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

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FORM X-17A-5
PART III

Section
MAR 17 2017

SEC FILE NUMBER
8-42750

FACING PAGE
Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

Washington DC

REPORT FOR THE PERIOD BEGINNING 1/01/16 AND ENDING 12/31/16
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: CHILIAN PARTNERS LP
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
1701 S. Flagler Drive - Suite 1001

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)
West Palm Beach Florida 33401-5415
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Mr. Donald Denton 561-833-2700
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Sidney W. Azriliant, CPA, P.C. (212-869-8223)
(Name - if individual, state last, first, middle name)

501 Fifth Avenue - 15th Floor, New York New York 10017
(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)

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OATH OR AFFIRMATION

I, Donald W. Denton, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Chilian Partners, LP, as of December 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:

No Exceptions

Donald W. Denton
Signature

General Partner
Title

[Signature]
Notary Public

ANDREW KIRVIN
Notary Public, State of New York
No. 620800002
Qualified in Westchester County
Commission Expires March 25, 2019

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.
- (o) SSOI SUPPLEMENTAL STATEMENT OF INCOME

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

CHILIAN PARTNERS, L.P.
(A Limited Partnership)

AUDITED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

Sidney W. Azriliant, CPA, P.C.
501 Fifth Avenue – 15th Floor
New York, New York 10017

Telephone: (212) 869-8223 / Facsimile: (212) 840-2540

SIDNEY W. AZRILIAN, CPA, P.C.
501 Fifth Avenue – 15th Floor, New York, NY 10017

February 26, 2017

Independent Auditor's Report

To The Partners of
CHILIAN PARTNERS, L.P.

We have audited the accompanying statement of financial condition of CHILIAN PARTNERS, L.P. as of December 31, 2016, and the related statements of income, partners' capital 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.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to 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 CHILIAN PARTNERS, L.P. as of December 31, 2015, and the results of its operations and its cash flows, for the year then ended in accordance with the standards of the Public Company Accounting Oversight Board (United States).

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in Schedules I, II, III, IV, V and VI is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in Schedules I, II, III, IV, V and VI has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the standards of the Public Company Accounting Oversight Board (United States).

SIDNEY W. AZRILIAN, CPA, P.C.

A handwritten signature in cursive script, appearing to read "Sidney W. Azriliant".

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Auditor's Report

- EXHIBIT A** Statement of Financial Condition as of December 31, 2016
- EXHIBIT B** Statement of Income for the Year ended December 31, 2016
- EXHIBIT C** Statement of Partners' Capital Accounts for the Year ended December 31, 2016
- EXHIBIT D** Statement of Cash Flows -- Year ended December 31, 2016

Notes to Financial Statements

Supplemental Statement and Reports

1. Computation of Net Capital at Year End December 31, 2016
2. Information relating to the Possession or Control Requirements under Rule 15c3-3
3. Commentary on SIPC (7) Report
4. SIPC (7) Report
5. Internal Control Report
6. FOCUS Report – Part II A
7. Supplemental Schedule to Focus Report S/S

EXHIBIT A.
CHILIAN PARTNERS L.P.
(A Limited Partnership)
STATEMENT OF FINANCIAL CONDITION
As of December 31, 2016

ASSETS

Cash and Equivalents	1,707
Long Market Value / Equity Securities	4,717,743
Other Assets	1,490,000
<u>TOTAL ASSETS</u>	<u>\$6,209,450</u>

LIABILITIES AND PARTNERS' CAPITAL

LIABILITIES

<u>Short Market Value/Equity Securities/Options</u>	<u>\$57,000</u>
<u>TOTAL LIABILITIES</u>	<u>\$57,000</u>

Partners Capital Accounts	<u>6,152,450</u>
<u>TOTAL LIABILITIES AND PARTNERS' CAPITAL ACCOUNTS</u>	<u>\$6,209,450</u>

EXHIBIT B.

CHILIAN PARTNERS L.P.
(A Limited Partnership)

STATEMENT OF INCOME

For the Year Ended December 31, 2016

Gross Income

Net Security Dealer Trading Losses Marked to Market \$ (239,747)

TOTAL GROSS INCOME (\$239,747)

Expenses

Management Fees -- General Partner (See Notes 3 & 4) 143,869
Miscellaneous Expense 2,316
Professional Fees 24,288
Regulatory Fees and Assessments 1,671

TOTAL EXPENSES 172,144

NET INCOME \$ (411,891)

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

EXHIBIT C.

CHILIAN PARTNERS L.P.
(A Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL ACCOUNTS

For the Year Ended December 31, 2016

	LIMITED PARTNERS	GENERAL PARTNERS	TOTAL
Balance at January 1, 2016	\$ 699,854	\$ 5,968,487	\$ 6,668,341
Net Income (Exhibit B)	(53,982)	(357,909)	(411,891)
Capital Contributions by Partners	-	-	-
Withdrawals by Partners	-	(104,000)	(104,000)
Balance at December 31, 2016	\$ 645,872	\$ 5,506,578	\$ 6,152,450

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

EXHIBIT D.

CHILIAN PARTNERS L.P.
(A Limited Partnership)

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2016

Cash Decrease from Operating Activities Net Income (see Exhibit "B") \$ (411,891)

Adjustment to Reconcile Net Income (Loss) to Net Cash by Operating Activities:

Net Change in Assets & Liabilities For Year:

	<u>Increase to</u> <u>Cash</u>	<u>Decrease to</u> <u>Cash</u>	
Decrease in Due to Broker-Clearance	-	1,747,510	
Decrease in Securities at Market Value	<u>3,697,257</u>	-	
Increase in other Assets	-	1,490,000	
Increase in Short Securities at Market Value	<u>57,000</u>	-	
	<u>3,754,257</u>	<u>3,237,510</u>	516,747
Increase in Cash from Operations			<u>104,856</u>

Cash Flows from Financing Activities:

Net Cash Withdrawals by Partners (see Exhibit "C")	(104,000)	
Net Cash Contributions by Partners (Exhibit "C")		
Decrease in Cash from Financing Activities		<u>(104,000)</u>

Net in crease in Cash 856

Cash - Beginning of year - January 1, 2016	<u>851</u>
Cash - End of Year - December 31, 2016	<u>\$ 1,707</u>

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

Supplemental Statement 1
CHILIAN PARTNERS L.P.
(A Limited Partnership)
COMPUTATION OF NET CAPITAL
At December 31, 2016

Ownership Equity as per Statement of Financial Condition and Net Capital before Non-Allowable Assets and Haircuts on Securities Positions	\$6,152,450
Non-Allowable Assets	1,490,000
Haircuts - Options	57,000

Net Capital Per Part IIA -- Page 10 **\$ 4,605,450**

No material difference exists between our audit report for the year ending December 31, 2016 and the Focus Report X-17A-5 as of December 31, 2016.

CHILIAN PARTNERS, L.P.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

The Limited Partnership is an Operating Broker Dealer and is a market maker in convertible and government securities. The Partnership terminates December 31, 2018.

1. Securities and commodities transactions of the Partnership are recorded on a trade date basis.

Securities are valued at market or at fair value as determined by management. The resulting difference between cost and market (or fair value) is included in income.

Repurchase and resale agreements are treated as financing transactions and are carried at the amounts at which the securities will be subsequently reacquired or resold as specified in the respective agreements.

Intangible assets have been fully amortized, using an estimated useful life of five years.

The indirect method was used for preparing the statement of cash flow.

2. Securities Owned and Securities Sold But Not Yet Purchased.

Marketable securities owned, and sold but not yet purchased, consist of trading securities at market values.

	<u>Owned</u>	<u>Sold But Not Yet Purchased</u>
Corporate stocks and options at Market Value	\$4,717,743	\$57,000

3. Management Fees.

Management fees are paid to the General Partner quarterly based upon an annual rate of 2% of the net assets of the Partnership.

4. Incentive Management Fees.

Incentive management fees are paid to the general partner based on the performance of the partnership. For the year 2016, the general partner received no incentive management fee.

5. Income Taxes.

Since the Company is a partnership, it is not liable for income taxes. Income taxes incurred due to the income of the partnership are the responsibility of the individual partners.

6. Haircuts on Securities and non-allowable Assets.

There are two types of reductions on computation of net capital. 1) Non-allowable assets of \$1,490,000. 2) Options Haircuts of \$57,000 as of December 31, 2016.

7. Valuation of Investments in Securities and Securities at Fair Value – Definition and Hierarchy

In accordance with GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. In accordance with GAAP, a fair value hierarchy for Inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable Inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company’s assumptions about the inputs market participants would use in pricing the asset or liability developed based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on more judgment. Those estimated valuations do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, Those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company’s own assumptions are set to

8. Net Capital requirement

The Company, as a member of FINRA, is subject to the SEC Uniform Net Capital Rule 15c3-1. This Rule requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. At December 31, 2016 the Company's net capital was approximately \$4,605,450.

CHILIAN PARTNERS LP
Exemption Report
December 31, 2016

Chilian Partners LP asserts, to its best knowledge and belief, the following:

- (1) Chilian Partners LP, claims an exemption from § 240.15c3-3 under section (k)(2)(ii) which applies to broker-dealers who, as introducing broker-dealers, clear all customer transactions on a fully-disclosed basis with a clearing broker-dealer, and who promptly transmit all customer funds and securities to such clearing broker-dealer. In these arrangements, the clearing broker-dealer carries all of the customer accounts of the introducing broker-dealer and maintains and preserves such books and records related to customer accounts as required by SEC Rules 17a-3 and 17a-4.
- (2) Chilian Partners LP has met such exemption provisions in § 240.15c3-3 (k)(2)(ii) throughout the most recent fiscal year without exception.

Chilian Partners LP



General Partner

Date: February 26, 2017

SIDNEY W. AZRILIAN, CPA, P.C.
501 Fifth Avenue – 15th Floor, New York, NY 10017

February 26, 2017

SECURITIES AND EXCHANGE COMMISSION
and
FINRA

Re: Chilian Partners, L.P.
SEC File No. 8-42750
Audit at 12/31/16

Gentlemen:

The Company is exempt from the 15c3-3 Reserve Requirement computation and Possession or Control Requirements because the firm has no "customers" as same are defined in Rule 15c3-3(a)(1) and, accordingly, the firm does not perform custodial functions relating to customer securities as same is defined in Rule 15c3-3(b)(c). Therefore, the firm is not subject to (i.e. is exempt from) Rule 15c3-3's Reserve Requirement Computation and Possession for Control Requirements. Additionally, pursuant to rule 7a-5(g)(iv)(2), no facts have come to our attention which would indicate that such "exemption" has not been complied with during the period of our audit, i.e. no facts have come to our attention that during such period the firm had "customers" as same are defined in Rule 15c3-3(a)(1).

Our firm has examined the Exemption Report Section 240.15c3-3 et al prepared by Chilian Partners LP. in accordance with PCAOB standards and find the Exemption Report to be completely true and accurate. This is in addition to all prior reports included in the financial statements.

The firm neither had Liabilities subordinated to Claims of General Creditors at December 31, 2016 nor the prior year, December 31, 2015; hence, there were no such liabilities or change to such liabilities Subordinated to Claims of General Creditors pursuant to SEC Rule 17a-5(d)(2).

Very truly yours,
SIDNEY W. AZRILIAN, CPA, P.C.



Sidney W. Azriliant

SIDNEY W. AZRILIAN, CPA, P.C.
501 Fifth Avenue – 15th Floor, New York, NY 10017

February 26, 2017

Independent Auditor's Report on the SIPC Annual
Assessment Required by SEC Rule 17a-5

The Partners
CHILIAN PARTNERS, L.P.

In accordance with Rule 17a-5(e)(4) of the Securities and Exchange Commission, we have performed the following procedures with respect to the accompanying schedule (Form SIPC-7) of Securities Investor Protection Corporation assessments and payments of CHILIAN PARTNERS, LP for the year ended December 31, 2015. Our procedures were performed solely to assist you in complying with Rule 17a-5(e)(4), and our report is not to be used for any other purpose. The procedures we performed are as follows:

1. Compared listed assessment payments with respective cash disbursements records entries;
2. Proved the mathematical accuracy of the calculations reflected in Form SIPC-7 with supporting schedules and working papers, noting no differences.
3. The SIPC assessment for 2015 and 2016 has been paid if any amounts were due.

Because the above procedures do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the schedule referred to above. In connection with the procedures referred to above, nothing came to our attention that caused us to believe that the amounts shown on Form SIPC-7 were not determined in accordance with applicable instructions and forms. This report relates only to the schedule referred to above and does not extend to any financial statements of CHILIAN PARTNERS, L.P. taken as a whole.

SIDNEY W. AZRILIAN, CPA, P.C.



SIDNEY W. AZRILIAN, CPA, P.C.
501 Fifth Avenue – 15th Floor, New York, NY 10017

February 26, 2017

Independent Auditor's Report on Internal
Control Structure Required by SEC Rule 17a-5

The Partners
CHILIAN PARTNERS, L.P.

In planning and performing our audit of the financial statements of Chilian Partners, L.P. (the "Company") for the year ended December 31, 2016, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control structure.

We also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of rule 15c3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparison, and the recordation of differences required by rule 17a-13 or in complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objectives. Two of the objectives

of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2016 to meet the Commission's objectives.

SIDNEY W. AZRILIAN, CPA, P.C.

A handwritten signature in cursive script, appearing to read "Sidney W. Azriliant".