

New York Road Runners, Inc.

Financial Statements

March 31, 2018 and 2017

Independent Auditors' Report

Board of Directors New York Road Runners, Inc.

We have audited the accompanying financial statements of New York Road Runners, Inc., which comprise the statements of financial position as of March 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York Road Runners, Inc. as of March 31, 2018 and 2017 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

PKF O'Connor Davies, LLP

June 19, 2018

New York Road Runners, Inc.

Statements of Financial Position

	March 31,	
	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 8,227,876	\$ 4,932,920
Restricted cash	877,040	877,040
Accounts receivable, net	10,570,758	7,262,934
Investments	55,251,103	51,269,937
Prepaid expenses	1,473,717	1,394,475
Other assets	300,355	503,297
Property and equipment, net	<u>8,747,005</u>	<u>8,575,812</u>
	<u>\$ 85,447,854</u>	<u>\$ 74,816,415</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 11,822,215	\$ 12,254,518
Deferred membership revenue	1,214,381	1,181,023
Other deferred revenue	<u>34,668,276</u>	<u>28,450,869</u>
Total Liabilities	<u>47,704,872</u>	<u>41,886,410</u>
Net Assets		
Unrestricted	36,220,803	31,496,074
Temporarily restricted	<u>1,522,179</u>	<u>1,433,931</u>
Total Net Assets	<u>37,742,982</u>	<u>32,930,005</u>
	<u>\$ 85,447,854</u>	<u>\$ 74,816,415</u>

See notes to financial statements

New York Road Runners, Inc.

Statements of Activities

	Year Ended March 31, 2018			Year Ended March 31, 2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
OPERATING REVENUE AND SUPPORT						
Event entry fees	\$ 40,673,970	\$ -	\$ 40,673,970	\$ 38,813,228	\$ -	\$ 38,813,228
Sponsorship and TV	34,304,124	-	34,304,124	28,365,622	-	28,365,622
Contributions	10,830,485	2,026,525	12,857,010	9,107,450	1,822,770	10,930,220
Auxiliary revenue	3,527,314	-	3,527,314	3,109,614	-	3,109,614
Merchandise revenue	1,727,181	-	1,727,181	1,265,281	-	1,265,281
Membership dues, net of expenses of \$129,045 and \$96,274	1,999,980	-	1,999,980	1,876,268	-	1,876,268
Publication advertising and sales	715,358	-	715,358	754,035	-	754,035
Classes, clinics and other	531,059	-	531,059	536,465	-	536,465
Net assets released from restrictions	<u>1,938,277</u>	<u>(1,938,277)</u>	-	<u>1,546,482</u>	<u>(1,546,482)</u>	-
Total Operating Revenue and Support	<u>96,247,748</u>	<u>88,248</u>	<u>96,335,996</u>	<u>85,374,445</u>	<u>276,288</u>	<u>85,650,733</u>
EXPENSES						
Program Expenses						
Events	71,918,602	-	71,918,602	65,061,166	-	65,061,166
Youth and community services	10,266,286	-	10,266,286	10,020,948	-	10,020,948
Merchandising	218,902	-	218,902	322,242	-	322,242
Publications and classes	<u>668,312</u>	<u>-</u>	<u>668,312</u>	<u>614,014</u>	<u>-</u>	<u>614,014</u>
Total Program Expenses	83,072,102	-	83,072,102	76,018,370	-	76,018,370
General and administrative	11,238,683	-	11,238,683	10,062,530	-	10,062,530
Fundraising	<u>1,160,688</u>	<u>-</u>	<u>1,160,688</u>	<u>1,083,725</u>	<u>-</u>	<u>1,083,725</u>
Total Expenses	<u>95,471,473</u>	<u>-</u>	<u>95,471,473</u>	<u>87,164,625</u>	<u>-</u>	<u>87,164,625</u>
Excess (Deficiency) of Operating Revenue Over Expenses	776,275	88,248	864,523	(1,790,180)	276,288	(1,513,892)
NON OPERATING						
Forfeited deposit	-	-	-	1,003,185	-	1,003,185
Costs associated with class action lawsuit, net of insurance proceeds of \$850,000	-	-	-	(1,850,187)	-	(1,850,187)
Investment return, net	<u>3,948,454</u>	<u>-</u>	<u>3,948,454</u>	<u>4,837,462</u>	<u>-</u>	<u>4,837,462</u>
Change in Net Assets	4,724,729	88,248	4,812,977	2,200,280	276,288	2,476,568
NET ASSETS						
Beginning of year	<u>31,496,074</u>	<u>1,433,931</u>	<u>32,930,005</u>	<u>29,295,794</u>	<u>1,157,643</u>	<u>30,453,437</u>
End of year	<u>\$ 36,220,803</u>	<u>\$ 1,522,179</u>	<u>\$ 37,742,982</u>	<u>\$ 31,496,074</u>	<u>\$ 1,433,931</u>	<u>\$ 32,930,005</u>

See notes to financial statements

New York Road Runners, Inc.

Statements of Cash Flows

	Year Ended March 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 4,812,977	\$ 2,476,568
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	2,946,098	2,505,889
Loss on disposal of property and equipment	19,221	-
Unrealized and realized gain on investments	(3,148,168)	(4,164,486)
Changes in operating assets and liabilities		
Accounts receivable	(3,307,824)	(795,664)
Prepaid expenses	(79,242)	(6,726)
Other assets	202,942	(131,796)
Accounts payable and accrued expenses	(432,303)	2,350,681
Deferred membership revenue	33,358	51,514
Other deferred revenue	6,217,407	2,397,142
Net Cash from Operating Activities	7,264,466	4,683,122
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(3,136,512)	(5,591,461)
Purchase of investments	(15,856,646)	(14,479,452)
Proceeds from sale of investments	15,023,648	13,836,053
Forfeiture of deferred sales proceeds	-	(1,003,185)
Net Cash from Investing Activities	(3,969,510)	(7,238,045)
Net Change in Cash and Cash Equivalents	3,294,956	(2,554,923)
 CASH AND CASH EQUIVALENTS		
Beginning of year	4,932,920	7,487,843
End of year	\$ 8,227,876	\$ 4,932,920

See notes to financial statements

New York Road Runners, Inc.

Notes to Financial Statements
March 31, 2018 and 2017

1. Description of Organization

New York Road Runners, Inc. ("NYRR"), is a not-for-profit organization dedicated to enhancing the health and well-being of adults and kids of all abilities through year-round events and community initiatives, serving nearly 600,000 individuals in New York City, the nation and around the world. NYRR was founded in 1958 with an initial membership of forty-two members and has since grown into the world's largest running-related organization.

The NYRR Youth and Community Services ("YCS") division provides free running programs, events and support to 267,000 students through our Rising New York Road Runners program, fostering physical fitness, character development, and personal to youth across hundreds of schools and community centers throughout New York City and the nation. NYRR community services also provide critical health and wellness programs to hundreds of seniors and to 20,000 annual participants of all ages in our free weekly community Open Runs held in 16 parks across all five boroughs of New York City.

The primary sources of revenues for NYRR are corporate sponsorship, contributions and race entry fees. NYRR organizes many races throughout the year including the New York City Marathon. Contributions to NYRR are tax-deductible to contributors as provided by law.

NYRR is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Presentation Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which 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 reporting period. Accordingly actual results could differ from those estimates.

Net Asset Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of NYRR and changes therein are classified as temporarily restricted or unrestricted. Unrestricted amounts are those currently available for use in NYRR's operations. Temporarily restricted amounts are those which are stipulated by donors for specific operating purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. All contributions are considered available for unrestricted use, unless specifically restricted by the donor or subject to other legal restrictions.

New York Road Runners, Inc.

Notes to Financial Statements
March 31, 2018 and 2017

2. Summary of Significant Accounting Policies (*continued*)

Operating Measure

NYRR has elected to present an operating measure in its statements of activities. Accordingly, items affecting operations are segregated from those not affecting operations. All investment gains and losses, losses associated with the class action lawsuit and the forfeited deposit are treated as non-operating.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at the time of purchase.

Restricted Cash

Restricted cash consists of cash set aside as collateral under the terms of the letter of credit agreement related to a lease agreement.

Allowance for Uncollectible Receivables

An allowance for uncollectible receivables is estimated based on a combination of write-off history, aging analysis and any specific known troubled accounts. Management estimated the allowance for doubtful accounts as of March 31, 2018 and 2017 to be \$154,041 and \$156,846.

Fair Value Measurements

NYRR follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Pursuant to U.S. GAAP guidance, alternative investments, where the fair value is measured using NAV, are not categorized within the fair value hierarchy.

Investments Valuation and Income Recognition

Investments are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized gains and losses on the sale of investments are computed on the specific identification basis. Realized and unrealized gains and losses are included in the determination of the change in net assets.

New York Road Runners, Inc.

Notes to Financial Statements
March 31, 2018 and 2017

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

NYRR follows the practice of capitalizing all expenditures for property and equipment with a cost in excess of \$10,000. Property and equipment are carried at cost and depreciated using the straight-line method over their estimated useful lives, which are approximately 20 years for buildings, 3 to 5 years for automobiles, software, furniture and fixtures, and hardware and equipment. Leasehold improvements are amortized over the shorter of the term of the lease, inclusive of all renewal periods, which are reasonably assured, or the estimated useful life of the asset generally ranging from three to twenty years. Gain or loss from disposition is reflected in the statements of activities in the period of disposition. The cost of maintenance and repairs is charged to expense as incurred, whereas significant renewals and betterments are capitalized.

Management evaluates the recoverability of the investment in long-lived assets on an on-going basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of March 31, 2018 and 2017, and in the opinion of management, there were no impairments. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management estimate of the recoverability of these assets.

Environmental Remediation Costs

NYRR accrues for losses associated with environmental remediation obligations when such losses are probable and reasonably estimable. Costs of future expenditures for environmental remediation obligations are discounted to their present value. Recoveries of environmental remediation costs from other parties are recorded as assets when their receipt is deemed probable.

Leases

Leases are classified as operating or capital leases in accordance with the terms of the underlying agreements. Capital leases are recorded at the lower of the fair value of the assets or the present value of the minimum lease payments and are amortized over the lease term or estimated useful life of the assets, whichever is shorter, unless the lease provides for transfer of title or includes a bargain purchase option, in which case the lease is amortized over the estimated useful life of the asset. Operating lease payments are charged to rental expenses.

Revenue Recognition

Race entry fees are recognized in the period in which the race occurs. Race entry fees and other fees paid in advance are classified as other deferred revenue. Revenues derived from sponsors are recognized upon completion of the related event. Sponsor revenues billed in advance are classified as other deferred revenue. Sales of merchandise are recognized when the product is shipped. Auxiliary revenue is recorded when the related service or sale takes place. Membership dues are recognized on a straight line basis as revenue during the applicable membership period. Membership dues received in advance are classified as deferred membership revenue. Royalty income is recognized when it is earned.

New York Road Runners, Inc.

Notes to Financial Statements
March 31, 2018 and 2017

2. Summary of Significant Accounting Policies (continued)

Contributions of Goods and Services

Substantial goods and services are contributed to NYRR. Those contributions that are susceptible to objective measurement or valuation are included in the accompanying financial statements, at fair value on the date of receipt. NYRR has recorded contributions of goods and services which approximated \$9,668,000 and \$6,491,000 for the years ended March 31, 2018 and 2017. Contributions of goods and services from various entities which cannot be valued and are distributed at events throughout the year are not recorded in the financial statements.

Volunteers

NYRR's volunteers support from time to time the programs and functions of NYRR. These contributions do not meet the criteria for recognition of contributed services, and therefore, their value is not reflected in these financial statements.

Allocations

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Accounting for Uncertainty in Income Taxes

Management recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that NYRR had no uncertain tax positions that would require financial statement recognition or disclosure. NYRR is no longer subject to examinations by the applicable jurisdictions for periods prior to March 31, 2015.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 19, 2018.

New York Road Runners, Inc.

Notes to Financial Statements
March 31, 2018 and 2017

3. Concentration of Credit Risk

NYRR maintains cash in bank accounts which at times may exceed federally insured limits. This potentially subjects NYRR to a concentration of credit risk. NYRR has not experienced any losses in such accounts. Concentrations of credit risk with respect to receivables are generally diversified. NYRR invests its assets in a variety of public and private securities such as common stocks, fixed income securities, and hedge funds. The investible assets are broadly diversified both globally and within underlying sectors and strategies. NYRR routinely assesses the diversification and financial strength of its cash and investment portfolio with the assistance of an independent investment consultant.

4. Investments

The following are major categories of investments measured at fair value on a recurring basis at March 31, grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

	2018			Total
	Level 1	Level 2	Investments Valued Using NAV (*)	
Equities				
Large cap	\$ 14,847,329	\$ -	\$ -	\$ 14,847,329
International	3,162,009	-	-	3,162,009
EAFE equity	5,622,021	-	-	5,622,021
Emerging markets	3,014,404	-	-	3,014,404
Mid cap	3,532,063	-	-	3,532,063
Short term	3,789,992	-	-	3,789,992
Real estate	1,780,035	-	-	1,780,035
Corporate bonds	-	11,986,543	-	11,986,543
Hedge funds	-	-	5,601,172	5,601,172
Total Investments at Fair Value	<u>\$ 35,747,853</u>	<u>\$ 11,986,543</u>	<u>\$ 5,601,172</u>	53,335,568
Cash and cash equivalents				1,915,535
Total Investments				<u>\$ 55,251,103</u>

New York Road Runners, Inc.

Notes to Financial Statements
March 31, 2018 and 2017

4. Investments (continued)

	2017			Total
	Level 1	Level 2	Investments Valued Using NAV (*)	
Equities				
Large cap	\$ 12,686,992	\$ -	\$ -	\$ 12,686,992
Small cap	600,498	-	-	600,498
International	3,722,494	-	-	3,722,494
EAFE equity	3,137,672	-	-	3,137,672
Emerging markets	2,218,255	-	-	2,218,255
Mid cap	4,986,956	-	-	4,986,956
Short term	1,639,589	-	-	1,639,589
Real estate	1,772,341	-	-	1,772,341
Corporate bonds	-	13,410,298	-	13,410,298
Hedge funds	-	-	5,201,617	5,201,617
Total Investments at Fair Value	<u>\$ 30,764,797</u>	<u>\$ 13,410,298</u>	<u>\$ 5,201,617</u>	49,376,712
Cash and cash equivalents				1,893,225
Total Investments				<u>\$ 51,269,937</u>

(*) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

Information regarding alternative investments measured at fair value using the practical expedient at March 31, 2018 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge funds (see "a" below)	\$ 5,601,172	\$ -	Quarterly	45 days

- a. This category includes investments in hedge funds that seek to preserve the purchasing power of invested capital to generate consistent, long-term returns across market cycles. In order to produce these returns, the hedge funds lower the standard deviation of returns through a diversified portfolio management approach.

The composition of investment return as reported in the statements of activities for the years ended March 31, is as follows:

	2018	2017
Interest and dividends	\$ 974,511	\$ 840,026
Realized gain	1,420,638	247,238
Unrealized gain	1,727,530	3,917,248
Investment fees	(174,225)	(167,050)
Total Return on Investments	<u>\$ 3,948,454</u>	<u>\$ 4,837,462</u>

New York Road Runners, Inc.

Notes to Financial Statements
March 31, 2018 and 2017

5. Line of Credit

During fiscal year 2017, the \$5,000,000 line expired, was renewed and subsequently increased to an \$8,000,000 limit. During fiscal year 2018, the line was increased to a \$10,000,000 limit. The line of credit will expire, unless earlier terminated or extended, on September 30, 2018. All loans under this line of credit are subject to the requirement that for 30 consecutive days prior to the expiration there shall be no loans outstanding. This line of credit is secured by NYRR's investments which includes but is not limited to their security accounts, security entitlements, securities and financial assets.

There were no amounts outstanding under the line of credit at March 31, 2018 and 2017.

6. Related Party Transactions

NYRR, along with five other organizations, the owners/organizers of the Berlin, Boston, Chicago, London and Tokyo Marathons, are the members of World Marathon Majors, LLC ("WMM"). WMM was formed for the purpose of promoting activities related to WMM and its member organizations. For the years ended March 31, 2018 and 2017 NYRR's annual contribution to WMM was approximately \$100,000.

7. Property and Equipment

Property and equipment at March 31 consisted of the following:

	<u>2018</u>	<u>2017</u>
Automobiles	\$ 669,583	\$ 681,616
Leasehold improvements	3,705,656	3,492,768
Furniture and fixtures	686,409	725,028
Land and buildings	1,672,864	1,624,748
Hardware and equipment	5,569,903	5,827,637
Software	10,294,688	9,004,604
Work in progress	<u>2,628,065</u>	<u>1,592,586</u>
	25,227,168	22,948,987
Less accumulated depreciation and amortization	<u>(16,480,163)</u>	<u>(14,373,175)</u>
	<u>\$ 8,747,005</u>	<u>\$ 8,575,812</u>

New York Road Runners, Inc.

Notes to Financial Statements
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8. Temporarily Restricted Net Assets

Temporarily restricted net assets are for the YCS division. The activity for the years ended March 31, are as follows:

	<u>2018</u>	<u>2017</u>
Opening balance	\$ 1,433,931	\$ 1,157,643
Contributions	2,026,525	1,822,770
Released	<u>(1,938,277)</u>	<u>(1,546,482)</u>
Ending balance	<u>\$ 1,522,179</u>	<u>\$ 1,433,931</u>

9. Retirement Plans

NYRR maintains a defined contribution retirement plan for all eligible employees. Employer contributions to the plan were approved by the Board at 6% of employee's base salary. In fiscal years 2018 and 2017, NYRR's contributions amounted to approximately \$779,000 and \$679,000.

In addition, during 2018 NYRR established a separate deferred compensation plan established under Section 457(b) of the Internal Revenue Code for certain senior staff. The 457(b) plan can be funded by employer contributions and employee deferrals. In fiscal year 2018, NYRR's contribution amounted to \$24,000.

10. Class Action Law Suit

During fiscal year 2017, the lottery class action suit that was filed against NYRR in the United States District Court for the Southern District of New York regarding the method of selecting entrants for the NYC Marathon and NYC Half Marathon was settled and approved by the Court on February 10, 2017. NYRR did not acknowledge any wrongdoing nor did the Court find that NYRR engaged in any wrongdoing. The settlement did not have a materially adverse effect on NYRR's financial position. Certain liabilities associated with the settlement have been estimated by management and are included in accounts payable and accrued expenses on the statements of financial position.

11. Contingencies

From time to time NYRR is involved in legal actions. NYRR believes that the liabilities, if any, that may result from such actions will not have a materially adverse effect on NYRR's financial position.

12. Operating Lease Commitments

NYRR leases its corporate offices under various operating leases expires in December 2018 and February 2019. An irrevocable stand-by letter of credit in the amount of \$472,040 was delivered to the landlord in lieu of cash security for the New York City Office. NYRR is in negotiations for a new office lease at its current location.

New York Road Runners, Inc.

Notes to Financial Statements
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12. Operating Lease Commitments (continued)

Beginning August 1, 2015, NYRR also signed a 10 year lease for 320 West 57th Street building to be known as the "Running Center". The Running Center will offer group training programs and private coaching services for all runners of all levels, as well as classes and clinics throughout the year. An irrevocable stand-by letter of credit in the amount of \$405,000 was delivered to the landlord in lieu of cash security for the Running Center.

Beginning April 1, 2017, NYRR also signed a 10 year lease for a warehouse located at 535 Zegrega Avenue, Bronx, New York.

Under U.S. GAAP all rental payments, including fixed rent increases less any rental abatements, are to be recognized on a straight-line basis over the term of the lease. The difference between rent expense and the actual lease payments in the amount of \$721,457 and \$473,827 is presented with accounts payable and accrued expenses in the accompanying statements of financial position. Rent expense for the years ended March 31, 2018 and 2017 approximated \$3,030,000 and \$2,636,000. The future annual minimum lease payments are payable as follows for the years ending March 31:

2019	\$ 2,536,250
2020	1,310,082
2021	1,346,133
2022	1,383,333
2023	1,421,424
Thereafter	<u>5,870,242</u>
	<u>\$ 13,867,464</u>

13. Subsequent Event

Subsequent to year end, NYRR entered into a contract for the sale of its 89th Street Run Center which is fully depreciated. The sale is expected to close in July 2018.

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