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

SEC FILE NUMBER
8- 30790

MAR 25 2016
Washington DC
403

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 2/1/2015 AND ENDING 1/31/2016
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Pacific Commonwealth Corporation**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1100 Mar West Street, Suite E

Tiburon (City) **California** (State) **94920** (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Melanie Hoffner **(415) 435-8400**
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Navolio & Tallman LLP

255 California Street, Suite 400 (Address) **San Francisco** (City) **California** (State) **94111** (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, Melanie Hoffner, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Pacific Commonwealth Corporation, as of January 31, 20 16, 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:

None

A Notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

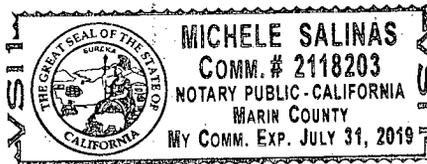
Melanie K Hoffner
Signature

CFO
Title

State of California)
County of Marin)

Subscribed and sworn to before me on this 21st day of March 2016, by Melanie K Hoffner, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Michele Salinas
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).

8-30790

FINANCIAL STATEMENTS
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
AND SUPPLEMENTAL REPORTS/SCHEDULES
AND EXEMPTION REPORT REVIEW
AND EXEMPTION REPORT

PACIFIC COMMONWEALTH CORPORATION
BD# 14515

Year Ended January 31, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Sole Stockholder
of Pacific Commonwealth Corporation

We have audited the accompanying statement of financial condition of Pacific Commonwealth Corporation (a California corporation) as of January 31, 2016, and the related statements of operations and retained earnings, changes in stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of Pacific Commonwealth Corporation'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 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 financial statements are free of material misstatement. An audit 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 evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pacific Commonwealth Corporation as of January 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The supplemental information on the Computation of Net Capital in Accordance with Rule 15(c)3-1 of the Securities Exchange Commission has been subjected to audit procedures performed in conjunction with the audit of Pacific Commonwealth Corporation's financial statements. The supplemental information is the responsibility of Pacific Commonwealth Corporation'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, the supplemental information on the Computation of Net Capital in Accordance with Rule 15(c)3-1 of the Securities Exchange Commission is fairly stated, in all material respects, in relation to the financial statements as a whole.

Navolio & Tallman LLP

*San Francisco, CA
March 18, 2016*

PACIFIC COMMONWEALTH CORPORATION
STATEMENT OF FINANCIAL CONDITION
JANUARY 31, 2016

See Report of Independent Registered Public Accounting Firm

ASSETS

Cash and equivalents	\$	321,821
Accounts receivable - affiliate		3,505
Prepaid expenses		1,095
Refundable deposits		3,570

TOTAL ASSETS	\$	329,991
		=====

LIABILITIES AND STOCKHOLDER'S EQUITY

Income Taxes Payable	\$	-0-

Total Liabilities		-0-
Common stock, no par value, 10,000 shares authorized, 50 shares issued and outstanding		2,500
Additional paid-in capital		322,500
Retained earnings		4,991

Total Stockholder's Equity		329,991

TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$	329,991
		=====

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

PACIFIC COMMONWEALTH CORPORATION
 STATEMENT OF OPERATIONS AND RETAINED EARNINGS
 FOR THE YEAR ENDED JANUARY 31, 2016

See Report of Independent Registered Accounting Firm

INCOME:	
Consulting Fees	\$ 12,615

TOTAL INCOME	12,615
OPERATING EXPENSES:	
Administration	480
Automobile	109
Entertainment and promotion	23
Furniture and equipment rental	47
Insurance	1,760
Professional fees	5,600
Office expense	57
Payroll taxes	55
Postage	92
Rent	234
Registration and assessment fees	2,247
Salaries	700
Taxes and licenses	87
Telephone	64
Travel	230
Utilities	9

Total Operating Expenses	11,794

OPERATING INCOME (LOSS)	821
OTHER INCOME:	
Interest	193

Total Other Income	193

NET INCOME (LOSS) BEFORE TAXES	1,014
TAXES ON INCOME	800

NET INCOME (LOSS)	214
Add: Retained Earnings, beginning of year	4,777

RETAINED EARNINGS, END OF YEAR	\$ 4,991
	=====

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

PACIFIC COMMONWEALTH CORPORATION
 STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
 FOR THE YEAR ENDED JANUARY 31, 2016

See Report of Independent Registered Public Accounting Firm

	<u>Shares</u>	<u>Amount</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>		<u>Total Stockholder's Equity</u>
Stockholder's equity, January 31, 2015	50	\$ 2,500	\$ 322,500	\$ 4,777	\$	329,777
Net Income (Loss)				214		214

Stockholder's equity, January 31, 2016	50	\$ 2,500	\$ 322,500	\$ 4,991	\$	329,991
	=====					

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

PACIFIC COMMONWEALTH CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JANUARY 31, 2016

See Report of Independent Registered Public Accounting Firm

Cash Flows From Operating Activities:

Net Income	\$	214
Adjustments to reconcile net income to net cash provided by operating activities:		
(Increase) decrease in accounts receivable affiliate		27
(Increase) decrease in prepaid expenses		-0-
(Increase) decrease in refundable deposits		-0-
Increase (decrease) in income taxes payable		-0-

Net cash provided (used) by operating activities		241
Cash Flows From Investing Activities:		
Net cash provided (used) by investing activities		-0-
Cash Flows From Financing Activities:		
Net cash provided (used) by financing activities		-0-

Net Increase (Decrease) in Cash and Equivalents		241
Cash and Equivalents at Beginning of the Year		321,580

Cash and Equivalents at End of the Year	\$	321,821
		=====

Supplemental Disclosures of Cash Flow Information:

Cash paid for taxes	\$	800
		=====
Interest paid on borrowing	\$	-0-
		=====

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

PACIFIC COMMONWEALTH CORPORATION
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2016

See Report of Independent Registered Public Accounting Firm

Note 1 – Summary of Significant Accounting Policies

Description of Operations

Pacific Commonwealth Corporation, "the Corporation", operates as a registered securities broker/dealer and financial advisor. Its business activities consist of structuring and underwriting new issue securities, trading securities and providing financial advisory services to public and private sector clients. Pacific Commonwealth Group, Inc., a holding company, owns all of the Corporation's stock.

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

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

Income Recognition

Fees and commissions are recognized as income when contractual obligations are satisfied and the income is reasonably determinable.

Cash and Equivalents

At times, the Corporation may also invest its excess cash in money market accounts and short-term securities which are highly liquid investments that are readily convertible to a known amount of cash, have an original maturity of 90 days or less, and present an insignificant risk of change in value because of interest rate changes. Cash and equivalents are carried at approximate fair value because of the short period to maturity of the instruments.

Income Taxes

Income tax expense may differ from the actual amount payable due to the different treatment of certain items for financial statement purposes and for income tax purposes. The resulting difference, if any, affects the deferred tax asset or liability accounts and represents the net change in deferred income tax expense (benefit).

PACIFIC COMMONWEALTH CORPORATION
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2016

See Report of Independent Registered Public Accounting Firm

Note 1 – Summary of Significant Accounting Policies - continued

The determination of the Corporation's provision for income taxes requires significant judgment, the use of estimates and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. The benefits of uncertain tax positions are recorded in the Corporation's financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from tax authorities.

When facts and circumstances change, the Corporation reassesses these probabilities and records any changes in the financial statements as appropriate. Accrued interest and penalties related to income tax matters are classified as a component of income tax expense.

In accordance with GAAP, the Corporation is required to determine whether a tax position of the Corporation is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized could result in the Corporation recording a tax liability that would reduce stockholder's equity. This policy also provides guidance on thresholds, measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition that is intended to provide better financial statement comparability among different entities. Management's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof.

The corporation's tax returns are subject to possible examination by the tax authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination from 2012 forward, and for state purposes from 2011 forward.

Related Party Transactions

The Corporation shares office space with other corporations related through common ownership. Certain costs such as rent, salaries and office expenses are incurred in common by all companies. Each company is allocated a share of these expenses monthly based upon management's estimate of the work performed by each entity. For the year ended January 31, 2016, the Corporation was allocated \$2,156 of expenses from its affiliate for salaries and office expenses and the Corporation allocated \$36,610 of rent expense to its affiliate. Management believes this allocation is reasonable and appropriate under the circumstances. The Corporation also received consulting income of \$8,615 and repayments against the accrued balance of \$43,096 for the year from its affiliate. As a result, the Corporation's accounts receivable – affiliate balance decreased from \$3,532 as of January 31, 2015 to \$3,505 as of January 31, 2016.

PACIFIC COMMONWEALTH CORPORATION
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2016

See Report of Independent Registered Public Accounting Firm

Note 1 – Summary of Significant Accounting Policies - continued

During the year, the corporation also received \$4,000 of consulting income from its parent holding company.

There is no way to determine what the financial condition and results of operations would be if the Corporation operated as an independent company.

Note 2 – Administration

Administration charges reflect amounts paid to the Corporation's parent holding company for operating expenses and charges.

Note 3 – Taxes on Income

The components of the income tax expense account are as follows:

Federal Income Tax	\$ -0-
State Income Tax	<u>\$ 800</u>
Total Income Tax Expense	<u>\$ 800</u>

The Corporation has net operating loss ("NOL") carry-forwards that can be utilized to offset future income for federal and state tax purposes. These NOL's generate a deferred income tax asset. The Corporation has, however, recorded a valuation allowance against this deferred income tax asset as it has been determined that it is more likely than not that the NOL's will not be fully utilized. As a result, the income tax provision is not equal to what would be expected had statutory rates for income tax purposes been applied. Should the assumptions regarding the utilization of these NOL's change, the Corporation may reduce some or all of this valuation allowance, which would result in the recording of a deferred income tax benefit. As of January 31, 2016, the Corporation has federal and state operating loss carry-forwards of approximately \$4,250 and \$1,173, respectively, which expire through 2035.

Note 4 – Commitments and Contingencies

The Corporation's lease on its present office located in Tiburon, California expired on September 30, 2015 and from October 1, 2015 forward, the Corporation's lease term is month-to-month. The current monthly rent payment is \$3,064 but since the Corporation shares office space with affiliated companies (see Note 1), its rental expense has been substantially less than its contractual obligation.

PACIFIC COMMONWEALTH CORPORATION
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2016

See Report of Independent Registered Public Accounting Firm

Note 4 – Commitments and Contingencies – continued

In the opinion of management there are no pending lawsuits or other contingencies, which will have a material effect on the Corporation's financial position.

Note 5 – Credit Risks

The Corporation's financial instruments that are subject to concentration of credit risk consist primarily of cash and equivalents. The Corporation maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. It believes that it is not exposed to any significant credit risk on the cash due to the financial strength of the institutions in which the deposits are maintained.

Note 6 – Net Capital Requirements

The Corporation is subject to the revised Securities and Exchange Commission (SEC) uniform Net Capital Rule, Rule 15(c)3-1, which requires broker/dealers engaged in a general securities business to maintain a minimum net capital of \$250,000 and a ratio of aggregate indebtedness to net capital of not more than 15 to 1. At January 31, 2016, the Corporation had net capital of \$321,821, which was \$71,821 in excess of its minimum net capital requirement. The ratio of aggregate indebtedness to net capital is zero.

Note 7 – Subsequent Events

Management has evaluated subsequent events through March 18, 2016, which is the date the financial statements were available to be issued, and noted no additional events requiring recording or disclosure in the financial statements for the year ended January 31, 2016.

PACIFIC COMMONWEALTH CORPORATION

SUPPLEMENTARY INFORMATION

January 31, 2016

PACIFIC COMMONWEALTH CORPORATION
 COMPUTATION OF NET CAPITAL
 IN ACCORDANCE WITH RULE 15(C)3-1
 OF THE SECURITIES AND EXCHANGE COMMISSION
 JANUARY 31, 2016

See Report of Independent Registered Public Accounting Firm

COMPUTATION OF NET CAPITAL

Total capital (stockholder's equity) per Statement of Financial Condition	\$ 329,991
Add: Subordinated liabilities, other deductions or allowable credits	-0-

Total capital and allowable subordinated liabilities	329,991
Deductions and/or charges: Non-allowable assets	8,170

Net Capital before haircuts on securities positions	321,821
Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f))	-0-

Net Capital	\$ 321,821
	=====

AGGREGATE INDEBTEDNESS

Total A.I. liabilities from Statement of Financial Condition	-0-
Additions/deductions	-0-

Total Aggregate Indebtedness	\$ -0-
	=====

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required (6-2/3% of Aggregate Indebtedness)	\$ -0-
Minimum dollar net capital requirement of reporting broker/dealer	\$ 250,000
Net capital requirement (greater of above two minimum requirement amounts)	\$ 250,000
	=====
Excess net capital	\$ 71,821
	=====
Net capital at 120% of requirement	\$ 21,821
	=====
Ratio: Aggregate indebtedness to net capital	N/A

RECONCILIATION OF DIFFERENCE IN NET CAPITAL PER AUDIT REPORT
 AND AS REPORTED BY BROKER/DEALER ON FOCUS REPORT

Net capital as reported on audit report	\$ 321,821
Net capital as reported on FOCUS report	321,821

Difference	\$ -0-
	=====

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Sole Stockholder
of Pacific Commonwealth Corporation

We have reviewed management's statements, included in the accompanying SEC Rule 15c3-3 Exemption Report, in which (1) Pacific Commonwealth Corporation identified the following provisions of 17 C.F.R. §15c3-3(k) under which Pacific Commonwealth Corporation claimed an exemption from 17 C.F.R. §240.15c3-3: (2)(i) (the "exemption provision") and (2) Pacific Commonwealth Corporation stated that Pacific Commonwealth Corporation met the identified exemption provisions throughout the most recent fiscal year ended January 31, 2016 without exception. Pacific Commonwealth Corporation'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 Pacific Commonwealth Corporation'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.

Navolio & Tallman LLP

*San Francisco, CA
March 18, 2016*

PACIFIC COMMONWEALTH CORPORATION
SEC RULE 15c3-3 EXEMPTION REPORT
JANUARY 31, 2016

See Report of Independent Registered Public Accounting Firm

To Whom It May Concern:

Pacific Commonwealth Corporation, "the Corporation" claims an exemption from the SEC Rule 15c3-3 pursuant to the provisions of section (k)(2)(i). The Corporation carries no margin accounts, promptly transmits all customer funds as applicable and delivers all securities received in connection with its activities as a broker or dealer, does not otherwise hold funds or securities for, or owe money or securities to, customers and effectuates all financial transactions between the Corporation and its customers through a bank account designated as "Special Account for the Exclusive Benefit of Customers".

The Corporation has met the above-referenced exemption provisions throughout the fiscal year ended January 31, 2016 without exception.



Melanie K. Hoffner
Chief Financial Officer