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

SEC FILE NUMBER
8-69435

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 01/01/2019 AND ENDING 12/31/2019
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Financial Resources Group Investment Services, LLC

OFFICIAL USE ONLY

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

FIRM I.D. NO.

481 Munn Road Ste 225

(No. and Street)

Fort Mill

SC

29718

(City)

(State)

(Zip Code)

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

LAURA KEADY 704 816 8014

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Elliot Davis

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

5410 Trinity Road Ste 320

Raleigh

NC

27607

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

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

SEC Mail Processing

MAR 03 2020

Washington, DC

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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)

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.

OATH OR AFFIRMATION

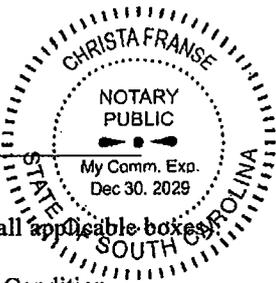
I, Edward Bruce Miller, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Financial Resources Group Investment Services, LLC, as of December 31, 2019, are true and correct. I further swear (or affirm) 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:

Edward B Miller
Signature

President

Title

Christa Franse
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).



Financial Resources Group Investment Services, LLC

Report on Financial Statements

For the year ended December 31, 2019

(Pursuant to paragraph (d) of Rule 17a-5 of the Securities Exchange Act of 1934)



FINANCIAL RESOURCES GROUP
Investment Services

Financial Resources Group Investment Services, LLC

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Report of Independent Registered Public Accounting Firm

To the Member
Financial Resources Group Investment Services, LLC
Fort Mill, South Carolina

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Financial Resources Group Investment Services, LLC (the "Company") as of December 31, 2019, and the related notes to the financial statement (collectively, "the financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company'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 the Company in accordance with 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting 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.

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 statement. 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 statement. We believe that our audit provides a reasonable basis for our opinion.

Elliott Davis, PLLC

We have served as the Company's auditor since 2015.

Raleigh, North Carolina
February 25, 2020

Financial Resources Group Investment Services, LLC

Statement of Financial Condition

December 31, 2019

Current assets:

Cash	\$2,637,453
Accounts receivable	346,922
Right-of-use assets	248,449
Prepaid expenses	68,211
Other receivables	126,756
Total current assets	<u>3,427,791</u>

Long-term assets:

Property and equipment:	
Leasehold improvements	185,183
Furniture and fixtures	33,909
Office equipment	100,208
Accumulated depreciation	<u>(145,092)</u>
Property and equipment, net	<u>174,208</u>
Long-term right-of-use assets	267,858
Other long-term assets	15,691
Total assets	<u>\$3,885,548</u>

Liabilities and member's equity

Current liabilities:

Accounts payable	\$89,297
Accrued commissions	321,098
Discretionary profit-sharing accrual	265,000
Operating lease liabilities	254,996
Other accrued expenses	187,063
Payroll liabilities	62,549
Total current liabilities	<u>1,180,003</u>
Long-term operating lease liabilities	283,589
Total liabilities	<u>1,463,592</u>
Member's equity	2,421,956
Total liabilities and member's equity	<u>\$3,885,548</u>

See Notes to Financial Statements

Financial Resources Group Investment Services, LLC

Notes to Financial Statements

For the year ended December 31, 2019

Note 1. Summary of Significant Accounting Policies

These financial statements were prepared in conformity with accounting principles generally accepted in the United States of America.

Business activity and regulation:

Financial Resources Group Investment Services, LLC (the "Company") is a broker-dealer registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). The Company is a South Carolina limited liability company registered to do business in multiple states throughout the United States. The Company was formed December 17, 2013 in South Carolina. The Company was offered FINRA membership on July 29, 2015. After registering in the necessary states and completing other administrative responsibilities, the Company began full operations for all employees on December 1, 2015. The Company provides Office of Supervisory Jurisdiction services for financial advisors and financial institutions on the LPL Financial platform.

The Company uses the accrual method of accounting.

Cash:

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Accounts receivable:

Accounts receivable are recorded at net realizable value of the carrying amount less the allowance for uncollectible accounts. The Company uses the allowance method for uncollectible balances. Under the allowance method, if needed, an estimate of uncollectible receivable balances is made. Management considers all accounts receivable to be collectible. Therefore, no allowance for doubtful accounts has been recorded.

Property, equipment and depreciation:

Property and equipment are carried at cost, less accumulated depreciation. Expenditures for maintenance and repair, which do not improve or extend the life of an asset, are charged to expense as incurred. Major renewals and betterments are capitalized. Depreciation expense is computed using the straight-line method over the estimated useful lives.

Financial Resources Group Investment Services, LLC

Notes to Financial Statements

December 31, 2019

Note 1. Summary of Significant Accounting Policies, continued

Furniture and fixtures 7 years

Office equipment and leasehold improvements 5 years

Depreciation expense for the year ended December 31, 2019 totaled \$50,836.

Upon retirement, sale, or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts, and any related gain or loss is included in operations. At December 31, 2019, management deemed there was no impairment on property and equipment.

Revenue recognition:

The Company records override income upon the completion of the transaction evidenced by the receipt of its payment. The Company earns advisory revenue and brokerage revenues by providing Office of Supervisory Jurisdiction services to its clients. The Company also earns a portion of administrative fees charged to advisory products. The administrative fee revenue is recognized when paid by LPL Financial. The Company has performed an assessment of its contracts related to revenue streams that are within the scope of the standard. As such, the Company's accounting policies have not changed materially since the principles of revenue recognition from the guidance are largely consistent with prior guidance and current practices applied by the Company. Furthermore, significant revenue has not been recognized in the current reporting period that resulted from performance obligations satisfied in previous periods.

Marketing costs:

The Company expenses the cost of marketing as it is incurred. Marketing expense was \$78,391 for the year ended December 31, 2019.

Sterling hybrid commissions:

Sterling hybrid commissions represent commission expenses paid to financial consultants who work a book of business at the Sterling Bank program in addition to their own personal books of business. The financial consultants are supervised by the Company as part of the Sterling Bank program therefore the Company is paid an override from LPL as part of the Sterling Bank revenue share. The Company subsequently pays the commissions owed to the financial consultants through a 1099 from LPL for the financial consultant's independent book of business.

Use of estimates:

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

Financial Resources Group Investment Services, LLC

Notes to Financial Statements

December 31, 2019

Note 1. Summary of Significant Accounting Policies, continued

of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Limited Liability Company:

The Company is 100% owned by FRG Holdings, LLC on December 31, 2019. Effective January 1, 2019, the Company has ten owners, which are comprised of a 6% owner, 5% owner, two 3% owners, and five 2% owners, leaving Financial Partners, LLC with 73% ownership. Edward Bruce Miller owns 100% of Financial Partners, LLC. All owners that are regularly involved in running the business receive guaranteed payments from Financial Resources Group Investment Services LLC as compensation for their services.

Fair value of assets and liabilities:

The carrying amounts of all financial instruments approximate their estimated values in the accompanying statement of financial condition.

Recently issued accounting pronouncements:

There are no new accounting standards that have been recently issued or proposed by the FASB or other standard setting bodies that are expected to have a material impact on the Company's financial position, revenue recognition, results of operations, or cash flows.

Note 2. Net Capital Requirement

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of a minimum net capital of the greater of \$5,000 or 6.67% of aggregate indebtedness and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2019 the Company had net capital of \$1,874,962 which was \$1,811,661 in excess of its required net capital of \$63,300. The Company's ratio of aggregate indebtedness to net capital was .5064 to 1 at December 31, 2019.

Note 3. Income Tax Status

The Company is disregarded for tax purposes. The Company is wholly owned by FRG Holdings, LLC which is treated as a partnership for tax purposes. The tax amount reflected in the financial statements are amounts for state taxes. Management has determined that the Company has no uncertain tax positions that would require the Company to record a liability for unrecognized tax benefits. The Company's tax returns have not been examined.

Financial Resources Group Investment Services, LLC

Notes to Financial Statements

December 31, 2019

Note 4. Operating Leases

The Company determines if an arrangement is a lease at inception. The Company has operating leases for office space and an automobile lease with remaining lease terms of five months to three years. Operating lease assets and operating lease liabilities are recognized based on present value of the future lease payments over the lease term at the commencement date. The existing leases do not provide an implicit rate, so the Company estimates its incremental borrowing rate based on information available at the commencement date in determining the present value of future payments. Lease expense for net present value of payments is recognized on a straight line basis over the lease term. Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. At December 31, 2019, the total right-of-use assets are \$516,307 and the total lease liabilities are \$538,585.

The maturities of lease liabilities are as follows:

	Maturities of Lease Liabilities 12/31-Operating Leases
2020	\$275,365
2021	208,507
2022	83,787
Total Lease Payments	567,659
Less Imputed Interest	<u>29,074</u>
Total	\$538,585

Operating leases weighted average remaining lease term (in years) is 1.35. Operating leases weighted average discount rate is 5%.

Financial Resources Group Investment Services, LLC

Notes to Financial Statements

December 31, 2019

Note 5. Concentration of Risk

The Company places its cash and cash equivalents on deposit with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC), in the United States. At times, balances may exceed insurable limits.

Note 6. Retirement Plan

The Company offers a 401k plan. Under the terms of the plan, participants are entitled to contribute up to the maximum allowable amount not to exceed the limits established by the Internal Revenue Code. There is no guaranteed Company match. Based on operating results, the Company may elect to make a discretionary match. For the year ended December 31, 2019, the Company accrued a discretionary match of \$265,000.

Note 7. Related Party Transactions

Financial Resources Group Investment Services, LLC pays a monthly management fee to Financial Partners, LLC. Financial Partners, LLC is wholly owned by Edward Bruce Miller and employs Edward Bruce Miller. Financial Resources Group Investment Services, LLC paid \$336,000 in guaranteed payments to Financial Partners, LLC during the year 2019.

Note 8. Commitments and Contingencies

The Company is subject to various claims and legal proceedings arising in the normal course of business. Management is not aware of any legal proceedings where the Company is named.

Note 9. Subsequent Events

Subsequent events have been considered through February 25, 2020, the same date on which these financial statements were issued.