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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC FILE NUMBER
8-53051

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 09/01/15 AND ENDING 08/31/16
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

one MBK Source Brokerage LLC

OFFICIAL USE ONLY

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

6603 SUMMIT DRIVE

FIRM I.D. NO.

(No. and Street)

CANFIELD

OH

44406

(City)

(State)

(Zip Code)

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

PHILLIP WILSON

(330)758-8613

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Baker Tilly Virchow Krause, LLP

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

225 South Sixth Street, Suite 2300 Minneapolis

MN

55402

(Address)

(City)

(State)

(Zip Code)

Securities and Exchange

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)

OATH OR AFFIRMATION

I, PHILLIP WILSON, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of HBK SORCE BROKERAGE LLC, as of AUGUST 31, 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:

Phillip Wilson
Signature

President
Title

Elizabeth A. Colbert
Notary Public



ELIZABETH A. COLBERT
NOTARY PUBLIC
STATE OF OHIO
Comm. Expires
December 18, 2020
Recorded in
Mahoning County

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows
- (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).

HBK SORCE BROKERAGE LLC
(A Limited Liability Company)

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Governors
HBK Sorce Brokerage LLC
Canfield, Ohio

We have audited the accompanying financial statements of HBK Sorce Brokerage LLC, which comprise the statements of financial condition as of August 31, 2016 and 2015, and the related statements of operations, member's equity, and cash flows for the years then ended. These financial statements are the responsibility of HBK Sorce Brokerage LLC's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits 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 audits provide 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 HBK Sorce Brokerage LLC as of August 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The supplemental information contained in page 8 has been subjected to audit procedures performed in conjunction with the audit of HBK Sorce Brokerage LLC's financial statements. The supplemental information is the responsibility of HBK Sorce Brokerage LLC'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 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Minneapolis, Minnesota
October 26, 2016

HBK SORCE BROKERAGE LLC
(A Limited Liability Company)

STATEMENTS OF FINANCIAL CONDITION
As of August 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 406,381	\$ 595,395
COMMISSIONS RECEIVABLE	8,470	792
OTHER ASSETS	<u>775</u>	<u>350</u>
TOTAL ASSETS	<u>\$ 415,626</u>	<u>\$ 596,537</u>
LIABILITIES AND MEMBER'S EQUITY		
DUE TO MEMBER	\$ 93,072	\$ 98,425
MEMBER'S EQUITY	<u>322,554</u>	<u>498,112</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 415,626</u>	<u>\$ 596,537</u>

See accompanying notes to financial statements.

HBK SORCE BROKERAGE LLC
(A Limited Liability Company)

STATEMENTS OF OPERATIONS
For the Years Ended August 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES, NET	<u>\$ 891,391</u>	<u>\$ 836,291</u>
EXPENSES		
Employee and other compensation	476,552	481,851
Regulatory fees and expenses	33,424	26,778
Other expenses	<u>257,025</u>	<u>236,700</u>
Total Expenses	<u>767,001</u>	<u>745,329</u>
Income From Operations	124,390	90,962
OTHER INCOME	<u>52</u>	<u>39</u>
NET INCOME	<u>\$ 124,442</u>	<u>\$ 91,001</u>

See accompanying notes to financial statements.

HBK SORCE BROKERAGE LLC
(A Limited Liability Company)

STATEMENTS OF MEMBER'S EQUITY
For the Years Ended August 31, 2016 and 2015

BALANCE, August 31, 2014	\$ 407,111
2015 net income	<u>91,001</u>
BALANCE, August 31, 2015	498,112
2016 net income	124,442
Distribution	<u>(300,000)</u>
BALANCE, August 31, 2016	<u>\$ 322,554</u>

See accompanying notes to financial statements.

HBK SORCE BROKERAGE LLC
(A Limited Liability Company)

STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 124,442	\$ 91,001
Changes in operating assets and liabilities:		
Commissions receivable	(7,678)	3,083
Other assets	(425)	-
Due to member	(5,353)	(22,078)
Net Cash Flows from Operating Activities	<u>110,986</u>	<u>72,006</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution to Member	<u>(300,000)</u>	-
Net Cash Flows from Financing Activities	<u>(300,000)</u>	-
Net Change in Cash and Cash Equivalents	(189,014)	72,006
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>595,395</u>	<u>523,389</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 406,381</u>	<u>\$ 595,395</u>

See accompanying notes to financial statements.

HBK SORCE BROKERAGE LLC

(A Limited Liability Company)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended August 31, 2016 and 2015

NOTE 1 - Summary of Significant Accounting Policies

Nature of Business

The Company, an Ohio limited liability company, was organized on June 5, 2000 for the purpose of being registered with the Securities and Exchange Commission (SEC) and joining the Financial Industry Regulatory Authority, Inc. (FINRA) as a broker/dealer. The Company is wholly owned by HBK Sorce Financial LLC. The Company operates as a limited broker/dealer under the greater of \$5,000 or 6 and 2/3 percent of liabilities minimum net capital requirement of SEC Rule 15c3-1(a)(2)(vi). The Company is approved to offer mutual fund products on an application-way basis in the state of Ohio.

Effective March 14, 2001, the Company became licensed with the SEC as a registered broker/dealer and commenced operations thereafter.

Cash and Cash Equivalents

The Company defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less. The Company maintains its cash in financial institutions and money market mutual funds. The balances, at times, may exceed federally insured limits.

Revenue Recognition and Related Expenses

Commission income and expenses are recorded on a trade-date basis.

Commissions Receivable

The receivable is unsecured and is fully collectible as of August 31, 2016 and 2015.

Estimates and Assumptions

The preparation 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncement

During May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers." ASU No. 2014-09 establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. During August 2015, the FASB issued ASU No. 2015-14, which defers the effective date of ASU No. 2014-09. ASU No. 2014-09 is effective for fiscal years beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The Company may elect to apply the guidance earlier, but no earlier than fiscal years beginning after December 15, 2016. The amendments may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. The Company is currently assessing the effect that ASU Nos. 2014-09 and 2015-14 will have on its results of operations, financial condition and cash flows.

HBK SORCE BROKERAGE LLC
(A Limited Liability Company)

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended August 31, 2016 and 2015

NOTE 2 - Net Capital Requirements

The Company is subject to the SEC's Uniform Net Capital Rule (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 fifteen to one. Net capital and the related net capital ratio fluctuate on a daily basis. As of August 31, 2016 and 2015, the net capital ratio was .30 to 1.0 and .20 to 1.0, and net capital was \$314,135 and \$487,280, which exceeded the minimum requirement by \$307,930 and \$480,718.

No material differences exist between the net capital calculated above and the net capital computed and reported in the Company's August 31, 2016 FOCUS filing. Per Rule 15c3-3 of the SEC Uniform Net Capital Rule, the Company is exempt under the (k)(1) exemption.

NOTE 3 - Income Taxes

The Company is not a taxpaying entity for federal and state income tax purposes. The Company's taxable income or loss is taxed on the sole member's income tax returns. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

The Company is not currently under examination by any taxing jurisdiction. In the event of any future tax assessments, the Company has elected to record the income taxes and any related interest and penalties as income tax expense on the Company's statements of operations.

NOTE 4 - Related Parties

The Company's member allocates shared expenses such as rent, payroll, office equipment and supplies, insurance and other administrative expenses based on the Company's percentage of revenues to total revenues of other financial service affiliates that have shared expenses.

Due to member was \$93,072 and \$98,425 as of August 31, 2016 and 2015 and is unsecured, non-interest bearing, and due on demand.

NOTE 5 - Subsequent Events

The Company did not have any subsequent events through October 26, 2016 which is the date the financial statements were available to be issued, for events requiring recording and disclosure in the financial statements for the year ended August 31, 2016.

SUPPLEMENTAL INFORMATION

HBK SORCE BROKERAGE LLC
(A Limited Liability Company)

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
As of August 31, 2016

COMPUTATION OF NET CAPITAL

Total member's equity	\$ 322,554
Deductions and/or charges:	
Non-allowable assets:	
Other assets	<u>(775)</u>
Net capital before haircuts on securities owned	321,779
Haircuts on corporate securities	<u>(7,644)</u>
Net capital	<u>\$ 314,135</u>

COMPUTATION OF AGGREGATE INDEBTEDNESS

Total liabilities from statement of financial condition	<u>\$ 93,072</u>
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COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital requirement	<u>\$ 6,205</u>
Excess net capital at 1,500 percent	<u>\$ 307,930</u>
Excess net capital at 1,000 percent	<u>\$ 304,828</u>
Ratio: Aggregate indebtedness to net capital	<u>30 to 1</u>