

SECT

16021635

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	May 31, 2017
Estimated average burden hours per response.....	12.00

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

SEC FILE NUMBER
8-53101

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 05/01/15 AND ENDING 04/30/16  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Madeira Partners, LLC**

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**2501 Wayzata Boulevard**

(No. and Street)		
<b>Minneapolis</b>	<b>MN</b>	<b>55405</b>
(City)	(State)	(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
**Justin B. Besikof** **612-381-8879**  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**Postlethwaite & Netterville, APAC**

(Name - if individual, state last, first, middle name)			
<b>8550 United Plaza Blvd., Suite 1001</b>	<b>Baton Rouge</b>	<b>LA</b>	<b>70809</b>
(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)



OATH OR AFFIRMATION

I, Justin B. Besikof, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Madeira Partners, LLC, as of April 30, 2016, 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:

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

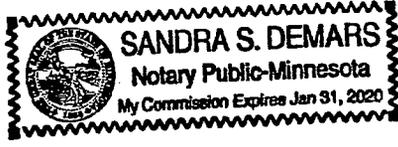
*[Handwritten Signature]*

Signature

*President*

Title

*[Handwritten Signature: Sandra S. Demars]*  
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).

SEC  
Mail Processing  
Section

JUL 25 2016

Washington DC  
409

MADEIRA PARTNERS, LLC

FINANCIAL STATEMENTS

APRIL 30, 2016

## TABLE OF CONTENTS

	<u>Page</u>
<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	1 – 2
<u>FACING</u>	3
<u>OATH OR AFFIRMATION</u>	4
<u>FINANCIAL STATEMENTS</u>	
Statement of Financial Condition	5
Statement of Income	6
Statement of Changes in Member's Equity	7
Statement of Changes in Liabilities Subordinated to Claims of General Creditors	8
Statement of Cash Flows	9
Notes to Financial Statements	10 – 11
<u>SUPPLEMENTARY INFORMATION</u>	
Schedule I: Computation of Net Capital Under SEC Rule 15c3-1	12
Schedule II: Computation for Determination of Reserve Requirements Under SEC Rule 15c3-3	13
Schedule III: Information Relating to Possession or Control Requirements Under SEC Rule 15c3-3	14
<u>REVIEW</u>	
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	15
Exemption Report	16

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Member  
Madeira Partners, LLC  
Minneapolis, Minnesota

We have audited the accompanying statements of Madeira Partners, LLC (the Company), which comprise the statement of financial condition as of April 30, 2016, and the related statements of income, changes in members' equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended. 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 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 Madeira Partners, LLC, as of April 30, 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.

Schedule I, Computation of Net Capital Under SEC Rule 15c3-1, Schedule II, Computation for Determination of Reserve Requirements Under SEC Rule 15c3-3, and Schedule III, Information Relating to Possession or Control Requirements Under SEC Rule 15c3-3 have been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company'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, Schedule I, Computation of Net Capital Under SEC Rule 15c3-1, Schedule II, Computation for Determination of Reserve Requirements Under SEC Rule 15c3-3, and Schedule III, Information Relating to Possession or Control Requirements Under SEC Rule 15c3-3 are fairly stated, in all material respects, in relation to the financial statements as a whole.

*Portlethwaite & Netterville*

Baton Rouge, Louisiana  
June 23, 2016

**MADEIRA PARTNERS, LLC**  
**MINNEAPOLIS, MINNESOTA**

**STATEMENT OF FINANCIAL CONDITION**  
**APRIL 30, 2016**

**ASSETS**

Cash	\$ 73,649
Property and equipment, net	69,622
<b>Total Assets</b>	<b><u>\$ 143,271</u></b>

**LIABILITIES**

Accounts payable	\$ 57,497
------------------	-----------

**MEMBER'S EQUITY**

	<u>85,774</u>
<b>Total Liabilities and Member's Equity</b>	<b><u>\$ 143,271</u></b>

The accompanying notes are an integral part of this statement.

**MADEIRA PARTNERS, LLC**  
**MINNEAPOLIS, MINNESOTA**

**STATEMENT OF INCOME**  
**YEAR ENDED APRIL 30, 2016**

**REVENUES**

Merger and acquisition fees

\$ 1,335,000

**EXPENSES**

Operating expenses

226,119

**NET INCOME**

\$ 1,108,881

The accompanying notes are an integral part of this statement.

**MADEIRA PARTNERS, LLC**  
**MINNEAPOLIS, MINNESOTA**

**STATEMENT OF CHANGES IN MEMBER'S EQUITY**  
**YEAR ENDED APRIL 30, 2016**

	<u>Member's Capital</u>	<u>Accumulated Deficit</u>	<u>Total Member's Equity</u>
Balance, May 1, 2015	\$ 632,108	\$ (545,112)	\$ 86,996
Additional capital contributed	55,000	-	55,000
Distributions to the parent company	-	(1,165,103)	(1,165,103)
Net income	-	1,108,881	1,108,881
Balance, April 30, 2016	<u>\$ 687,108</u>	<u>\$ (601,334)</u>	<u>\$ 85,774</u>

The accompanying notes are an integral part of this statement.

**MADEIRA PARTNERS, LLC**  
**MINNEAPOLIS, MINNESOTA**

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO**  
**CLAIMS OF GENERAL CREDITORS**  
**YEAR ENDED APRIL 30, 2016**

Subordinated borrowings at May 1, 2015	\$	-
Increases		-
Decreases		-
		<hr/>
Subordinated borrowings at April 30, 2016	\$	-
		<hr/> <hr/>

The accompanying notes are an integral part of this financial statement.

**MADEIRA PARTNERS, LLC**  
**MINNEAPOLIS, MINNESOTA**

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED APRIL 30, 2016**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income	\$ 1,108,881
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation expense	3,978
Increase in accounts payable	51,434
Net cash provided by operating activities	<u>1,164,293</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Distributions paid to the parent company	(1,165,103)
Additional capital contributed	55,000
Net cash used in financing activities	<u>(1,110,103)</u>

**NET INCREASE IN CASH**

54,190

Cash, beginning of year

19,459

Cash, end of year

\$ 73,649

The accompanying notes are an integral part of this statement.

**MADEIRA PARTNERS LLC**  
**MINNEAPOLIS, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Description of Business and Summary of Significant Accounting Policies**

Description of Business

Madeira Partners, LLC (the Company) is a securities broker-dealer registered with the Securities and Exchange Commission (SEC) and regulated by the Financial Industry Regulatory Authority (FINRA). The Company is primarily an agent for clients in merger and acquisition transactions generally in the Midwestern United States.

Use of Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect certain reported amounts and disclosures in the financial statements and accompanying notes. Actual results could differ from these estimates.

Revenue Recognition

Merger and acquisition fees are recognized primarily as transactions are completed.

Property and Equipment

Property and equipment is recorded at cost. Leasehold improvements are depreciated over the estimated useful life of twenty years.

Income Taxes

The Company is a limited liability company. The only member of the Company is a partnership (the Parent Company). Amounts due for federal and state income taxes are not reflected in the financial statements, but rather the taxable income or loss of the Company is included on the Parent Company's income tax return.

The Company recognizes and measures its unrecognized tax benefits in accordance with the Accounting Standards Codification (ASC). Under that guidance the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

Cash

For purposes of the statement of cash flows, cash included all amounts on hand and amounts on deposit at financial institutions.

**MADEIRA PARTNERS LLC**  
**MINNEAPOLIS, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**2. Property and Equipment, net**

Classification of property and equipment, net is summarized as follows:

Leasehold improvements	\$ 79,568
Less: accumulated depreciation	<u>(9,946)</u>
	<u>\$ 69,622</u>

**3. Related Party Transactions and Balance**

The Company shares office facilities with its Parent Company and various charges were incurred for rent, lease of employee, and other administrative expenses, which amounted to \$60,000 for the year ended April 30, 2016. The Company is responsible for its own direct expenses.

**4. Net Capital Requirement**

The Company is subject to the Securities and Exchange Commission (SEC) Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires the ratio of aggregate indebtedness to net capital, both as defined, not to exceed 15 to 1 (and the rule of the "applicable" exchange 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 the related net capital ratio fluctuate on a daily basis; however, at April 30, 2016, the net capital ratio was 3.56 and net capital was \$16,152 which exceeded the minimum capital requirement by \$11,152

The Company operates under the exemptive provisions of paragraph (k)(2) (i) of Rule 15c3-3 of the Securities and Exchange Commission. Therefore, the Company is not required to make a periodic computation of the reserve requirements for the exclusive benefit of customers.

**5. Concentration**

The Company earned approximately 79% of its merger and acquisition fees from two clients.

**6. Credit Risk**

At times during the year, the Company's cash accounts exceeded the related amount of federal depository insurance. The Company has not experienced any loss in such accounts and believes it is not exposed to any significant credit risk.

**7. Subsequent Events**

Management has evaluated subsequent events through June 23, 2016, the date that the financial statements were available to be issued and determined that no events have occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these statements.

**SUPPLEMENTARY INFORMATION**

**MADEIRA PARTNERS, LLC**  
**MINNEAPOLIS, MINNESOTA**

**SCHEDULE I**  
**COMPUTATION OF NET CAPITAL UNDER SEC RULE 15c3-1**  
**APRIL 30, 2016**

<b><u>NET CAPITAL</u></b>	
Member's equity	\$ 85,774
<b><u>LESS: NON-ALLOWABLE ASSETS</u></b>	
Property and equipment, net	<u>69,622</u>
<b><u>NET CAPITAL</u></b>	<b><u>\$ 16,152</u></b>
<b><u>COMPUTATION OF NET CAPITAL REQUIREMENT</u></b>	
Minimum net capital required	<u>5,000</u>
<b><u>EXCESS NET CAPITAL</u></b>	<b><u>\$ 11,152</u></b>
<b><u>AGGREGATE INDEBTEDNESS</u></b>	<b><u>\$ 57,497</u></b>
<b><u>RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL</u></b>	<b><u>3.56 to 1</u></b>

There are no differences between the audited Computation of Net Capital above and the Company's corresponding Calculation of Net Capital in the Unaudited Part II Focus Report, other than a one dollar rounding difference. The audited computation of aggregate indebtedness above was increased by \$4,232 compared to the Unaudited Part II Focus Report, and the audited ratio of aggregate indebtedness to net capital above was adjusted from 3.30 to 1 as reported in the Company's corresponding calculations in the Unaudited Part II Focus Report.

See independent auditors' report on supplementary information.

**MADEIRA PARTNERS, LLC**  
**Schedule II**  
**Computation for Determination of Reserve Requirements**  
**Under SEC Rule 15c3-3**  
**As of April 30, 2016**

The Company has claimed exemption from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(i) of the Rule.

See report of independent registered public accounting firm on supplemental information

**MADEIRA PARTNERS, LLC**  
**SCHEDULE III**  
**Information Relating to Possession or Control Requirements**  
**Under SEC Rule 15c3-3**  
**As of April 30, 2016**

The Company has claimed exemption from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(i) of the Rule.

See report of independent registered public accounting firm on supplemental information.

## **REVIEW**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Member  
Madeira Partners, LLC  
Minneapolis, Minnesota

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

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
June 23, 2016

### Madeira Partners, LLC Exemption Report

Madeira Partners, LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4).

To the best of its knowledge and belief, the Company states the following:

(1) The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provisions of 17 C.F.R. § 240.15c3-3 (k)(2)(i).

(2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k)(2)(i) throughout the most recent fiscal year without exception.

I, Justin Besikof, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

By: Justin Besikof  
Justin Besikof

Title: President

Date: 6/23/16



Financial Industry Regulatory Authority

**BY CERTIFIED MAIL: 7014 2120 0001 7619 7053  
& FIRST CLASS MAIL**

July 6, 2016

Mr. Justin B. Besikof  
President  
Madeira Partners, LLC  
2501 Wayzata Boulevard  
Minneapolis, MN 55405

SEC  
Mail Processing  
Section

JUL 25 2016

Washington DC  
409

RE: Madeira Partners, LLC 2016 Audit

Dear Mr. Besikof:

This letter is to inform you that your firm's April 30, 2016 annual filing of audited financial statements ("filing") is deficient under Securities Exchange Act Rule 17a-5 because:

The Exemption Report [SEA Rule 17a-5(d)(4)] claimed the (k)(1) exemption while the Independent Public Accountant's Review of the Exemption Report indicated the firm claimed the (k)(2)(i) exemption. Separately, we note the firm's Membership Agreement dated August 12, 2013 indicates the firm will operate pursuant to SEC Rule 15c3-3(k)(2)(i).

We urge you to review this letter with your independent accountant as soon as possible and clarify the correct exemptive paragraph the firm is claiming.

We request that you re-submit the entire audit, including the corrected documents as required above, through the FINRA Firm Gateway interface found on the FINRA website. Additionally, one copy must be filed with the appropriate SEC Regional District Office and one copy with the SEC's Washington, DC Office. Your submissions must include a new completed Form X-17A-5, Part III, Facing Page.

Your firm must respond by **July 20, 2016**. Questions may be addressed to the undersigned at 816-802-4716.

Very truly yours,

William E. Dondlinger  
Managing Principal Coordinator

/lt

Enclosure: Form X-17A-5, Part III, Facing Page

Investor protection. Market integrity.

120 West 12th Street  
Suite 800  
Kansas City, MO 64105

t 816 421 5700  
f 816 421 5029  
www.finra.org

• Mr. Justin B. Besikof  
July 6, 2016  
Page 2

cc: David A. Glockner  
Regional Director  
Securities and Exchange Commission  
175 West Jackson Blvd., Suite 900  
Chicago, IL 60604

Postlethwaite & Netterville, APAC  
8550 United Plaza Blvd., Suite 1001  
Baton Rouge, LA 70809



LurieLLP.com  
O/612.377.4404  
F/612.377.1325

July 19, 2016

SEC Headquarters  
100 F Street, NE  
Washington, DC 20549

SEC  
Mail Processing  
Section  
JUL 25 2016  
Washington DC  
409

Dear Sirs:

Per the attached letter from FINRA, enclosed please find the revised audited financial statements for Madeira Partners, LLC as of April 30, 2016.

Sincerely,



Nancy E Gregoire

Encl

# Business Management Associates 401(k) Plan

## Enrollment Form

1. PERSONAL INFORMATION			
First Name:	M.I.:	Last Name :	
Social Security #:	Birth Date :	Hire Date :	
Address :	City :	State :	Zip :
Phone Number :	Email :	Marital Status :	<input type="checkbox"/> Single <input type="checkbox"/> Married

**2. PARTICIPANT ELECTION**

I wish to contribute \_\_\_\_\_ % or \$ \_\_\_\_\_ of my salary per pay period.

I will have attained age 50 (or older) prior to the end of the current plan year and wish to make an additional "catch-up" contribution in the amount of \$ \_\_\_\_\_ equal to the maximum permissible amount. I understand that this amount will also be contributed on a pre-tax basis through payroll deduction.

I do not wish to contribute at this time.

I elect to contribute to my Roth Plan and authorize a deduction from my paycheck in the amount of \_\_\_\_\_ % or \$ \_\_\_\_\_ per pay period.

**3. SELECT YOUR INVESTMENTS**

To invest in a particular fund, simply enter an amount from 1% to 100% in the row associated with that fund. The percentage allocations must total 100%. Any percentage remaining will automatically be allocated to the default investment for the plan.

American Funds 2020 Trgt Date Retire R3	_____ %	JPMorgan Equity Income R2	_____ %
American Funds 2025 Trgt Date Retire R3	_____ %	Lord Abbett Developing Growth R3	_____ %
American Funds 2030 Trgt Date Retire R3	_____ %	Nationwide International Index R Nuveen	_____ %
American Funds 2035 Trgt Date Retire R3	_____ %	Equity Index R3	_____ %
American Funds 2040 Trgt Date Retire R3	_____ %	Nuveen Mid Cap Index R3	_____ %
American Funds 2045 Trgt Date Retire R3	_____ %	Nuveen Small Cap Index R3	_____ %
American Funds 2050 Trgt Date Retire R3	_____ %	Oppenheimer Developing Markets R	_____ %
American Funds 2055 Trgt Date Retire R3	_____ %	Oppenheimer International Growth R	_____ %
BlackRock Global Allocation R	_____ %	PIMCO Low Duration R	_____ %
ClearBridge Aggressive Growth R	_____ %	PIMCO Total Return R	_____ %
Franklin Small Cap Value R	_____ %	T. Rowe Price Retirement Balanced R	_____ %
Goldman Sachs Em Mkts Eq Insights R	_____ %	Victory Sycamore Established Value R	_____ %
Janus Enterprise R	_____ %	Invesco Stable Asset Fund Class ADP85	_____ %

**PLEASE NOTE: Your total must equal 100%**

**TOTAL**  %

I, the undersigned, consent to making the preceding salary deferral election and investment election. I understand that payroll will begin processing my elections and/or changes as soon as possible.

Participant's Signature \_\_\_\_\_

Date \_\_\_\_\_