

DD  
8/29/13

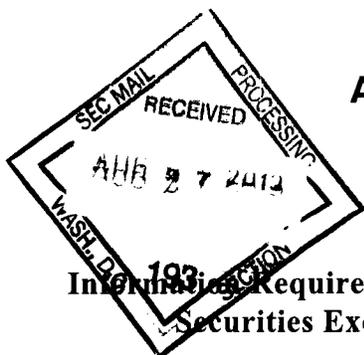
SECUI



SSION

13014527

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
Estimated average burden hours per response.....	12.00



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

SEC FILE NUMBER
8- 51876

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 07/01/12 AND ENDING 06/30/13  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: RETIREMENT RESOURCES INVESTMENT CORPORATION

OFFICIAL USE ONLY
FIRM I.D. NO.

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

100 CORPORATE PLACE

(No. and Street)

PEABODY

MA

01960

(City)

(State)

(Zip Code)

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

JAMES PHILLIPS

(978) 536-9000

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

BRACE & ASSOCIATES, PLLC

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

PMB 335, 123 NASHUA RD, UNIT 17

LONDONDERRY

NH

03053

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

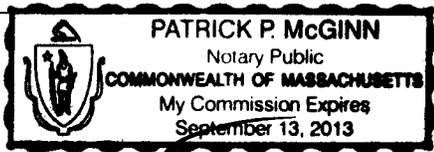
FOR OFFICIAL USE ONLY

\*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)

DD  
8/29/13  
KW  
8/29/13

OATH OR AFFIRMATION

I, JAMES PHILLIPS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of RETIREMENT RESOURCES INVESTMENT CORPORATION, as of JUNE 30, 20 13, 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:



Handwritten signature of James Phillips

Signature

PRESIDENT

Title

Handwritten signature of Notary Public

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 Changes in Financial Condition.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' 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 15c3-3.
(i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
(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 the 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) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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

**RETIREMENT RESOURCES INVESTMENT  
CORPORATION**

**FINANCIAL STATEMENT**

**JUNE 30, 2013**

# BRACE & ASSOCIATES, PLLC

*Certified Public Accountant*

PMB 335, 123 NASHUA ROAD, UNIT 17

LONDONDERRY, NH 03053

TEL. (603) 889-4243

FAX (603) 882-7371

## **Independent Auditor's Report**

To the Board of Directors  
Retirement Resources Investment Corporation  
Peabody, MA

I have audited the accompanying statement of financial condition of Retirement Resources Investment Corporation, (the Company) as of June 30, 2013, that is filed pursuant to rule 17a-5 of the Securities Exchange Act of 1934 and the related notes to the financial statement.

### **Management's Responsibility for the Financial statement**

Management is responsible for the preparation and fair presentation of this financial statement 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 statement that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on this financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statement 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 Company's internal control. Accordingly, I 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 statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Retirement Resources Investment Corporation as of June 30, 2013, in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

My audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The information contained in Schedules I, II, III and IV is presented for purposes of additional analysis and is not a required part of the financial statement, but is supplementary information required by rule 17a-5 under the Securities 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 statement. The information in Schedules I, II, III and IV has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement themselves, and other additional procedures in accordance with auditing standards general accepted in the United States of America. In my opinion, the information in Schedules I, II, III and IV is fairly stated in all material respects in relation to the financial statement as a whole.

*Brace & Associates, PLLC*

Brace & Associates, PLLC  
Certified Public Accountant  
Londonderry, New Hampshire  
August 12, 2013

**BRACE & ASSOCIATES, PLLC**  
*Certified Public Accountant*

**RETIREMENT RESOURCES INVESTMENT CORPORATION**

**STATEMENT OF FINANCIAL CONDITION**

**JUNE 30, 2013**

**ASSETS**

Cash and cash equivalents	\$ 52,791
Receivables from broker-dealers and clearing organizations	46,637
Other receivables	1,180
Prepaid expenses	9,978
Deposit with clearing organization	15,000
Other deposits	10,000
Undeposited funds	604
Furniture and equipment at cost, less, accumulated depreciation of \$27,032	<u>8,332</u>
Total assets	<u>\$ 144,522</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Accounts payable, accrued expenses, and other liabilities	\$ 22,545
Sub-lease deposit	<u>1,645</u>
Total liabilities	24,190
Stockholder's equity:	
Common stock, no par value, shares authorized 200,000; 10,000 issued and outstanding shares	1,000
Additional paid-in capital	55,880
Retained earnings	<u>63,452</u>
Total stockholder's equity	<u>120,332</u>
Total stockholder's equity and liabilities	<u>\$ 144,522</u>

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

# RETIREMENT RESOURCES INVESTMENT CORPORATION

## NOTES TO FINANCIAL STATEMENT

JUNE 30, 2013

### NOTE 1- SIGNIFICANT ACCOUNTING POLICIES

#### **Organization and Nature of Business**

The Company was incorporated in Massachusetts on April 15, 1999. It serves as a broker/dealer in securities and provides retirement services to its clients through its office in Peabody, MA. Related commission revenue and expenses are recorded on a trade date basis.

#### **Fixed Assets**

Furniture and equipment are being depreciated using the straight-line method over their estimated useful lives, ranging from five to seven years.

#### **Use of Estimates**

The preparation of financial statement in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the date of the financial statement, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Compensated Absences**

Employees of the Company are entitled to paid vacations, paid sick days, and personal days off, depending on the job classification, length of service, and other factors. The accrual cannot be reasonably estimated, and accordingly, no liability has been recorded in the financial statement. The Company's policy is to recognize the costs of compensated absences when actually paid to employees.

#### **Management's Review for Subsequent Events**

Management had evaluated subsequent events through August 12, 2013, the date which the financial statement were available to be issued.

### NOTE 2- INCOME TAXES

The company and its stockholders elected to be subject to the S corporation provisions of the Internal Revenue Code. Accordingly, all income or losses and applicable tax credits are reported on the stockholders' individual income tax returns. Massachusetts levies a minimum entity tax on Subchapter S corporations which is reflected in the current period expenses. The company files tax returns in the U.S. federal jurisdiction and various state jurisdictions. The company is no longer subject to U.S. federal and state examinations by tax authorities for years before 2009.

# RETIREMENT RESOURCES INVESTMENT CORPORATION

## NOTES TO FINANCIAL STATEMENT (Continued)

JUNE 30, 2013

### NOTE 2- INCOME TAXES (Continued)

The Company follows the provisions of uncertain tax positions as addressed in FASB Accounting Standards Codification 740-10-65-1. The Company recognized no increase in the liability for unrecognized tax benefits. The Company has no tax position at June 30, 2013 for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. No such interest or penalties were recognized during the period presented. The Company had no accruals for interest and penalties at June 30, 2013.

### NOTE 3- 401(K) PROFIT SHARING PLAN

The Company has a qualified 401(k) profit sharing plan that covers substantially all full-time employees meeting certain eligibility requirements. The annual contribution is determined by the Management and is limited to amounts allowed under provisions of the Internal Revenue Code.

### NOTE 4- NET CAPITAL

As a broker dealer, the Company is subject to the Securities and Exchange Commission's regulations and operating guidelines, which require the Company to maintain a specified amount of net capital as defined, and a ratio of aggregate indebtedness to net capital as derived, not exceeding 15 to 1. The Company's net capital as computed under 15c3-1, was \$49,966 at June 30, 2013, this exceeded required net capital of \$5,000 by \$44,966. The ratio of aggregate indebtedness to net capital at June 30, 2013 was 48.4%.

### NOTE 5- COMMITMENTS AND CONTINGENCIES

The Company is committed to operating leases for office space and office equipment. Approximate future minimum lease payments of all non-cancelable operating leases for the next three years are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 29,679
2015	30,529
2016	<u>2,550</u>
Total	<u>\$ 62,758</u>

**RETIREMENT RESOURCES INVESTMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENT (Continued)**

**JUNE 30, 2013**

**NOTE 5- COMMITMENTS AND CONTINGENCIES (continued)**

A portion of the Company's leased office space is subleased to an unrelated party under a noncancelable lease that expires at the same time in 2015 as the Company's lease. The Company's lease expense will be offset by payments due under the sublease as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 13,356
2015	13,738
2016	<u>1,148</u>
Total	<u>\$ 28,242</u>

**NOTE 6- CONCENTRATION OF CREDIT RISK**

The Company is engaged in various trading and brokerage activities with counterparties. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the credit worthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty with which it conducts business.

**RETIREMENT RESOURCES INVESTMENT CORPORATION**

**SUPPLEMENTARY SCHEDULES**

**FOR THE YEAR ENDED JUNE 30, 2013**

**SCHEDULE I**

**RETIREMENT RESOURCES INVESTMENT CORPORATION**

**COMPUTATION OF AGGREGATE INDEBTEDNESS AND NET CAPITAL  
PURSUANT TO RULE 15c3-1**

**JUNE 30, 2013**

Total ownership equity from statement of financial condition	\$ 120,332
Total nonallowable assets from statement of financial condition	<u>(70,366)</u>
Net capital before haircuts on securities positions	49,966
Haircuts on securities	<u>-</u>
Net capital	<u>\$ 49,966</u>
Aggregate indebtedness:	
Total A.I. liabilities from statement of financial condition	<u>\$ 24,190</u>
Total aggregate indebtedness	<u>\$ 24,190</u>
Percentage of aggregate indebtedness to net capital	<u>48.4%</u>
Computation of basic net capital requirement:	
Minimum net capital required (6-2/3% of A.I.)	<u>\$ 1,613</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>\$ 5,000</u>
Net capital requirement	<u>\$ 5,000</u>
Excess net capital	<u>\$ 44,966</u>
Excess net capital at 1000%	<u>\$ 47,547</u>

There were no material differences between the audited and unaudited computation of net capital.

## **SCHEDULE II**

### **RETIREMENT RESOURCES INVESTMENT CORPORATION** **INFORMATION RELATING TO POSSESSION OR CONTROL** **REQUIREMENTS UNDER RULE 15c3-3**

**JUNE 30, 2013**

The Company had no items reportable as customers' fully paid securities: (1) not in the Company's possession or control as of the audit date (for which instructions to reduce to possession or control had been issued as of the audit date) but for which the required action was not taken by the Company within the time frames specified under Rule 15c3-3 or (2) for which instructions to reduce to possession or control had not been issued as of the audit date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3. The Company is exempt from Securities and Exchange Commission (SEC) Rule 15c3-3 pursuant to the exemptive provisions of sub-paragraph (k)(2)(i).

**SCHEDULE III**

**RETIREMENT RESOURCES INVESTMENT CORPORATION**

**SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS  
IN SEGREGATION FOR CUSTOMERS' REGULATED  
COMMODITY FUTURES AND OPTION ACCOUNTS**

**JUNE 30, 2013**

The Company claims exemption from the segregation requirements of the Commodities Futures Act since it has no commodity customers as the term is defined in Regulation 1.3(k).

**SCHEDULE IV**

**RETIREMENT RESOURCES INVESTMENT CORPORATION**

**COMPUTATION FOR DETERMINATION OF  
RESERVE REQUIREMENTS FOR BROKER/DEALER UNDER  
RULE 15c3-3 OF THE SECURITIES EXCHANGE ACT OF 1934**

**JUNE 30, 2013**

Retirement Resources Investment Corporation is exempt from the reserve requirements of Rule 15c3-3 under section (k)(2)(ii) as it is an introducing broker or dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, and it 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 Sec. 240.17a-3 and Sec. 240.17a-4 of this chapter, as are customarily made and kept by a clearing broker or dealer, accordingly, the computation for determination of reserve requirements pursuant to Rule 15c3-3 and information relating to the possession or control requirement pursuant to Rule 15c3-3 are not applicable.