

# **CU Investment Solutions LLC**

*Confidential Pursuant to Rule 17a-5 (c)(3)*

## **Financial Statements**

**For the Years Ended September 30, 2013 and 2012**

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

SEC FILE NUMBER
8-01-50400

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 October 1, 2012 AND ENDING September 30, 2013  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: CU Investment Solutions LLC

OFFICIAL USE ONLY

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

FIRM I.D. NO.

8500 W. 110th Street, Suite #650

(No. and Street)

Overland Park

Kansas

66210

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Michael T. Doherty

913.912.5232

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Mayer Hoffman McCann PC

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

11440 Tomahawk Creek Pkwy Leawood

Kansas

66211

(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**

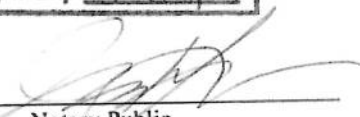
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

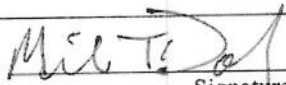
**OATH OR AFFIRMATION**

I, Michael T. Doherty, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CU Investment Solutions LLC, as of September 30, 2013, 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:

\_\_\_\_\_  
\_\_\_\_\_

JENNIFER L. HOGAN  
NOTARY PUBLIC  
STATE OF KANSAS  
My Appt. Exp. 4/18/15

  
Notary Public

  
Signature  
President & CEO  
Title



Mayer Hoffman McCann P.C.

An Independent CPA Firm

11440 Tomahawk Creek Parkway  
Leawood, Kansas 66211  
913-234-1900 ph  
913-234-1100 fx  
www.mhmcpa.com

## Report of Independent Registered Public Accounting Firm

Board of Managers  
CU Investment Solutions LLC  
Overland Park, Kansas

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of CU Investment Solutions, LLC which comprise the statements of financial condition as of September 30, 2013 and 2012, and the related statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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 entity'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 purpose of expressing an opinion on the effectiveness of the entity'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 basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CU Investment Solutions, LLC as of September 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, and III 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, and III have 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 U.S. generally accepted auditing standards. In our opinion, the information in Schedules I, II, and III are fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Mayer Hoffman McCann P.C.".

Leawood, Kansas  
November 25, 2013

**CU Investment Solutions LLC**  
**Statements of Financial Condition**  
**As of September 30, 2013 and 2012**

	2013	2012
<b>Assets</b>		
Cash and cash equivalents	\$ 2,976,490	\$ 3,101,054
Investment securities	448,618	-
Receivables:		
Commissions	29,879	39,731
Advisory fees	25,066	25,066
Other	50	3,033
Total receivables	<u>54,995</u>	<u>67,830</u>
Other assets	<u>54,650</u>	<u>24,899</u>
<b>Total Assets</b>	<u><u>\$ 3,534,753</u></u>	<u><u>\$ 3,193,783</u></u>
<b>Liabilities and Equity</b>		
Liabilities		
Commissions payable	\$ 107,154	\$ 183,091
Accounts payable	11,689	7,445
Accrued expenses	301,547	212,064
Total Liabilities	<u>420,390</u>	<u>402,600</u>
Contingently redeemable member shares	-	100,000
Members' Equity		
Members' shares	900,000	900,000
Capital distributions	(662,782)	(10,000)
Retained earnings	2,877,145	1,801,183
Total Members' Equity	<u>3,114,363</u>	<u>2,691,183</u>
<b>Total Liabilities and Members' Equity</b>	<u><u>\$ 3,534,753</u></u>	<u><u>\$ 3,193,783</u></u>

**CU Investment Solutions LLC**  
**Statements of Operations**  
**For the years ended September 30, 2013 and 2012**

	2013	2012
<b>Revenue</b>		
Commissions - corporate agent program	\$ 5,812,460	\$ 4,614,537
Commissions - financial product sales	1,056,293	1,144,909
Advisory and other revenue	342,294	384,046
Unrealized appreciation on investment securities	36,512	-
Net interest income	14,433	11,986
Total Revenue	<u>7,261,992</u>	<u>6,155,478</u>
<b>Expenses</b>		
Salaries and benefits	1,533,911	1,238,859
Commissions	3,941,916	3,065,652
Professional and outside services	405,282	390,979
Office occupancy and administration	86,787	90,515
Data processing	59,219	50,781
Memberships and registration fees	55,429	54,592
Travel	44,416	30,995
Insurance and other	59,070	52,351
Total Expenses	<u>6,186,030</u>	<u>4,974,724</u>
<b>Net Income</b>	<u>\$ 1,075,962</u>	<u>\$ 1,180,754</u>

**CU Investment Solutions LLC**  
**Statement of Changes in Members' Equity**  
**For the years ended September 30, 2013 and 2012**

	<u>Shares</u>	<u>Members'</u> <u>Shares</u>	<u>Capital</u> <u>Distributions</u>	<u>Retained</u> <u>Earnings</u>	<u>Total</u>
<b>Opening Balance, October 1, 2011</b>	<b>100</b>	<b>\$ 1,000,000</b>	<b>\$ -</b>	<b>\$ 620,429</b>	<b>\$ 1,620,429</b>
Net Income	-	-	-	1,180,754	1,180,754
Redemption of single member shares	(10)	(100,000)	-	-	(100,000)
Capital distribution	-	-	(10,000)	-	(10,000)
<b>Ending Balance, September 30, 2012</b>	<b>90</b>	<b>900,000</b>	<b>(10,000)</b>	<b>1,801,183</b>	<b>2,691,183</b>
Net Income	-	-	-	1,075,962	1,075,962
Capital distribution	-	-	(652,782)	-	(652,782)
<b>Ending Balance, September 30, 2013</b>	<b>90</b>	<b>\$ 900,000</b>	<b>\$ (662,782)</b>	<b>\$ 2,877,145</b>	<b>\$ 3,114,363</b>



**CU Investment Solutions LLC**  
**Statements of Cash Flows**  
**For the years ended September 30, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 1,075,962	\$ 1,180,754
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	572	-
Net change in unrealized appreciation on investment securities	(36,512)	-
Changes in operating assets and liabilities:		
Receivables from customers	9,852	613,536
Income tax receivable	-	62,298
Other receivables	2,983	5,896
Other assets	(30,323)	6,317
Accounts payable and accrued expenses	17,790	(247,726)
<i>Net cash provided by operating activities</i>	1,040,324	1,621,075
<b>Cash flows from investing activities:</b>		
Purchase of investment securities	(412,106)	-
<i>Net cash used in investing activities</i>	(412,106)	-
<b>Cash flows from financing activities:</b>		
Redemption of single member shares	-	(100,000)
Distributions	(652,782)	(10,000)
Issuance (redemption) of redeemable member shares	(100,000)	100,000
<i>Net cash used in financing activities</i>	(752,782)	(10,000)
<i>Net increase (decrease) in cash</i>	(124,564)	1,611,075
Cash and cash equivalents, beginning of year	3,101,054	1,489,979
Cash and cash equivalents, end of year	\$ 2,976,490	\$ 3,101,054

**CU Investment Solutions LLC**  
**Schedule I**  
**Computation of Net Capital Under Rule 15c 3-1 and Statement Pursuant to Rule 17a-5(d)(4)**  
**September 30, 2013**

	<b>2013</b>
Total Equity	\$ 3,114,363
Non-Allowable Assets:	
Advisory fees receivable	25,066
Other receivables	50
Other assets	54,600
Total Non-Allowable Assets	79,716
Deductions:	
Excess insurance deductible	13,000
Securities haircuts	25,328
Net Capital	\$ 2,996,319
Aggregate Indebtedness	
Accounts payable and accrued expenses	\$ 313,236
Commissions payable	107,154
Total Aggregate Indebtedness	\$ 420,390
Regulatory Minimum Net Capital (Greater of \$100,000 or 6 2/3% of Total Aggregate Indebtedness)	\$ 100,000
Excess Net Capital	\$ 2,896,319
Ratio of Aggregate Indebtedness to Net Capital	0.1403 to 1

**CU Investment Solutions LLC**  
**Schedule I**

**Computation of Net Capital Under Rule 15c 3-1 and Statement Pursuant to Rule 17a-5(d)(4)**  
**September 30, 2013**

**Statement Pursuant to Rule 17a-5(d)(4)**

A reconciliation of the Company's computation of net capital as reported was not prepared as there are no material differences between the Company's computation of net capital included in its unaudited Form X-17A-5 Part II-A and the computation contained herein.

**CU Investment Solutions LLC**  
**Schedule II**  
**Computation for Determination of Reserve Requirements Under Rule 15c 3-3**  
**of the Securities and Exchange Commission**  
**September 30, 2013**

The Company is exempt from the Reserve Requirement of computation according to the provision of Rule 15c3-3 (k)(2)(ii).

**CU Investment Solutions LLC**  
**Schedule III**  
**Information Relating to Possession or Control Requirements Under Rule 15c 3-3**  
**of the Securities and Exchange Commission**  
**September 30, 2013**

The company is exempt from Rule 15c3-3 as it relates to Possession and Control requirements according to the provision of Rule 15c3-3 (k)(2)(ii).