

**DOWNTOWN DETROIT
BUSINESS IMPROVEMENT ZONE**

**FINANCIAL REPORT
WITH
SUPPLEMENTAL INFORMATION**

JUNE 30, 2023

DOWNTOWN DETROIT BUSINESS IMPROVEMENT ZONE

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INDEPENDENT AUDITOR'S REPORT

Members of the Downtown Detroit Business Improvement Zone Board
Downtown Detroit Business Improvement Zone
Detroit, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Downtown Detroit Business Improvement Zone (the BIZ), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the BIZ's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the BIZ as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the BIZ and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the BIZ's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BIZ's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the BIZ's ability to continue as a going concern for a reasonable period of time.

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

**Independent Auditor's Report
(Continued)**

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule identified in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Alan C. Young & Assoc.

Detroit, Michigan
October 22, 2024

DOWNTOWN DETROIT BUSINESS IMPROVEMENT ZONE

Management's Discussion and Analysis

Downtown Detroit Business Improvement Zone (the BIZ) management offers this narrative overview and analysis of the BIZ's financial activities and statements for the fiscal year ended June 30, 2023. This narrative is an overview of the financial health of the BIZ based on the information in the statements. This discussion is intended to be an objective, straightforward and understandable introduction to the BIZ's financial statements.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities of the BIZ as a whole present a longer-term view of the BIZ's finances. This longer-term view uses the accrual basis of accounting to demonstrate the cost of providing services during the current year and the degree to which the property owners have funded the full cost of providing services.

The fund financial statements present a short-term view and demonstrate how the property owners' resources were spent during the year, as well as how much is available for future spending, on a modified accrual basis. The fund financial statements report the BIZ's operations in more detail than the government-wide financial statements by providing information about the BIZ's most significant funds.

Statement of Net Position/Statement of Activities

The following tables show, in a condensed format, the BIZ's comparative net position and changes in net position as of June 30, 2023, and 2022.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Assets		
Current Assets	\$ 2,831,407	\$ 2,819,303
Total Assets	<u>2,831,407</u>	<u>2,819,303</u>
Liabilities		
Current Liabilities	1,169,962	1,050,805
Total Liabilities	<u>1,169,962</u>	<u>1,050,805</u>
Net Position		
Unrestricted	1,661,445	1,768,498
Total Net Position	<u>\$ 1,661,445</u>	<u>\$ 1,768,498</u>

**DOWNTOWN DETROIT
BUSINESS IMPROVEMENT ZONE**

**Management’s Discussion and Analysis
(Continued)**

Statement of Net Position/Statement of Activities (Continued)

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Revenue		
Property Taxes	\$ 5,200,538	\$ 5,093,200
Other	103,881	96,468
Total Revenue	<u>5,304,419</u>	<u>5,189,668</u>
Expenses		
Landscaping, Cleaning & Lighting	3,504,046	3,471,144
Other	1,907,426	1,472,489
Total Expenditures	<u>5,411,472</u>	<u>4,943,633</u>
Change in Net Position	<u>\$ (107,053)</u>	<u>\$ 246,035</u>

The Downtown Detroit Business Improvement Zone (BIZ) was fairly conservative in the budgeting (and actual expenditure) of costs. The BIZ ended the year with a total net position of \$1,661,445.

Basic Description of the Entity and Its Funding

The Downtown Detroit Business Improvement Zone (BIZ) is public body corporate funded by a special assessment authorized by assessed property owners in April 2014 and reauthorized from April 2024 through April 2034 pursuant to Michigan’s Business Improvement Zone Act, Act 120 of 1961 - Chapter 2. Its purpose is to provide supplemental clean, landscaping, and public safety and ambassador program services, marketing and streetscape improvements, and real estate market, demographic, and urban planning studies within public rights-of-way and parks and common areas within the Zone Area to support a clean, safe, and welcoming Downtown.

The BIZ is led by a Board of Directors comprised of 15 volunteer representatives of Downtown Detroit’s diverse business community. The BIZ contracts with the Downtown Detroit Partnership, specifically Detroit Downtown Inc., to manage its day-to-day operations under the direction of the BIZ Board. The BIZ annual expenditure budget for FY 2022-2023 was approximately \$5.9 million.

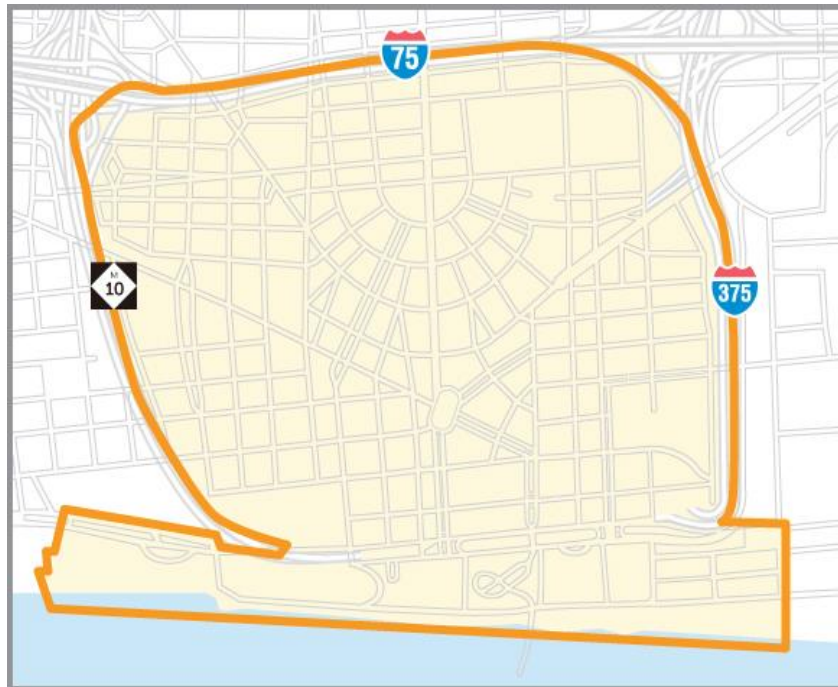
The Downtown Detroit BIZ delivers behind-the-scenes supplemental services on which residents, downtown workers, visitors, and business and property owners rely.

DOWNTOWN DETROIT BUSINESS IMPROVEMENT ZONE

Management's Discussion and Analysis
(Continued)

Basic Description of the Entity and Its Funding (Continued)

BIZ Area - The BIZ encompasses 140 city blocks in a 1.1 square mile area stretching between three of Downtown Detroit's major highways and the Detroit River.



The BIZ's Funds

For the fiscal year ended June 30, 2023, expenditures were in excess of revenues, resulting in a decrease to the fund balance of \$107,053, under the modified accrual method of accounting.

Budgetary Highlights

The BIZ's single General Fund accounts for all program, service, and administrative functions of the BIZ. The budget is monitored closely and amended when necessary. For the year ended, June 30, 2023 the General Fund activities were financed primarily by the BIZ assessments. Expenditures included Clean Services, Landscaping, Supplemental Lighting and Park & Common Area maintenance.

For the year ended June 30, 2023, the BIZ's total revenues were \$37,388 more than the revenues per the final budget. Total expenditures were \$505,528 below the final budget.

DOWNTOWN DETROIT BUSINESS IMPROVEMENT ZONE

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budget

The BIZ assessments for next fiscal year are expected to be in line with current year's results. The BIZ board monitors the financial activity and will respond as necessary to any material changes in revenue.

Contacting Management

This financial report is intended to provide the citizens, taxpayers, customers, and investors with a general overview of the BIZ's finances. If you have any questions about this report or need additional information, we welcome you to contact the BIZ at 1 Campus Martius, Suite 380, Detroit, Michigan 48226.

DOWNTOWN DETROIT BUSINESS IMPROVEMENT ZONE

Governmental Fund Balance Sheet/ Statement of Net Position June 30, 2023

	<u>General Fund</u>	<u>Adjustments (Note 7)</u>	<u>Statement of Net Position</u>
Assets			
Cash & Cash Equivalents (Note 4)	\$ 2,495,926	\$ -	\$ 2,495,926
Accounts Receivable (Note 5)	<u>335,481</u>	<u>-</u>	<u>335,481</u>
Total Assets	<u>\$ 2,831,407</u>	<u>\$ -</u>	<u>\$ 2,831,407</u>
Liabilities and Fund Balance/Net Assets			
Liabilities			
Accounts Payable (Note 6)	\$ 1,169,962	\$ -	\$ 1,169,962
Total Liabilities	<u>1,169,962</u>	<u>-</u>	<u>1,169,962</u>
Fund Balance			
Unassigned	<u>1,661,445</u>		
Total Fund Balance	<u>1,661,445</u>		
Total Liabilities and Fund Balance	<u>\$ 2,831,407</u>		
Net Position			
Unrestricted			<u>1,661,445</u>
Total Net Position			<u>\$ 1,661,445</u>

The accompanying notes are an integral part of the financial statements.

DOWNTOWN DETROIT BUSINESS IMPROVEMENT ZONE

Statement of Governmental Fund Revenue, Expenditures, and Changes in Fund Balance/ Statement of Activities Year Ended June 30, 2023

	<u>General Fund</u>	<u>Adjustments (Note 7)</u>	<u>Statement of Activities</u>
Revenue			
Property Taxes	\$ 5,086,638	\$ -	\$ 5,086,638
BIZ Supplemental Revenue	95,791	-	95,791
Delinquent Tax Revenue	113,900	-	113,900
Interest & Dividend Income	8,090	-	8,090
Total Revenue	5,304,419	-	5,304,419
Expenditures			
Street Landscaping	451,000	-	451,000
Winter Season Lighting	91,265	-	91,265
Parks & Common Areas	830,000	-	830,000
Downtown Ambassadors	2,131,781	-	2,131,781
Marketing & Outreach	179,158	-	179,158
Infrastructure & Planning	33,139	-	33,139
Safety & Security	335,000	-	335,000
Membership & Professional Development	12,176	-	12,176
Legal Fees	30,000	-	30,000
Audit Fees	6,000	-	6,000
Insurance	10,000	-	10,000
Meeting Expense	6,160	-	6,160
Capital Outlay	277,891	-	277,891
Project Management/Administration	907,902	-	907,902
Office/Telephone/Information Technology Expense	110,000	-	110,000
Total Expenditures	5,411,472	-	5,411,472
Excess of Revenues (Under) Over Expenditures/ Change in Net Position	(107,053)	-	(107,053)
Fund Balance/Net Position - June 30, 2022	1,768,498	-	1,768,498
Fund Balance/Net Position - June 30, 2023	\$ 1,661,445	\$ -	\$ 1,661,445

The accompanying notes are an integral part of the financial statements.

DOWNTOWN DETROIT BUSINESS IMPROVEMENT ZONE

Notes to the Financial Statements
June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Downtown Detroit Business Improvement Zone (the "BIZ") was established as a public organization in April, 2014 with a territory which is located in downtown Detroit which encompasses 140 city blocks in a 1.1 square mile area stretching between three of Downtown Detroit's major highways and the Detroit River. Its purpose is to provide cleaning, safety and landscaping services to support Downtown Detroit.

Reporting Entity

The BIZ is governed by an appointed volunteer fifteen-member board. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. The BIZ's only fund, the General Fund, accounts for all financial resources of the BIZ. There are no component units required to be included in the BIZ's financial report.

Basis of Accounting

The accounting policies of the BIZ conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

The following is a summary of the significant accounting policies:

The government-wide full accrual financial statements (the statement of net position and the statement of activities) are recorded using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes susceptible to accrual, that is, when it becomes both measurable and available. Revenue is considered available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the BIZ considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

When an expense is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the BIZ's policy to spend funds in this order: committed, assigned, and unassigned.

DOWNTOWN DETROIT

BUSINESS IMPROVEMENT ZONE

Notes to the Financial Statements (Continued)
June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assessment Revenue – The BIZ is funded by an assessment approved by downtown property owners in April, 2014. Assessments are calculated based on an approved formula using assessed value and square footage. BIZ assessments are included on summer property tax bills and are paid to the City of Detroit who collects assessments on behalf of the BIZ and disburses funds to the BIZ.

Assessments are levied on each December 1 on the taxable valuation of property included in the BIZ's territories, as of the preceding December 31. Assessments are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The BIZ's 2022 assessment is levied and collectible on December 1, 2022 and is recognized as revenue in the year ended June 30, 2023, when the proceeds of the levy are budgeted and available for the financing of operations.

Cash Equivalents - The BIZ considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Deferred Outflows of Resources – In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of new position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The BIZ did not have any items that qualify for reporting in this category at June 30, 2023.

Deferred Inflows of Resources – In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The BIZ has no deferred inflows of resources at June 30, 2023.

Fund Balance – GASB No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions* establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications - nonspendable, restricted, committed, assigned, and unassigned.

In the fund financial statements, governmental funds report the following components of fund balance:

- **Nonspendable** - Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- **Restricted** - Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.

**DOWNTOWN DETROIT
BUSINESS IMPROVEMENT ZONE**

Notes to the Financial Statements (Continued)
June 30, 2023

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Balance (Continued)

- **Committed** - Amounts that have been formally set aside by the BIZ's board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the BIZ's board.
- **Assigned** - Intent to spend resources on specific purposes expressed by the BIZ's board.
- **Unassigned** – Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been restricted, committed, or assigned to specific purposes in the General Fund.

Net Position – Net position of the BIZ is classified in three components. Net Investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase of those assets. The BIZ had no capital assets at June 30, 2023. Restricted net position consists of assets with legislative or legal requirements regarding their use. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital assets or restricted. All of the BIZ's net position is classified as unrestricted at June 30, 2023.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

2) **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the fiscal year ended June 30, 2023, there were no instances where expenditures exceeded appropriations. Total expenditures were \$505,528 less than final budgeted expenditures.

3) **ADMINISTRATIVE SERVICES**

The BIZ has contracted with Detroit Downtown Inc. to provide all administrative services other than audit and legal counsel.

DOWNTOWN DETROIT BUSINESS IMPROVEMENT ZONE

Notes to the Financial Statements (Continued)
June 30, 2023

4) DEPOSITS AND INVESTMENTS

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. A local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The BIZ has designated one bank for the deposit of its funds. The BIZ's deposits policies are in accordance with statutory authority.

The BIZ's cash is subject to custodial credit risk of bank deposits. Custodial credit risk is the risk that in the event of a bank failure, the BIZ's deposits may not be returned to it. At year end, the BIZ had \$250,000 deposits insured under FDIC coverage. \$2,245,926 was uninsured and uncollateralized. The BIZ evaluates financial institution with which it deposits funds and assesses the level of risk of each institution; only the institutions with an acceptable estimated risk level are used as depositories.

5) ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at June 30, 2023. Management believes all receivables are fully collectible and accordingly no allowance for doubtful accounts has been recorded.

	2023
Downtown Detroit Partnership	<u>\$ 335,481</u>
Total Receivables	<u><u>\$ 335,481</u></u>

6) ACCOUNTS PAYABLE

The BIZ has an accounts payable balance of \$1,169,962 as of June 30, 2023 which is payable to Detroit Downtown Inc.

DOWNTOWN DETROIT BUSINESS IMPROVEMENT ZONE

Notes to the Financial Statements (Continued)
June 30, 2023

7) RECONCILIATION OF GOVERNMENTAL FUND FINANCIAL STATEMENTS TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Total fund balance and the net change in fund balance of the BIZ's general fund may differ from the net position and change in the net position of the governmental activities reported in the statement of net position and statement of activities. This difference results primarily from the long-term economic focus of the statement of net position and statement of activities versus the current financial resources focus of the fund balance sheet and statement of revenue, expenditures, and changes in fund balance.

The BIZ did not have any items requiring a reconciliation of fund balance to net assets or the net change in fund balance to the net change in net position at June 30, 2023:

Total Fund Balance - Modified Accrual Basis	<u>\$ 1,661,445</u>
Net Position - Full Accrual Method	<u>\$ 1,661,445</u>
Total Net Change in Fund Balance - Modified Accrual Basis	<u>\$ (107,053)</u>
Change in Net Position - Full Accrual Method	<u>\$ (107,053)</u>

8) SUBSEQUENT EVENTS

The BIZ has evaluated subsequent events through October 22, 2024, the date that the accompanying financial statements were available to be issued. No significant subsequent event was noted that required adjustment or disclosure in the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

DOWNTOWN DETROIT BUSINESS IMPROVEMENT ZONE

Budgetary Comparison Schedule – General Fund Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenue				
Property Taxes	\$ 5,041,120	\$ 5,041,120	\$ 5,086,638	\$ 45,518
BIZ Supplemental Revenue	150,911	150,911	95,791	(55,120)
Delinquent Tax Revenues	75,000	75,000	113,900	38,900
Interest & Dividend Income	-	-	8,090	8,090
Total Revenue	5,267,031	5,267,031	5,304,419	37,388
Expenditures - Current				
Street Landscaping	451,000	451,000	451,000	-
Winter Season Lighting	100,000	100,000	91,265	8,735
Parks & Common Areas	830,000	830,000	830,000	-
Downtown Ambassadors	2,492,000	2,492,000	2,131,781	360,219
Marketing & Outreach	212,000	212,000	179,158	32,842
Infrastructure & Planning	70,000	70,000	33,139	36,861
Safety & Security	335,000	335,000	335,000	-
Membership & Professional Development	15,000	15,000	12,176	2,824
Legal Fees	30,000	30,000	30,000	-
Audit Fees	6,000	6,000	6,000	-
Insurance	10,000	10,000	10,000	-
Meeting Expense	8,000	8,000	6,160	1,840
Capital Outlay	300,000	300,000	277,891	22,109
Project Management/Administration	948,000	948,000	907,902	40,098
Office/Telephone/Information Technology Expense	110,000	110,000	110,000	-
Total Expenditures	5,917,000	5,917,000	5,411,472	505,528
Excess of Revenue (Under) Over Expenditures	(649,969)	(649,969)	(107,053)	542,916
Fund Balance - June 30, 2022			<u>1,768,498</u>	
Fund Balance - June 30, 2023			<u>\$ 1,661,445</u>	

DOWNTOWN DETROIT BUSINESS IMPROVEMENT ZONE

**Note to Required Supplemental Information
Year Ended June 30, 2023**

1) BUDGETARY INFORMATION

The annual budget is prepared by the BIZ's director and submitted to the BIZ's board for their approval; subsequent amendments are also submitted to the BIZ's board for approval. Unexpended appropriations lapse at year end. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America.

The budget has been adopted on a line-item basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of actual results of operations to the budget as adopted by the board is included in the required supplemental information.