

tz  
6/3

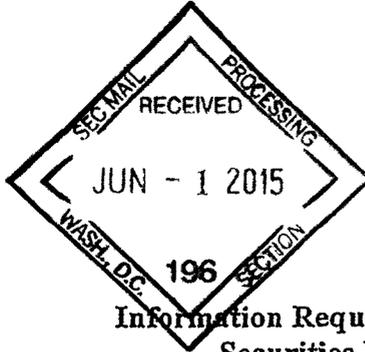


SECUR

15026544

SION

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- 42366

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 04/01/2014 AND ENDING 03/31/2015  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: The Garbacz Group, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

655 Craig Road, Suite 104

(No. and Street)

St. Louis

MO

63141

(City)

(State)

(Zip Code)

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

Joseph Garbacz

314-991-1303

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

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

Boyd, Franz & Stephans LLP, CPA's

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

999 Executive Parkway, Suite 301

St. Louis

MO

63141

(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)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

tz

OATH OR AFFIRMATION

I, Joseph Garbacz, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of The Garbacz Group, Inc., as of March 31, 2015, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Signature  
President  
Title

Laura M Marsh  
Notary Public



LAURA M. MARSH  
My Commission Expires  
June 3, 2018  
Warren County  
Commission #14432644

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).

THE GARBACZ GROUP, INC.

---

FINANCIAL STATEMENTS WITH REPORT  
OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM

---

MARCH 31, 2015



Boyd, Franz & Stephans, LLP

---

Certified Public Accountants

**THE GARBACZ GROUP, INC.**

---

**FINANCIAL STATEMENTS WITH REPORT  
OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM**

---

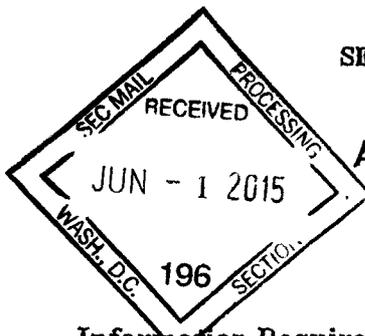
**MARCH 31, 2015**

**AVAILABLE FOR PUBLIC INSPECTION**

**THE GARBACZ GROUP, INC.**

**TABLE OF CONTENTS**

<b>FACING PAGE</b>	<b>1-2</b>
<b>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</b>	<b>3</b>
<b>FINANCIAL STATEMENTS:</b>	
<b>Statement of Financial Condition</b>	<b>4</b>
<b>Notes to Financial Statements</b>	<b>5-7</b>
<b>EXEMPTION REPORT SEA RULE 17a-5(d)(4)</b>	<b>8</b>
<b>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM REVIEW OF THE EXEMPTION REPORT SEA RULE 17-a-5(g)(2)(ii)</b>	<b>9</b>



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

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-

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 04/01/2014 AND ENDING 03/31/2015  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: The Garbacz Group, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

655 Craig Road, Suite 104

(No. and Street)

St. Louis

(City)

MO

(State)

63141

(Zip Code)

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

Joseph Garbacz

314-991-1303

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Boyd, Franz & Stephans LLP, CPA's

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

999 Executive Parkway, Suite 301

(Address)

St. Louis

(City)

MO

(State)

63141

(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)

OATH OR AFFIRMATION

I, Joseph Garbacz, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of The Garbacz Group, Inc., as of March 31, 2015, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Signature  
President  
Title

[Signature]  
Notary Public



LAURA M. MARSH  
My Commission Expires  
June 3, 2018  
Warren County  
Commission #14432644

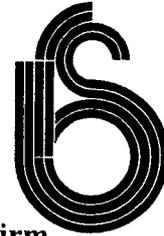
This report \*\* contains (check all applicable boxes):

- (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).

Certified Public Accountants

John P. Nanos, CPA  
Stephen M. King, CPA  
Michael P. Siebert, CPA



**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholders  
of The Garbacz Group, Inc.

We have audited the accompanying statement of financial condition of The Garbacz Group, Inc., (a Missouri corporation) as of March 31, 2015, that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements. The Garbacz Group, Inc.'s management is responsible for this financial statement. 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 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 position, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial position presentation. 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 condition of The Garbacz Group, Inc. as of March 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

*Boyd, Franz & Stephans LLP*

Boyd, Franz & Stephans LLP  
St. Louis, Missouri  
May 7, 2015

# THE GARBACZ GROUP, INC.

## STATEMENT OF FINANCIAL CONDITION

MARCH 31, 2015

Statement No. 1

### ASSETS

Cash and cash equivalents		\$	186,517
Commissions receivable			10,903
Income taxes refunds receivable			18,327
Temporary investments, at market (Note 3)			90,147
Property, furniture, equipment and leasehold improvements - net of accumulated depreciation of \$79,336			4,661
Other assets:			
Deposit	\$	25,000	
Prepaid expenses		<u>3,549</u>	<u>28,549</u>
Total assets			\$ <u><u>339,104</u></u>

### LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities:			
Accounts payable		\$	3,027
Accrued retirement plan contribution (Note 8)			3,435
Accrued salaries			<u>318</u>
Total liabilities			\$ 6,780
Stockholder's equity:			
Common stock, authorized 100,000 shares, issued and outstanding 25,000 shares	\$	25,000	
Retained earnings		<u>307,324</u>	<u>332,324</u>
Total liabilities and stockholder's equity			\$ <u><u>339,104</u></u>

**NOTE 1 - DESCRIPTION OF BUSINESS:**

The Garbacz Group, Inc., a Missouri corporation, was organized in 1990 for the purpose of providing broker-dealer services to its customers. The Company services the Midwest region of the United States and sells stocks and bonds, variable and fixed annuities and mutual funds.

The Company is a registered broker-dealer in securities that introduces its customers to another broker-dealer who carries such accounts on a fully disclosed basis. The Company promptly forwards all funds and securities received in connection with its activities as broker-dealer and does not otherwise hold funds or securities for, or owe money to, customers and does not otherwise carry proprietary or customer accounts.

**NOTE 2 - CONCENTRATIONS OF CREDIT RISK:**

The Company maintains its cash deposits in various financial institutions, which sometimes include amounts in excess of that insured by the Federal Deposit Insurance Corporation.

**NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES:**

Security transactions and related commission revenue and expense are recorded on a trade date basis. Acting as an agent, the Company may buy and sell securities on behalf of its customers. In return for such services, the Company charges a commission. Each time customers enter into a buy or sell transaction, a commission is earned by the Company for its selling and administration efforts.

The Company records temporary investments at market and the unrealized gain/loss is reflected on the books.

Fixed assets are carried at cost, less accumulated depreciation computed using both the straight-line and accelerated methods. Depreciation for the year ended March 31, 2015, is \$3,950. Fixed assets are depreciated as follows:

	<u>Estimated Useful Life</u>	<u>Cost</u>	<u>Depreciation</u>
Equipment, Furniture and Fixtures	3-7 Years	<u>\$83,997</u>	<u>\$79,336</u>

Commissions payable are current obligations to brokers resulting from the buying and selling of securities and annuities to customers in the ordinary course of business.

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The Company's policy is to expense non-direct response advertising costs when incurred. The total advertising costs charge to expense for the year ended March 31, 2015, was \$470. The Company does not utilize direct-response advertising and, accordingly, no provision for capitalizing these costs have been made.

**THE GARBACZ GROUP, INC.**

**NOTES TO STATEMENT OF FINANCIAL CONDITION**

**MARCH 31, 2015**

**Statement No. 1a**

**NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Substantially all of the Company's financial assets and liabilities, as well as financial instruments with off-balance sheet risk, are carried at market or fair values or are carried at amounts that approximate fair value because of their short-term nature. Fair value is estimated at a specific point in time, based on relevant market information or the value of the underlying financial instrument. These estimates do not generally reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument.

**NOTE 4 – INCOME TAXES:**

The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2011.

Deferred income taxes result from differences in the timing of revenue and expense recognition for tax purposes and financial reporting purposes.

**NOTE 5 – NET CAPITAL REQUIREMENTS:**

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. At March 31, 2015, the Company had net capital and net capital requirements of approximately \$240,729 and \$50,000, respectively. The Company's ratio of aggregate indebtedness to net capital is .028 to 1.00.

**NOTE 6 – RESERVE REQUIREMENTS:**

The Company is exempt from the reserve requirements of the Securities and Exchange Act of 1934, per section (K)(2)(ii) of Rule 15c3-3.

**NOTE 7 – LEASES:**

In April 2015, the Company renewed its lease agreement commencing July 1, 2015, through June 30, 2018. In the normal course of business, operating leases are generally renewed or replaced by other leases. Required yearly payments are as follows:

2015	\$ 23,904
2016	23,904
2017	23,904
2018	<u>5,976</u>
	\$ <u>77,688</u>

**NOTE 8 – SIMPLIFIED EMPLOYEE PENSION PLAN:**

Effective April 30, 2014, the Company established a 401k plan which covers all eligible employees. A contribution of \$3,435 was made for the current year.

**NOTE 9 – FAIR VALUE MEASUREMENT:**

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principle market for the asset or liability or, in the absence of principle market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities the Company has the ability to assess.
- Level 2 inputs are inputs (other than quoted prices included in level 1) that are observable for the asset or liability either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

At March 31, 2015, the Company did not have any level 2 or level 3 inputs.

**NOTE 10 – SUBSEQUENT EVENTS:**

The Company has evaluated subsequent events through May 7, 2015, the date which the Financial Statements were issued.

**NOTE 11 – COMMITMENTS AND CONTIGENCIES:**

The Company has no commitments or contingencies that require disclosure through May 7, 2015, the date of the Independent Auditor's Report.

**EXEMPTION REPORT  
SEA RULE 17a-5(d)(4)**

**Boyd, Franz & Stephans, LLP  
999 Executive Parkway  
Suite 301  
St. Louis, MO 63141**

**To Whom It May Concern:**

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

**The Garbacz Group, Inc. is a broker/dealer registered with the SEC and FINRA. Pursuant to paragraph k(2)(ii) of SEA Rule 15c3-3, the Company is claiming an exemption from SEA Rule 15c3-3 for the fiscal year ended March 31, 2015.**

**The Company has met the identified exemption provisions throughout the most recent fiscal year without exception.**

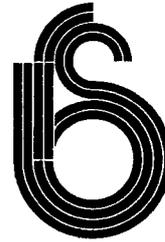
**The above statement is true and correct to the best of my and the Company's knowledge.**

**Signed:** 

**Name: Joseph A. Garbacz**

**Title: President**

John P. Nanos, CPA  
Stephen M. King, CPA  
Michael P. Siebert, CPA



**Report of Independent Registered Public Accounting**

To the Board of Directors and Stockholders  
of The Garbacz Group, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report SEA Rule 17a-5(d)(4), in which (1) The Garbacz Group, Inc. identified the following provisions of 17 C.F.R. §240.15c3-3: (2)(ii) (the "exemption provisions") and (2) The Garbacz Group, Inc. stated that The Garbacz Group, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. The Garbacz Group, 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 The Garbacz Group, 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 statements. 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 conditions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Boyd, Franz & Stephans LLP*

Boyd, Franz & Stephans LLP  
St. Louis, Missouri  
May 7, 2015