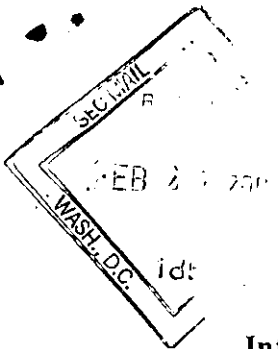


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STATES
EXCHANGE COMMISSION
D.C. 20549

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ANNUAL REPORT
FORM X-17A-5
PART III

SEC FILE NUMBER
8-51609

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 01/01/2006 AND ENDING 12/31/2006
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

OFFICIAL USE ONLY
FIRM I.D. NO.

Viking Fund Distributors, LLC.

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

116 1st Street SW Suite C

(No. and Street)

Minot

(City)

ND

(State)

58701

(Zip Code)

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

Shannon Radke

701-852-1264

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Brady, Martz, and Associates, P.C.

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

207 East Broadway Ave

(Address)

Bismarck

(City)

ND

(State)

58501

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 1 2 2007

THOMSON
FINANCIAL

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 (06-02)

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, Shannon Radke, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Viking Fund Distributors, LLC, as of December 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: NONE.




Signature

President
Title


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 Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors. (N/A)
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3. (N/A)
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.(N/A)
- (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.(N/A)
- (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.
- (o) Independent Auditor's Report on Internal Control

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

VIKING FUND DISTRIBUTORS, LLC

(A WHOLLY-OWNED SUBSIDIARY OF VIKING FUND MANAGEMENT, LLC)

FINANCIAL STATEMENTS

AS OF

DECEMBER 31, 2006 AND 2005

WITH

INDEPENDENT AUDITORS' REPORT

VIKING FUND DISTRIBUTORS, LLC
(A WHOLLY-OWNED SUBSIDIARY OF VIKING FUND MANAGEMENT, LLC)

TABLE OF CONTENTS

	<u>Pages</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Balance Sheets	2
Statements of Operations	3
Statements of Members Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6-8
SUPPLEMENTARY INFORMATION	
Schedule I - Computation of Net Capital Under Rule 15c3-1 of the Securities Exchange Act of 1934	9
Claim of Exemption From Rule 15c3-3	10
Independent Auditor's Report On Internal Control Structure Required By Rule 17a-5 for a Broker - Dealer Claiming an Exemption from Rule 15c3-3	11-12



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Governors
Viking Fund Distributors, LLC
Minot, North Dakota 58701

We have audited the accompanying balance sheets of Viking Fund Distributors, LLC (a wholly-owned subsidiary of Viking Fund Management, LLC) as of December 31, 2006 and 2005 and the related statements of operations, members' equity and cash flows for the years then ended, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. 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 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 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 Viking Fund Distributors, LLC as of December 31, 2006 and 2005 and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on Schedule I 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 Act of 1934. 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.

Brady, Martz

BRADY, MARTZ & ASSOCIATES, P.C.
February 23, 2007

-1-

BRADY, MARTZ & ASSOCIATES, P.C.
207 East Broadway, P.O. Box 1297
Bismarck, ND 58502-1297 (701) 223-1717 Fax (701) 222-0894

OTHER OFFICES: Minot and Grand Forks, ND
Thief River Falls, MN

RSM McGladrey Network
An Independently Owned Member

VIKING FUND DISTRIBUTORS, LLC
(A WHOLLY-OWNED SUBSIDIARY OF VIKING FUND MANAGEMENT, LLC)

BALANCE SHEETS
AS OF DECEMBER 31, 2006 AND 2005

ASSETS

	2006	2005
CURRENT ASSETS		
Cash and cash equivalents	\$26,146	\$59,040
Accounts/commissions receivable	2,972	6,008
Due from Viking Fund Management, LLC	0	5,375
Other assets	616	617
Total current assets	29,734	71,040
FIXED ASSETS		
Office equipment	4,338	4,338
Less accumulated depreciation	(4,338)	(4,338)
Net fixed assets	0	0
DEFERRED SALES COMMISSIONS (net of accumulated amortization of \$23,173 and \$15,930, respectively)	9,004	16,198
TOTAL ASSETS	\$38,738	\$87,238

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES		
Distribution fees payable	\$6	\$28,961
Accounts/commissions payable	233	1,117
Payroll taxes payable	53	4,668
Total current liabilities	292	34,746
MEMBERS' EQUITY	38,446	52,492
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$38,738	\$87,238

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

VIKING FUND DISTRIBUTORS, LLC
(A WHOLLY-OWNED SUBSIDIARY OF VIKING FUND MANAGEMENT, LLC)

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
INCOME		
Commission income	\$ 5,156	\$ 7,948
Underwriting income	17,571	23,183
Interest and dividend	1,965	1,101
Distribution Income	20,583	12,332
Other Income	1,853	0
Total Income	<u>47,128</u>	<u>44,564</u>
EXPENSES		
Commissions and fees	3,545	9,099
Distribution fees	49,217	54,116
Professional fees	3,600	3,600
Advertising and promotion	516	1,258
Printing and postage	3,514	3,941
Dues, fees, registration	5,947	2,288
Salaries	5,880	20,000
Payroll taxes	522	1,991
Travel	2,769	3,450
Depreciation/Amortization	6,329	7,199
Insurance	925	1,043
Office supplies	0	552
Telephone	1,200	1,109
Other expenses	1,054	218
Total expenses	<u>85,018</u>	<u>109,864</u>
NET LOSS	<u>\$(37,890)</u>	<u>\$(65,300)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

VIKING FUND DISTRIBUTORS, LLC
(A WHOLLY-OWNED SUBSIDIARY OF VIKING FUND MANAGEMENT, LLC)

STATEMENTS OF MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>Members' Equity</u>
BALANCE, JANUARY 1, 2005	<u>\$58,792</u>
Capital contributed	59,000
Net loss - 2005	<u>(65,300)</u>
BALANCE, DECEMBER 31, 2005	<u>\$52,492</u>
Capital contributed	23,844
Net loss - 2006	<u>(37,890)</u>
BALANCE, DECEMBER 31, 2006	<u>\$38,446</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

VIKING FUND DISTRIBUTORS, LLC
(A WHOLLY-OWNED SUBSIDIARY OF VIKING FUND MANAGEMENT, LLC)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (37,890)	\$ (65,300)
Adjustments needed to reconcile net loss to net cash used by operating activities:		
Depreciation/Amortization	6,329	7,199
Effects on operating cash flows due to changes in:		
Accounts/commissions receivable	3,036	(2,155)
Deferred sales commissions	865	(9,070)
Other assets	5,376	(5,360)
Accrued liabilities and trade payables	(34,454)	16,283
Net cash used by operating activities	(56,738)	(58,403)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Members' capital contributed	23,844	59,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(32,894)	597
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	59,040	58,443
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$26,146	\$59,040

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

VIKING FUND DISTRIBUTORS, LLC
(A WHOLLY-OWNED SUBSIDIARY OF VIKING FUND MANAGEMENT, LLC)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005

NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

The nature of operations and significant accounting policies of Viking Fund Distributors, LLC are presented to assist in understanding the Company's financial statements.

Nature of Operations - The Company is a wholly-owned subsidiary of Viking Fund Management, LLC. The Company's primary business is as an underwriter and distributor for Viking Mutual Funds ("Trust"). The Trust is a Delaware business trust and consists of the Viking Tax-Free Fund for Montana, the Viking Tax-Free Fund for North Dakota, the Viking Large-Cap Value Fund and the Viking Small-Cap value fund.

Cash and Cash Equivalents - The Company's policy is to record all liquid investments with original maturities of three months or less as cash equivalents. Liquid investments with maturities greater than three months are recorded as investments. Cash and cash equivalents consist of money market accounts.

Accounts/commissions receivable - Management believes all of its receivables are collectible. The Company has not recorded an allowance for doubtful accounts. Management determines the allowance for doubtful accounts, if any, by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history, and current economic conditions. The Company does not charge interest on its receivables.

Income Taxes - No provision for income taxes is required since the Company is organized as a Limited Liability Company. The parent company will report the entire profit or loss of the company on its tax return. As a limited liability company the members' liability is limited.

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

Depreciation - The Company's fixed assets consist entirely of office equipment. These assets are depreciated on a straight line basis over their estimated useful lives (5 years).

Advertising - Costs of advertising and promotion of sponsored mutual funds are expensed as incurred.

VIKING FUND DISTRIBUTORS, LLC
 (A WHOLLY-OWNED SUBSIDIARY OF VIKING FUND MANAGEMENT, LLC)
 NOTES TO FINANCIAL STATEMENTS – (Continued)
 DECEMBER 31, 2006 AND 2005

NOTE 1 - (CONTINUED)

Deferred sales commissions - Sales commission paid to brokers and dealers in connection with the sale of shares of the Viking Mutual Funds sold at net asset value are capitalized and amortized on a straight line basis over five years, which approximates the period of time during which deferred sales commissions are expected to be recovered from distribution plan payments received and potential contingent deferred sales charges received from shareholders of the Viking Mutual Funds. Contingent deferred sales charges received by the Company are recorded as a reduction of unamortized deferred sales commissions.

NOTE 2 - RULE 15c3-3

The Company operates under the provision of Paragraph (k)(1) of Rule 15c3-3 of the Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that Rule.

NOTE 3 - RELATED PARTY TRANSACTIONS

As distributor for the Trust, the Company had the following related party transactions:

	2006	2005
Underwriting income	\$ 17,571	\$ 23,183
Distribution income	\$15,121	\$6,832
Commission income	\$ 2,154	\$ 5,722

As of December 31, 2006 and 2005, the Company had commissions and other receivables due from the Trust in the amount of \$0 and \$2,433, respectively.

As of December 31, 2005, the Company had a receivable from Viking Fund Management, LLC in the amount of \$5,375.

NOTE 4 - CONCENTRATIONS

The Company's revenues are significantly impacted and the Company is economically dependent on the underwriting fees, distribution income, and commissions generated from the sale of shares in the Trust.

VIKING FUND DISTRIBUTORS, LLC
(A WHOLLY-OWNED SUBSIDIARY OF VIKING FUND MANAGEMENT, LLC)
NOTES TO FINANCIAL STATEMENTS – (Continued)
DECEMBER 31, 2006 AND 2005

NOTE 5 - 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, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). As of December 31, 2006, the Company had net capital of \$25,331 which was \$20,331 in excess of its minimum required capital of \$5,000. At December 31, 2005, the Company had net capital of \$23,113 which was \$18,113 in excess of its minimum required net capital of \$5,000. The Company's net capital ratio was 0.01 to 1 as of December 31, 2006 and 1.50 to 1 as of December 31, 2005.

NOTE 6 - ADVERTISING EXPENSE

Advertising costs are expensed as incurred. Total advertising expense was \$516 and \$1,258 for the years ended December 31, 2006 and 2005 respectively.

NOTE 7 EMPLOYEE RETIREMENT PLAN

The Company sponsors a 401(k) Plan for all its employees. This Plan is solely fund by employee elective deferrals.

SUPPLEMENTARY INFORMATION

VIKING FUND DISTRIBUTORS, LLC
(A WHOLLY-OWNED SUBSIDIARY OF VIKING FUND MANAGEMENT, LLC)
SCHEDULE I
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF
THE SECURITIES AND EXCHANGE ACT OF 1934
AS OF DECEMBER 31, 2006 and 2005

	2006	2005
NET CAPITAL		
Total members' equity	\$ 38,446	\$ 52,492
Less non-allowable assets:		
Fixed Assets	0	0
Deferred sales commissions	(9,004)	(16,198)
Haircuts on securities	(523)	(1,181)
Accounts/commissions receivable	(2,972)	(11,383)
Other Assets	(616)	(617)
Net capital	\$ 25,331	\$ 23,113
 AGGREGATE INDEBTEDNESS		
Accrued Liabilities and trade payables	\$ 292	\$ 34,746
 COMPUTATION OF BASIC NET CAPITAL REQUIREMENT		
Minimum net capital requirements ₁	\$ 5,000	\$ 5,000
Excess net capital at 1500% ₂	\$ 25,312	\$ 20,797
Excess net capital at 1000% ₂	\$ 25,302	\$ 19,638
Ratio: Aggregate indebtedness to net capital	0.01 to 1	1.50 to 1
 RECONCILIATION WITH COMPANY'S COMPUTATION		
Net capital, as reported in Company's Part II (Unaudited)		
Focus Report	\$ 25,331	\$ 29,524
Non-allowable assets erroneously reported as allowable	0	(5,541)
Net audit adjustments/reclassifications to allowable	0	(870)
Assets		
Net capital per above	\$ 25,331	\$ 23,113

1. Minimum net capital requirements for the Company are the greater of 6 2/3% of aggregate indebtedness or \$5,000.
2. Excess net capital figures at 1500% and 1000% are based on calculated minimum net capital requirements of:

1500%	\$ <u>19</u>	\$ <u>2,314</u>	
1000%	\$ <u>29</u>	\$ <u>3,475</u>	

VIKING FUND DISTRIBUTORS, LLC
(A WHOLLY-OWNED SUBSIDIARY OF VIKING FUND MANAGEMENT, LLC)
CLAIM OF EXEMPTION FROM RULE 15c3-3
DECEMBER 31, 2006 AND 2005

The Company operates under the provisions of paragraph (k)(1) of Rule 15c3-3 of the Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that Rule. Therefore a schedule showing the Computation for Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission and the schedule of Information Relating to Possession or Control Requirements Under Rule 15c3- 3 of the Securities and Exchange Commission are not required.



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
REQUIRED BY RULE 17A-5 FOR
A BROKER - DEALER CLAIMING AN EXEMPTION FROM RULE 15c3-3**

**Board of Governors
Viking Fund Distributors, LLC
Minot, North Dakota**

In planning and performing our audit of the financial statements and supplemental schedules of Viking Fund Distributors, LLC (the Company) as of and for the year ended December 31, 2006, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debts) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of 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 and recordation of differences by rule 17a-13.
2. 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 controls 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 SEC's above-mentioned objectives. Two of the objectives of 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 the preparation of financial

statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud 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.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities 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 SEC to be adequate for its purposes in accordance with the 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 on our study, we believe that the Company's practices and procedures were adequate at December 31, 2006, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended and should not be used by anyone other than these specified parties.

Brady, Martz

BRADY, MARTZ & ASSOCIATES, P.C.
February 23, 2007