

ST. HUBERT'S GIRALDA

**Financial Statements
December 31, 2016 and 2015**

The report accompanying these financial statements was issued by Spire Group, PC, a New Jersey Professional Corporation

ST. HUBERT'S GIRALDA

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
St. Hubert's Giralda
Madison, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of St. Hubert's Giralda (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016 and 2015, and the related statements of activities and changes in net assets, functional expenses, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Hubert's Giralda as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Spire Group, PC

Clark, New Jersey
November 6, 2017

ST. HUBERT'S GIRALDA

**Statements of Financial Position
December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 1,197,565	\$ 1,614,436
Accounts receivable	314,592	189,920
Bequests receivable	763,616	419,997
Pledges receivable - net	969	969
Investments - at fair value	3,076,022	2,839,474
Accrued interest receivable	20,273	20,949
Prepaid expenses	75,597	99,269
Inventory	56,001	128,359
Property and equipment - net	16,867,095	16,873,563
Other assets	25,517	25,893
Total Assets	\$ <u>22,397,247</u>	\$ <u>22,212,829</u>
Liabilities		
Accounts payable and accrued expenses	\$ 360,763	\$ 295,780
Accrued salaries and taxes	77,614	48,450
Accrued vacation	44,733	42,557
Deferred revenue	28,729	29,545
Total Liabilities	<u>511,839</u>	<u>416,332</u>
Net Assets		
Unrestricted		
General operating	20,505,719	20,422,387
Board designated for endowment	517,780	477,201
Total unrestricted net assets	<u>21,023,499</u>	<u>20,899,588</u>
Temporarily restricted	861,909	896,909
Total Net Assets	<u>21,885,408</u>	<u>21,796,497</u>
Total Liabilities and Net Assets	\$ <u>22,397,247</u>	\$ <u>22,212,829</u>

See accompanying notes.

ST. HUBERT'S GIRALDA

**Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2016 and 2015**

	2016			2015		
	Unrestricted	Temporarily Restricted		Unrestricted	Temporarily Restricted	
		Total	Restricted		Total	Restricted
Revenue						
Program service fees	\$ 1,865,836	\$ -	\$ 1,865,836	\$ 1,638,600	\$ -	\$ 1,638,600
Contributions and bequests	2,868,145	1,073,414	3,941,559	1,891,600	961,406	2,853,006
Special events - net of expenses of \$38,926 in 2016 and \$45,795 in 2015, respectively	58,859	-	58,859	74,559	10,000	84,559
Interest and dividends	114,978	327	115,305	97,955	538	98,493
Other income	100	-	100	1,245	-	1,245
Net assets released from restrictions due to satisfaction of purpose	1,108,741	(1,108,741)	-	1,113,944	(1,113,944)	-
Total Revenue	6,016,659	(35,000)	5,981,659	4,817,903	(142,000)	4,675,903
Expenses						
Program Services						
Animal welfare services	3,853,009	-	3,853,009	2,948,802	-	2,948,802
Community service	355,548	-	355,548	305,658	-	305,658
Training and behavior center	555,059	-	555,059	583,535	-	583,535
Membership services	174,914	-	174,914	173,989	-	173,989
Doggy day-camp	56,069	-	56,069	60,420	-	60,420
Total Program Services	4,994,599	-	4,994,599	4,072,404	-	4,072,404
Supporting Services						
Administration	395,597	-	395,597	245,145	-	245,145
Development	658,296	-	658,296	453,087	-	453,087
Total Supporting Services	1,053,893	-	1,053,893	698,232	-	698,232
Total Expenses	6,048,492	-	6,048,492	4,770,636	-	4,770,636
Change in Net Assets Before Other Items - Forward	(31,833)	(35,000)	(66,833)	47,267	(142,000)	(94,733)

See accompanying notes.

ST. HUBERT'S GIRALDA

Statements of Activities and Changes in Net Assets (Continued)
For the Years Ended December 31, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Change in Net Assets Before Other Items - Forwarded	(31,833)	(35,000)	(66,833)	47,267	(142,000)	(94,733)
Other Items						
Loss on sale of fixed assets	-	-	-	(2,371)	-	(2,371)
Gain on sale of other assets	1,524	-	1,524	6,871	-	6,871
Realized gain (loss)	113,049	-	113,049	(248,151)	-	(248,151)
Unrealized gain	41,171	-	41,171	7,737	-	7,737
Total Other Items	155,744	-	155,744	(235,914)	-	(235,914)
Change in Net Assets	123,911	(35,000)	88,911	(188,647)	(142,000)	(330,647)
Net Assets - Beginning of Years	20,899,588	896,909	21,796,497	21,088,235	1,038,909	22,127,144
Net Assets - End of Years	\$ 21,023,499	\$ 861,909	\$ 21,885,408	\$ 20,899,588	\$ 896,909	\$ 21,796,497

See accompanying notes.

ST. HUBERT'S GIRALDA

**Statement of Functional Expenses
For the Year Ended December 31, 2016**

	Program Services										Supporting Services			
	Animal Welfare Service	Community Service	Training and Behavior Center		Membership Service	Doggy Day-Camp	Total Program Services	Administration	Development	Total Supporting Services	Total Expenses			
			Community Service	Behavior Center										
Salaries	\$ 1,877,338	\$ 236,160	\$ 256,979	\$ 46,237	\$ 36,595	\$ 2,453,309	\$ 159,480	\$ 156,660	\$ 316,140	\$ 2,769,449				
Benefits	134,156	19,992	1,137	1,070	3,953	160,308	7,896	5,049	12,945	173,253				
Payroll taxes	197,921	25,062	27,042	4,557	4,318	258,900	16,102	16,704	32,806	291,706				
Printing and publications	6,104	731	337	66,408	-	73,580	1,028	153,085	154,113	227,693				
Professional services	48,176	7,158	29,903	10,984	1,267	97,488	88,910	37,496	126,406	223,894				
Travel	4,628	255	-	-	-	4,883	-	421	421	5,304				
Insurance	130,472	16,548	32,623	5,405	4,751	189,799	7,362	6,592	13,954	203,753				
Depreciation	324,729	11,167	120,332	6,359	1,794	464,381	2,890	13,330	16,220	480,601				
Program supplies	764,076	7,359	321	-	-	771,756	97	-	97	771,853				
Equipment rental and repairs	84,297	9,629	21,355	3,412	720	119,413	3,639	3,428	7,067	126,480				
Office supplies and postage	7,331	2,615	3,899	24,555	42	38,442	5,161	79,965	85,126	123,568				
Dues and subscriptions	20	500	-	-	-	520	248	535	783	1,303				
Training and workshops	2,686	230	-	-	-	2,916	2,428	648	3,076	5,992				
Advertising and promotion	606	795	-	-	-	1,401	90	50,112	50,202	51,603				
Utilities and ground maintenance	162,075	16,631	55,235	5,923	2,629	242,493	91,895	11,397	103,292	345,785				
Miscellaneous expense	108,394	716	-	4	-	109,114	8,371	2,120	10,491	119,605				
Items purchased for resale	-	-	5,896	-	-	5,896	-	120,754	120,754	126,650				
Total	\$ 3,853,009	\$ 355,548	\$ 555,059	\$ 174,914	\$ 56,069	\$ 4,994,599	\$ 395,597	\$ 658,296	\$ 1,053,893	\$ 6,048,492				

See accompanying notes.

ST. HUBERT'S GIRALDA

Statement of Functional Expenses
For the Year Ended December 31, 2015

	Program Services										Supporting Services			Total			
	Animal Welfare Service		Community Service		Training and Behavior Center		Membership Service		Doggy Day-Camp		Program Services		Administration		Development	Supporting Expenses	Total Expenses
Salaries	\$ 1,489,440	\$ 188,605	\$ 259,554	\$ 41,955	\$ 40,046	\$ 2,019,600	\$ 133,397	\$ 126,721	\$ 260,118	\$ 2,279,718							
Benefits	95,759	10,604	5,455	1,125	4,240	117,183	3,877	2,783	6,660	123,843							
Payroll taxes	172,950	21,387	28,387	4,149	5,071	231,944	13,267	14,096	27,363	259,307							
Printing and publications	4,013	365	-	69,565	-	73,943	520	143,231	143,751	217,694							
Professional services	38,286	9,474	45,360	7,295	332	100,747	57,734	19,958	77,692	178,439							
Travel	7,032	1,338	-	-	-	8,370	3,307	133	3,440	11,810							
Insurance	92,017	14,295	23,997	4,774	3,405	138,488	5,742	5,270	11,012	149,500							
Depreciation	288,190	13,051	112,907	7,662	2,087	423,897	3,483	13,210	16,693	440,590							
Program supplies	503,162	13,835	1,456	-	243	518,696	-	-	-	518,696							
Equipment rental and repairs	44,208	9,335	20,390	3,413	1,464	78,810	3,787	3,518	7,305	86,115							
Office supplies and postage	4,497	1,788	868	28,474	58	35,685	3,661	63,617	67,278	102,963							
Dues and subscriptions	866	455	45	-	-	1,366	424	58	482	1,848							
Training and workshops	2,512	338	515	-	-	3,365	2,138	5,185	7,323	10,688							
Advertising and promotion	8,645	1,820	-	-	-	10,465	80	4,745	4,825	15,290							
Utilities and ground maintenance	135,909	16,033	72,703	5,577	3,298	233,520	12,051	7,007	19,058	252,578							
Miscellaneous expense	61,316	2,935	725	-	176	65,152	1,677	1,620	3,297	68,449							
Items purchased for resale	-	-	11,173	-	-	11,173	-	41,935	41,935	53,108							
Total	\$ 2,948,802	\$ 305,658	\$ 583,535	\$ 173,989	\$ 60,420	\$ 4,072,404	\$ 245,145	\$ 453,087	\$ 698,232	\$ 4,770,636							

See accompanying notes.

ST. HUBERT'S GIRALDA

**Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 88,911	\$ (330,647)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	480,601	440,590
Realized (gain) loss	(113,049)	248,151
Unrealized gain	(41,171)	(7,737)
Donated marketable securities	(173,375)	(84,899)
Gain on sale of other assets	(1,524)	(6,871)
Loss on sale of fixed assets	-	2,371
(Increase) decrease in:		
Accounts receivable	(124,672)	70,298
Bequests receivable	(343,619)	(313,045)
Accrued interest receivable	676	6,203
Prepaid expenses	23,672	(31,127)
Inventory	72,358	(7,011)
Increase (decrease) in:		
Accounts payable and accrued expenses	64,983	1,590
Accrued salaries and taxes	29,164	(63,730)
Accrued vacation	2,176	(12,378)
Deferred revenue	(816)	(2,530)
Net Cash Used by Operating Activities	<u>(35,685)</u>	<u>(90,772)</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	(474,133)	(1,067,529)
Purchase of investments	(887,517)	(1,417,273)
Proceeds from sale of investments	978,564	1,646,112
Proceeds from sale of fine art	1,900	12,060
Net Cash Used by Investing Activities	<u>(381,186)</u>	<u>(826,630)</u>
Net Change in Cash and Cash Equivalents	(416,871)	(917,402)
Cash and Cash Equivalents - Beginning of Years	<u>1,614,436</u>	<u>2,531,838</u>
Cash and Cash Equivalents - End of Years	<u>\$ 1,197,565</u>	<u>\$ 1,614,436</u>
Supplemental Information - Cash Paid For:		
Income taxes	\$ -	\$ -
Interest	\$ -	\$ -

See accompanying notes.

ST. HUBERT'S GIRALDA

Notes to Financial Statements December 31, 2016 and 2015

Note 1 - Organization and Purpose

Organization

St. Hubert's Giralda (the "Organization") is a non-profit organization dedicated to the humane treatment of animals. The Organization believes in and provides services that support the human/animal bond and seeks to foster an environment in which people value and respect all living creatures.

In January 2015, the Organization elected to change its year end from June 30 to December 31. The Organization believes their new year end will result in a presentation of its financial performance that is more consistent with the needs and expectations of its grantors and benefactors.

Note 2 - Summary of Significant Accounting Policies and General Information

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk are cash and investments arising from its normal activities. The Organization places its cash with high credit quality financial institutions. The amount on deposit in any one institution that exceeds federally insured limits is subject to credit risk. At December 31, 2016 and 2015, the Organization had cash in excess of federally insured limits of \$727,266 and \$989,834, respectively.

All investments are subject to credit risk.

Accounts Receivable

Accounts receivable are recorded at cost. On a periodic basis, the Organization evaluates its accounts receivable to determine if any portion is uncollectible. Based upon historical experience, management deems no allowance for doubtful accounts to be necessary as of December 31, 2016 and 2015.

Pledges Receivable

Pledges receivable approximate fair value. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor.

Bequests Receivable

Bequests receivable are recognized when the Organization receives notification that the probate court has declared the will is valid. Bequests receivable are generally expected to be collected in less than one year.

Investments

Investments are recorded at fair value. Realized and unrealized gains and losses are reflected separately in the Statement of Activities and Changes in Net Assets. The realized gain or loss from the sale of an investment is reported as the selling price of the investment less the carrying value of the investment at the time of sale.

ST. HUBERT'S GIRALDA

**Notes to Financial Statements
December 31, 2016 and 2015**

Note 2 - Summary of Significant Accounting Policies and General Information (Continued)

Property and Equipment

Property and equipment is stated at cost if purchased or at fair value on the date of donation if donated. Property and equipment costing \$1,000 or more is depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to fifty years. The cost of maintenance and repairs is recorded as expenses are incurred.

The range of estimated useful lives follows:

Buildings and improvements	10 - 50 years
Equipment	5 -10 years
Vehicles	4-5 years

Long-Lived Assets

Long-lived tangible assets subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceed their value as determined by an estimate of undiscounted future cash flows.

Income Taxes

The Organization is exempt from federal, state and local income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

The Organization accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined that there were no tax uncertainties that met the recognition threshold in 2016. The Organization's exempt from federal income tax return is no longer subject to examination by federal taxing authorities for years before 2013.

Inventory

Inventory is recorded at the lower of cost or market value using the first-in, first-out method and consists of primarily pet accessories and toys.

Deferred Revenue

The Organization recognizes revenue when it is realizable and earned. Deferred revenue represents amounts collected but not earned as of December 31, 2016 and 2015. This is primarily comprised of revenue for the Organization's dog training classes paid in advance to be held in the subsequent fiscal year.

Note 2 - Summary of Significant Accounting Policies and General Information (Continued)

Net Asset Classification

The net assets of the Organization are reported in their self-balancing groups as follows:

Unrestricted Net Assets – Represent unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of the Organization and include both internally designated and undesignated resources.

Board Designated for Endowment – The “Connie Fund” was established in May 2012. It was seeded by the estate of Martha E. Henry and was named in honor of her mother, Connie. The spirit is to provide ongoing operational support to the mission of the Organization. The Organization is conscious of its need to establish an endowment type fund and as such has an interest in further development of the Connie Fund to meet that need. The Board of Trustees passed a motion which requires 100% Board approval to touch the corpus of this fund. Only the income from the fund will be used every year to support operations. Therefore, the Connie Fund is classified as Board designated unrestricted net assets.

Temporarily Restricted Net Assets – Represents revenue and contributions subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions due to satisfaction of purpose.

Permanently Restricted Net Assets – Represent funds restricted by the donor to be maintained in-perpetuity by the Organization. There were no permanently restricted net assets as of December 31, 2016 and 2015.

Use of Estimates

The preparation of the financial statements in conformity 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.

Functional Allocation of Expenses

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

In-Kind Contributions

The Organization receives various donations of professional services and supplies for its special events, which are recorded at their estimated fair market value on the date of donation. For the years ended December 31, 2016 and 2015, the Organization received donated securities with a fair market value of \$173,375 and \$84,899, respectively.

Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

ST. HUBERT'S GIRALDA

Notes to Financial Statements December 31, 2016 and 2015

Note 2 - Summary of Significant Accounting Policies and General Information (Continued)

Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-14 ("ASU 2016-14"), *Presentation of Financial Statements for Not-for-Profit Entities*, which significantly changes the presentation requirements for financial statements for not-for-profit entities ("NFPs"). The amendments are intended to improve the guidance on net asset classification as well as the information presented in the financial statements and financial statement notes regarding liquidity, financial performance, and cash flows for NFPs.

Specifically, ASU 2016-14 addresses (1) the complexity and understandability of net asset classifications, (2) the lack of consistency in the type of information provided about expenses, and (3) inconsistencies in the reporting of (a) operating information in the statement of activities and (b) operating cash flows in the statement of cash flows. ASU 2016-14's amendments are effective for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. The Organization is currently assessing the impact that adopting ASU 2016-14 will have on its financial statements.

Subsequent Events

The Organization has evaluated all subsequent events through November 6, 2017, the date these financial statements were available to be issued.

Note 3 - Pledges Receivable

Pledges receivable consist of promises to give for the capital campaign and are receivable over a period of one to seven years. The pledges have been discounted to their present value at 3.25%.

	<u>2016</u>	<u>2015</u>
Gross	\$ <u>1,000</u>	\$ <u>38,174</u>
Less: Allowance for doubtful accounts	-	(37,174)
Less: Unamortized present value discount	<u>(31)</u>	<u>(31)</u>
Pledges receivable - net	\$ <u><u>969</u></u>	\$ <u><u>969</u></u>
Maturity of pledges receivable:		
Less than one year	\$ <u><u>1,000</u></u>	\$ <u><u>38,174</u></u>

ST. HUBERT'S GIRALDA

Notes to Financial Statements December 31, 2016 and 2015

Note 4 - Investments

Investments consisted of the following:

	2016		2015	
	Cost	Market Value	Cost	Market Value
Equities	\$ 1,176,629	\$ 1,430,314	\$ 1,003,573	\$ 1,214,810
Corporate bonds	1,407,932	1,628,997	1,604,222	1,603,513
U.S. Government securities	14,603	16,711	18,450	21,151
Total	\$ <u>2,599,164</u>	\$ <u>3,076,022</u>	\$ <u>2,626,245</u>	\$ <u>2,839,474</u>

Note 5 - Fair Value Measurements

For financial assets and liabilities measured at fair value on a recurring basis, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions made by management. Preference is given to observable inputs. Fair value measurements are categorized into one of three levels (the fair value hierarchy) based on the inputs to the valuation techniques used to measure fair value as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2 – unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3 – unobservable inputs which reflect the reporting entity's own assumptions on what assumptions market participants would use in pricing the asset or liability based on the best available information.

In some cases, the inputs used to measure the fair value of an asset or liability might be categorized within different levels of the fair value hierarchy. In such cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability.

ST. HUBERT'S GIRALDA

**Notes to Financial Statements
December 31, 2016 and 2015**

Note 5 - Fair Value Measurements (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The following tables set forth, by level within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2016 and 2015:

	2016	Fair Value Measurements at Reporting Date Using		
		Total	(Level 1)	(Level 2)
Equities:				
Financial sector	\$ 331,414	\$ 331,414	\$ -	\$ -
Energy sector	267,367	267,367	-	-
Healthcare sector	230,729	230,729	-	-
Technology sector	163,017	163,017	-	-
Real estate sector	128,903	128,903	-	-
Consumer goods sector	98,454	98,454	-	-
Utilities sector	97,136	97,136	-	-
Industrial goods sector	66,586	66,586	-	-
Communications sector	46,708	46,708	-	-
Total equities	1,430,314	1,430,314	-	-
Corporate bonds:				
Financial sector	381,834	-	381,834	-
Consumer goods sector	337,849	-	337,849	-
Technology sector	234,075	-	234,075	-
Healthcare sector	180,121	-	180,121	-
Industrial goods sector	126,471	-	126,471	-
Communications sector	115,906	-	115,906	-
Energy sector	108,721	-	108,721	-
Real estate sector	72,620	-	72,620	-
Services sector	71,400	-	71,400	-
Total corporate bonds	1,628,997	-	1,628,997	-
Government securities:				
Mortgage-backed	16,711	-	16,711	-
Total assets	\$ 3,076,022	\$ 1,430,314	\$ 1,645,708	\$ -

ST. HUBERT'S GIRALDA

Notes to Financial Statements
December 31, 2016 and 2015

Note 5 - Fair Value Measurements (Continued)

	2015	Fair Value Measurements at Reporting Date Using		
		Total	(Level 1)	(Level 2)
Equities:				
Financial sector	\$ 349,975	\$ 349,975	\$ -	\$ -
Utilities sector	227,064	227,064	-	-
Communications sector	168,817	168,817	-	-
Healthcare sector	158,916	158,916	-	-
Consumer goods sector	132,755	132,755	-	-
Industrial goods sector	91,329	91,329	-	-
Energy sector	85,954	85,954	-	-
Total equities	<u>1,214,810</u>	<u>1,214,810</u>	<u>-</u>	<u>-</u>
Corporate bonds:				
Financial sector	348,038	-	348,038	-
Consumer goods sector	330,454	-	330,454	-
Technology sector	262,926	-	262,926	-
Healthcare sector	180,720	-	180,720	-
Utilities sector	172,759	-	172,759	-
Industrial goods sector	154,129	-	154,129	-
Services sector	139,562	-	139,562	-
Energy sector	14,925	-	14,925	-
Total corporate bonds	<u>1,603,513</u>	<u>-</u>	<u>1,603,513</u>	<u>-</u>
Government securities:				
Mortgage-backed	<u>21,151</u>	<u>-</u>	<u>21,151</u>	<u>-</u>
Total assets	\$ <u>2,839,474</u>	\$ <u>1,214,810</u>	\$ <u>1,624,664</u>	\$ <u>-</u>

ST. HUBERT'S GIRALDA

**Notes to Financial Statements
December 31, 2016 and 2015**

Note 6 - Property and Equipment

Property and equipment consists of the following:

	2016		
	<u>Cost</u>	<u>Accumulated Depreciation and Amortization</u>	<u>Book Value</u>
Land	\$ 733,387	\$ -	\$ 733,387
Building and improvements	16,291,549	2,264,773	14,026,776
Equipment	1,163,588	1,004,243	159,345
Vehicles	298,676	188,062	110,614
Construction in progress	1,836,973	-	1,836,973
Total	\$ <u>20,324,173</u>	\$ <u>3,457,078</u>	\$ <u>16,867,095</u>

	2015		
	<u>Cost</u>	<u>Accumulated Depreciation and Amortization</u>	<u>Book Value</u>
Land	\$ 733,387	\$ -	\$ 733,387
Building and improvements	15,291,899	1,862,608	13,429,291
Equipment	1,154,288	959,274	195,014
Vehicles	298,676	154,594	144,082
Construction in progress	2,371,789	-	2,371,789
Total	\$ <u>19,850,039</u>	\$ <u>2,976,476</u>	\$ <u>16,873,563</u>

For the years ended December 31, 2016 and 2015 depreciation expense amounted to \$480,601 and \$440,590, respectively.

ST. HUBERT'S GIRALDA

Notes to Financial Statements December 31, 2016 and 2015

Note 7 - Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following:

	<u>2016</u>	<u>2015</u>
Building Fund	\$ 267,068	\$ 166,016
Program restrictions	<u>594,841</u>	<u>730,893</u>
Total	<u>\$ 861,909</u>	<u>\$ 896,909</u>

Note 8 - Pension Plan

The Organization has a defined contribution plan covering substantially all of its employees. Employer contributions are discretionary and are based on up to five percent of covered employees' salaries. Employees may elect to make salary reduction contributions to the plan. The Organization did not contribute to the plan for the years ended December 31, 2016 and 2015.

Note 9 - Lease Commitment

The Organization leases office equipment under various operating leases expiring through December 2021.

Aggregate future minimum payments are as follows:

<u>Year Ended December 31,</u>	
2017	\$ 15,852
2018	15,852
2019	15,852
2020	15,852
2021	<u>2,600</u>
Total	<u>\$ 66,008</u>

For the years ended December 31, 2016 and 2015, rent expense amounted to \$13,252 and \$11,952, respectively.

Note 10 - Litigation

The Organization is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material effect on the financial condition or results of operations of the Organization.