



19010425

| OMB APPROVAL                                     |                 |
|--|-----------------|
| OMB Number:                                      | 3235-0123       |
| Expires:   | August 31, 2020 |
| Estimated average burden hours per response..... | 12.00           |

PUBLIC

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

| SEC FILE NUMBER |
|-----------------|
| 8-67325         |

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 01/01/2018 AND ENDING 12/31/2018  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Melville Island, LLC

| OFFICIAL USE ONLY |
|-------------------|
| FIRM I.D. NO.     |

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

141 W. Jackson Blvd. Suite 1711

(No. and Street)

60604

(City)

(State)

(Zip Code)

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

Dennis Flynn

312-347-4994

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

SEC Mail Processing

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

Robert Cooper & Company CPA PC

MAY 08 2019

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

141 W. Jackson Blvd Suite 1702 Chicago

IL

Washington, DC  
60604

(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)

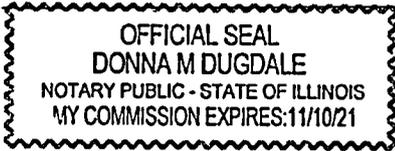
SEC 1410 (11-05)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

RMS

OATH OR AFFIRMATION

I, Dennis P. Flynn, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Melville Island, LLC, as of December 31, 2018, 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

Member

Title

[Handwritten Signature] Notary Public

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

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
(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).

***Melville Island, LLC***  
*(An Illinois Limited Liability Company)*  
***Financial Statements***  
***and Independent Accountant Report***  
***December 31, 2018***

# ***Melville Island, LLC***

*(An Illinois Limited Liability Company)*

**Index**

**December 31, 2018**

---

|   | <b>Page</b> |
|---|-------------|
| <b>Report of Independent Registered Public Accountant .....</b> | <b>1</b>    |
| <b>Financial Statements</b>                                     |             |
| Statement of Financial Condition .....                          | 2           |
| Notes to Consolidated Financial Statements .....                | 3-4         |
| <b>Oath or Affirmation .....</b>                                | <b>5</b>    |

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member,  
of Melville Island, LLC

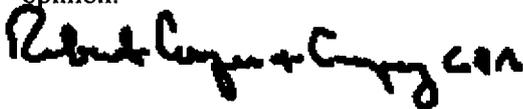
**Opinion on the Financial Statement**

We have audited the accompanying statement of financial condition of Melville Island, LLC as of December 31, 2018, and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Melville Island, LLC as of December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

This financial statement is the responsibility of Melville Island, LLC's management. Our responsibility is to express an opinion on Melville Island, LLC's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Melville Island, LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.



Robert Cooper & Company CPA PC  
We have served as Melville Island, LLC's auditor since 2006.  
Chicago, Illinois 60604  
February 27, 2019

**Melville Island, LLC**  
**(An Illinois Limited Liability Company)**  
**Statement of Financial Condition**  
**As of December 31, 2018**

---

**Assets**

Cash and cash equivalents \$ 14,026

Total assets \$ 14,026

**Liabilities**

Accrued expenses payable \$ 3,510

Other Liabilities 0

Total liabilities 3,150

**Total Member' equity** 10,516

Total liabilities and Member' equity \$ 14,026

**Melville Island, LLC**  
**(An Illinois Limited Liability Company)**  
**Notes to the financial statements**  
**For year ending December 31, 2018**

---

**1. Organization**

**Melville Island, LLC** (The “Company”) an Illinois Limited Liability Company Act was formed on September 9, 2005. The Company was approved and began business as a Broker Dealer on October 11, 2006. The business of the Company is to engage in the matching of customers with other broker dealers for the executing of trades on organized exchanges in the United States for a fee. Melville Island, LLC is registered as a broker dealer with the Securities and Exchange Commission (SEC) and Financial Industry Regulatory Authority (FINRA). The firm does not receive directly or indirectly, or hold funds or securities, or owe funds or securities to, customers and does not carry accounts of, or for customers, nor trades for their own account. The Firm is also authorized to do referral business with non-broker dealers of pre-public transactions/sale of securities between a non-broker dealer and a referred broker dealer’s client.

**2. Significant Accounting Policies**

*Use of Estimates*

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

The Company is engaged in a single line of business as a broker in which they receive commissions from their clients based on their introducing those clients to a third-party registered broker dealer. The Company does not hold customer funds. Nor do they engage in proprietary trading.

**Income Recognition**

Commissions earned and the related clearing, execution, clearing organization and exchange expenses are recorded on a trade-date basis. ASC 606 establishes guidelines for the Company to follow related to recognition of fees associated with contracts. The Company records its revenues in accordance with these guidelines as the Company only recognizes income when a transaction is performed. The Company has no minimum commission requirement or prepaid fee arrangements. All income is derived only upon a transaction that would be utilizing the Company’s services.

***Cash Equivalents***

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

**Income Taxes**

The Company is considered as a partnership flow through entity by the Internal Revenue Code. Under those provisions, the Company does not pay federal income taxes. The members are responsible for reporting their pro rata share of the profits or losses on their tax returns.

The Company applies the provision of FASB ASC 740. Income Taxes, which provide guidance how uncertain tax positions should be recognized and measured, present and disclosed in the financial statements. The managing member has concluded there is no tax expense to be recorded by the Company.

**Going Concern**

In August 2014, the Financial Accounting Standards Board issued ASU 2014-15 Presentation of Financial

**Melville Island, LLC**  
**(An Illinois Limited Liability Company)**  
**Notes to the financial statements**  
**For year ending December 31, 2018**

---

*Going Concern (continued)*

Statements-Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. The new standards update requires management to assess whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the financial statements are issued. If substantial doubt exists, additional disclosures are required. These changes are effective for the annual financial statement period ending after December 15, 2016, and for subsequent annual periods and interim periods. Early application is permitted. This update was effective for the Company's annual period ended December 31, 2018. The initial assessment of the Company did not indicate any substantial doubt about the entity's ability to continue as a going concern

**3. NET CAPITAL REQUIREMENTS**

As a registered FINRA broker-dealer, Melville Island, LLC is subject to the net capital requirements of the Securities and Exchange Commission's "Uniform Net Capital Rule" (Rule 15c3-1). Melville Island, LLC is required to maintain minimum net capital, as defined, equal to the greater of \$5,000 or 6 2/3% of aggregate indebtedness. At December 31, 2018, had \$ 10,516 of net capital which was \$5,516 in excess of the required minimum net capital. Early warning for net capital is \$6,000.

**4. RELATED PARTIES**

Certain administrative and organizational activities are charged by a related party at cost to the Company. Those costs are reimbursable to the related party; no other expense sharing agreement is in place. During the year, the sole member contributed \$ 15,635 into the company to cover operating expenses.

**5. SUBSEQUENT EVENTS**

The Subsequent event standard requires disclosure of the date through which the Company has evaluated subsequent events and whether that date represents the date the financial statements were issued or were available to be issued. Management has evaluated subsequent events through February 27, 2019, the date the financial statements were issued.

**OATH OR AFFIRMATION**  
**REGARDING ACCURACY AND COMPLETENESS**  
**OF FINANCIAL STATEMENTS AS OF FOR**  
**THE PERIOD ENDING DECEMBER 31, 2018**

To the best of my knowledge and belief, the information contained herein is accurate and complete.

A handwritten signature in black ink, appearing to read 'Dennis Flynn', with a large, stylized initial 'D' and 'F'.

Dennis Flynn  
Managing Member