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

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

SEC  
Mail Processing  
Section

SEC FILE NUMBER  
**8-67715**

FACING PAGE

FEB 28 2012

**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 01/01/11 AND ENDING 12/31/11  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Powder Point Financial, LLC**

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM ID. NO. \_\_\_\_\_

54 Bay Pond Road  
(No. and Street)

Duxbury  
(City)

MA  
(State)

02332  
(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Marjorie Kelly

(781) 934-4614  
(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Saslow Lufkin & Buggy, LLP

(Name — // individual, state last, first, middle name)

10 Tower Lane  
(Address)

Avon  
(City)

CT  
(State)

06001  
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 be 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).

SEC 1410 (06-02)

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Powder Point Financial, LLC  
(SEC File No. 8-67715)

Independent Auditors' Report, Financial Statements  
and Supplemental Information

As of and for the Years Ended  
December 31, 2011 and 2010

**SIB** | Saslow Lufkin & Buggy, LLP  
*Certified Public Accountants and Consultants*

Powder Point Financial, LLC  
(SEC File No. 8-67715)

This report contains: (check all applicable boxes)

- (a) Facing page.
- (b) Statements of Financial Condition.
- (c) Statements of Operations.
- (d) Statements of Cash Flows.
- (e) Statements of Changes in Member's Equity.
- (f) Statement of Liabilities Subordinated to Claims of General Creditors (not applicable).
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3 (see Note 1 - Description of Business).
- (i) Information Relating to the Possession or Control Requirements under Rule 15c3-3 (not applicable).
- (j) A reconciliation, including appropriate explanation, of the Computation of Net Capital pursuant to Rule 15c3-1 and the Computation for Determination of the Reserve Requirements pursuant to Exhibit A of Rule 15c3-3 (see Note 1 - Description of Business and Note 3 - Net Capital).
- (k) A reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation (not applicable).
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report (not applicable).
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit [see item (o)].
- (o) Supplemental Report on Internal Accounting Control Required by SEC Rule 17a-5 (filed concurrently herein).
- (p) Schedule of segregation requirements and funds in segregation - customer's regulated commodity futures account pursuant to Rule 171-5 (not applicable).

**Powder Point Financial, LLC**  
**Independent Auditors' Report, Financial Statements and Supplemental Information**  
**As of and for the Years Ended December 31, 2011 and 2010**

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Independent Auditors' Report

To the Member of  
Powder Point Financial, LLC:

We have audited the accompanying statements of financial condition of Powder Point Financial, LLC (the Company) as of December 31, 2011 and 2010 and the related statements of operations, changes in member's equity and cash flows for the years then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. 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 of material misstatement. An audit includes 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of Powder Point Financial, LLC as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The information contained in the supplemental schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplemental information required by Rule 17a-5 of the Securities and Exchange Act of 1934. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Saslow Lufkin & Buggy, LLP*

Avon, Connecticut  
February 24, 2012

**Powder Point Financial, LLC**  
**Statements of Financial Condition**  
**December 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
Cash	\$ 25,690	\$ 34,404
Total assets	\$ 25,690	\$ 34,404
<b>Liabilities and Member's Equity</b>		
Liabilities:		
Accounts payable	\$ 3,750	\$ 3,750
Total liabilities	3,750	3,750
Member's equity:		
Member's equity	21,940	30,654
Total member's equity	21,940	30,654
Total liabilities and member's equity	\$ 25,690	\$ 34,404

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

**Powder Point Financial, LLC**  
**Statements of Operations and Changes in Member's Equity**  
**For the Years Ended December 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
Revenues:		
Commissions	\$ -	\$ -
General and administrative expenses:		
Professional fees	3,750	3,750
Registration fees	2,265	2,500
Office expenses	1,285	1,756
State fees	500	520
Regulatory fees	450	-
Bond insurance	364	659
Assessments	100	450
Total general and administrative expenses	<b>8,714</b>	<b>9,635</b>
Net loss	<b>(8,714)</b>	<b>(9,635)</b>
Member's equity, beginning of year	<b>30,654</b>	<b>40,289</b>
Member's equity, end of year	<b>\$ 21,940</b>	<b>\$ 30,654</b>

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

**Powder Point Financial, LLC**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2011 and 2010**

	2011	2010
Cash flows from operating activities:		
Net loss	\$ (8,714)	\$ (9,635)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in assets and liabilities:		
Accounts payable	-	(1,000)
Net cash used in operating activities	(8,714)	(10,635)
Net decrease in cash and cash equivalents	(8,714)	(10,635)
Cash at beginning of year	34,404	45,039
Cash at end of year	\$ 25,690	\$ 34,404

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

**Powder Point Financial, LLC**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2011 and 2010**

**Note 1 - General**

**Organization** - Powder Point Financial, LLC (the Company) was formed in February of 2007 as a limited liability company under the laws of the State of Massachusetts. The Company is a registered broker-dealer located in Duxbury, Massachusetts.

**Description of Business** - As a securities broker and dealer, the Company is engaged in various securities trading and brokerage activities, servicing a diverse group of institutional investors.

The Company is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation. The Company is subject to federal and state security laws, as well as FINRA regulations.

The Company is subject to the net capital requirement under Rule 15c3-1 of the Securities and Exchange Act of 1934 (the Act). The Company does not hold funds or securities for or owe funds or securities to customers, and as such, is exempt from the reserve requirement provisions of the Act under the exemption provisions found within Rule 15c3-3 Section (k)(2)(i).

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Presentation** - The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

**Cash** - In general, the Federal Depository Insurance Corporation (FDIC) insures cash balances up to \$250,000 per depositor, per bank. However, effective December 31, 2010, the FDIC also provides separate unlimited coverage for deposit accounts that meet the definition of non-interest bearing accounts.

**Income Taxes** - FASB ASC 740, "Income Taxes" establishes a threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. FASB ASC 740 is to be applied to all open tax years as of the date of effectiveness.

The Company has elected to be treated as an LLC under the Internal Revenue Code, having the Company's income treated for federal income tax purposes substantially as if the Company were a proprietorship. The Company's net income is reportable on the Member's individual tax return. Accordingly, the financial statements reflect no provision or liability for federal income taxes.

**Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, along with the disclosure of certain contingent assets and liabilities as of the financial statement date. Actual results in the future could vary from the amounts derived from management's estimates and assumptions.

**Powder Point Financial, LLC**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2011 and 2010**

**Note 3 - Net Capital**

The Company, as a registered broker-dealer in securities, is subject to the uniform net capital rule under the Securities Exchange Act of 1934 (SEC Rule 15c3-1). The Company must maintain a minimum net capital of the greater of 6.67% of aggregate indebtedness or \$5,000, and the ratio of aggregate indebtedness to net capital, both as defined, may not exceed 15 to 1. The rule also requires that equity capital may not be withdrawn or cash dividends be paid if net capital is less than 120% of the Company's minimum net capital requirement or its ratio of aggregate indebtedness to net capital exceeds 10 to 1.

At December 31, 2011 and 2010, the Company had net capital of \$21,940 and \$30,654 respectively with a minimum net capital requirement of \$5,000 for both years.

During 2010 and 2011, the Member made no capital withdrawals from the equity of the Company. The Company had adequately satisfied the minimum net capital requirement of \$5,000 and a ratio of aggregate indebtedness to net capital of .17 to 1 and .12 to 1 as of December 31, 2011 and 2010, respectively.

**Note 4 - Concentrations**

The Company's revenues are derived from finder's fees for commitments by introduced investors to various limited partnerships.

**Note 5 - Subsequent Events**

Subsequent events have been evaluated through February 24, 2012, the date through which procedures were performed to prepare the financial statements for issuance. The Member believes there are no subsequent events having a material impact on the financial statements.

**Powder Point Financial, LLC**  
**Computation of Net Capital and Aggregate Indebtedness Pursuant**  
**To Rule 15c3-1 of the Securities and Exchange Commission**  
**December 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>Net Capital:</b>		
Member's equity	<u>\$ 21,940</u>	<u>\$ 30,654</u>
Total net capital	<b>21,940</b>	30,654
Less net capital requirement [greater of \$0 in 2011 and 2010 (6.67% of aggregate indebtedness) or \$5,000]	<u>5,000</u>	<u>5,000</u>
Net capital in excess of requirements	<u><u>\$ 16,940</u></u>	<u><u>\$ 25,654</u></u>
 <b>Aggregate Indebtedness:</b>		
Total liabilities	<u>3,750</u>	<u>\$ 3,750</u>
Aggregate indebtedness	<u><u>\$ 3,750</u></u>	<u><u>\$ 3,750</u></u>
Ratio of aggregate indebtedness to net capital	<u><u>.17 to 1</u></u>	<u><u>.12 to 1</u></u>

**Note:** There were no material differences between net capital and aggregate indebtedness as reported above and what was previously reported by the Company in Part IIA of Form X-17A-5 as of December 31, 2011 and 2010.

Supplemental Report on Internal Control Required by SEC Rule 17(a)-5(g)(1) for a Broker-Dealer Claiming an Exemption From SEC Rule 15c3-3

To the Member of  
Powder Point Financial, LLC:

In planning and performing our audit of the financial statements of Powder Point Financial, LLC (the Company) as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expression an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of the Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments made by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the previous paragraphs and would not necessarily identify all deficiencies in internal control that might be significant deficiencies. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above, as of December 31, 2011.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2011 to meet the SEC's objectives.

This report is intended solely for the information and use of the Member, the Securities and Exchange Commission, the Financial Industry Regulatory Authority and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*Saslow Lufkin & Buggy, LLP*

Avon, Connecticut  
February 24, 2012

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Saslow Lufkin & Buggy, LLP

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*Certified Public Accountants and Consultants*