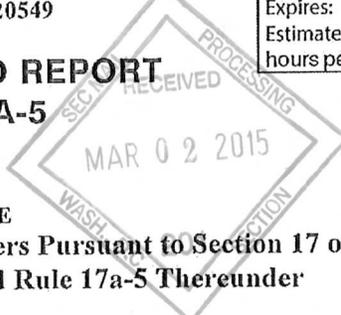




UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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- 35379

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 1/1/2014 AND ENDING 12/31/2014  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Hankerson Financial, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

2929 North 44th Street, #200

(No. and Street)

Phoenix

(City)

Arizona

(State)

85018

(Zip Code)

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

William Hankerson

602-840-0880

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Breard & Associates, Inc.

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

9221 Corbin Avenue, Suite 170 Northridge

(Address)

CA

(City)

91324

(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.

KW  
3/11

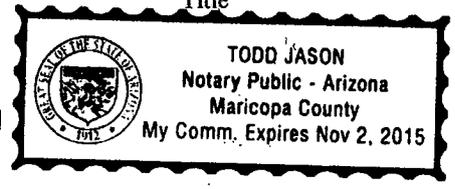
OATH OR AFFIRMATION

I, William Hankerson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Hankerson Financial, Inc., as of December 31, 20 14, 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:

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

Todd Jason  
Notary Public

\_\_\_\_\_  
Signature  
President Wm Hankerson  
Title



This report ~~is~~ 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).



BREARD & ASSOCIATES, INC.  
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Registered Public Accounting Firm

Board of Directors  
Hankerson Financial, Inc.

We have audited the accompanying statement of financial condition of Hankerson Financial, Inc. (the "Company") as of December 31, 2014, and the related statement of operations changes in stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of Hankerson Financial, Inc.'s management. 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 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation the overall financial statement presentation. We believe that our audit provides a basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hankerson Financial, Inc. as of December 31, 2014, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The information contained in Schedule I, II and III (supplemental information) has been subjected to audit procedures performed in conjunction with the audit of Hankerson Financial, Inc.'s financial statements. The supplemental information is the responsibility of Hankerson Financial, Inc.'s management. Our audit procedures included determining whether the supplemental 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 supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, Schedules I, II and III are fairly stated, in all material respects, in relation to the financial statements as a whole.

Breard & Associates, Inc.  
Certified Public Accountants

Northridge, California  
February 25, 2015

**Hankerson Financial, Inc.**  
**Statement of Financial Condition**  
**December 31, 2014**

**Assets**

Cash	\$ 148,557
Commissions receivable	7,539
Investments, at market value	7,355
Other receivables	6,405
Prepaid expenses	<u>5,911</u>
<b>Total assets</b>	<u><u>\$ 175,767</u></u>

**Liabilities and Stockholder's Equity**

**Liabilities**

Commissions payable	\$ 6,952
Accrued payroll tax liability	<u>1,583</u>
<b>Total liabilities</b>	8,535

**Stockholder's equity**

Common stock, no par value, 100,000 shares authorized, 15,000 shares issued and outstanding	15,000
Retained earnings	<u>152,232</u>
<b>Total stockholder's equity</b>	<u>167,232</u>
<b>Total liabilities and stockholder's equity</b>	<u><u>\$ 175,767</u></u>

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

**Hankerson Financial, Inc.**  
**Statement of**  
**Operations**  
**For the Year Ended December 31, 2014**

**Revenues**

Commissions	\$ 65,511
Interest & dividend income	216
Net investment gains (losses)	<u>(1,931)</u>
<b>Total revenues</b>	<b>63,796</b>

**Expenses**

Employee compensation and benefits	12,960
Commission expense	32,216
Occupancy and equipment rental	9,000
Other operating expenses	<u>17,064</u>
<b>Total expenses</b>	<u>71,240</u>
<b>Net income (loss) before income tax provision</b>	<b>(7,444)</b>

<b>Income tax provision</b>	<u>-</u>
<b>Net income (loss)</b>	<u><u>\$ (7,444)</u></u>

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

**Hankerson Financial, Inc.**  
**Statement of Changes in Stockholder's Equity**  
**For the Year Ended December 31, 2014**

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
<b>Balance at December 31, 2013</b>	\$ 15,000	\$ 159,676	\$ 174,676
Net income (loss)	-	(7,444)	(7,444)
<b>Balance at December 31, 2014</b>	<u>\$ 15,000</u>	<u>\$ 152,232</u>	<u>\$ 167,232</u>

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

**Hankerson Financial, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2014**

**Cash flow from operating activities:**

Net income (loss)		\$	(7,444)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Mark to market of investments, at market value	\$		1,857
(Increase) decrease in assets:			
Commissions receivable			1,487
Other receivables			19
Prepaid expenses			(2,405)
Increase (decrease) in liabilities:			
Commissions payable			(1,114)
Accrued payroll tax liability			<u>0</u>
Total adjustments			<u>(156)</u>
<b>Net cash provided by (used in) operating activities</b>			<b>(7,600)</b>
<b>Net cash provided by (used in) investing activities</b>			<b>-</b>
<b>Net cash provided by (used in) financing activities</b>			<b><u>-</u></b>
<b>Net increase (decrease) in cash</b>			<b>(7,600)</b>
<b>Cash at beginning of year</b>			<b><u>156,157</u></b>
<b>Cash at end of year</b>			<b><u><u>\$ 148,557</u></u></b>

**Supplemental disclosure of cash flow information:**

Cash paid during the year for:

Interest	\$		-
Income taxes			-

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

**Hankerson Financial, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*General*

Hankerson Financial, Inc. (the "Company") was incorporated in the State of Arizona on December 23, 1985. The Company is a registered broker-dealer in securities under the Securities and Exchange Act of 1934, a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC").

The Company forwards client transactions to direct participation programs and mutual funds, which carry such accounts; therefore, no customer accounts are reflected in the financial statements. The Company earns commissions for introducing investors to various investment projects, such as direct participation programs and mutual funds. Commission revenue and commission expense are recognized on the date the investment is funded by the investor.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3(k)(2)(i), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers. Accordingly, the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

*Summary of Significant Accounting Policies*

The presentation 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 and liabilities and disclosure of contingent assets and liabilities at 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.

Commissions receivable are stated at face amount with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial.

Securities transactions are recorded on a trade date basis with related commission income and expenses also recorded on a trade date basis.

**Hankerson Financial, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

With the consent of its shareholders, the Company has elected to be treated as an S Corporation under Subchapter S of the Internal Revenue Code. Subchapter S of the Code provides that in lieu of corporate income taxes, the stockholders are individually taxed on the Company's taxable income; therefore, no provision or liability for Federal Income Taxes is included in these financial statements.

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through the date the financial statements were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

**Note 2: INVESTMENTS, AT MARKET VALUE**

Investments, at market value are comprised of an investment in a mutual fund. The Company recorded an unrealized loss of \$1,931 in net investment gains and losses for the mark to market for this investment for the year ended December 31, 2014. As of December 31, 2014, the fair market value of this investment was \$7,355.

**Note 3: INCOME TAXES**

As discussed in Note 1 the Company has elected the S Corporate tax status; therefore, no federal income tax provision is reported.

**Hankerson Financial, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

**Note 4: FAIR VALUE MEASUREMENT - ACCOUNTING PRONOUNCEMENT**

On January 1, 2009, the Company adopted FASB ASC 820, Fair Value Measurements and Disclosures, which 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 principal market for the asset or liability or, in the absence of a principal 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 - Quoted prices in an active market for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and model derived prices whose inputs are observable or whose significant value drivers are observable;

Level 3 - Assets and liabilities whose significant value drivers are unobservable.

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2014:

<b>Assets</b>	<b><u>Fair Value</u></b>	<b><u>Level 1 Inputs</u></b>	<b><u>Level 2 Inputs</u></b>	<b><u>Level 3 Inputs</u></b>
Investments, at market value	\$ 7,355	\$ 7,355	\$ -	\$ -
<b>Total</b>	<b><u>\$ 7,355</u></b>	<b><u>\$ 7,355</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

**Hankerson Financial, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

**Note 5: RELATED PARTY TRANSACTIONS**

The Company's sole shareholder is also the sole shareholder of a related entity. William Hankerson, Ltd ("LTD"). LTD provides research services to the Company. The Company leases its office space from LTD pursuant to a month-to-month lease agreement, which includes rent, secretarial services and other office expenses.

A summary of related party transaction is as follows:

Rent and related office expenses	\$9,000
----------------------------------	---------

It is possible that the terms of certain of the related party transactions are not the same as those that would result for transactions among wholly unrelated parties.

**Note 6: CONCENTRATIONS OF CREDIT RISK**

The Company is engaged in various trading and brokerage activities in which counter-parties primarily include broker-dealers, banks, and other financial institutions. In the event counter-parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter-party.

**Note 7: RECENTLY ISSUED ACCOUNTING STANDARDS**

The Financial Accounting Standards Board (the "FASB") has established the Accounting Standards Codification ("Codification" or "ASC") as the authoritative source of generally accepted accounting principles ("GAAP") recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with GAAP in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates ("ASUs")

**Hankerson Financial, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

**Note 7: RECENTLY ISSUED ACCOUNTING STANDARDS**  
**(Continued)**

For the year ending December 31, 2014, various ASUs issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended. The Company has reviewed the following ASU releases to determine relevance to the Company's operations:

<u>ASU Number</u>	<u>Title</u>	<u>Effective Date</u>
2013-02	Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income <i>(February 2013)</i> .	After 12/15/13
2013-11	Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists <i>(July 2013)</i> .	After 12/15/14
2014-08	Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity <i>(April 2014)</i> .	After 12/15/14
2014-09	Revenue from Contracts with Customers (Topic 606): Revenue from Contracts with Customers <i>(May 2014)</i> .	After 12/15/17
2014-15	Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern <i>(August 2014)</i> .	After 12/15/16

The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

**Hankerson Financial, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

**Note 8: NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission 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. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Net capital and aggregate indebtedness change day to day, but on December 31, 2014, the Company had net capital of \$153,226 which was \$148,226 in excess of its required net capital of \$5,000; and the Company's ratio of aggregate indebtedness (\$8,535) to net capital was 0.06 to 1, which is less than the 15 to 1 maximum allowed.

**Hankerson Financial, Inc.**  
**Schedule I - Computation of Net Capital Requirements**  
**Pursuant to Rule 15c3-1**  
**As of December 31, 2014**

**Computation of net capital**

Common stock	\$ 15,000	
Retained earnings	<u>152,232</u>	
<b>Total stockholder's equity</b>		<b>\$ 167,232</b>
Less: Non-allowable assets		
Other receivables	(6,405)	
Commission receivable, in excess of payable	( 587)	
Prepaid expenses	<u>(5,911)</u>	
<b>Total non-allowable assets</b>		<u>(12,903)</u>
<b>Net capital before haircuts</b>		<b>154,329</b>
Less: Haircuts on securities		
Haircut on marketable securities	<u>(1,103)</u>	
<b>Total haircuts on securities</b>		<u>(1,103)</u>
<b>Net Capital</b>		<b>153,226</b>
<b>Computation of net capital requirements</b>		
Minimum net capital requirements		
6 2/3 percent of net aggregate indebtedness	\$ 569	
Minimum dollar net capital required	<u>\$ 5,000</u>	
Net capital required (greater of above)		<u>(5,000)</u>
<b>Excess net capital</b>		<b><u>\$ 148,226</u></b>
Ratio of aggregate indebtedness to net capital	0.06 : 1	

There was no material difference between net capital computation shown here and the net capital computation shown on the Company's unaudited Form X-17A-5 report dated December 31, 2014.

*See independent auditor's report*

Hankerson Financial, Inc.  
Schedule II- Computation for Determining of Reserve  
Requirements Pursuant to Rule 15c3-3  
As of December 31, 2014

A computation of reserve requirements is not applicable to Hankerson Financial, Inc. as the Company qualifies for exemption under Rule 15c3-3(k)(2)(i).

*See independent auditor's report*

Hankerson Financial, Inc.  
**Schedule III - Information Relating to Possession or Control  
Requirements Pursuant to Rule 15c3-3  
As of December 31, 2014**

Information relating to possession or control requirements is not applicable to Hankerson Financial, Inc. as the Company qualifies for exemption under Rule 15c3-3(k)(2)(i).

*See independent auditor's report*

**Hankerson Financial, Inc.**  
**Report on Exemption Provisions**  
**Report Pursuant to Provisions of 17 C.F.R. § 15c3-3(k)**  
**For the Year Ended December 31, 2014**



**Report of Independent Registered Public Accounting Firm**

We have reviewed management's statements, included in the accompanying Assertions Regarding Exemption Provisions, in which (1) Hankerson Financial, Inc. identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Hankerson Financial, Inc. claimed an exemption from 17 C.F.R. § 240.15c3-3(k)(2)(i) (the "exemption provisions") and (2) Hankerson Financial, Inc. stated that Hankerson Financial, Inc. meets the identified exemption provisions throughout the most recent fiscal year without exception. Hankerson Financial, 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 Hankerson Financial, 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 provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Breard & Associates, Inc.  
Certified Public Accountants

Northridge, California  
February 25, 2015

## Assertions Regarding Exemption Provisions

We, as members of management of Hankerson Financial, Inc ("the Company"), are responsible for compliance with the annual reporting requirements under Rule 17a-5 of the Securities Exchange Act of 1934. Those requirements compel a broker or dealer to file annual reports with the Securities Exchange Commission (SEC) and the broker or dealer's designated examining authority (DEA). One of the reports to be included in the annual filing is an exemption report prepared by an independent public accountant based upon a review of assertions provided by the broker or dealer. Pursuant to that requirement, the management of the Company hereby makes the following assertions:

### Identified Exemption Provision:

The Company claims exemption from the custody and reserve provisions of Rule 15c3-3 by operating under the exemption provided by Rule 15c3-3, Paragraph (k)(2)(i).

### Statement Regarding Meeting Exemption Provision:

The Company met the identified exemption provision without exception throughout the period ending December 31, 2014.

Hankerson Financial, Inc

By:

Wm Hankerson  
William Hankerson, President

1/26/15  
(Date)

*Document I: No Exceptions to Meeting Exemption*