

CASTLE HILL CAPITAL PARTNERS, INC.

FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM  
PURSUANT TO RULE 17a-5

DECEMBER 31, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington D.C. 20549

**OMB APPROVAL**  
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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

**SEC File Number**  
8-50550

**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

Report for the period beginning 01/01/16 and ending 12/31/16

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:  
Castle Hill Capital Partners, Inc.

Official Use Only

\_\_\_\_\_  
Firm ID No.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do not use P.O. Box No.):  
546 Fifth Avenue, 14<sup>th</sup> Floor

(No. and Street)

New York

(City)

New York

(State)

10036

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS  
REPORT: Geoffrey L. Webster (212) 784-6104

(Area Code – Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
DeMarco Sciacotta Wilkens & Dunleavy, LLP

(Name – if individual, state last, first, middle name)

9645 W Lincolnway Lane, Suite 214A

(No. and Street)

Frankfort

(City)

Illinois

(State)

60423

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant, not resident in United States or any of its possessions


FOR OFFICIAL USE ONLY

*\*Claims for exemption from the requirement that the annual report covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2)*

## OATH OR AFFIRMATION

I, **Brian Stutman**, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of Castle Hill Capital Partners, Inc., as of December 31, 2016, are true and correct. I further swear (or affirm) that neither the Company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except, as follows:

None.

  
Signature

President  
Title

  
Notary Public



This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Cash Flows.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c-3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c-3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) Exemption Report.

\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

CASTLE HILL CAPITAL PARTNERS, INC.

C O N T E N T S

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL CONDITION

STATEMENT OF OPERATIONS

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT OF CASH FLOWS

NOTES TO FINANCIAL STATEMENTS

SUPPLEMENTARY INFORMATION

SCHEDULE OF COMPUTATION OF NET CAPITAL UNDER SEC RULE 15c3-1

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

- EXEMPTION REPORT



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors  
Castle Hill Capital Partners, Inc.

We have audited the accompanying financial statements of Castle Hill Capital Partners, Inc. (the Company), which comprise the statement of financial condition as of December 31, 2016, and the related statements of operations, changes in shareholders' equity and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplementary information. The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Castle Hill Capital Partners, Inc. as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Supplementary Information has been subjected to audit procedures performed in conjunction with the audit of Castle Hill Capital Partners, Inc.'s financial statements. The Supplementary Information is the responsibility of Castle Hill Capital Partners, Inc.'s management. Our audit procedures included determining whether the Supplementary Information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the Supplementary Information. In forming our opinion on the Supplementary Information, we evaluated whether the Supplementary Information, including its form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*DeMarco Sciacotta Wilkens & Dunleavy LLP*

Frankfort, Illinois  
February 23, 2017

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**Castle Hill Capital Partners, Inc.**

Statement of Financial Condition  
December 31, 2016

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**ASSETS**

Cash	\$	90,802
Accounts Receivable		230,698
Prepaid Expenses		14,207
Security Deposit		<u>18,615</u>

<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>354,322</u></b>
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**LIABILITIES AND SHAREHOLDERS' EQUITY****LIABILITIES**

Accounts Payable and Accrued Expenses	\$	<u>79,996</u>
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<b>SHAREHOLDERS' EQUITY</b>	<b>\$</b>	<b><u>274,326</u></b>
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<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$</b>	<b><u>354,322</u></b>
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The accompanying notes are an integral  
part of these financial statements

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**Castle Hill Capital Partners, Inc.**

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Statement of Operations  
Year Ended December 31, 2016

**REVENUE:**

Commission Income	\$ 1,688,205	
Other Income	<u>571,089</u>	
Total Revenue		<u>2,259,294</u>

**OPERATING EXPENSES:**

Salaries, commissions and related costs	1,647,193	
Insurance Expense	118,161	
Professional fees	91,794	
Rent Expense	62,398	
Travel & Entertainment	116,808	
Other Expenses	<u>145,261</u>	
Total expenses		<u>2,181,615</u>

**NET INCOME** \$ 77,679

The accompanying notes are an integral  
part of these financial statements

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**Castle Hill Capital Partners, Inc.**

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Statement of Changes in Shareholders' Equity  
Year Ended December 31, 2016

	<u>Common Stock *</u>	<u>Additional Paid in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
<b>Balance - Beginning of Year</b>	\$ 100	\$ 117,667	\$ 88,880	\$ 206,647
Purchase and immediate retirement of 1.1875 treasury shares	-	-	(10,000)	(10,000)
Net Income	-	-	77,679	77,679
<b>Balance -End of Year</b>	<u>\$ 100</u>	<u>\$ 117,667</u>	<u>\$ 156,559</u>	<u>\$ 274,326</u>

\* Common Stock - no par value; 200 shares authorized, 71 shares outstanding

The accompanying notes are an integral  
part of these financial statements

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**Castle Hill Capital Partners, Inc.**

Statement of Cash Flows  
Year Ended December 31, 2016

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**OPERATING ACTIVITIES:**

Net income	\$ 77,679
Adjustments to reconcile net income to net cash provided by operating activities	
Increase in accounts receivables	(60,336)
Increase in prepaid expenses	(14,207)
Increase in security deposit	(18,615)
Increase in accounts payable and accrued expenses	56,670
Net cash provided by operating activities	<u>41,191</u>

**FINANCING ACTIVITIES:**

Purchase of Treasury Stock	<u>(10,000)</u>
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**NET INCREASE IN CASH** 31,191

**CASH AT BEGINNING OF YEAR** 59,611

**CASH AT END OF YEAR** \$ 90,802

The accompanying notes are an integral  
part of these financial statements

## Castle Hill Capital Partners, Inc.

Notes to Financial Statements  
Year Ended December 31, 2016

### 1. Organization and Nature of Business

Castle Hill Capital Partners, Inc. ("the Company") is a securities broker-dealer registered with the Securities and Exchange Commission ("SEC") and a member of the Financial Industry Regulatory Authority ("FINRA") and Securities Investor Protection Corporation ("SIPC"), incorporated on September 5, 1997 in the state of New York. The Company acts as a broker-dealer and is exempt from Securities and Exchange Commission Rule 15c3-3 under paragraph (k)(2)(ii). The Company does not, and will not hold customer funds or safekeep customer securities. The Company is also registered with the Commodity Futures Trading Commission ("CFTC") and a member of the National Futures Association ("NFA"). The Company's securities transactions consist primarily of introducing customer accounts to other broker-dealers. The Company is compensated for these introductions based on net revenues generated, via a commission sharing agreement. The Company also engages in Third Party Marketing of Hedge Funds for a fee.

### 2. Significant Accounting Policies

**Basis of Accounting** - The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

**Cash** - The Company's cash is held principally at one financial institution and at times may exceed federally insured limits. The Company has placed these funds in a high quality institution in order to minimize risk relating to exceeding insured limits. The Company believes it is not exposed to any significant risk on cash.

**Income taxes** - The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal income taxes on its corporate income. Instead, the stockholders are liable for individual federal income taxes on their share of the Company's income, deductions, losses and credits.

**Revenue Recognition** - Revenue is recognized when earned, while expenses and losses are recognized when incurred.

**Account Receivable** - The Company carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis the Company evaluates accounts receivable and establishes an allowance for doubtful accounts, if necessary, based on a history of past bad debts and collections and current credit conditions. Accounts are written off as uncollectible on a case by case basis.

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## Castle Hill Capital Partners, Inc.

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Notes to Financial Statements  
Year Ended December 31, 2016

**Uncertain tax positions** - The Company has adopted the provisions of Accounting for Uncertainty in Income Taxes ("Uncertain Tax Position"). Uncertain Tax Position prescribes recognition thresholds that must be met before a tax position is recognized in the financial statements and provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Under Uncertain Tax Position, an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. The Company has evaluated its tax position for the year ended December 31, 2016, and does not expect any material adjustments to be made. The tax years 2016, 2015, 2014, and 2013, remain open to examination by the major taxing jurisdictions to which the entity is subject.

**Use of estimates** - The preparation of financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### 3. Net Capital Requirements

The Company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 12 to 1). At December 31, 2016, the Company had net capital of \$131,720 which was \$126,387 in excess of its required net capital of \$5,333. The Company's ratio of aggregate indebtedness to net capital was 60.73%.

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## Castle Hill Capital Partners, Inc.

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Notes to Financial Statements  
Year Ended December 31, 2016

### 4. Indemnifications

In the normal course of its business, the entity indemnifies and guarantees certain service providers against specified potential losses in connection with their acting as an agent of, or providing services to, the entity. The maximum potential amount of future payments that the entity could be required to make under these indemnifications can not exceed the commissions receivable from the service provider. As such, the entity believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

### 5. Operating Leases

The Company currently leases office space in New York City, located at 215 East 45th Street, with the lease term expiring on September 30, 2018. Currently the Company has three (3) employees occupying space there. Future minimum annual payments required by this lease are \$74,052 and \$56,781 for 2017 and 2018 respectively. The Company also leases space from the Manor House in Del Ray, FL for \$1,400 per month on a month to month basis. Total rent expense for these 2 leases was \$62,398.

### 6. 401(k) and Profit Plan

The Company currently has a 401(k) & Profit Sharing Plan. The Company has no current plans for funding such Profit Sharing Plan. 401(k) contributions are made on an individual basis, and new employees are eligible after six (6) months of service.

### SUPPLEMENTARY INFORMATION

*NOTE: The Company is exempt from the provisions of SEC Rule 15c3-3 pursuant to subparagraph k(2)(ii) of that rule. Therefore the Computation for Determination of the Reserve Requirements under Exhibit A of Rule 15c3-3 and the Information relating to the Possession or Control Requirements under Rule 15c3-3 have not been provided.*

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**Castle Hill Capital Partners, Inc.**

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Schedule of Computation of Net Capital Under Rule 15c3-1 of SEC  
Year Ended December 31, 2015

<b>TOTAL SHAREHOLDERS' EQUITY QUALIFIED FOR NET CAPITAL</b>	\$ 274,326
<b>DEDUCTIONS AND/OR CHARGES:</b>	
Non-allowable assets:	<u>(142,606)</u>
<b>NET CAPITAL</b>	<u>\$ 131,720</u>
<b>AGGREGATE INDEBTEDNESS:</b>	
Account Payable and Accrued Expenses	<u>\$ 79,996</u>
<b>COMPUTATION OF BASIC NET CAPITAL REQUIREMENT -</b>	
Minimum net capital required	<u>5,333</u>
Excess net capital	<u>\$ 126,387</u>
Percentage of aggregate indebtedness to net capital	60.73%

There are no material differences between the preceding computation and the Company's corresponding unaudited Part II of Form X-17A-5 as of December 31, 2016.

See accompanying report of independent  
registered public accounting firm



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors  
Castle Hill Capital Partners, Inc.

We have reviewed management's statements, included in the accompanying exemption report, in which (1) Castle Hill Capital Partners, Inc. identified the following provisions of 17 C.F.R. section 15c3-3(k) under which Castle Hill Capital Partners, Inc. claimed an exemption from 17 C.F.R. section 240.15c3-3(k)(2)(ii) (the "exemption provisions") and (2) Castle Hill Capital Partners, Inc. stated that Castle Hill Capital Partners, Inc. met the identified exemption provisions for the period from January 1, 2016 to December 31, 2016 without exception. Castle Hill Capital Partners, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Castle Hill Capital Partners, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*DeMarco Sciaccotta Wilkens & Dunleavy LLP*

Frankfort, Illinois  
February 23, 2017



**EXEMPTION REPORT**  
**SEC Rule 17a-5(d)(4)**

February 23, 2017

The below information is designed to meet the Exemption Report criteria pursuant to SEC Rule 17a-5(d)(4):

- Castle Hill Capital Partners, Inc. is a broker/dealer registered with the SEC and FINRA.
- Castle Hill Capital Partners, Inc. claimed an exemption under paragraph (k)(2)(ii) of Rule 15c3-3 for the year ended December 31, 2016.
- Castle Hill Capital Partners, Inc. is exempt from the provisions of Rule 15c3-3 because it meets conditions set forth in paragraph (k)(2)(ii) of the rule, of which, the identity of the specific conditions are as follows:
  - The provisions of the Customer Protection Rule shall not be applicable to a broker or dealer who, as an introducing broker or dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, and who promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of Rule 17a-3 and rule 17a-4, as are customarily made and kept by a clearing broker or dealer.
- Castle Hill Capital Partners, Inc. has met the identified exemption provisions in paragraph (k)(2)(ii) of Rule 15c3-3 throughout the year ended December 31, 2016 without exception.
- Castle Hill Capital Partners, Inc. has not recorded any exceptions to the exemption provision in paragraph (k)(2)(ii) of Rule 15c3-3 for the year ended December 31, 2016.

The above statements are true and correct to the best of my and the Firm's knowledge.

Signature: \_\_\_\_\_

Name and Title: Brian S. Stutman - President

CASTLE HILL CAPITAL PARTNERS, INC.

STATEMENT OF FINANCIAL CONDITION  
AND REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM

DECEMBER 31, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington D.C. 20549

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**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

Report for the period beginning 01/01/16 and ending 12/31/16

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NAME OF BROKER-DEALER:  
Castle Hill Capital Partners, Inc.

Official Use Only

\_\_\_\_\_  
Firm ID No.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do not use P.O. Box No.):  
546 Fifth Avenue, 14<sup>th</sup> Floor

(No. and Street)

New York

(City)

New York

(State)

10036

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS  
REPORT: Geoffrey L. Webster (212) 784-6104

(Area Code – Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
DeMarco Sciacotta Wilkens & Dunleavy, LLP

(Name – if individual, state last, first, middle name)

9645 W Lincolnway Lane, Suite 214A

(No. and Street)

Frankfort

(City)

Illinois

(State)

60423

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant, not resident in United States or any of its possessions


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*\*Claims for exemption from the requirement that the annual report covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2)*

## OATH OR AFFIRMATION

I, **Brian Stutman**, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of Castle Hill Capital Partners, Inc., as of December 31, 2016, are true and correct. I further swear (or affirm) that neither the Company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except, as follows:

None.

  
Signature

President  
Title

  
Notary Public



This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Cash Flows.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
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- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c-3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c-3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) Exemption Report.

\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors  
Castle Hill Capital Partners, Inc.

We have audited the accompanying statement of financial condition of Castle Hill Capital Partners, Inc. (the Company) as of December 31, 2016, that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the statement of financial condition. The Company's management is responsible for this financial statement. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of financial condition. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Castle Hill Capital Partners, Inc. as of December 31, 2016, in accordance with accounting principles generally accepted in the United States of America.

*DeMarco Sciacotta Wilkens & Dunleavy LLP*

Frankfort, Illinois  
February 23, 2017

---

**Castle Hill Capital Partners, Inc.**

Statement of Financial Condition  
December 31, 2016

**ASSETS**

Cash	\$	90,802
Accounts Receivable		230,698
Prepaid Expenses		14,207
Security Deposit		<u>18,615</u>

<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>354,322</u></b>
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**LIABILITIES AND SHAREHOLDERS' EQUITY****LIABILITIES**

Accounts Payable and Accrued Expenses	\$	<u>79,996</u>
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<b>SHAREHOLDERS' EQUITY</b>	<b>\$</b>	<b><u>274,326</u></b>
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<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$</b>	<b><u>354,322</u></b>
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The accompanying notes are an integral  
part of these financial statements

## Castle Hill Capital Partners, Inc.

Notes to Financial Statements  
Year Ended December 31, 2016

### 1. Organization and Nature of Business

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### 2. Significant Accounting Policies

**Basis of Accounting** - The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

**Cash** - The Company's cash is held principally at one financial institution and at times may exceed federally insured limits. The Company has placed these funds in a high quality institution in order to minimize risk relating to exceeding insured limits. The Company believes it is not exposed to any significant risk on cash.

**Income taxes** - The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal income taxes on its corporate income. Instead, the stockholders are liable for individual federal income taxes on their share of the Company's income, deductions, losses and credits.

**Revenue Recognition** - Revenue is recognized when earned, while expenses and losses are recognized when incurred.

**Account Receivable** - The Company carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis the Company evaluates accounts receivable and establishes an allowance for doubtful accounts, if necessary, based on a history of past bad debts and collections and current credit conditions. Accounts are written off as uncollectible on a case by case basis.

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## Castle Hill Capital Partners, Inc.

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Notes to Financial Statements  
Year Ended December 31, 2016

**Uncertain tax positions** - The Company has adopted the provisions of Accounting for Uncertainty in Income Taxes ("Uncertain Tax Position"). Uncertain Tax Position prescribes recognition thresholds that must be met before a tax position is recognized in the financial statements and provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Under Uncertain Tax Position, an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. The Company has evaluated its tax position for the year ended December 31, 2016, and does not expect any material adjustments to be made. The tax years 2016, 2015, 2014, and 2013, remain open to examination by the major taxing jurisdictions to which the entity is subject.

**Use of estimates** - The preparation of financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### 3. Net Capital Requirements

The Company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 12 to 1). At December 31, 2016, the Company had net capital of \$131,720 which was \$126,387 in excess of its required net capital of \$5,333. The Company's ratio of aggregate indebtedness to net capital was 60.73%.

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## Castle Hill Capital Partners, Inc.

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Notes to Financial Statements  
Year Ended December 31, 2016

### 4. Indemnifications

In the normal course of its business, the entity indemnifies and guarantees certain service providers against specified potential losses in connection with their acting as an agent of, or providing services to, the entity. The maximum potential amount of future payments that the entity could be required to make under these indemnifications can not exceed the commissions receivable from the service provider. As such, the entity believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

### 5. Operating Leases

The Company currently leases office space in New York City, located at 215 East 45th Street, with the lease term expiring on September 30, 2018. Currently the Company has three (3) employees occupying space there. Future minimum annual payments required by this lease are \$74,052 and \$56,781 for 2017 and 2018 respectively. The Company also leases space from the Manor House in Del Ray, FL for \$1,400 per month on a month to month basis. Total rent expense for these 2 leases was \$62,398.

### 6. 401(k) and Profit Plan

The Company currently has a 401(k) & Profit Sharing Plan. The Company has no current plans for funding such Profit Sharing Plan. 401(k) contributions are made on an individual basis, and new employees are eligible after six (6) months of service.