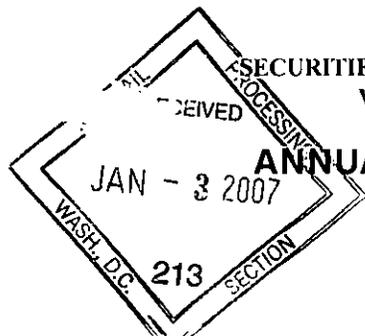


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ANNUAL AUDITED REPORT FORM X-17A-5 PART III

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 11/1/2005 AND ENDING 10/31/2006
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: LARSON ALLEN FINANCIAL, LLC
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
220 SOUTH SIXTH ST SUITE 300

OFFICIAL USE ONLY
FIRM I.D. NO.

MINNEAPOLIS MINNESOTA 55402
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
CHARLES C BETZ 612-376-4654
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
BOYUM & BARENSCHEER, PLLP
(Name - if individual, state last, first, middle name)
7800 METRO PARKWAY SUITE 200 MINNEAPOLIS MN 55425
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED

FEB 09 2007

FOR OFFICIAL USE ONLY	
THOMSON FINANCIAL	

*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)

MRZ

OATH OR AFFIRMATION

I, CHARLES C. BETZ, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of LARSONALLEN FINANCIAL, LLC, as of OCTOBER 31, 2006, 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:

Charles C. Betz
Signature
CHIEF FINANCIAL OFFICER
Title

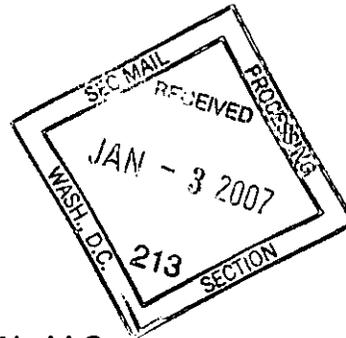
Mary Marquardt
Notary Public



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.

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



LARSONALLEN FINANCIAL, LLC

FINANCIAL STATEMENTS

OCTOBER 31, 2006 AND 2005

INDEPENDENT AUDITOR'S REPORT

Board of Governors
LarsonAllen Financial, LLC
Minneapolis, Minnesota

We have audited the accompanying balance sheets of LarsonAllen Financial, LLC as of October 31, 2006 and 2005, and the related statements of net income, member's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits 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 LarsonAllen Financial, LLC as of October 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the schedule of net capital as of October 31, 2006, is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Boyum & Barencheer PLLP

Minneapolis, Minnesota
December 7, 2006

LARSONALLEN FINANCIAL, LLC
BALANCE SHEETS
OCTOBER 31, 2006 AND 2005

	2006	2005
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,729,566	\$ 831,298
Accounts Receivable and Work-in-Process, Net	309,698	515,998
Contract Receivable - Current portion	25,000	62,500
Other Current Assets	21,427	51,689
Total Current Assets	\$ 2,085,691	\$ 1,461,485
PROPERTY AND EQUIPMENT (AT COST)		
Equipment and Software	\$ 341,451	\$ 270,534
Accumulated Depreciation and Amortization	(236,623)	(194,788)
Net Property and Equipment	\$ 104,828	\$ 75,746
OTHER ASSET		
Contract Receivable	\$ -	\$ 25,000
Total Assets	\$ 2,190,519	\$ 1,562,231
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 15,286	\$ 33,859
Accrued Payroll & Related Benefits	171,662	66,804
Payable to Member	124,991	207,348
Deferred revenue and other accrued expenses	611,572	57,498
Total Current Liabilities	\$ 923,511	\$ 365,509
MEMBER'S EQUITY		
Capital	\$ 25,000	\$ 25,000
Retained Earnings	1,242,008	1,171,722
Total Member's Equity	\$ 1,267,008	\$ 1,196,722
Total Liabilities and Member's Equity	\$ 2,190,519	\$ 1,562,231

See accompanying notes to financial statements.

LARSONALLEN FINANCIAL, LLC
STATEMENTS OF NET INCOME
FOR THE YEARS ENDED OCTOBER 31, 2006 AND 2005

	2006	2005
REVENUE	\$ 5,884,199	\$ 5,345,366
EXPENSES		
Operating and Service Charge from Member	\$ 192,472	\$ 205,529
Payroll & Related Costs	2,510,063	2,092,706
Other Administrative Costs	1,066,230	1,239,377
Depreciation & Amortization	45,148	59,104
Total Expenses	\$ 3,813,913	\$ 3,596,716
INCOME FROM OPERATIONS	2,070,286	1,748,650
OTHER INCOME		
Gain on Sale - Other	-	376,610
NET INCOME	\$ 2,070,286	\$ 2,125,260

See accompanying notes to financial statements.

LARSONALLEN FINANCIAL, LLC
STATEMENTS OF MEMBER'S EQUITY
FOR THE YEARS ENDED OCTOBER 31, 2006 AND 2005

	<u>CAPITAL</u>	<u>RETAINED EARNINGS</u>	<u>MEMBER'S EQUITY</u>
Balance at October 31, 2004	\$ 25,000	\$ 946,462	\$ 971,462
Net Income	-	2,125,260	2,125,260
Member's Distributions	-	<u>(1,900,000)</u>	<u>(1,900,000)</u>
Balance at October 31, 2005	<u>\$ 25,000</u>	<u>\$ 1,171,722</u>	<u>\$ 1,196,722</u>
Net Income	-	2,070,286	2,070,286
Member's Distributions	-	<u>(2,000,000)</u>	<u>(2,000,000)</u>
Balance at October 31, 2006	<u>\$ 25,000</u>	<u>\$ 1,242,008</u>	<u>\$ 1,267,008</u>

See accompanying notes to financial statements.

LARSONALLEN FINANCIAL, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED OCTOBER 31, 2006 AND 2005

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts from Customers	\$ 6,644,573	\$ 5,312,620
Cash Paid to Employees & Suppliers	(3,672,075)	(3,736,132)
Net Cash Provided by Operating Activities	\$ 2,972,498	\$ 1,576,488
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Clients	\$ -	\$ 376,610
Purchases of Equipment	(74,230)	(23,033)
Net Cash Provided (Used) by Investing Activities	\$ (74,230)	\$ 353,577
CASH FLOWS FROM FINANCING ACTIVITIES		
Member's Distributions	\$ (2,000,000)	\$ (1,900,000)
Net Cash Used by Financing Activities	\$ (2,000,000)	\$ (1,900,000)
NET INCREASE IN CASH IN CASH AND CASH EQUIVALENTS	\$ 898,268	\$ 30,065
Cash and Cash Equivalents - Beginning of Period	831,298	801,233
CASH AND CASH EQUIVALENTS - END OF PERIOD	\$ 1,729,566	\$ 831,298
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net Income	\$ 2,070,286	\$ 1,748,650
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation & Amortization	45,148	59,104
(Gain) Loss on Disposition of Assets	-	457
(Increase) Decrease in Receivables and Work in Process	206,300	(66,805)
(Increase) Decrease in Other Current Asset	30,262	(11,068)
(Increase) Decrease in Receivable from Member	-	35,946
(Increase) Decrease in Contract Receivable	62,500	(87,500)
Increase (Decrease) in Accounts Payable	(18,573)	14,998
Increase (Decrease) in Accrued Payroll & Related Benefits	104,858	(122,755)
Increase (Decrease) in Payable to Member	(82,357)	207,348
Increase (Decrease) in Deferred Revenue and Other Accrued Expenses	554,074	(201,887)
Net Cash Provided by Operating Activities	\$ 2,972,498	\$ 1,576,488

See accompanying notes to financial statements.

LARSONALLEN FINANCIAL, LLC
NOTES TO FINANCIAL STATEMENTS
October 31, 2006 and 2005

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

LarsonAllen Financial, LLC (the Company), a Minnesota limited liability company, was organized on February 15, 1995 for the purpose of registering with the Securities and Exchange Commission (SEC) and joining the National Association of Securities Dealers (NASD) as a broker/dealer. The Company is wholly owned by Larson, Allen, Weishair & Co., LLP. The Company is engaged in investment advisory, financial and estate planning, and other financial services primarily in the Midwest.

Effective October 27, 1995, the Company registered with the NASD as a broker/dealer.

Revenue Recognition

Revenues from consulting and asset management services are recognized in the period the service is provided. Work in process represents unbilled amounts for services performed. Deferred revenue represents amounts collected in excess of services performed to date.

Cash and Cash Equivalents

Cash and cash equivalents consist principally of money market instruments having an original maturity of three months or less and bank accounts. At times such deposits may exceed federally insured limits.

Accounts Receivable

Accounts receivable from customers relate to services provided. In accordance with industry practice, accounts receivable include amounts that were unbilled (work in process) at the balance sheet date. The Company does not customarily require collateral for providing such services. Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Changes in the valuation allowance have not been material to the financial statements. The allowance for doubtful accounts and work in process at October 31, 2006 and 2005 was \$10,000 and \$20,000, respectively.

Depreciation

Property and equipment are depreciated over their estimated useful lives by use of the straight-line method.

Description of Useful Lives

The estimated useful lives of the property and equipment are as follows:

Equipment	3-10 Years
Software	3 Years

Income Taxes

A limited liability company is not a taxpaying entity for federal and state income tax purposes, thus no income tax expense has been recorded in the accompanying financial statements. Income from the company is taxed at the member level.

LARSONALLEN FINANCIAL, LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
October 31, 2006 and 2005

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

NOTE 2 PROFIT SHARING PLAN

The company participates in the Larson, Allen, Weishair & Co., LLP Profit Sharing Plan and Trust. The plan is a defined contribution profit sharing plan established to provide retirement benefits to employees and principals who have met certain participation requirements. Each year the Company may, at the discretion of the Board of Directors, contribute to the plan a basic contribution and an integrated contribution. Participants may elect to make contributions through earnings reduction up to the annual deferral limit allowed under the Internal Revenue Code. The Company contributed \$121,720 and \$24,254 for the years ended October 31, 2006 and 2005, respectively.

NOTE 3 RELATED PARTY DISCLOSURES AND DISCONTINUED OPERATIONS

The Company has an agreement with the member for the provision of services at a predetermined rate. For the years ended October 31, 2006 and 2005, charges for these services and operating expenses (net of service income of \$128,454 and \$125,984 for 2006 and 2005, respectively) were \$429,268 and \$517,145, respectively. In addition, the Company had advanced \$124,991 from its sole member as of October 31, 2006 and advanced \$207,348 from its sole member as of October 31, 2005.

NOTE 4 NET CAPITAL REQUIREMENT

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c 3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At October 31, 2006, the Company had net capital of \$806,055 as defined by Rule 15c3-1, which was \$744,457 in excess of its required net capital of \$61,598. The Company had indebtedness at October 31, 2006 in the amount of \$923,511.

LARSONALLEN FINANCIAL, LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
October 31, 2006 and 2005

NOTE 4 NET CAPITAL REQUIREMENT (CONTINUED)

Per Rule 15c3-3 of the Securities and Exchange Commission Uniform Capital Rule, the Company is exempt under the (k)(2)(i) exception. Per Rule 15c-3-3, the following schedule illustrates the differences between the Company's net asset calculation per part IIA of the focus statement and the accompanying audit report.

Net Capital per part IIA 5th Focus	\$ 834,856
Adjustments to Ownership Equity	
Increase in accrued expenses	<u>28,801</u>
Ending Net Capital Per Audit Report	<u><u>\$ 806,055</u></u>

NOTE 5 OTHER INCOME (EXPENSE)

During the year ended October 31, 2005, the company entered into two agreements relating to the sale of customer lists.

The first agreement resulted in a gain of \$196,610. All amounts owed relating to this sale were paid during the year ended October 31, 2005.

The second agreement contained both a fixed and contingent portion. The fixed portion of the contract called for a payment in October 2005 of \$25,000. The balance of the fixed portion of the contract is due in three equal payments of \$25,000 on April 30, 2006, October 30, 2006, and April 30, 2007. The contingent portion of the agreement calls for monthly payments for a period of two years with a maximum of \$150,000 for each of the years. The contingent payments are recognized when determinable.

The gain recognized during the year relating to the second agreement was \$100,000 for the fixed portion of the contract and \$80,000 for the contingent portion of the contract.

The balance in contract receivable relating to the fixed and contingent portions of the contract are as follows:

	October 31, 2006		
	Fixed Contract	Contingent Contract	Total
Current Portion of Contract Receivable	\$ 25,000	\$ -	\$ 25,000
Total	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 25,000</u>
	October 31, 2005		
	Fixed Contract	Contingent Contract	Total
Current Portion of Contract Receivable	\$ 50,000	\$ 12,500	\$ 62,500
Long-Term Portion of Contract Receivable	25,000	-	25,000
Total	<u>\$ 75,000</u>	<u>\$ 12,500</u>	<u>\$ 87,500</u>

LARSONALLEN FINANCIAL, LLC
SCHEDULE OF NET CAPITAL
October 31, 2006

OWNERSHIP EQUITY

Member's Capital	\$ 25,000
Member Distributions	(2,000,000)
Retained Earnings	1,171,722
Net Profit/Loss	<u>2,070,286</u>
Total Ownership Equity	<u>\$ 1,267,008</u>

NON-ALLOWABLE ASSETS

Current Assets:	
Accounts Receivable and Work in Process, Net	\$ 309,698
Other Assets	46,427
Long-Term Assets:	
Property and Equipment (Net)	104,828
Other Assets	-
Total Non-Allowables	<u>\$ 460,953</u>
Tentative Net Capital	<u>\$ 806,055</u>

HAIRCUTS ON PROPRIETARY POSITIONS

Investments at 100% Haircut	\$ -
Inventory Long at 15% Haircut	-
Investments Long at 15% Haircut	-
Inventory Short at 15% Haircut	-
Total Haircuts	<u>\$ -</u>
Net Capital	<u>\$ 806,055</u>

AGGREGATE INDEBTEDNESS

Accounts Payable	\$ 15,286
Accrued Payroll & Related Benefits	171,662
Deferred Revenue and Other	<u>736,563</u>
Total	<u>\$ 923,511</u>

REQUIRED NET CAPITAL

NASD Required N.C. (6.67% Aggr. Ind.)	
OR \$5000 whichever is Greater	\$ 61,598
SEC Early Warning Requirement (120% Required N.C.)	<u>73,918</u>
Required Net Capital	<u>\$ 61,598</u>

EXCESS NET CAPITAL

Net Capital	\$ 806,055
Required Net Capital	61,598
Excess Net Capital	<u>\$ 744,457</u>

AGGREGATE INDEBTEDNESS/NET CAPITAL RATIO

Aggregate Indebtedness	\$ 923,511
Net Capital	\$ 806,055
Ratio	1.15 to 1

December 7, 2006

Board of Governors
LarsonAllen Financial, LLC
Minneapolis, Minnesota

In planning and performing our audit of the financial statements of LarsonAllen Financial, LLC for the year ended October 31, 2006, we considered its internal control, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

As required by rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by LarsonAllen Financial, LLC that we considered relevant to the objectives stated in rule 17a-5(g), in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons,
2. Recordation of differences required by rule 17a-13, and
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control 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 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. The objectives of the internal control 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 the 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.

December 7, 2006
Board of Governors
LarsonAllen Financial LLC
Minneapolis, Minnesota

Our consideration of internal control would not necessarily disclose all matters in the internal control that might be material weakness under standards 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 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, 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 purpose in accordance with 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 our study, we believe that the Company's practices and procedures were adequate at October 31, 2006, to meet the Commission's objectives in all material respects.

This report is intended solely for the information and use of management, the Securities and Exchange Commission, and other regulatory agencies which rely on rule 17a-5(g) under the Securities Exchange Act of 1934 and is not intended to be and should not be used by anyone other than these specified parties.

Boyum + Barenstee PLLP

Minneapolis, Minnesota
December 7, 2006

END