THERAPEUTIC RIDING, INC.

FINANCIAL STATEMENTS

For the years ended December 31, 2016 and 2015

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Bennett & Associates
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Therapeutic Riding, Inc.

We have reviewed the accompanying financial statements of Therapeutic Riding, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion. The financial statements of Therapeutic Riding, Inc. as of December 31, 2015, were reviewed by other accountants whose report dated May 27, 2016, stated that based on their procedures, they are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the 2016 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Respectfully,

Bennett & Associates, CPAs PLLC

Ann Arbor, Michigan
August 21, 2017

	2016	2015
ASSETS		
Cash and cash equivalents	$ 196,849	$ 295,251
Pledges receivable	-	1,000
Other assets	257	389
Operating investments	235,763	183,064
Restricted cash	76,989	115,077
Investments held for endowment purposes	70,263	67,950
Property and equipment, net of accumulated depreciation	2,212,931	2,231,442
TOTAL ASSETS	$ 2,793,052	$ 2,894,173
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 9,751	$ 2,654
Accrued liabilities	23,465	17,830
Deferred revenue	2,268	350
TOTAL LIABILITIES	35,484	20,834
NET ASSETS		
Unrestricted		
Property and equipment	2,212,931	2,231,442
Capital needs	163,350	163,350
Operations	106,900	106,900
Undesignated	117,843	175,475
Total unrestricted net assets	2,601,024	2,677,167
Temporarily restricted	99,544	139,172
Permanently restricted	57,000	57,000
TOTAL NET ASSETS	2,757,568	2,873,339
TOTAL LIABILITIES AND NET ASSETS	$ 2,793,052	$ 2,894,173

	2016	2015
SUPPORT, REVENUE, AND GAINS		
SUPPORT		
Contributions	$ 203,870	$ 231,013
Special events, net of expenses of $28,968 and $26,769, respectively	54,228	51,691
In-kind donations and services	7,107	10,306
Net assets released from restrictions	42,725	2,562
TOTAL SUPPORT	307,930	295,572
REVENUE AND GAINS		
Class fees	66,340	70,770
Less: Financial aid	(4,660)	(2,375)
Net class fees	61,680	68,395
Sale of tack and merchandise, net of cost of goods sold of $697 and $2,576, respectively	892	1,389
Investment return	1,701	678
Miscellaneous revenue	5,212	7,894
TOTAL REVENUE AND GAINS	69,485	78,356
TOTAL SUPPORT, REVENUE, AND GAINS	377,415	373,928
EXPENSES AND LOSSES		
EXPENSES		
Program Services	318,845	302,749
Supporting Services		
Management and general	72,141	36,889
Fundraising	62,572	37,819
TOTAL EXPENSES	453,558	377,457
Loss on disposal of fixed assets	-	263
TOTAL EXPENSES AND LOSSES	453,558	377,720
CHANGE IN UNRESTRICTED NET ASSETS	(76,143)	(3,792)
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	700	15,278
Investment return	2,397	1,030
Net assets released from restrictions	(42,725)	(2,562)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	(39,628)	13,746
CHANGE IN NET ASSETS	(115,771)	9,954
NET ASSETS AT BEGINNING OF YEAR	2,873,339	2,863,385
NET ASSETS AT END OF YEAR	$ 2,757,568	$ 2,873,339

	Program Services	Supporting Services: Management and General	Supporting Services: Fund-Raising	Total 2016
Employee Compensation				
Salaries and wages	$ 134,318	$ 48,488	$ 42,729	$ 225,535
Payroll taxes	14,537	5,248	4,625	24,410
	148,855	53,736	47,354	249,945
Other Expenses				
Accounting fees	-	7,344	-	7,344
Other fees for services	9,358	-	-	9,358
Advertising and promotion	2,747	-	-	2,747
Office expenses	6,273	2,211	167	8,651
Occupancy	14,996	789	-	15,785
Insurance	15,623	1,709	1,199	18,531
Special events	-	-	28,968	28,968
All other				-
Supplies and care for horses	33,811	-	-	33,811
Repairs and maintenance	7,741	-	-	7,741
Other fundraising costs	-	-	13,852	13,852
Miscellaneous	3,678	2,364	-	6,042
Total expenses before depreciation	243,082	68,153	91,540	402,775
Depreciation	75,763	3,988	-	79,751
Total expenses	318,845	72,141	91,540	482,526
Less expenses included with revenues on the statement of activities	-	-	(28,968)	(28,968)
Total expenses shown on the statement of activities	$ 318,845	$ 72,141	$ 62,572	$ 453,558

	Program Services	Supporting Services: Management and General	Supporting Services: Fund-Raising	Total 2015
Employee Compensation				
Salaries and wages	$ 135,944	$ 18,790	$ 26,333	$ 181,067
Payroll taxes and other benefits	8,460	468	1,793	10,721
	144,404	19,258	28,126	191,788
Other Expenses				
Special Events	8,427	-	18,342	26,769
Supplies for horses	26,438	-	-	26,438
Insurance	13,058	974	2,479	16,511
Utilities	13,752	440	-	14,192
Professional fees	6,807	7,316	-	14,123
Repairs and maintenance	12,078	-	-	12,078
Supplies - other	3,786	3,357	-	7,143
Other fundraising costs	-	-	6,793	6,793
Miscellaneous	5,063	596	298	5,957
Bad debt expense	5,000	-	-	5,000
Newsletter	2,714	-	-	2,714
Telephone	2,083	245	123	2,451
Dues and subscriptions	900	-	-	900
Postage and printing		1,196	-	1,196
Travel and milaege	42	-	-	42
Total expenses before depreciation	244,552	33,382	56,161	334,095
Depreciation	66,624	3,507	-	70,131
Total expenses	311,176	36,889	56,161	404,226
Less expenses included with revenues on the statement of activities	(8,427)	-	(18,342)	(26,769)
Total expenses shown on the statement of activities	$ 302,749	$ 36,889	$ 37,819	$ 377,457

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (115,771)	$ 9,954
Adjustments to reconcile change in net assets		
to net cash from operating activities:		
Depreciation	79,751	70,131
(Gain) loss on disposal of fixed assets	(550)	263
Net unrealized (gain) loss on investments	2,668	1,490
Change in pledges receivable	1,000	4,000
Change in other assets	132	(389)
Change in accounts payable	7,097	1,099
Change in accrued liabilities	5,635	7,345
Change in deferred revenue	1,918	(7,083)
Net cash from operating activities	(18,120)	86,810
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	550	-
Purchases of property and equipment	(56,740)	(49,701)
Additions to endowment	(2,230)	(2,091)
Transfers to restricted cash	38,088	(10,629)
Purchase of operating investments	(211,308)	(193,516)
Proceeds from sale of operating investments	151,358	10,023
Net cash used for investing activities	(80,282)	(245,914)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET CHANGE IN CASH & CASH EQUIVALENTS	(98,402)	(159,104)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	295,251	454,355
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 196,849	$ 295,251

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

Nature of Organization

Therapeutic Riding, Inc. (TRI) was originally incorporated in 1984 as Horse Riding Therapy, Inc., and is a volunteer-based non-profit organization. TRI's mission is to provide a therapeutic environment through horseback riding and other activities for people with disabilities or other challenges. Sources of revenue include contributions, class fees, and special events.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

TRI has adopted accounting standards which require that TRI distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. These standards require that resources be classified for reporting purposes into three net asset categories according to externally (donor) imposed restrictions. The three net asset categories are as follows:

Unrestricted net assets: Net assets not subject to donor-imposed stipulations.

Temporarily restricted net assets: Net assets subject to donor-imposed stipulations that may or will be met either by actions of TRI and/or the passage of time. Once the stipulation is met, the assets are released from restriction and the expenditure is recorded in the activities of unrestricted net assets.

Permanently restricted net assets: Net assets subject to donor-imposed stipulations that require the donated assets to be maintained permanently by TRI. Generally, the donors of these assets would permit TRI to use all or part of the income earned on the corpus for general or specific purposes.

Cash and Cash Equivalents

TRI considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Restricted Cash

Restricted cash consists of funds that can be used only for specific purposes as specified by donors. These funds are released from restriction when the donor stipulations are met. As of December 31, 2016 and 2015, the restricted purposes relate to building maintenance, horse acquisition, and need-based financial assistance for riders.

Pledges Receivable

Pledges receivable are presented at their estimated collectable amount net of any present value discount. Management has determined that contributions receivable are substantially collectable and as such, no provision has been made for doubtful accounts.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification (“ASC”) 820, Fair Value Measurement, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that TRI has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Property and Equipment

Property and equipment are recorded at cost when purchased and at estimated fair market value when donated. Donations of property and equipment are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, ranging from 3 to 40 years. TRI has a set capitalization policy where new property and equipment of $500 or more is capitalized and those under the limit are expensed. Repair costs that materially add to the value of, substantially prolong the useful life of, or adapt the asset to a new or different use are also capitalized.

Impairment of Long-Lived Assets

In the event that facts and circumstances indicate that property and equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended December 31, 2016 and 2015.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

All contributions are considered available for TRI's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support. Investment income that is limited to specific uses by donor restrictions is reported as unrestricted if the restrictions are met in the same reporting period as the income is recognized.

Contributions

Contributions are recognized when the donation is received. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributed Services

Contributed services are recognized if the services received satisfy the criteria for recognition. The contributions of services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services including veterinary care, as recognized in the financial statements, was $4,000 for each of the years ended December 31, 2016 and 2015.

A substantial number of other individuals have made contributions of their time to assist TRI in a variety of tasks and services. The value of these services is not recorded in the accompanying financial statements, as these services do not meet the criteria for recognition under ASC 958-205.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Direct expenses have been allocated to the applicable program for which the expense was incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Income Taxes

TRI is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

Subsequent events have been evaluated through August 21, 2017, the date the financial statements were available to be issued.

NOTE B - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2016	2015
Land and building	$ 1,559,390	$ 1,544,381
Improvements	870,300	870,300
Equipment	166,668	125,237
Horses and tack	41,893	37,393
	2,638,251	2,577,311
Less accumulated depreciation	(425,320)	(345,869)
	$ 2,212,931	$ 2,231,442

NOTE C - ENDOWMENT

TRI's Board of Directors has interpreted the Michigan Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2016 and 2015, there were no such donor stipulations. As a result of this interpretation, TRI retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by TRI in a manner consistent with the standard of prudence prescribed by UPMIFA. TRI considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of TRI and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of TRI
- The investment policies of TRI

As of December 31, 2016 and 2015, TRI had the following endowment net asset composition by type of fund:

	Temporarily Restricted	Permanently Restricted	Total
December 31, 2016			
Donor-restricted endowment funds	$ 13,263	$ 57,000	$ 70,263
December 31, 2015			
Donor-restricted endowment funds	$ 10,950	$ 57,000	$ 67,950

NOTE C – ENDOWMENT (CONTINUED)

Investment and Spending Policies

TRI has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that TRI must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a very low level of investment risk. TRI expects its endowment funds, over time, to provide an average rate of return of approximately 3 percent annually. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, TRI relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). TRI, based on current market conditions, may choose to invest in FDIC insured instruments rather than a diverse portfolio of stocks and bonds to achieve its long-term return objectives within prudent risk constraints.

TRI follows the policy for appropriating distributions from the funds which it holds and controls established in the Endowment fund documents. The Peplau endowment is to provide perpetual income to TRI to help maintain the riding center facility. Further, the assets are to be invested in conservative instruments. In agreeing to this policy, TRI considered the long-term expected return on this endowment. This is consistent with the TRI's objective to maintain purchase power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Changes in Endowment net assets for the years ended December 31, 2016 and 2015 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Year ended December 31, 2016			
Endowment net assets, beginning of year	$ 10,950	$ 57,000	$ 67,950
Investment income	2,230	-	2,230
Net appreciation (depreciation) of investments	83	-	83
Endowment net assets, end of year	$ 13,263	$ 57,000	$ 70,263
Year ended December 31, 2015			
Endowment net assets, beginning of year	$ 9,920	$ 57,000	$ 66,920
Investment income	2,091	-	2,091
Net appreciation (depreciation) of investments	(1,061)	-	(1,061)
Endowment net assets, end of year	$ 10,950	$ 57,000	$ 67,950

NOTE D - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The following table presents assets measured at fair value on a recurring basis, at December 31, 2016:

	Total	Level 1	Level 2
Operating investments			
Mutual Funds:			
Fixed income funds	$ 18,074	$ 18,074	$ -
Exchange traded funds	3,500	3,500	-
Corporate bonds	130,259	-	130,259
Government bonds	63,883	-	63,883
Certificates of deposit	20,009	-	20,009
Money market	38	38	-
	$ 235,763	$ 21,612	$ 214,151
Endowment investments			
Mutual Funds:			
Fixed income funds	$ 17,129	$ 17,129	$ -
Exchange traded funds	2,384	2,384	-
Corporate bonds	24,944	-	24,944
Government bonds	16,984	-	16,984
Certificates of deposit	8,000	-	8,000
Money market	822	822	-
	$ 70,263	$ 20,335	$ 49,928

The following table presents assets measured at fair value on a recurring basis, at December 31, 2015:

	Total	Level 1	Level 2
Operating investments			
Mutual Funds:			
Fixed income funds	$ 33,073	$ 33,073	$ -
Exchange traded funds	5,902	5,902	-
Corporate bonds	49,982	-	49,982
Government bonds	59,853	-	59,853
Certificates of deposit	28,954	-	28,954
Money market	5,300	5,300	-
	$ 183,064	$ 44,275	$ 138,789
Endowment investments			
Mutual Funds:			
Fixed income funds	$ 13,194	$ 13,194	$ -
Exchange traded funds	3,279	3,279	-
Corporate bonds	27,454	-	27,454
Government bonds	14,934	-	14,934
Certificates of deposit	8,997	-	8,997
Money market	92	92	-
	$ 67,950	$ 16,565	$ 51,385

NOTE D – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a description of the valuation methods used for TRI's assets measured at fair value in the above tables:

Mutual Funds and exchange traded funds: These investments are publicly traded investments, which are valued at the daily closing price of the instrument and are classified within Level 1.

Corporate bonds, government obligations, and certificates of deposit: These investments are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market rate assumptions, and are classified within Level 2.

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Investment returns are as follows:

	2016	
	Unrestricted	Temporarily Restricted
Interest and dividends	$ 4,452	$ 2,314
Appreciation/(depreciation) of investments	(2,751)	83
Total investment return	$ 1,701	$ 2,397

	2015	
	Unrestricted	Temporarily Restricted
Interest and dividends	$ 1,108	$ 2,091
Appreciation/(depreciation) of investments	(430)	(1,061)
Total investment return	$ 678	$ 1,030

NOTE E - CONSERVATION EASEMENT AGREEMENT

In 2008, TRI entered into a perpetual conservation easement agreement with the Washtenaw Land Trust for the purposes of preserving and protecting TRI's land on which TRI operates. The agreement prohibits certain actions including, but not limited to, land division, certain commercial and industrial activities, construction, cutting vegetation, dumping, and oil, gas, and mineral extraction. TRI retains all right, title, and interest in the property including the right to sell, mortgage, or donate all or a portion of the property. This agreement holds no monetary value to TRI.

NOTE F - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets had the following balances at December 31:

	2016	2015
Capital campaign	$ 47,197	$ 81,479
Endowment fund	13,263	10,950
Zirinsky scholarship program	26,189	30,694
Fencing/pasture improvements	9,291	9,291
Horse acquisition fund	3,604	2,903
Wish list	-	3,855
	$ 99,544	$ 139,172

NOTE G - NEW ACCOUNTING PRONOUNCEMENTS

The FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, a principles-based standard to recognize revenue from customer contracts. ASU No. 2014-09 will be effective beginning in 2019. TRI is currently evaluating the impact the adoption of ASU No. 2014-09 will have on its financial statements.

The FASB also issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958)*, which will require changes to the presentation of financial statements for not-for-profit entities. These changes are designed to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. ASU No. 2016-14 will be effective for fiscal years beginning after December 15, 2017. Early adoption is allowed. TRI is currently evaluating the impact the adoption of ASU No. 2016-14 will have on its financial statements.

The FASB also issued ASU No. 2016-18, *Statement of Cash Flows – Restricted Cash*, which changes how companies reflect restricted cash in cash flow statements. ASU No. 2016-18 will be effective for public companies for fiscal years beginning after December 15, 2017. It will be effective for other entities for fiscal years beginning after December 15, 2018. Early adoption is allowed. TRI is currently evaluating the impact the adoption of ASU No. 2016-18 will have on its financial statements.