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SEC  
Mail Priority  
Section  
SEP 21 2016  
ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER
8-38686

Washington DC

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 July 1, 2015 AND ENDING June 30, 2016  
MM/DD/YY MM/DD/YY

**GLOVER CAPITAL, INC. A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER-

OFFICIAL USE ONLY
FIRM I.D. NO.

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

229 PEACHTREE STREET, SUITE 506, INTERNATIONAL TOWER

(No. and Street)

ATLANTA

GA

30303

(City)

(State)

(Zip Code)

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

MARION GLOVER 404-523-2921

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

PORTER KEADLE MOORE

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

235 PEACHTREE STREET, STE 1800

ATLANTA

GA

30303

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

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\*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)

**GLOVER CAPITAL, INC.**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

*This report is deemed CONFIDENTIAL in accordance with Rule 17a-5(e)(3) under the Securities Exchange Act of 1934. A statement of financial condition bound separately has been filed with the Securities and Exchange Commission simultaneously herewith as a PUBLIC document.*

# GLOVER CAPITAL, INC.

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*June 30, 2016*

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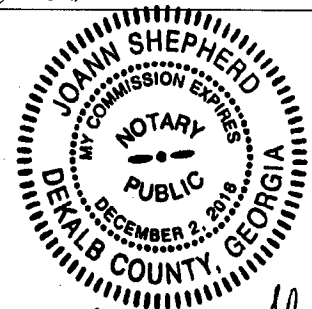
OATH OR

I, MARION GLOVER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GLOVER CAPITAL, INC., as of JUNE 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:

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

*Joann Shepherd*  
Signature  
PRESIDENT  
Title

Notary Public



*Joann Shepherd*  
*September 20, 2016*

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).



### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors  
Glover Capital, Inc.  
Atlanta, Georgia

We have audited the accompanying statement of financial condition of Glover Capital, Inc. (the "Company") as of June 30, 2016, and the related statements of operations, changes in stockholder's equity and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements. 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. 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 financial statements, 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 Glover Capital, Inc. as of June 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.

The supplementary information contained in Schedule 1: Reconciliation of Audited and Unaudited Reports, and Schedule 2: Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission (the "Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of Glover Capital, Inc.'s financial statements which are presented in Glover Capital, Inc.'s 2016 Annual Report. The Supplemental Information is the responsibility of the Glover Capital, 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 Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the supplementary information contained in Supplemental Information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Porter Keadle Moore, LLC*

Atlanta, Georgia  
September 15, 2016

# GLOVER CAPITAL, INC.

## Statement of Financial Condition

June 30, 2016

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<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 107,763
Commissions receivable	39,444
Deferred tax asset	2,626
Federal taxes receivables	406
	<hr/>
Total current assets	\$ 150,239
	<hr/> <hr/>
<b>Liabilities and Stockholder's Equity</b>	
Current liabilities:	
Accounts payable	\$ 1,514
Income taxes payable	302
Management fee payable	46,361
Due to Glover & Associates, Inc.	4,072
	<hr/>
Total current liabilities	52,249
	<hr/> <hr/>
Commitments	
Stockholder's equity:	
Common stock, \$1 par value; 100,000 shares authorized; 5,000 shares issued and outstanding	5,000
Additional paid-in capital	2,500
Retained earnings	90,490
	<hr/>
Total stockholder's equity	97,990
	<hr/> <hr/>
Total liabilities and stockholder's equity	\$ 150,239
	<hr/> <hr/>

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See notes to financial statements.

# GLOVER CAPITAL, INC.

## *Statement of Operations*

*For the Year Ended June 30, 2016*

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Revenues	<u>\$ 147,395</u>
Costs and expenses:	
Management fees	86,361
Regulatory fees	1,571
Other expenses	<u>65,026</u>
Total costs and expenses	<u>152,958</u>
Interest income	<u>31</u>
Loss before provisions for income taxes	<u>(5,532)</u>
(Provision) benefit for income taxes:	
Current	(1,056)
Deferred	<u>1,901</u>
	<u>845</u>
Net loss	<u><u>\$ (4,687)</u></u>

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See notes to financial statements.

# GLOVER CAPITAL, INC.

## *Statement of Changes in Stockholder's Equity*

*For the Year Ended June 30, 2016*

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	Common Stock		Additional	Retained	
	Shares	Amount	Paid-In	Earnings	Total
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance, June 30, 2015	5,000	\$ 5,000	\$ 2,500	\$ 95,177	\$ 102,677
Net loss	-	-	-	(4,687)	(4,687)
Balance, June 30, 2016	<u>5,000</u>	<u>\$ 5,000</u>	<u>\$ 2,500</u>	<u>\$ 90,490</u>	<u>\$ 97,990</u>

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See notes to financial statements.



# GLOVER CAPITAL, INC.

## Statement of Cash Flows

For the Year Ended June 30, 2016

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**Cash flows from operating activities:**

Cash received from customers	\$ 107,951
Cash paid for management fees	(40,000)
Cash paid for taxes	(2,763)
Cash paid for other expenses	(64,463)
Interest and dividends received	31
	<hr/>
Net cash provided by operating activities and increase in cash	756
Cash and cash equivalents, beginning of year	<hr/> 107,007
Cash and cash equivalents, end of year	<hr/> <hr/> \$ 107,763

**Reconciliation of Net Loss to Net Cash Provided by Operating Activities**

Net Loss	<hr/> \$ (4,687)
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**Adjustments to reconcile net loss to net cash provided by operating activities:****Changes in assets and liabilities:**

Commissions receivable	(39,444)
Income taxes receivable	(406)
Deferred tax asset	(1,901)
Accounts payable	517
Income taxes payable	(1,301)
Management fee payable	46,361
Due to Glover & Associates, Inc.	1,617
	<hr/>

Total adjustments	<hr/> 5,443
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Net cash provided by operating activities	<hr/> <hr/> \$ 756
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See notes to financial statements.

# GLOVER CAPITAL, INC.

## *Notes to Financial Statements*

*June 30, 2016*

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### Note 1 - Description of business and summary of significant accounting policies:

Glover Capital, Inc. (the Company) was incorporated on September 16, 1987 for the purpose of becoming qualified as a licensed broker/dealer. On September 24, 1987, the Company became licensed as a broker/dealer and began operations.

The following is a summary of the more important accounting principles and policies followed by the Company:

#### Basis of presentation

The Company has adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification (Codification). The Codification is the single official source of accounting principles generally accepted in the United States (U.S. GAAP) recognized by the FASB to be applied by nongovernmental entities and all of the Codification's content carries the same level of authority.

#### Revenue recognition

The Company prepares its financial statements on the accrual basis of accounting. Revenues related to the sale of a company are recognized when collectibility is reasonably assured, persuasive evidence of an arrangement exists, and prices are determinable, as evidenced by a signed customer contract, and when the deal "closes."

#### Receivables and credit policies

The Company routinely assesses the financial strength of its clients and, as a consequence, believes that its commission receivable credit risk exposure is limited. Commission receivables are carried at original contract amount less an estimate for anticipated credit losses as determined by management in the course of regularly evaluating individual receivables. To date, bad debts have not exceeded management's expectations. Commission receivables are written off when deemed uncollectible. Recoveries of commission receivables previously written off are recorded as bad debt recovery when received. At June 30, 2016, there was no allowance for doubtful accounts deemed necessary.

#### Cash and cash equivalents

The Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months, that are not held for sale in the ordinary course of business.

# GLOVER CAPITAL, INC.

## *Notes to Financial Statements - Continued*

*June 30, 2016*

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### Note 1 - Description of business and summary of significant accounting policies - continued:

#### Income taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred tax assets and liabilities related to using the cash method of accounting for tax purposes and the accrual method of accounting for financial reporting purposes.

The significant temporary differences are the accounts payable and related party payables that give rise to a net deferred tax asset before valuation allowance. At June 30, 2016, the Company had \$2,626 in net deferred tax assets. The Company's management concluded that it was more likely than not that the deferred tax asset would be recovered so no valuation allowance against the net deferred tax asset was deemed necessary at June 30, 2016.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. As of June 30, 2016, there are no known items which would result in a material accrual related to where the Company has federal or state attributable tax positions.

#### Major customers

The nature of the Company's business is to handle in any year a limited number of transactions. During the year ended June 30, 2016, the Company had transactions with four customers, which accounted for 100% of revenues.

#### Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with U.S. GAAP 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 reporting period. Actual results could differ from those estimates.

#### Subsequent events

All subsequent events, if any, requiring recognition, have been incorporated into these financial statements.

# GLOVER CAPITAL, INC.

## *Notes to Financial Statements - Continued*

**June 30, 2016**

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### Note 2 - 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. At June 30, 2016, the Company had net capital of \$54,461 which was \$49,461 in excess of its required net capital of \$5,000. The Company's aggregate indebtedness to net capital ratio was 0.96 to 1 at June 30, 2016.

### Note 3 - Transactions with related party:

The Company and Glover & Associates, Inc. are affiliated companies under common management control. The existence of this control could result in operating results and/or a financial position of the Company significantly different from those that would have been obtained if the companies were autonomous.

During the year ended June 30, 2016, the Company incurred \$35,935 and \$86,361 to Glover & Associates, Inc. for various operational expenses and management fees, respectively. At June 30, 2016, the Company owed \$4,072 and \$46,361 to Glover & Associates, Inc. for various operational expenses and management fees, respectively.

### Note 4 - Possession or control requirements:

The Company does not have any possession or control of customer funds or securities.

### Note 5 - Concentration of credit risk:

The Company maintains its cash in bank deposits which, at times, may exceed federally-insured limits. The Company has not experienced any losses in such accounts.

SUPPLEMENTAL INFORMATION

# GLOVER CAPITAL, INC.

## Schedule 1: Reconciliation of Audited and Unaudited Reports

June 30, 2016

	<b>Assets</b>			
	As Previously Stated	Debit	Credit	As Stated
<b>Current assets:</b>				
Cash and cash equivalents	\$ 107,763	\$ -	\$ -	\$ 107,763
Commissions receivable	39,444	-	-	39,444
Deferred tax assets	2,626	-	-	2,626
Federal taxes receivable	406	-	-	406
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$150,239</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,239</u>
	<b>Liabilities and Stockholder's Equity</b>			
<b>Current liabilities:</b>				
Accounts payable	\$ 1,514	\$ -	\$ -	\$ 1,514
Income taxes payable	302	-	-	302
Management fee payable	46,361	-	-	46,361
Due to Glover & Associates, Inc.	4,072	-	-	4,072
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total current liabilities	<u>52,249</u>	<u>-</u>	<u>-</u>	<u>52,249</u>
<b>Stockholder's equity:</b>				
Common stock, \$1 par value; 100,000 shares authorized, 5,000 shares issued and outstanding	5,000	-	-	5,000
Additional paid-in capital	2,500	-	-	2,500
Retained earnings	90,490	-	-	90,490
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total stockholder's equity	<u>97,990</u>	<u>-</u>	<u>-</u>	<u>97,990</u>
Total liabilities and stockholder's equity	<u>\$ 150,239</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,239</u>

See report of independent registered public accounting firm.

# GLOVER CAPITAL, INC.

## Schedule 1: Reconciliation of Audited and Unaudited Reports - Continued

June 30, 2016

	Revenues and (Expenses)			
	As Previously Stated	Debit	Credit	As Stated
Revenues:				
Commissions	\$ 147,395	\$ -	\$ -	\$ 147,395
Costs and expenses:				
Management fees	(86,361)	-	-	(86,361)
Regulatory fees	(1,571)	-	-	(1,571)
Other expenses	(65,026)	-	-	(65,026)
Total costs and expenses	(152,958)	-	-	(152,958)
Interest income	31	-	-	31
Net loss before provision for income taxes	(5,532)	-	-	(5,532)
(Provision) benefit for income taxes:				
Current	(1,056)	-	-	(1,056)
Deferred	1,901	-	-	1,901
Net Loss	\$ (4,687)	\$ -	\$ -	\$ (4,687)

See report of independent registered public accounting firm.

# GLOVER CAPITAL, INC.

## *Schedule 2: Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission*

*June 30, 2016*

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### COMPUTATION OF NET CAPITAL

Total stockholder's equity from statement of financial condition		\$97,990	
Deduct stockholder's equity not allowable for net capital		-	<u>          </u>
Total stockholder's equity qualified for net capital		97,990	
Add:			
Subordinated borrowings allowable in computation of net capital		-	
Other (deductions) or allowable credits		-	<u>          </u>
Total capital and allowable subordinated borrowings		97,990	
Deductions and/or charges:			
Total nonallowable assets – commissions receivable, deferred tax asset/taxes receivable	\$ 42,476		
Secured demand note deficiency	-		
Commodity futures contracts and spot commodities-proprietary capital charges	-		
Other deductions and/or charges	-		
Other additions and/or allowable credits	-	42,476	<u>          </u>
Net capital before haircuts on securities positions (tentative net capital)		55,514	
Subordinated securities borrowings	-		
Trading and investment securities:			
Exempted securities	-		
Debt securities	-		
Options	-		
Other securities	-		
Undue concentrations	-		
Other	1,053	1,053	<u>          </u>
Net capital		\$ 54,461	<u>          </u>

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See report of independent registered public accounting firm.



# GLOVER CAPITAL, INC.

## *Schedule 2: Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission - Continued*

*June 30, 2016*

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### COMPUTATION OF AGGREGATE INDEBTEDNESS

Total liabilities from statement of financial condition (less deferred income taxes)	\$ 52,249
Add:	
Drafts for immediate credit	-
Market value of securities borrowed for which no equivalent value is paid or credited	-
Other unrecorded amounts	-
	<hr/>
Total aggregate indebtedness	<u>\$ 52,249</u>

### COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

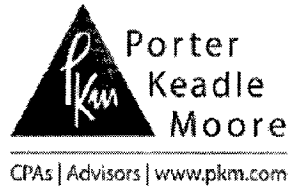
Minimum net capital required	<u>\$ 3,483</u>
Minimum dollar requirement	<u>\$ 5,000</u>
Net capital requirement	<u>\$ 5,000</u>
Excess net capital	<u>\$ 49,461</u>
Percentage of aggregate indebtedness to net capital	<u>95.94%</u>

### RECONCILIATION WITH COMPANY'S COMPUTATION

Net capital, as reported in Company's Part II (Unaudited) FOCUS report	\$ 54,461
Audit adjustments	<hr/> -
Net capital per previous page	<u>\$ 54,461</u>

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See report of independent registered public accounting firm.



**REVIEW REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors  
Glover Capital, Inc.  
Atlanta, Georgia

We have reviewed management's statements, included in the accompanying Exemption Report, in which (a) Glover Capital, Inc. (the "Company") identified the following provisions of 17 C.F.R. § 15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3(k)(2)(i) (the "exemption provision") and (b) management of the Company stated that the Company met the identified exemption provision throughout the most recent fiscal year without exception. The Company's management is responsible for compliance with the exemption provision 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 Company's compliance with the exemption provision. 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.

*Porter Keadle Moore, LLC*  
Atlanta, Georgia  
August 16, 2016



**GLOVER CAPITAL, INC.<sup>®</sup>**  
INVESTMENT BANKERS

506 INTERNATIONAL TOWER 229 PEACHTREE ST. NE ATLANTA, GA 30303  
TELEPHONE: 404/523-2921 FACSIMILE: 404/523-8730  
glover@glovercap.com

**EXEMPTION REPORT**

**Pursuant to Securities and Exchange Commission Rule 17a-5(d)(4)**

August 16, 2016

Porter Keadle Moore, LLC  
235 Peachtree Street, NE  
Suite 1800  
Atlanta, Georgia 30303

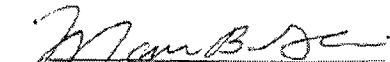
The management assertions below are designed to meet the Exemption Report criteria pursuant to Securities and Exchange Commission ("SEC") Rule 17a-5(d)(4):

Glover Capital, Inc. (the "Company") is a broker/dealer registered with the SEC and the Financial Industry Regulator Authority ("FINRA"). Pursuant to paragraph k(2)(i) of SEC Rule 15c3-3, the Company is claiming an exemption from SEC Rule 15c3-3 for the fiscal year ended June 30, 2016.

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

The above statements are true and correct to the best of our and the Company's knowledge.

GLOVER CAPITAL, INC.

  
\_\_\_\_\_  
Marion B. Glover

  
\_\_\_\_\_  
Gail S. Glover