga	-	-	-	1,447	1,600	7,878	10,925
223 Door and Window Guard Systems	-	-	-	-	8,905	1,932	10,837
224 Karpov the Wrecked Train (Kenny Corbin)	2,350	3,875	4,500	-	-	-	10,725
225 Lamar	10,300	-	-	-	-	-	10,300
226 William Walton	-	10,212	-	-	-	-	10,212
227 WXYZ-Bounce	-	-	-	10,000	-	-	10,000
228 New Horizon	-	-	-	-	4,995	5,000	9,995
229 Harrison Law PLC	-	-	-	8,980	840	-	9,820
230 Oakland Marriott City Center	-	-	-	-	-	9,650	9,650
231 SharinPix 36	-	-	-	4,373	5,050	-	9,423
232 Steve Hood	-	-	-	9,400	-	-	9,400
233 ICLE	-	-	-	111	4,751	4,442	9,304
234 AtWell, LLC	-	9,280	-	-	-	-	9,280
235 Double Tree by Hilton Hotel	-	3,534	-	-	5,497	-	9,031
236 WXYZ	-	-	9,000	-	-	-	9,000
237 BeneStream, Inc.	-	-	-	8,586	300	-	8,886
238 National Faith Homebuyers	-	2,500	-	6,300	-	-	8,800
239 First Insurance Funding	3,533	5,234	-	-	-	-	8,767
240 Nitro Telecom	2,050	2,888	1,047	966	-	1,630	8,581
241 ABC Construction	-	-	-	-	-	8,498	8,498
242 Samanage USA, Inc.	-	-	-	-	2,886	5,553	8,439
243 World of Immigration & Translation Servi	-	989	920	970	5,255	247	8,381
244 Center for Community Progress	75	6,100	125	-	2,000	-	8,300
245 Lunchtime Global	987	2,835	723	1,300	674	1,359	7,778
246 Bigworks Technologies Private Limited (Per Ledger)	-	-	-	-	-	7,791	7,791
247 East English Village Association	5,000	2,633	-	-	-	-	7,633
248 Language Line Translation Solutions	-	-	-	-	-	7,594	7,594
249 Paychex - CGS Garnish	-	3,491	2,237	1,781	-	-	7,509
250 American Arbitration Association	-	-	-	7,000	105	-	7,105
251 Prestige Meetings and Events	7,087	-	-	-	-	-	7,087
252 Deluxe Forms	-	1,534	-	1,839	839	2,809	7,020
253 Passage Technology	-	-	-	2,142	2,357	2,511	7,010
254 Jeffery F. Nolith	-	6,960	-	-	-	-	6,960
255 Frieda Williams - Petty Cash Custodian	2,931	2,486	1,440	-	-	-	6,857
256 Bogus, Koncius & Croson PC	-	6,684	-	-	-	-	6,684
257 US Dept of Treasury	-	6,354	-	-	-	-	6,354
258 Lewis & Munday	-	-	6,186	-	-	-	6,186
259 Banner Life Insurance	-	6,083	-	-	-	-	6,083
260 Challenge Detroit	-	-	-	-	-	6,000	6,000
261 Interior Environments	-	-	-	5,400	-	-	5,400

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Common Payee [a]	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
262 CRD & Associates (R&R)	-	-	5,388	-	-	-	5,388
263 Personnel Concepts	327	327	982	570	616	2,523	5,345
264 Absopure Water Company	-	776	1,206	1,035	1,105	1,153	5,275
265 UniTel	228	1,631	1,651	1,762	-	-	5,273
266 Hotz Catering & Rental Place	-	-	-	2,781	2,248	221	5,250
267 Allen and Hope Civil Process	-	-	-	2,407	743	2,099	5,249
268 Dean Kuhnlein	-	1,800	3,419	-	-	-	5,219
269 The Allen Law Group, PC	-	-	-	5,186	-	-	5,186
270 WLBK-TV/Fox 2 Detroit	-	-	5,185	-	-	-	5,185
271 KnowBe4	-	-	-	-	-	5,153	5,153
272 Detroit Development	-	5,094	-	-	-	-	5,094
273 Iglesia Paso De Fe	-	-	5,000	-	-	-	5,000
274 eFax Corporate	-	-	-	1,459	1,498	1,990	4,946
275 Paychex	-	-	-	-	-	4,906	4,906
276 Validity, Inc.	-	-	-	-	-	4,800	4,800
277 Bigworks Technologies Private Limited	-	-	-	-	4,791	-	4,791
278 Berg Muirhead and Associates	-	-	4,585	-	-	-	4,585
279 Dun & Bradstreet	-	-	-	999	999	2,498	4,496
280 Berry Tindle	-	4,490	-	-	-	-	4,490
281 Taralex LLC	-	-	626	927	1,240	1,652	4,445
282 Corporate Strategies by Skillpath	-	-	-	4,433	-	-	4,433
283 Anirudh Rajashekar	-	-	4,400	-	-	-	4,400
284 Enterprise Community Loan Fund	4,250	-	-	-	-	-	4,250
285 Ross Catering	-	-	-	-	1,806	2,431	4,236
286 Giffels Webster	-	-	-	4,020	-	-	4,020
287 Professional Valet Service	-	-	4,020	-	-	-	4,020
288 Michigan Association of Land Banks	-	500	-	500	2,000	1,000	4,000
289 Service Charge	343	811	-	1,097	964	775	3,991
290 Kevin G. Simowski	30	30	3,884	-	-	-	3,943
291 Display Group	-	2,855	775	-	-	-	3,630
292 Abbott, Nicholson, Quilter, Esshaki & Youngblood, P.C.	-	-	-	3,600	-	-	3,600
293 Meadowbrook Insurance	-	3,530	-	-	-	-	3,530
294 The Garvey Trust	-	-	3,500	-	-	-	3,500
295 ADR Consultants	-	3,483	-	-	-	-	3,483
296 Nazneen Miah	-	3,482	-	-	-	-	3,482
297 Grow Detroit's Young Talent	-	-	-	3,400	-	-	3,400
298 All Inclusive Security and Investigation	-	-	-	-	-	3,340	3,340
299 Register of Deeds - DO NOT USE	-	-	-	3,262	-	-	3,262
300 Title Connect LLC	-	-	-	-	-	3,125	3,125
301 Kenny Corbin	-	-	-	3,100	-	-	3,100
302 JJ's Jumping Party Rental	-	2,359	697	-	-	-	3,055
303 The Employer's Association	-	-	-	3,025	-	-	3,025
304 Paychex - Hrs Pmt	-	-	2,371	650	-	-	3,020
305 Monjit Guram	-	-	3,000	-	-	-	3,000
306 US Postmaster	-	-	2,979	-	-	-	2,979
307 ShredCorp	-	-	700	45	960	1,260	2,965
308 Lighthouse Services, Inc.	-	-	-	900	945	992	2,837
309 SkillPath/NST Seminars	-	-	-	431	776	1,600	2,807
310 Patrick Clemons 12.31.14	-	2,784	-	-	-	-	2,784
311 Michigan Land Bank.	-	2,710	-	-	-	-	2,710
312 Octavia Grissom	-	-	2,500	-	-	-	2,500
313 Clark Hill	-	-	2,492	-	-	-	2,492
314 Howrani Studios	-	-	-	2,485	-	-	2,485
315 Henry Robles (Per Ledger)	-	2,400	-	-	-	-	2,400
316 Nicole Hardaway-Johnson	2,353	-	-	-	-	-	2,353
317 Iannuzzi Manetta & Company	-	2,350	-	-	-	-	2,350
318 Marthana Scott	-	2,330	-	-	-	-	2,330
319 Dona S. Wash	2,312	-	-	-	-	-	2,312
320 Detroit Regional Chamber	-	-	-	-	-	2,300	2,300
321 Golden Key Real Estate	-	-	-	-	-	2,256	2,256
322 SnapComms, Inc.	-	-	-	-	-	2,250	2,250
323 Unified Communications	24	970	765	446	-	-	2,204
324 La'Tasha Newell	416	1,768	-	-	-	-	2,184
325 Hunt and Noyer Woodworks	1,080	1,080	-	-	-	-	2,160
326 Jaghbir Ali	2,061	-	-	-	-	-	2,061
327 Detroit Denovo, LLC/Darin McLeskey	-	2,040	-	-	-	-	2,040
328 Individual Address	-	-	-	2,040	-	-	2,040
329 Farbman Group	704	1,321	-	-	-	-	2,025
330 Detroit Jazz Festival Foundation	-	-	2,000	-	-	-	2,000
331 Pish Posh	2,000	-	-	-	-	-	2,000
332 Ponce de Leon Bros.	-	-	-	-	1,200	750	1,950
333 Pinnacle Printing & Promotions	-	-	-	-	-	1,934	1,934
334 Tableau Software, Inc.	-	-	-	-	-	1,890	1,890
335 Mary B Baumeister	1,866	-	-	-	-	-	1,866
336 O'Connor Realty	-	-	-	1,860	-	-	1,860
337 Detroit Young Professionals	-	-	1,325	500	-	-	1,825
338 Gary's Tree Service	-	-	1,800	-	-	-	1,800
339 Will Enterprise, Inc.	-	-	-	-	1,795	-	1,795
340 Alandress Sharper	-	-	-	-	1,770	-	1,770
341 All City Electrical Contractors	-	-	-	-	-	1,730	1,730
342 New Monitor	-	-	1,700	-	-	-	1,700
343 The Detroit Bus Company	1,588	-	-	-	-	-	1,588
344 Ms. Juanita McKay	-	1,530	-	-	-	-	1,530
345 ARSALAN SHAUKAT	-	-	-	-	1,000	500	1,500
346 Jeanette Williams-White	-	-	-	1,500	-	-	1,500
347 Phoenix Properties	-	-	1,500	-	-	-	1,500
348 Ronin America	-	-	1,500	-	-	-	1,500

Detroit Land Bank Authority Limited Scope Forensic Audit
Summary of Disbursements by Payee - Main Operating Account XX9707
For the Fiscal Years Ending 2014 through 2019

Exhibit 12

Common Payee [a]	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
349 Ursula Adams & Communications, LLC	-	1,500	-	-	-	-	1,500
350 Sandra's Edible Blessings	-	-	320	1,156	-	-	1,476
351 Juston E Lindsey (Vendor)	1,419	-	-	-	-	-	1,419
352 Health Management Systems of America	-	-	1,400	-	-	-	1,400
353 Title Source	-	-	1,400	-	-	-	1,400
354 Judicial Resource Services PC	-	-	-	-	1,365	-	1,365
355 Utley Brothers Incorporated	-	-	-	1,324	-	-	1,324
356 YourMembership.com, Inc	-	-	-	1,017	300	-	1,317
357 Smart Path LLC	-	-	-	-	-	1,295	1,295
358 Mojisola A Clement	1,282	-	-	-	-	-	1,282
359 Nitro Software, Inc.	-	886	372	-	-	-	1,258
360 Solidifi Title & Closing, LLC (Per Ledger)	-	-	-	-	-	1,223	1,223
361 Henry M. Harris	-	1,210	-	-	-	-	1,210
362 Division of Firms - Detroit Chapter	-	-	-	700	250	250	1,200
363 Global Properties Investment Group	-	-	-	930	270	-	1,200
364 Laguna Canopy / Ameramark	-	1,005	175	-	-	-	1,180
365 EZ Parking	-	1,167	-	-	-	-	1,167
366 Pointe Printing	1,122	-	-	-	-	-	1,122
367 Mr. Jiaren Pan	-	1,120	-	-	-	-	1,120
368 Hanson Renaissance Court Reports & Video	-	-	-	-	1,112	-	1,112
369 Mama Ethels Catering	-	-	-	1,110	-	-	1,110
370 Michelle M Simon	1,110	-	-	-	-	-	1,110
371 Lindsay Stolkey	798	285	-	-	-	-	1,083
372 The UPS Store	-	-	-	-	-	1,068	1,068
373 Continental Title Agency	1,050	-	-	-	-	-	1,050
374 First American Title	1,050	-	-	-	-	-	1,050
375 Full Circle Real Estate	1,026	-	-	-	-	-	1,026
376 Lyndsey's Linen & Chair Covers	-	550	120	335	-	-	1,005
377 Communicom	1,000	-	-	-	-	-	1,000
378 Edward Grove	-	-	-	-	1,000	-	1,000
379 Eugenia Johnson	-	-	-	-	1,000	-	1,000
380 Gwendolyn Titus	-	-	-	-	1,000	-	1,000
381 Ivonne Calito	-	1,000	-	-	-	-	1,000
382 LAF Holdings, LLC	-	-	-	-	-	1,000	1,000
383 Lamaure Coleman	-	1,000	-	-	-	-	1,000
384 LeAnte Hunt	-	1,000	-	-	-	-	1,000
385 Peter Huthwaite	-	1,000	-	-	-	-	1,000
386 Sharee Fenderson & Lawrence Everhart	-	-	1,000	-	-	-	1,000
387 Sinisa Simic (V)	-	1,000	-	-	-	-	1,000
388 Dekontli E Mends-Cole	225	-	716	-	-	-	941
389 EPN LLC	-	-	-	-	938	-	938
390 DLX	183	-	755	-	-	-	938
391 Samantha R Russ	829	108	-	-	-	-	938
392 Utley Brothers Printing	-	-	935	-	-	-	935
393 Scotty's Potties	920	-	-	-	-	-	920
394 Kantola Training Solutions	-	-	-	-	891	-	891
395 Darryl D Earl	850	-	-	-	-	-	850
396 Yoniqua Coleman	-	850	-	-	-	-	850
397 Giuseppe Palazzolo	-	758	-	-	-	-	758
398 Corporate Cars	-	-	-	-	450	306	756
399 Returned Payment	-	-	-	754	-	-	754
400 Jelani Karamoko	739	-	-	-	-	-	739
401 Andrew Johnston	-	728	-	-	-	-	728
402 Carr's Motorcoach LLC	-	350	-	375	-	-	725
403 Alex M Grapentin	724	-	-	-	-	-	724
404 Cynthia Thomas	721	-	-	-	-	-	721
405 Jim Saros Real Estate	700	-	-	-	-	-	700
406 OK 2 PLAYYY	470	220	-	-	-	-	690
407 American Society of Employers	-	165	-	175	175	175	690
408 Benjamin J Stoltman	679	-	-	-	-	-	679
409 Voyageur Academy	-	-	320	350	-	-	670
410 Synchronicity Consulting, LLC	-	-	-	660	-	-	660
411 Wanda Brown	-	635	-	-	-	-	635
412 Pacer Service Center	-	-	-	-	331	299	631
413 Tech Smith	-	-	-	448	179	-	627
414 David A Brown	602	-	-	-	-	-	602
415 Discount Office Equipment	-	-	-	-	600	-	600
416 Encoding Error	-	-	-	-	600	-	600
417 Michigan Dept. of Treasury	-	580	-	-	-	-	580
418 All American	-	-	-	345	213	-	557
419 Telecom	-	554	-	-	-	-	554
420 All Around Dumpsters	-	-	550	-	-	-	550
421 Michigan Lending Solutions	550	-	-	-	-	-	550
422 Tamara O'Conner	-	-	-	-	547	-	547
423 River's Edge Brewing Company	-	535	-	-	-	-	535
424 Ashton Group, LLC	-	-	-	532	-	-	532
425 Seton Identification Products	-	-	510	-	-	-	510
426 A. Cherry Dent	-	-	500	-	-	-	500
427 Abbigail Marie Shepard	-	-	-	-	500	-	500
428 AIA Detroit	-	-	500	-	-	-	500
429 Alan Charles Willis	-	-	-	-	500	-	500
430 Andre Anders	-	-	-	-	-	500	500
431 Ansileen Washington	-	-	-	-	500	-	500
432 APG 1 LLC	-	-	-	-	-	500	500
433 Bobbi Rowe	-	-	-	-	-	500	500
434 Brianna Flanders	-	-	-	-	500	-	500
435 Bruce Swan	-	-	-	-	500	-	500

Detroit Land Bank Authority Limited Scope Forensic Audit
Summary of Disbursements by Payee - Main Operating Account XX9707
For the Fiscal Years Ending 2014 through 2019

Exhibit 12

Common Payee [a]	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
436 Charles Henri Fratellia	-	-	-	-	-	500	500
437 D Favor Investment LLC	-	-	-	-	-	500	500
438 Darnalyn Edwards	-	-	-	-	500	-	500
439 David Kelly	-	-	-	-	500	-	500
440 David Middleditch	-	-	-	-	500	-	500
441 DL Davis	-	-	500	-	-	-	500
442 Dorothy Gray	-	-	-	-	-	500	500
443 Emil Wolter	-	-	-	-	-	500	500
444 Giannoni Sergio	-	-	500	-	-	-	500
445 GMG Immotrade, LLC	-	-	-	-	-	500	500
446 HAZIC INVESTMENTS, LLC	-	-	-	-	-	500	500
447 Ikenna Duru	-	-	-	-	-	500	500
448 Jade Capital Advisors	-	-	-	-	-	500	500
449 Jimmie and Justin Mickens	-	-	-	-	-	500	500
450 Jonathan Bauman	-	-	-	-	-	500	500
451 Kenneth Oldham	-	-	-	-	500	-	500
452 Lakeisha Adams	-	-	-	-	-	500	500
453 Lavette Gray	-	-	500	-	-	-	500
454 Letitia E. Williams	-	-	-	-	-	500	500
455 Lincoln Garrett	-	-	-	-	-	500	500
456 Lu Cai	-	-	-	-	500	-	500
457 Maria T. Mateo a Resident Agent for TBJ A2 LLC	-	-	-	-	500	-	500
458 Maurice Simmons	-	-	500	-	-	-	500
459 Melinda Caskey	-	-	500	-	-	-	500
460 MHA Nonprofit Housing Corporation	-	500	-	-	-	-	500
461 Otis Railey	-	-	-	-	500	-	500
462 Robert M Rowe II	-	-	-	-	-	500	500
463 Robin Davis	-	-	-	-	-	500	500
464 Ronald Ritts	-	-	-	-	-	500	500
465 Ruth Bailey	-	-	-	-	-	500	500
466 Sharon and Frankie Joseph	-	-	-	-	-	500	500
467 Sharrece Moore	-	-	-	-	-	500	500
468 Stephanie Harbour	-	-	-	-	500	-	500
469 Tamira Burton	-	-	-	-	-	500	500
470 The Bankruptcy Estate of Great Lakes Property & Investment, Inc.	-	-	-	-	-	500	500
471 Thomasine Jefferson	-	-	-	-	-	500	500
472 Todd Fischer	-	-	-	-	500	-	500
473 Troy Evans	-	-	-	-	-	500	500
474 Valerie Singleton	-	-	500	-	-	-	500
475 Victor Diaz	-	-	-	-	500	-	500
476 Yang See Yew	-	-	-	-	-	500	500
477 USPS	-	-	495	-	-	-	495
478 Marygrove Conference Center	-	488	-	-	-	-	488
479 Charity R Dean	483	-	-	-	-	-	483
480 Taylor Keyhea	-	480	-	-	-	-	480
481 EEA of Michigan	-	-	-	478	-	-	478
482 Marsha S Bruhn	180	80	208	-	-	-	468
483 Stephaine Young	-	463	-	-	-	-	463
484 Notary Service Bonding Agency, Inc.	-	457	-	-	-	-	457
485 Gerald Carson	-	-	-	-	-	452	452
486 Susan Andrews	-	-	-	200	250	-	450
487 Almost Anything Emaginable	-	-	-	-	430	-	430
488 State Bar of Michigan	-	-	-	-	-	420	420
489 FedEx Office	-	406	-	-	-	-	406
490 Headsets.com	-	-	402	-	-	-	402
491 Urban Land Institute	-	400	-	-	-	-	400
492 Symantec Corporation	-	-	-	399	-	-	399
493 Melissa Campbell	-	272	123	-	-	-	395
494 Aaron Robinson	-	384	-	-	-	-	384
495 Laura Settlemeyer	-	-	-	-	-	352	352
496 Tanya J Lamar-McDonald	113	113	125	-	-	-	351
497 ID Ville	-	-	-	29	-	310	339
498 Detroit Training Center	-	-	-	-	325	-	325
499 eTitle Agency (Per Ledger)	-	-	-	-	-	324	324
500 Subway	-	-	318	-	-	-	318
501 Hazelstine Transportation	-	-	-	-	-	300	300
502 Henk Audio Visual	-	-	-	-	-	300	300
503 La Terraza	-	300	-	-	-	-	300
504 Mediation Tribunal Association	-	-	-	225	75	-	300
505 Starter's Bar & Grill	-	300	-	-	-	-	300
506 Vonda Troupe	-	-	300	-	-	-	300
507 Lanyard Lab	-	-	-	-	292	-	292
508 Crain Communications, Inc.	118	-	-	168	-	-	286
509 36th District Court	-	-	285	-	-	-	285
510 Ulysse Macias	211	70	-	-	-	-	281
511 Jim Wright	280	-	-	-	-	-	280
512 Society for Human Resource Management	-	-	-	-	278	-	278
513 Crystal Miller	-	-	274	-	-	-	274
514 Andre Johnson	-	-	-	-	250	-	250
515 Danielle Stal	-	-	-	-	250	-	250
516 Erica Fittsel	-	-	-	-	250	-	250
517 Ian Stal	-	-	-	-	250	-	250
518 Joann Moore	-	-	-	-	250	-	250
519 June Dillard	-	-	-	-	250	-	250
520 Kamesha Patrick	-	-	-	-	250	-	250
521 Kevin Riedel	-	-	-	-	250	-	250
522 Makia Davis	-	-	-	-	250	-	250

Detroit Land Bank Authority Limited Scope Forensic Audit
Summary of Disbursements by Payee - Main Operating Account XX9707
For the Fiscal Years Ending 2014 through 2019

Exhibit 12

Common Payee [a]	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
523 Michigan Department of Community Health	250	-	-	-	-	-	250
524 Shanique Kitchen	-	-	-	-	250	-	250
525 Shanquita Noble	-	-	-	-	250	-	250
526 Tajdren Conner	-	-	-	-	250	-	250
527 Formsite	-	-	-	250	-	-	250
528 Coleman A. Young Municipal Center	-	241	-	-	-	-	241
529 Edible Liz	-	-	-	-	-	240	240
530 Detroit Free Press	-	239	-	-	-	-	239
531 Detroit News The	-	239	-	-	-	-	239
532 Tamica L. Dothard	86	145	-	-	-	-	231
533 Paul Kako	-	-	140	90	-	-	230
534 Lara	-	-	-	-	225	-	225
535 Alexis Wiley	221	-	-	-	-	-	221
536 Global Industrial	-	-	-	207	-	-	207
537 Dearborn Tim Hortons Coldstone	-	-	-	201	-	-	201
538 Patrick J. Duggan	-	200	-	-	-	-	200
539 Robert C. Nelson	-	200	-	-	-	-	200
540 Michigan Notary Service	-	195	-	-	-	-	195
541 National Pen	-	-	-	95	95	-	190
542 Kensmen Glass & Mirror, LLC	-	185	-	-	-	-	185
543 Napier Services	-	-	-	75	75	-	150
544 Northeast Guidance Center	-	-	150	-	-	-	150
545 Toyas Gifted Hands Cleaning Services	-	-	-	-	150	-	150
546 Reginald W Johnson	108	41	-	-	-	-	150
547 Fred Pryor Seminars	-	-	-	149	-	-	149
548 ESET, Inc.	-	-	140	-	-	-	140
549 Aaron Truitt	-	124	-	-	-	-	124
550 K&K Artisan Breads & Pastries	-	-	-	-	120	-	120
551 American Planning Association	-	-	-	-	-	115	115
552 Lorenzo F. Knight	109	-	-	-	-	-	109
553 Adjustment	-	-	-	-	-	100	100
554 Soluciones Onda Latina	-	100	-	-	-	-	100
555 Write A House	-	-	-	100	-	-	100
556 Transworld Systems, Inc.	-	-	-	100	-	-	100
557 Launzy Z. Sims	50	-	46	-	-	-	96
558 Sonia Scarber	50	41	-	-	-	-	91
559 Denise Lopez	-	-	90	-	-	-	90
560 Seattle Legal Messengers	-	-	-	89	-	-	89
561 Mark Pettaway	83	-	-	-	-	-	83
562 Mose Primus Jr.	77	-	-	-	-	-	77
563 Valisha Duren.	-	76	-	-	-	-	76
564 Bill Bryan (DIS)	-	75	-	-	-	-	75
565 PBCC	-	-	75	-	-	-	75
566 Rodney Wilson	-	-	72	-	-	-	72
567 Carla Valpeoz	-	70	-	-	-	-	70
568 Debra Finch	-	-	70	-	-	-	70
569 HireRight, LLC	-	-	-	70	-	-	70
570 David P Clements	-	69	-	-	-	-	69
571 Michigan Labor Law Poster Service	67	-	-	-	-	-	67
572 Sunrise Professional Services	-	65	-	-	-	-	65
573 Detroit Metropolitan Bar Association Foundation	-	-	-	-	-	60	60
574 Semaphore Corporation	-	-	-	60	-	-	60
575 Terri Ollis	60	-	-	-	-	-	60
576 Dessieree Smith	-	59	-	-	-	-	59
577 Access	-	56	-	-	-	-	56
578 Monique Styles-Perdue	-	-	55	-	-	-	55
579 Athalia Cargile	-	-	-	-	-	50	50
580 Jeannette Heacox	-	50	-	-	-	-	50
581 Margaret Bamonte	-	-	50	-	-	-	50
582 AAPS	-	-	-	45	-	-	45
583 Court of Claims	-	-	45	-	-	-	45
584 Occupational Health Centers of MI, PC	-	-	44	-	-	-	44
585 Robert Wiener	-	40	-	-	-	-	40
586 Fakira D. Smith	-	32	-	-	-	-	32
587 Trusted Employees	-	-	-	32	-	-	32
588 Geneva James.	-	-	30	-	-	-	30
589 Jeanette Brown-Lindsay	-	-	25	-	-	-	25
590 Stamps.com	-	25	-	-	-	-	25
591 Michael A Bussert	-	20	-	-	-	-	20
592 Trezella Goodin.	-	-	15	-	-	-	15
593 Martha E Galyan	-	-	15	-	-	-	15
594 Patricia Pernell-Shelton	-	-	-	15	-	-	15
595 Darlene Butler	-	-	-	-	12	-	12
596 United States Bankruptcy Court	-	-	12	-	-	-	12
597 US Bankruptcy Court	-	-	-	12	-	-	12
598 Department of Licensing & Regulatory Affa	-	10	-	-	-	-	10
599 Totals	<u>\$ 2,790,067</u>	<u>\$ 56,341,143</u>	<u>\$ 82,999,095</u>	<u>\$ 42,358,079</u>	<u>\$ 19,535,717</u>	<u>\$ 20,472,354</u>	<u>\$ 224,496,454</u>

[a] Payees were aggregated based on similar names recorded in the general ledger.

[b] See Exhibit 9 for transaction detail.

Cash Basis - Source: DLBA General Ledgers & Fifth Third Bank Statements XX9707

Exhibit 13

Disbursements by Payee from Fifth Third Demolition Account

DLBA Forensic Audit**Exhibit 13****Summary of Disbursements by Payee - Demolition Account XX1709
For the Fiscal Years Ending 2016 through 2019**

Common Payee [a]	FY 2016	FY 2017	FY 2018	FY 2019	Total
1 Transfer to XX4503 (Payroll Checking)	\$ -	\$ -	\$ -	\$ 1,145,887	\$ 1,145,887
2 Transfer to XX4511 (Restricted Cash)	-	5,956,444	2,531,814	1,349,700	9,837,958
3 Transfer to XX9707 (Main Account)	-	6,042,840	-	156,139	6,198,979
4 Bank Disbursement & General Ledger Discrepancy Transactions [b]	-	885	193,485	930,437	1,124,807
5 City of Detroit	-	5,000,000	7,458,673	1,477,050	13,935,723
6 Salenbien Trucking & Excavating Inc.	-	2,742,804	4,350,956	10,288,360	17,382,120
7 Homrich	-	6,680,727	1,234,797	7,897,447	15,812,971
8 Able Demolition	306,011	2,918,611	4,222,496	6,409,588	13,856,706
9 Rickman Enterprise Group	231,230	3,787,248	4,698,660	4,794,400	13,511,538
10 DMC Consultants	-	4,878,751	4,738,548	3,048,922	12,666,221
11 Adamo Group, Inc.	-	3,729,312	2,979,954	3,963,990	10,673,256
12 Den-Man Contractors	-	-	339,967	3,285,967	3,625,934
13 Blue Star	-	797,000	772,949	2,030,775	3,600,724
14 ATC Group Services, LLC	-	782,648	826,897	387,213	1,996,758
15 PSI	-	1,360,995	187,478	304,595	1,853,068
16 Esso Wrecking Co.	-	1,151,820	594,165	-	1,745,985
17 Smalley	-	-	-	1,597,553	1,597,553
18 ABC Demolition	6,000	1,552,533	7,500	-	1,566,033
19 ETC	172,477	327,742	280,207	647,035	1,427,461
20 Mannik Smith Group Inc.	-	-	64,714	884,206	948,920
21 BBEK Environmental	117,340	756,505	-	-	873,845
22 Detroit Building Authority	-	257,000	457,250	-	714,250
23 ABF Environmental	-	710,749	-	970	711,719
24 PASI	-	549,604	-	136,425	686,029
25 PwC	-	-	-	650,826	650,826
26 Direct Construction Services	-	191,130	294,138	33,446	518,714
27 AKT Peerless	-	372,250	7,045	-	379,295
28 Gayanga Co. LLC	-	-	358,506	-	358,506
29 Leadhead Construction	-	258,064	-	89,409	347,473
30 GTJ Consulting, LLC	22,590	150,465	116,230	875	290,160
31 Farrow Group	-	260,521	14,916	-	275,437
32 313 Construction, LLC	-	189,191	-	-	189,191
33 Berkshire Development, Inc.	-	176,410	-	-	176,410
34 Time Savers Government Consulting, LLC	-	146,308	-	-	146,308
35 Internal Revenue Service	-	-	-	93,988	93,988
36 SMART	-	22,495	-	-	22,495
37 Adjusting Entry	-	14,000	-	-	14,000
38 Environmental Specialty Services	-	13,500	-	-	13,500
39 Performance Environmental Services	-	10,838	-	-	10,838
40 DTE Energy - Gas	-	5,040	-	-	5,040
41 First Street Garage	-	3,200	-	-	3,200
42 Experis Finance US, LLC	-	-	-	2,220	2,220
43 H&R Process Serving Group	-	2,010	-	-	2,010
44 Aerotek Professional Services	-	-	-	1,106	1,106
45 Armorbearer Investigations	24	245	386	-	655
46 DLX for Business	595	-	-	-	595
47 Staples Business Advantage	-	-	-	346	346
48 Service Charge	3	-	165	42	209
49 Total	\$ 856,270	\$ 51,799,885	\$ 36,731,895	\$ 51,608,915	\$ 140,996,967

[a] Payees information is aggregated based on similar names recorded in the general ledger.

[b] See Exhibit 9 for transaction detail.

Cash Basis - Source: DLBA General Ledgers & Fifth Third Bank Statements XX1709

Exhibit 14

Disbursements by Payee from Fifth Third Payroll Account

**Detroit Land Bank Authority Limited Scope Forensic Audit
Summary of Disbursements - Payroll Account XX4503
For the Fiscal Years Ending 2017 through 2019**

Exhibit 14

Payee	FY 2017	FY 2018	FY 2019	Total
1 Paychex - Payroll	\$ 3,545,208	\$ 5,518,012	\$ 6,681,349	\$ 15,744,569
2 Paychex - Taxes	1,617,017	2,411,339	2,697,114	6,725,470
3 Paychex - EIB Invoice	11,490	18,663	25,547	55,700
4 Paychex - CGS Garnish	5,040	8,233	25,570	38,842
5 Paychex - HRS PMT	1,390	3,753	11,966	17,109
6 US Health and Life Insurance	427,972	993,306	1,043,041	2,464,318
7 American United Pension Pmt	-	126,224	474,061	600,286
8 Aflac	66,644	190,206	239,953	496,803
9 Wells Fargo Advisors	77,712	197,255	-	274,968
10 The Guardian	28,236	89,008	119,750	236,994
11 Total Health Care USA, Inc.	-	-	119,215	119,215
12 First Street Garage	83,783	-	-	83,783
13 Guardian Life	17,295	-	-	17,295
14 Accident Fund	-	-	11,867	11,867
15 Paychex	-	-	3,381	3,381
16 Gina Jackson	2,692	-	-	2,692
17 SMART	1,946	626	-	2,572
18 Danielle Wallick	1,986	-	-	1,986
19 Paychex - BOA Reversal	450	1,520	-	1,969
20 Toya Clark	-	1,780	-	1,780
21 Nicole Scott	-	-	1,775	1,775
22 Annie Mendoza	1,305	-	-	1,305
23 Global Valet LLC	1,100	-	-	1,100
24 The Benefit Advantage, Inc.	-	1,000	-	1,000
25 Trailiant	893	-	-	893
26 Trezella Goodin	527	-	-	527
27 Tamika McLean	-	500	-	500
28 Department 35001 - Income Tax	381	-	-	381
29 Launzy Sims III	150	-	-	150
30 Paulette Victory	-	138	-	138
31 Tanya Lamar-McDonald	134	-	-	134
32 Barbara Sinicki	-	109	-	109
33 Service Charge	21	26	-	47
34 The UPS Store	-	-	24	24
35 Latonya Pace	-	5	-	5
36 Total	\$ 5,893,370	\$ 9,561,703	\$ 11,454,613	\$ 26,909,687

Cash Basis - Source: DLBA General Ledgers and Bank Statements XX4503.

Exhibit 15

DLBA Average Employee Earnings

Detroit Land Bank Authority Limited Scope Forensic Audit
Summary of Employee Earnings Reports

Exhibit 15

	<u>Calendar Year Ending</u>	<u>Total Earnings</u>	<u>Persons</u>	<u>Average Earnings</u>	<u>Average Earnings Growth</u>
1	2014	\$ 2,317,212	116	\$ 19,976	n/a
2	2015	4,265,699	149	28,629	43.32%
3	2016	5,783,401	190	30,439	6.32%
4	2017	7,256,756	203	35,748	17.44%
5	2018	8,482,640	210	40,394	13.00%
6	Through 6/30/2019	4,486,512	193	46,492	15.10%

Source: Employee Earnings Reports

Exhibit 16

Review of Bank Reconciliation – Main Operating Account

Detroit Land Bank Forensic Audit
Comparison of Bank Reconciliation to General Ledger - Main Operating Account XX9707
For the Period January 2014 through June 2019

Exhibit 16

Per Bank Reconciliation										
		Balance per	Less			Cash		Difference	Bank	Difference
		Bank	Outstanding	Cash in	Unexplained	Balance per	General	(GL Per Rec	Balance	(Bank Bal Per
Date		Statement	Checks	Transit	Rec Item	General	Ledger Cash	vs. Actual	From Bank	Rec vs. Actual
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	1/31/2014	\$ 915,906	\$ (34,888)	\$ -	\$ -	\$ 881,019	\$ 880,570	\$ 448	\$ 915,906	\$ -
2	2/28/2014	721,415	(13,338)	-	-	708,077	710,346	(2,269)	721,415	-
3	3/31/2014	2,177,581	(11,926)	5	-	2,165,659	2,165,211	448	2,177,581	-
4	4/30/2014	1,894,842	(346,962)	5	-	1,547,885	1,547,437	448	1,894,842	-
5	5/31/2014	1,347,945	(251,229)	5	-	1,096,721	1,096,272	448	1,347,945	-
6	6/30/2014	733,698	(88,710)	5,089	-	650,078	649,629	448	733,698	-
7	7/31/2014	999,095	(230,695)	5,089	-	773,489	773,254	235	999,095	-
8	8/31/2014	1,162,726	(435,973)	5,854	-	732,607	732,522	85	1,162,726	-
9	9/30/2014	8,957,916	(990,027)	5,854	-	7,973,743	8,023,823	(50,080)	8,957,916	-
10	10/31/2014	2,689,839	(642,029)	5,854	-	2,053,663	2,053,578	85	2,689,839	-
11	11/30/2014	3,813,904	(337,100)	5,854	-	3,482,658	3,482,572	85	3,813,904	-
12	12/31/2014	3,387,562	(582,660)	5,854	-	2,810,756	2,908,701	(97,945)	3,387,562	-
13	1/31/2015	3,387,562	(6,672,671)	4,288,867	-	1,003,758	1,016,315	(12,557)	1,463,992	1,923,570
14	2/28/2015	1,463,992	(1,672,742)	5,854	-	(202,896)	416,876	(619,773)	2,002,333	(538,341)
15	3/31/2015	2,170,695	(815,070)	5,854	-	1,361,479	1,428,110	(66,631)	2,170,695	-
16	4/30/2015	18,355,018	(1,337,489)	5,854	-	17,023,383	17,090,214	(66,831)	18,355,018	-
17	5/31/2015	[a]	[a]	[a]	[a]	[a]	17,809,637	[a]	[a]	-
18	6/30/2015	16,053,104	(1,083,646)	5,854	-	14,975,311	15,137,944	(162,632)	16,053,104	-
19	7/31/2015	16,882,345	(1,056,477)	5,854	-	15,831,721	15,832,148	(427)	16,882,345	-
20	8/31/2015	16,336,026	(725,235)	5,854	-	15,616,645	15,730,405	(113,760)	16,336,026	-
21	9/30/2015	14,007,961	(2,556,170)	5,854	-	11,457,644	11,573,312	(115,668)	14,007,961	-
22	10/31/2015	16,816,293	(2,994,339)	5,854	-	13,827,807	13,836,316	(8,509)	16,816,293	-
23	11/30/2015	20,073,651	(1,049,973)	5,854	-	19,029,531	19,029,531	-	20,073,651	-
24	12/31/2015	18,204,071	(1,099,899)	-	-	17,104,172	17,104,452	(280)	18,204,071	-
25	1/31/2016	19,595,270	(445,274)	-	-	19,149,997	19,149,997	-	19,595,270	-
26	2/29/2016	18,222,627	(988,520)	432	-	17,234,539	17,234,539	-	18,222,627	-
27	3/31/2016	15,404,173	(692,075)	-	-	14,712,098	14,712,098	-	15,404,173	-
28	4/30/2016	10,203,096	(3,198,531)	-	-	7,004,565	7,004,565	-	10,203,096	-
29	5/31/2016	7,907,467	(660,832)	-	-	7,246,636	7,246,636	-	7,907,467	-
30	6/30/2016	7,590,656	(973,109)	-	-	6,617,547	2,087,154	4,530,393	7,590,656	-
31	7/31/2016	6,110,257	(938,996)	-	-	5,171,262	624,542	[b] 4,546,719	6,110,257	-
32	8/31/2016	2,910,120	(45,822)	-	-	2,864,298	558,941	[b] 2,305,357	2,910,120	-
33	9/30/2016	4,493,756	(215,015)	-	-	4,278,741	2,852,099	1,426,641	4,493,756	-
34	10/31/2016	4,575,526	(248,651)	-	-	4,326,875	4,326,351	524	4,575,526	-
35	11/30/2016	3,258,664	(281,210)	-	-	2,977,454	2,976,931	524	3,258,664	-
36	12/31/2016	4,116,050	(98,944)	-	-	4,017,107	4,079,582	[b] (62,475)	4,116,050	-
37	1/31/2017	1,797,786	(220,386)	-	(1,528)	1,578,928	1,578,928	-	1,797,786	-
38	2/28/2017	858,308	(206,981)	-	(1,528)	652,855	652,855	-	858,308	-
39	3/31/2017	856,504	(213,575)	-	-	642,929	642,929	-	856,504	-
40	4/30/2017	360,369	(222,315)	754	-	138,808	138,808	-	360,369	-
41	5/31/2017	1,001,225	(272,138)	-	-	729,087	729,087	-	1,001,225	-
42	6/30/2017	282,596	(159,603)	-	-	122,994	122,994	-	282,596	-
43	7/31/2017	3,327,923	(237,122)	-	-	3,090,800	3,090,800	-	3,327,923	-
44	8/31/2017	2,619,083	(186,408)	-	-	2,432,676	2,432,676	-	2,619,083	-

Detroit Land Bank Forensic Audit
Comparison of Bank Reconciliation to General Ledger - Main Operating Account XX9707
For the Period January 2014 through June 2019

Exhibit 16

Per Bank Reconciliation																
		Balance per Bank Statement	+	Less Outstanding Checks	+	Cash in Transit	+	Unexplained Rec Item	=	Cash Balance per General Ledger	-	General Ledger Cash Balance	=	Difference (GL Per Rec vs. Actual GL Balance)	Bank Balance From Bank Statement	Difference (Bank Bal Per Rec vs. Actual Bank Bal)
	Date	(A)		(B)		(C)		(D)		(E)		(F)		(G)	(H)	(I)
1	1/31/2014	\$ 915,906		\$ (34,888)		\$ -		\$ -		\$ 881,019		\$ 880,570		\$ 448	\$ 915,906	\$ -
45	9/30/2017	1,218,315		(426,289)		-		-		792,026		792,026		-	1,218,315	-
46	10/31/2017	4,209,514		(61,055)		-		-		4,148,458		4,148,458		-	4,209,514	-
47	11/30/2017	1,781,542		(451,023)		-		-		1,330,519		1,330,519		-	1,781,542	-
48	12/31/2017	864,879		(170,226)		-		-		694,653		694,653		-	864,879	-
49	1/31/2018	2,351,521		(353,602)		-		-		1,997,919		1,997,919		-	2,351,521	-
50	2/28/2018	1,984,728		(356,197)		-		-		1,628,531		1,628,531		-	1,984,728	-
51	3/31/2018	1,188,877		(136,978)		-		-		1,051,899		1,051,899		-	1,188,877	-
52	4/30/2018	4,175,604		(268,422)		-		-		3,907,182		3,907,182		-	4,175,604	-
53	5/31/2018	1,949,186		(208,168)		-		-		1,741,018		1,741,018		-	1,949,186	-
54	6/30/2018	1,067,679		(688,080)		-		-		379,598		379,598		-	1,067,679	-
55	7/31/2018	2,080,888		(398,485)		-		-		1,682,403		1,682,403		-	2,080,888	-
56	8/31/2018	1,625,134		(136,313)		-		-		1,488,821		1,488,821		-	1,625,134	-
57	9/30/2018	1,236,860		(109,721)		-		-		1,127,139		1,127,139		-	1,236,860	-
58	10/31/2018	1,575,849		(98,901)		-		-		1,476,948		1,476,948		-	1,575,849	-
59	11/30/2018	1,008,999		(82,521)		(16,589)		-		909,889		909,889		-	1,008,999	-
60	12/31/2018	406,843		(22,843)		-		-		384,000		384,000		-	406,843	-
61	1/31/2019	1,298,969		(253,557)		-		-		1,045,412		1,045,412		-	1,298,969	-
62	2/28/2019	872,506		(167,360)		-		1,220		703,926		703,926		-	872,506	-
63	3/31/2019	478,056		(97,240)		-		1,220		379,596		379,596		-	478,056	-
64	4/30/2019	700,551		(191,899)		-		1,220		507,432		507,432		-	700,551	-
65	5/31/2019	655,226		(101,528)		-		1,220		552,478		552,478		-	655,226	-
66	6/30/2019	2,321,663		(631,362)		-		-		1,690,301		1,690,301		-	2,321,663	-

(E) = (A) + (B) + (C) + (D)

(G) = (E) - (F)

(I) = (A) - (H)

[a] Bank Reconciliation was not made available to Stout.

[b] Reviewer notes indicate bank reconciliation was prepared incorrectly. No subsequent bank reconciliation was provided to Stout.

Exhibit 17

Review of Bank Reconciliation – Demolition Account

Detroit Land Bank Authority Limited Scope Forensic Audit
Comparison of Bank Reconciliation to General Ledger - Demolition Account XX1709
For the Period July 2016 through June 2019

Exhibit 17

Per Bank Reconciliation										
Date	Balance per Bank Statement (A)	+ Less Outstanding Checks (B)	+ Deposits in Transit (C)	+ Unexplained Rec Item (D)	= Cash Balance per General Ledger (E)	- Actual General Ledger Cash Balance (F)	= Difference (GL Bal Per Rec vs. Actual GL Bal) (G)		Bank Balance From Bank Statement (H)	Difference (Bank Bal Per Rec vs. Actual Bank Bal) (I)
1 7/31/2016	\$ 2,221,632	\$ (852,813)	\$ -	\$ -	\$ 1,368,819	\$ 2,247,519	\$ (878,700)	[a]	\$ 2,221,632	\$ -
2 8/31/2016	4,559,780	(692,023)	-	-	3,867,757	2,378,621	1,489,136	[b]	4,559,780	-
2 9/30/2016	4,416,788	(1,294,970)	-	-	3,121,818	753,982	2,367,836		4,416,788	-
3 10/31/2016	5,155,160	(1,954,586)	-	-	3,200,574	3,117,574	83,000		5,155,160	-
4 11/30/2016	3,092,130	(4,218,273)	3,244,458	-	2,118,316	2,118,316	-		3,092,130	-
5 12/31/2016	4,990,433	(2,984,431)	-	-	2,006,001	2,116,146	(110,144)	[b]	4,990,433	-
6 1/31/2017	2,554,052	(1,318,594)	-	-	1,235,458	1,235,458	-		2,554,052	-
7 2/28/2017	2,710,393	(323,745)	-	-	2,386,648	2,386,648	-		2,710,393	-
8 3/31/2017	3,059,285	(146,942)	-	(10)	2,912,333	2,912,333	-		3,059,285	-
9 4/30/2017	4,334,625	(356,886)	-	(10)	3,977,729	3,977,729	-		4,334,625	-
10 5/31/2017	5,171,450	(209,294)	-	-	4,962,156	4,962,156	-		5,171,450	-
11 6/30/2017	4,496,006	(637,682)	(900,664)	-	2,957,660	2,957,660	-		4,496,006	-
12 7/31/2017	4,655,013	(683,241)	-	(20)	3,971,753	3,971,753	-		4,655,013	-
13 8/31/2017	5,861,659	(2,512,428)	-	-	3,349,231	3,349,231	-		5,861,659	-
14 9/30/2017	5,847,211	(1,478,009)	-	-	4,369,202	4,369,202	-		5,847,211	-
15 10/31/2017	4,706,315	(231,607)	-	-	4,474,708	4,474,708	-		4,706,315	-
16 11/30/2017	6,795,280	(969,557)	-	-	5,825,723	5,825,723	-		6,795,280	-
17 12/31/2017	7,638,673	(1,439,410)	-	-	6,199,263	6,199,263	-		7,638,673	-
18 1/31/2018	7,487,813	(521,450)	-	-	6,966,363	6,966,363	-		7,487,813	-
19 2/28/2018	6,194,923	(1,781,727)	-	-	4,413,197	4,413,197	-		6,194,923	-
20 3/31/2018	6,620,261	(1,052,197)	-	-	5,568,064	5,568,064	-		6,620,261	-
21 4/30/2018	8,362,973	(950,282)	-	-	7,412,691	7,412,691	-		8,362,973	-
22 5/31/2018	[c]	[c]	[c]	[c]	[c]	[c]	[c]		2,826,008	[c]
23 6/30/2018	2,181,870	(259,958)	-	-	1,921,912	1,921,912	-		2,181,870	-
24 7/31/2018	3,128,723	(771,128)	-	-	2,357,596	2,357,596	-		3,128,723	-
25 8/31/2018	4,521,208	(1,650,900)	-	-	2,870,309	2,870,309	-		4,521,208	-
26 9/30/2018	3,053,315	(621,664)	-	-	2,431,651	2,431,651	-		3,053,315	-
27 10/31/2018	6,991,011	(1,405,173)	-	-	5,585,838	5,585,838	-		6,991,011	-
28 11/30/2018	6,006,711	(1,391,315)	-	-	4,615,396	4,615,396	-		6,006,711	-
29 12/31/2018	5,286,799	(587,660)	-	-	4,699,139	4,699,139	-		5,286,799	-
30 1/31/2019	2,791,898	(1,367,655)	-	-	1,424,243	1,424,243	-		2,791,898	-
31 2/28/2019	5,830,074	(998,891)	-	-	4,831,184	4,831,184	-		5,830,074	-

Detroit Land Bank Authority Limited Scope Forensic Audit
Comparison of Bank Reconciliation to General Ledger - Demolition Account XX1709
For the Period July 2016 through June 2019

Exhibit 17

Per Bank Reconciliation																
		Balance per Bank Statement	+	Less Outstanding Checks	+	Deposits in Transit	+	Unexplained Rec Item	=	Cash Balance per General Ledger	-	Actual General Ledger Cash Balance	=	Difference (GL Bal Per Rec vs. Actual GL Bal)	Bank Balance From Bank Statement	Difference (Bank Bal Per Rec vs. Actual Bank Bal)
	Date	(A)		(B)		(C)		(D)		(E)		(F)		(G)	(H)	(I)
32	3/31/2019	6,789,802		(1,774,620)		-		-		5,015,183		5,015,183		-	6,789,802	-
33	4/30/2019	3,892,886		(1,881,100)		-		-		2,011,785		2,011,785		-	3,892,886	-
34	5/31/2019	3,173,295		(1,769,232)		-		-		1,404,062		1,404,062		-	3,173,295	-
35	6/30/2019	2,106,289		(1,368,289)		-		-		738,000		738,000		-	2,106,289	-

(E) = (A) + (B) + (C) + (D)

(G) = (E) - (F)

(I) = (A) - (H)

[a] Reviewer notes indicate discrepancy was identified. Stout was not provided with revised bank reconciliation.

[b] Reviewer notes indicate bank reconciliation was prepared incorrectly. No revised bank reconciliation was provided to Stout.

[c] Bank reconciliation not made available to Stout.

Source: Fifth Third Bank Statements XX1709, DLBA General Ledgers, and Bank Reconciliations

Exhibit 18

Summary of Demolition Advance Loan Draws and Repayments

**Detroit Land Bank Authority Limited Scope Forensic Audit
Summary of Demo Advance Fund Loan Draws and Repayments
For the Fiscal Years Ending 2014 through 2019**

Exhibit 18

Fiscal Year	Transaction Date	Demo Advance Draws			Demo Repayments			Outstanding Balance
		Main Account	Demo Checking	Total	Main Account	Demo Checking	Total	
1 FY 2015	4/7/2015	\$ 15,000,000	\$ -	\$ 15,000,000	\$ -	\$ -	\$ -	\$ 15,000,000
2 FY 2016	4/28/2016	-	-	-	10,000,000	-	10,000,000	5,000,000
3 FY 2017	8/16/2016	4,000,000	-	4,000,000	-	-	-	9,000,000
4 FY 2017	10/18/2016	6,000,000	-	6,000,000	-	-	-	15,000,000
5 FY 2018	9/29/2017	-	-	-	-	5,000,000	5,000,000	10,000,000
4 FY 2018	5/11/2018	-	-	-	-	5,000,000	5,000,000	5,000,000
6 FY 2019	10/19/2018	-	5,000,000	5,000,000	-	-	-	10,000,000
7 Total		<u>\$ 25,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 30,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 20,000,000</u>	

Source: DLBA Bank Statements (Main and Demo Account) & Audited Financial Statements

Exhibit 19

Supplemental HHF Payments to the DLBA

Detroit Land Bank Authority Limited Scope Forensic Audit
Summary of City of Detroit Supplemental Payments for HHF Demolitions to the DLBA
For the Period Beginning May 2018 through June 2019

Exhibit 19

	Invoice Number	Invoice Date	Fiscal Year	Name	Invoice Amount
1	SIN030755	5/3/2018	FY 2018	Detroit Land Bank Authority	\$ 737,401
2	SIN031378	5/25/2018	FY 2018	Detroit Land Bank Authority	122,502
3	SIN035227	9/28/2018	FY 2019	Detroit Land Bank Authority	157,752
4	SIN038724	12/19/2018	FY 2019	Detroit Land Bank Authority	271,719
5	SIN038725	12/19/2018	FY 2019	Detroit Land Bank Authority	214,944
6	SIN038726	12/19/2018	FY 2019	Detroit Land Bank Authority	292,638
7	SIN038727	12/19/2018	FY 2019	Detroit Land Bank Authority	666,553
8	SIN043500	4/12/2019	FY 2019	Detroit Land Bank Authority	103,967
9	SIN043501	4/12/2019	FY 2019	Detroit Land Bank Authority	12,201
10	SIN043502	4/12/2019	FY 2019	Detroit Land Bank Authority	4,975
11	SIN043503	4/12/2019	FY 2019	Detroit Land Bank Authority	4,955
12	SIN043504	4/12/2019	FY 2019	Detroit Land Bank Authority	10,111
13	SIN043505	4/12/2019	FY 2019	Detroit Land Bank Authority	5,702
14	SIN043506	4/12/2019	FY 2019	Detroit Land Bank Authority	5,040
15	SIN043507	4/12/2019	FY 2019	Detroit Land Bank Authority	4,975
16	SIN043508	4/12/2019	FY 2019	Detroit Land Bank Authority	5,525
17	SIN043510	4/12/2019	FY 2019	Detroit Land Bank Authority	68,634
18	SIN043512	4/12/2019	FY 2019	Detroit Land Bank Authority	388,308
19	SIN046899	6/17/2019	FY 2019	Detroit Land Bank Authority	279,623
20	SIN046900	6/17/2019	FY 2019	Detroit Land Bank Authority	269,211
21	SIN047971	6/27/2019	FY 2019	Detroit Land Bank Authority	34,842
22	Total				\$ 3,661,579

Source: Payment detail provided by the City of Detroit