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**ANNUAL REPORTS  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
8-51944

FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/2021 AND ENDING 12/31/2021  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF FIRM: Thoroughbred Financial Services, LLC

TYPE OF REGISTRANT (check all applicable boxes):

- Broker-dealer     Security-based swap dealer     Major security-based swap participant  
 Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

5110 Maryland Way, Suite 300

(No. and Street)

Brentwood

TN

37027

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Daniel Kelly

615-371-0001

djkelly@thoroughbredfinancial.com

(Name)

(Area Code – Telephone Number)

(Email Address)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Cherry Bekaert, LLP

(Name – if individual, state last, first, and middle name)

222 Second Avenue, Suite 1240

Nashville

TN

37201

(Address)

(City)

(State)

(Zip Code)

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

**FOR OFFICIAL USE ONLY**

\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

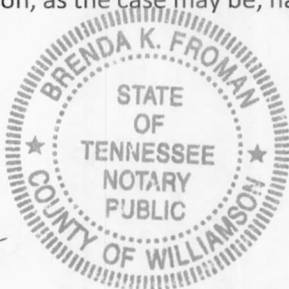
Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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OATH OR AFFIRMATION

I, Daniel Kelly, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Thoroughbred Financial Services, LLC, as of December 31, 2021, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

Brenda K. Froman
Notary Public



Signature: [Handwritten Signature]
Title: VP Operations

My Commission Expires January 29, 2023

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

- (a) Statement of financial condition.
(b) Notes to consolidated 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...
(d) Statement of cash flows.
(e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
(f) Statement of changes in liabilities subordinated to claims of creditors.
(g) Notes to consolidated financial statements.
(h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
(i) Computation of tangible net worth under 17 CFR 240.18a-2.
(j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
(k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
(l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
(m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
(n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
(o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
(p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
(q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
(r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(t) Independent public accountant's report based on an examination of the statement of financial condition.
(u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
(v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
(y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
(z) Other:

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

## Report of Independent Registered Public Accounting Firm

To the Members  
Thoroughbred Financial Services, LLC  
Brentwood, Tennessee

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Thoroughbred Financial Services, LLC (the "Company") as of December 31, 2021, the related statements of operations, changes in members' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements 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 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 statements are 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 statements, 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.

### Auditor's Report on Supplemental Information

The supplemental information included in Computation of Net Capital under Rule 15c3-1, of the Securities and Exchange Commission, has been subjected to audit procedures performed in conjunction with the audit of Company's financial statements. The supplemental information is the responsibility of the Company'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.

We have served as the Company's auditor since 2017.

*Cherry Bekaert LLP*

Nashville, Tennessee  
February 24, 2022

**THOROUGHbred FINANCIAL SERVICES, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**December 31, 2021**

**Assets**

Cash and cash equivalents	\$	2,994,126
Deposits with clearing organizations		50,000
Commissions and other receivables		357,917
Prepaid expenses and other		27,217
Property and equipment, net of accumulated depreciation of \$85,947		15,124
Leasehold right of use asset		578,453
		578,453
Total assets	\$	4,022,837

**Liabilities and Members' Equity**

Accounts payable and accrued expenses	\$	737,807
Accrued compensation, taxes, and benefits		603,045
Short-term lease liability		299,903
		299,903
Total current liabilities		1,640,755
Long-term lease of use liability		317,007
		317,007
Total liabilities		1,957,762
Members' equity		2,065,075
		2,065,075
Total liabilities and members' equity	\$	4,022,837

See accompanying notes.

**THOROUGHBRED FINANCIAL SERVICES, LLC**  
**STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2021**

Revenues:	
Fees and commissions income	\$ 23,805,251
Other	1,501,324
Management fees from related company	<u>636,000</u>
Total revenues	<u>25,942,575</u>
Expenses:	
Commissions expense	17,789,413
Employee compensation, taxes, and benefits	3,860,728
Management fees	1,723,798
Other	861,358
Trade fees and confirmations	336,640
Facility rent	360,709
Legal and professional	<u>54,830</u>
Total expenses	<u>24,987,476</u>
Net income	<u><u>\$ 955,099</u></u>

See accompanying notes.

**THOROUGHbred FINANCIAL SERVICES, LLC**  
**STATEMENT OF CHANGES IN MEMBERS' EQUITY**  
**For the Year Ended December 31, 2021**

	<u>Member Contributions</u>	<u>Retained Earnings</u>	<u>Total Members' Equity</u>
Balances at December 31, 2020	\$ 300,000	\$ 1,309,976	\$ 1,609,976
Distributions to members	-	(500,000)	(500,000)
Net income	-	955,099	955,099
Balances at December 31, 2021	<u>\$ 300,000</u>	<u>\$ 1,765,075</u>	<u>\$ 2,065,075</u>

See accompanying notes.

**THOROUGHbred FINANCIAL SERVICES, LLC**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2021**

Cash flows from operating activities:	
Net income	\$ 955,099
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	(7,119)
Changes in operating assets and liabilities:	
Commissions and other receivables	(29,070)
Prepaid expenses and other	(1,417)
Accounts payable and accrued expenses	250,304
Accrued compensation, taxes, and benefits	42,673
	<u>1,210,470</u>
Net cash provided by operating activities	
Cash flows from financing activities:	
Distributions to members	<u>(500,000)</u>
Net cash used in investing activities	<u>(500,000)</u>
Net increase in cash and cash equivalents	710,470
Cash and cash equivalents, beginning of year	<u>2,283,656</u>
Cash and cash equivalents, end of year	<u>\$ 2,994,126</u>
Supplemental disclosure:	
State income taxes paid	<u>\$ 56,656</u>

See accompanying notes.

**THOROUGHBRED FINANCIAL SERVICES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021**

**NOTE 1 – ORGANIZATION AND NATURE OF BUSINESS**

Thoroughbred Financial Services, LLC (the “Company”) was formed effective June 24, 1999 to operate as a broker-dealer on an introducing firm basis in accordance with the rules and regulations set forth by the Financial Industry Regulatory Authority. The Company also acts as an investment advisor and sells insurance products. It operates as a limited liability company (“LLC”), and its members have limited personal liability for the obligations or debts of the entity. The term of the LLC shall continue until June 24, 2039, unless earlier terminated in accordance with the provisions of the operating agreement.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Revenue Recognition**

Commission income and related expenses from customers’ securities transactions are recorded on a trade date basis. Insurance commissions are recognized at the time the underwriting is completed and the income is reasonably determinable. The Company provides investment advisory services on a daily basis. Fee arrangements are based on a percentage applied to the customer’s assets under management. Fees are received typically monthly and are recognized as revenue at that time as they relate specifically to the services provided in that period.

**Revenue from contracts with customers**

Brokerage commissions and fees	\$ 2,793,757
Insurance products	1,302,808
Investment advisory fees	<u>19,708,686</u>
<b>Total revenue from contracts with customers</b>	<b><u>\$23,805,251</u></b>

The Company recognizes revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers (“ASC Topic 606”). ASC Topic 606 revenue recognition guidance requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance requires an entity to follow a five-step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved.

**THOROUGHbred FINANCIAL SERVICES, LLC**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents**

The Company considers all short-term, highly liquid investments with an original maturity date of three months or less when purchased to be cash and cash equivalents. The Company maintains its cash in financial institutions at balances which, at times may exceed federally insured limits. At December 31, 2021, the Company's uninsured cash balances total \$1,415,157.

**Commissions Receivable**

The Company considers commissions receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required at December 31, 2021.

**Property and Equipment**

Expenditures for property and equipment are recorded at cost. Expenditures for ordinary repairs and maintenance are expensed. Depreciation is provided over the estimated useful lives of the respective assets using straight line and accelerated methods.

**Income Taxes**

Effective January 1, 2002, the Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, its earnings and losses are included in the personal returns of the members and taxed depending on their personal tax situations. The financial statements do not reflect a provision for federal income taxes.

The Company follows Financial Accounting Standards Board Accounting Standard Codification guidance clarifying the accounting for the recording of uncertain tax positions. The benefits of uncertain tax positions are recorded in the financial statements only after determining a more-likely-than-not probability that the uncertain tax position will withstand challenge, if any, from taxing authorities. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The Company has no accrued tax penalties or interest in the accompanying financial statements.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**THOROUGHbred FINANCIAL SERVICES, LLC**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Subsequent Events**

The Company evaluated subsequent events through February 24, 2022 when these financial statements were available to be issued. The Company is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on the financial statements.

**NOTE 3 – LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS**

The Company has no borrowings under subordination agreements for the year ended December 31, 2021.

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment at December 31 consists of the following:

	<u>2021</u>
Furniture and fixtures	\$ 70,838
Computer equipment	<u>30,233</u>
	101,071
Less: Accumulated depreciation	<u>(85,947)</u>
	<u>\$ 15,124</u>

**NOTE 5 – LEASEHOLD RIGHT OF USE**

The Company has obligations as a lessee for office spaces and an equipment lease with initial noncancelable terms in excess of one year. The Company classified these leases as operating leases. The Company's leases do not include termination options for either party to the lease or restrictive financial or other covenants. Payment due under the lease contracts include fixed payments plus, for many of the Company's leases, variable payments. The Company's office space leases require it to make variable payments for the Company's proportionate share of the building's property taxes, insurance, and common area maintenance. These variable lease payments are not included in lease payments used to determine lease liability and are recognized as variable costs when incurred. The leases expire at varying dates through December 31, 2023.

Amounts reported in the balance sheet as of December 31, 2021 were as follows:

Operating Leases:

Operating lease Right-of-Use assets \$578,453

Operating lease liabilities \$616,910

**THOROUGHBRED FINANCIAL SERVICES, LLC**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2021**

**NOTE 5 – LEASEHOLD RIGHT OF USE (Continued)**

Other information related to leases as of December 31, 2021 was as follows:

Reductions to ROU assets resulting from reductions to lease obligations:  
Operating leases \$(318,865)

Amounts disclosed for ROU assets obtained in exchange for lease obligations and reductions to ROU assets resulting from reductions to lease obligations include amounts added to or reduced from the carrying amount of ROU assets resulting from new leases, lease modifications or reassessments.

Maturities of lease liabilities under noncancelable operating leases as of December 31, 2021 are as follows:

	2022 \$	315,794
	2023	<u>322,109</u>
Principal Undiscounted		637,903
Discount Interest		<u>(20,993)</u>
Principal Discounted		<u>\$ 616,910</u>

**NOTE 6 – 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, not to exceed 15 to 1. At December 31, 2021, the Company had net capital of \$1,738,826 which was \$1,646,872 in excess of its required net capital of \$91,954.

**NOTE 7 – RELATED PARTY TRANSACTIONS**

The Company earns management fees from a related party in exchange for the use of office space, personnel and administrative services. Management fees income for the year ending December 31, 2021 totaled \$636,000. The Company also earns commissions on investments of an affiliated entity. Commission income recognized under this arrangement totaled \$1,241,221 for the year ending December 31, 2021.

**THOROUGHbred FINANCIAL SERVICES, LLC**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2021**

**NOTE 8 – EMPLOYEE BENEFIT PLAN**

The Company maintains a 401(k) plan (the “Plan”) for its employees. The Plan covers all employees who have completed minimum service requirements. The Plan provides for employer safe harbor contributions and discretionary profit sharing contributions. Contributions to the Plan totaled \$162,082 for the year ending December 31, 2021.

**NOTE 9 – COMMITMENTS AND CONTINGENT LIABILITIES**

Liabilities for loss contingencies arising from claims, assessments, litigation, guarantees, and other sources are recorded when it is probable that a liability has been incurred, and the amount of the assessment and /or remediation can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. There were no matters existing that required the Company to record or disclose such a liability in the financial statements.

## SUPPLEMENTARY INFORMATION

**THOROUGHbred FINANCIAL SERVICES, LLC**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1**  
**OF THE SECURITIES AND EXCHANGE COMMISSION**  
**December 31, 2021**

**Schedule I**

Computation of basic net capital requirement:

Net worth per financial statement	\$	2,065,075
Total nonallowable assets		(121,262)
Haircuts on securities		<u>(204,987)</u>
Net capital	\$	<u>1,738,826</u>
Minimum net capital requirement	\$	<u>91,954</u>
Minimum dollar net capital requirement of reporting broker	\$	<u>50,000</u>
Greater of above amounts	\$	<u>91,954</u>
Excess net capital	\$	<u>1,646,872</u>
Net capital less 120% of minimum dollar net capital requirement of reporting broker	\$	<u>1,600,895</u>

**THOROUGHBRED FINANCIAL SERVICES, LLC  
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
PURSUANT TO RULE 15c3-3  
December 31, 2021**

**The Company is exempt from the requirements of Rule 15c3-3 under Section K(2)(ii) of the Rule.**

**THOROUGHbred FINANCIAL SERVICES, LLC  
INFORMATION RELATING TO THE POSSESSION OR CONTROL  
REQUIREMENTS UNDER RULE 15c3-3  
December 31, 2021**

**The Company is exempt from the requirements of Rule 15c3-3 under Section K(2)(ii) of the Rule.**

**THOROUGHBRED FINANCIAL SERVICES, LLC  
RECONCILIATION OF NET CAPITAL UNDER RULE 15c3-1 AND THE  
COMPUTATION FOR DETERMINATION OF THE RESERVE REQUIREMENTS  
UNDER EXHIBIT A OF RULE 15c3-3  
December 31, 2021**

**The net capital computed on page 13 and the Company's computation of net capital on its December 31, 2021 Focus Report – Part IIA agree. As a result, no reconciliation is necessary.**

**The Company is exempt from the requirements of Rule 15c3-3 under Section K(2)(ii) of the rule.**

**THOROUGHbred FINANCIAL SERVICES, LLC  
RECONCILIATION BETWEEN THE AUDITED AND UNAUDITED  
STATEMENTS OF FINANCIAL CONDITION WITH RESPECT TO  
METHODS OF CONSOLIDATION  
December 31, 2021**

**Not Applicable**

**THOROUGHBRED FINANCIAL SERVICES, LLC  
MATERIAL INADEQUACIES FOUND TO EXIST OR FOUND TO  
HAVE EXISTED SINCE THE DATE OF THE PREVIOUS AUDIT  
December 31, 2021**

**None**

## Report of Independent Registered Public Accounting Firm

To the Members  
Thoroughbred Financial Services, LLC  
Brentwood, Tennessee

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Thoroughbred Financial Services, LLC (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) and (ii)) (exemption provisions) and (2) the Company stated that the Company met the identified exemption provisions throughout the most recent fiscal year without exception. The Company's management is responsible for compliance with the exemption provisions 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 provisions. 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) and (ii)) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Cherry Bekaert LLP*

Nashville, Tennessee  
February 24, 2022



## 2021 Exemption Report

For the calendar year 2021 Thoroughbred Financial Services, LLC (TFS) has operated under the exemption provisions provided in SEA Rules 15c3-3(k)(2)(i) and 15c3-3(k)(2)(ii)

TFS has met the exemptive provisions under SEC Rule 15c3-3 through the calendar year 2021.

A handwritten signature in black ink, appearing to read 'Daniel Kelly', is positioned above the printed name.

Daniel Kelly  
VP Operations

**Report of Independent Registered Public Accounting Firm on  
Applying Agreed-Upon Procedures**

To the Members  
Thoroughbred Financial Services, LLC  
Brentwood, Tennessee

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation ("SIPC") Series 600 Rules, which are enumerated below on the accompanying General Assessment Reconciliation ("Form SIPC-7") for the year ended December 31, 2021. Management of Thoroughbred Financial Services, LLC (the "Company") is responsible for its Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7.

Management of the Company has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting you and SIPC in evaluating the Company's compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2021. Additionally, SIPC has agreed to and acknowledged that the procedures performed are appropriate for their intended purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences;
- 2) Compared the Total Revenue amounts reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2021 with the Total Revenue amount reported in Form SIPC-7 for the year ended December 31, 2021, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
- 4) Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences; and
- 5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

We were engaged by the Company to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and in accordance with the standards of the Public Company Accounting Oversight Board (United States). We were not engaged to and did not conduct an examination or a review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Company and SIPC and is not intended to be and should not be used by anyone other than these specified parties.

*Cherry Bekant LLP*

Nashville, Tennessee  
February 24, 2022

**SIPC-7**

(36-REV 12/18)

SECURITIES INVESTOR PROTECTION CORPORATION

Mail Code: 8967 P.O. Box 7247 Philadelphia, PA 19170-0001

**SIPC-7**

(36-REV 12/18)

**General Assessment Reconciliation**

For the fiscal year ended 2021

(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

[ ]

[ ]

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

Daniel Kelly 615-371-0001

- 2. A. General Assessment (item 2e from page 2) \$ 34,030
- B. Less payment made with SIPC-6 filed (exclude interest) ( 16,346 )  
8/2/2021  
Date Paid
- C. Less prior overpayment applied ( \_\_\_\_\_ )
- D. Assessment balance due or (overpayment) 17,684
- E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum \_\_\_\_\_
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 17,684
- G. PAYMENT:  the box  
Check mailed to P.O. Box  Funds Wired  ACH  \$ 17,684  
Total (must be same as F above)
- H. Overpayment carried forward \$( \_\_\_\_\_ )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Thoroughbred Financial Services, LLC

(Name of Corporation, Partnership or other organization)

Daniel Kelly

(Authorized Signature)

Dated the 2 day of February, 20 22

VP Operations

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER** Dates: Postmarked Received Reviewed

Calculations \_\_\_\_\_ Documentation \_\_\_\_\_ Forward Copy \_\_\_\_\_

Exceptions: \_\_\_\_\_

Disposition of exceptions: \_\_\_\_\_

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 01/01/2021  
and ending 12/31/2021

Item No.	Eliminate cents
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)	<u>\$25,942,574</u>
2b. Additions:	
(1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.	_____
(2) Net loss from principal transactions in securities in trading accounts.	_____
(3) Net loss from principal transactions in commodities in trading accounts.	_____
(4) Interest and dividend expense deducted in determining Item 2a.	_____
(5) Net loss from management of or participation in the underwriting or distribution of securities.	_____
(6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.	_____
(7) Net loss from securities in investment accounts.	<u>16,078</u>
Total additions	<u>16,078</u>
2c. Deductions:	
(1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.	<u>2,803,654</u>
(2) Revenues from commodity transactions.	_____
(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.	<u>468,029</u>
(4) Reimbursements for postage in connection with proxy solicitation.	_____
(5) Net gain from securities in investment accounts.	_____
(6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.	_____
(7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).	_____
(8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):	_____
_____ (Deductions in excess of \$100,000 require documentation)	_____
(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.	\$ _____
(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).	\$ _____
Enter the greater of line (i) or (ii)	_____
Total deductions	<u>3,271,683</u>
2d. SIPC Net Operating Revenues	<u>\$ 22,686,969</u>
2e. General Assessment @ .0015	<u>\$ 34,030</u>
	(to page 1, line 2.A.)