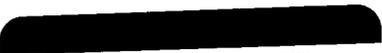


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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0123
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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC  
Mail Processing  
Section

SEC FILE NUMBER
8 - 26119

MAR 14 2012

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 01/01/11 AND ENDING 12/31/11  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:  
**Presidio Financial Services, Inc.**

OFFICIAL USE ONLY
FIRM ID. NO.

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

755 E. Mulberry, Suite 430

(No. and Street)

San Antonio  
(City)

Texas  
(State)

78212  
(Zip Code)

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

Samuel N. Boldrick, III

(210) 352-2410

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

Phillip V. George, PLLC

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

4421 Wanda Lane  
(Address)

Flower Mound  
(City)

Texas  
(State)

75022  
(Zip Code)

CHECK ONE:

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

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

KW  
4/5

OATH OR AFFIRMATION

I, Samuel N. Boldrick, III, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Presidio Financial Services, Inc., as of December 31, 2011, 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, except their own personal accounts.

SN Boldrick
Signature

CEO
Title



Jeanette R Gomez
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.
(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).

**PRESIDIO FINANCIAL SERVICES, INC.**

**FINANCIAL REPORT**

**DECEMBER 31, 2011**

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PHILLIP V. GEORGE, PLLC  
CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Presidio Financial Services, Inc.

We have audited the accompanying statement of financial condition of Presidio Financial Services, Inc. (the Company) as of December 31, 2011, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended that are filed 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 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Presidio Financial Services, Inc. as of December 31, 2011, 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in Schedule I required by Rule 17a-5 under the Securities Exchange Act of 1934 is presented for purposes of additional analysis and is not a required part of the financial statements. 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 has 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



PHILLIP V. GEORGE, PLLC

Flower Mound, Texas  
March 12, 2012

**PRESIDIO FINANCIAL SERVICES, INC.**  
**Statement of Financial Condition**  
**December 31, 2011**

**ASSETS**

Cash and cash equivalents	\$ 237,520
Commissions receivable	48,159
Debt securities	405,485
Clearing deposit	75,000
Deposit with FCM	10,000
Prepaid expenses	8,835
Property and equipment, net	4,693
Deferred tax asset	949
	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 790,641</b>
	<hr/> <hr/>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

**Liabilities**

Accounts payable	\$ 431
Commissions payable	59,439
Accrued expenses	2,650
Income taxes payable to Parent	31,071
Income taxes payable - state	5,012
	<hr/>
<b>TOTAL LIABILITIES</b>	<b>98,603</b>
	<hr/>

**Stockholder's Equity**

Common stock, 50,000 shares authorized with \$.50 par value, 12,000 shares issued and outstanding	6,000
Additional paid-in capital	107,050
Retained earnings	578,988
	<hr/>
<b>TOTAL STOCKHOLDER'S EQUITY</b>	<b>692,038</b>
	<hr/>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$ 790,641</b>
	<hr/> <hr/>

**PRESIDIO FINANCIAL SERVICES, INC.**  
**Statement of Income**  
**Year Ended December 31, 2011**

**Revenue**

Securities commissions	\$ 1,226,851
Insurance commissions	131,446
Commodities commissions	1,541
Interest	<u>16,204</u>
 TOTAL REVENUE	 <u>1,376,042</u>

**Expenses**

Compensation and related costs	878,582
Clearing charges	160,913
Occupancy and equipment costs	118,814
Communications	45,029
Administrative and accounting services - related party	36,500
Regulatory fees and expenses	16,887
Losses in error account	12,159
Other expenses	<u>16,596</u>
 TOTAL EXPENSES	 <u>1,285,480</u>

Net income before net other gain and provision for income taxes	<u>90,562</u>
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Other gain	
Unrealized gain on debt securities	<u>4,968</u>

Net income before provision for income taxes	<u>95,530</u>
--	---------------

Provision for income taxes	
Current tax expense - federal	31,071
Current tax expense - state	3,200
Deferred tax expense - federal	<u>349</u>

Provision for income taxes	<u>34,620</u>
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<b>NET INCOME</b>	<b><u><u>\$ 60,910</u></u></b>
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**PRESIDIO FINANCIAL SERVICES, INC.**  
**Statement of Changes in Stockholder's Equity**  
**Year Ended December 31, 2011**

	<u>Common Shares</u>	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balances at December 31, 2010	12,000	\$ 6,000	\$ 107,050	\$ 518,078	\$ 631,128
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,910</u>	<u>60,910</u>
Balances at December 31, 2011	<u>12,000</u>	<u>\$ 6,000</u>	<u>\$ 107,050</u>	<u>\$ 578,988</u>	<u>\$ 692,038</u>

**PRESIDIO FINANCIAL SERVICES, INC.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2011**

<b>Cash flows from operating activities:</b>	
Net income	\$ 60,910
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	3,754
Unrealized gain on debt securities	(4,968)
Deferred tax expense	349
Changes in assets and liabilities	
Increase in commissions receivable	(3,239)
Decrease in prepaid expenses	1,442
Decrease in accounts payable	(6,737)
Decrease in commissions payable	(23,248)
Decrease in accrued expenses	(4,076)
Decrease in income taxes payable to Parent	(17,868)
Decrease in income taxes payable - state	<u>(1,750)</u>
Net cash provided by operating activities	<u>4,569</u>
 <b>Cash flows from investing activities:</b>	
Purchase of property and equipment	<u>(2,521)</u>
Net increase in cash and cash equivalents	2,048
Cash and cash equivalents at beginning of year	<u>235,472</u>
Cash and cash equivalents at end of year	<u><u>\$ 237,520</u></u>

**Supplemental Disclosures of Cash Flow Information:**

Cash paid during the year for	
Income taxes - federal	<u>\$ 48,939</u>
Income taxes - state	<u>\$ 4,950</u>
Interest	<u>\$ -</u>

**PRESIDIO FINANCIAL SERVICES, INC.**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 1 - Nature of Business and Summary of Significant Accounting Policies**

Nature of Business:

Presidio Financial Services, Inc., (the Company) was organized in March 1981 as a Texas corporation. The Company is a wholly owned subsidiary of TTC Holdings of Delaware, Inc. (Parent).

The Company is registered as a broker/dealer with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is also registered as a guaranteed introducing broker with the Commodities Futures Trading Commission (CFTC). The Company's customers are institutions located throughout the United States and individuals primarily in Texas.

The Company operates pursuant to section (k)(2)(ii) exemptive provisions of Rule 15c3-3 of the Securities Exchange Act of 1934, and accordingly, is exempt from the remaining provisions of that Rule. The Company does not hold customer funds or securities. The clearing broker/dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a clearing broker/dealer. Under these exemptive provisions, the Computation for Determination of Reserve Requirements and Information Relating to the Possession and Control Requirements are not required.

The Company introduces all commodities customers on a fully disclosed basis to a futures commission merchant (FCM) and promptly transmits all customer funds to the FCM. The FCM carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a FCM.

Significant Accounting Policies:

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the 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.

**PRESIDIO FINANCIAL SERVICES, INC.**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 1 - Nature of Business and Summary of Significant Accounting Policies (continued)**

Fair Value of Financial Instruments

Debt securities are held for investment purposes and are recorded at fair value in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*.

Substantially all of the Company's other financial asset and liability amounts reported in the statement of financial condition are short-term in nature and approximate fair value

Cash Equivalents

Money market funds are reflected as cash equivalents in the accompanying statement of financial condition and for purposes of the statement of cash flows.

Debt Securities

Debt securities are held for investment purposes and are recorded at fair value in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*. The increase or decrease in fair value is credited or charged to operations.

Property and Equipment

Property and equipment is recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over estimated lives of three to seven years

Security Transactions

Security transactions and the related commission revenue and expenses are recorded on a trade date basis.

Insurance Commissions

Insurance commissions are recorded when the policies are funded by the customer and accepted by the insurance company.

Commodities Transactions

Commodity transactions and the related commission revenue and expenses are recorded on a trade date basis.

**PRESIDIO FINANCIAL SERVICES, INC.**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 1 - Nature of Business and Summary of Significant Accounting Policies (continued)**

Income Taxes

The Company is included in a consolidated federal income tax return. Income taxes are recorded using the separate company method to comply with financial reporting rules. Any resulting provision or benefit for income taxes realized is recorded as receivable from or payable to the Parent.

The Company is also subject to state income taxes.

As of December 31, 2011, open Federal tax years subject to examination include the tax years ended December 31, 2008 through December 31, 2010.

**Note 2 - Transactions with Clearing Broker/Dealer and FCM**

The agreement with the clearing broker/dealer provides for clearing charges at a fixed rate multiplied by the number of tickets traded by the Company. The agreement requires minimum charges totaling \$7,500 per month. The agreement also requires the Company to maintain a minimum of \$75,000 as a deposit in an account with the clearing broker/dealer.

The agreement with the FCM provides for clearing charges at a fixed rate multiplied by the number of tickets traded by the Company. The agreement also requires the Company to maintain a minimum of \$10,000 as a deposit in an account with the FCM.

**Note 3 - Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of a minimum amount of net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. The Company is also subject to the net capital provisions of Regulation 1.10(d)(2) of the Commodity Futures Trading Commission Act of 1974, which requires the Company to maintain a minimum net capital, as defined under such provisions. At December 31, 2011, the Company's net capital and net capital requirements for both regulatory agencies were \$646,016 and \$100,000, respectively. The Company's net capital ratio was 0.15 to 1.

**PRESIDIO FINANCIAL SERVICES, INC.**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 4 - Fair Value / Debt Securities**

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

In accordance with FASB ASC 820, the following table summarizes the valuation of the Company's investments by the fair value hierarchy levels as of December 31, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt securities	\$ -	\$ 405,485	\$ -	\$ 405,485

Debt securities consist of holdings in six government agency bonds maturing in May 2013 through October 2016 and are valued using market-based observable inputs.

During the year ended December 31, 2011, the Company recognized no transfer to/from level 1 and level 2. There were no level 3 investments held by the Company during 2011.

**PRESIDIO FINANCIAL SERVICES, INC.**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 5 - Property and Equipment**

Property and equipment is carried at cost less accumulated depreciation and consists of the following:

Computer equipment	\$ 56,011
Furniture and fixtures	8,226
Leasehold improvements	<u>3,027</u>
	67,264
Accumulated depreciation	<u>(62,571)</u>
	<u>\$ 4,693</u>

Depreciation expense for the year was \$3,754 and is reflected in the accompanying statement of income as occupancy and equipment costs.

**Note 6 - Income Taxes**

The Company's net deferred tax asset of \$949 results from future deductible temporary differences.

**Note 7 - Off-Balance-Sheet Risk and Concentration of Credit Risk**

As discussed in Note 1, the Company's customers' securities transactions are introduced on a fully disclosed basis with its clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers of the Company and is responsible for execution, collection and payment of funds, and receipt and delivery of securities relative to customer transactions. Off-balance-sheet risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments wherein the clearing broker/dealer may charge any losses it incurs to the Company. The Company seeks to minimize this risk through procedures designed to monitor the credit worthiness of its customers and that customer transactions are executed properly by the clearing broker/dealer.

**PRESIDIO FINANCIAL SERVICES, INC.**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 7 - Off-Balance-Sheet Risk and Concentration of Credit Risk (continued)**

The Company is responsible for the credit risk of the customers it introduces to, and which are carried on a fully disclosed basis on the books of, its clearing FCM. The Company's customers are primarily individual investors. To reduce its risk, the Company requires its customers to meet, at a minimum, the greater of the margin requirements established by each of the exchanges at which contracts are traded or the margin requirement established by its clearing FCM. Margin is a good faith deposit from the customer which reduces risk to the Company of failure on behalf of the customer to fulfill any obligations under these contracts. In addition, the Company monitors its exposure to the risk of loss daily on an account-by-account basis and adjusts margin requirements as needed. Under certain circumstances, customers may be required to deposit additional funds, securities or other collateral. In order to reduce the risk of loss, the Company may satisfy margin requirements by liquidating certain customer positions. Off-balance-sheet risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments wherein the clearing FCM may charge any losses it incurs to the Company. The Company seeks to minimize this risk through procedures designed to monitor the credit worthiness of its customers and that customer transactions are executed properly by the FCM.

The Company has cash equivalents, commissions receivable, clearing deposit, and debt securities held by or due from the Company's clearing broker/dealer totaling \$738,684, or approximately 93%, of its total assets at December 31, 2011.

**PRESIDIO FINANCIAL SERVICES, INC.**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 8 - Related Party Transactions/Commitment**

The Company entered into an agreement, with the latest amendment in December 2009, with a related party under which the related party and the Company share certain office facilities and financial resources (Agreement). Under the Agreement, the Company will be responsible for all broker dealer direct expenses (as defined), and the related party will be responsible for office space, indirect telephone and technology support, administrative support, and other employee related expenses, insurance, accounting, and other operations related expenses and will invoice the Company monthly for its share of expenses on a pro-rata basis. The Agreement shall remain in effect until modified or canceled at the mutual acceptance of both parties. The amounts incurred and paid under this agreement for the year ended December 31, 2011 were as follows:

Compensation and related costs	\$	23,811
Communications		10,440
Occupancy and equipment costs		122,698
Administrative and accounting services		36,000
	\$	192,949

Amount due to the Parent for income taxes at December 31, 2011 totaled \$31,071, (See Note 1, Income Taxes).

The Company entered into an at-will employment agreement in 2007 with two employees. Under this agreement, these employees were paid a \$100,000 bonus upon execution of the agreement and may be paid future bonuses equal to the amount of aggregate gross commissions generated by these two employees for the year ended December 31, 2006, less \$100,000. The gross commissions generated totaled \$457,781. The future bonuses of \$357,781 are contingent based upon the employment of the employees and is only payable at amounts ranging from 0% to 50% of the quarterly net profitability of the branch managed by these two employees, paid in arrears. The total future bonuses earned and paid under this agreement totaled \$66,089 at December 31, 2011, of which none was earned and paid for 2011. The total future contingent bonus remaining under this agreement totals \$291,692 at December 31, 2011. Any remaining bonus amounts are not payable in the event of termination of the employees by the Company.

**PRESIDIO FINANCIAL SERVICES, INC.**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 9 - 401(k) Plan**

The Company is participating employer in a 401k Plan (Plan) offered by a related party. The Company and eligible employees both may contribute to the Plan.

The Company did not make any contributions or incur any expenses related to the Plan for the year ended December 31, 2011.

**Note 10 - Contingencies**

There are currently no asserted claims or legal proceedings against the Company, however, the nature of the Company's business subjects it to various claims, regulatory examinations, and other proceedings in the ordinary course of business. The ultimate outcome of any such action against the Company could have an adverse impact on the financial condition, results of operations, or cash flows of the Company.

**Note 11 - Subsequent Events**

Management has evaluated the Company's events and transactions that occurred subsequent to December 31, 2011, through March 12, 2012, the date which the financial statements were available to be issued.

There were no events or transactions that occurred during this period that materially impacted the amounts or disclosures in the Company's financial statements.

**Schedule I**

**PRESIDIO FINANCIAL SERVICES, INC.  
Supplementary Information  
Pursuant to Rule 17a-5  
December 31, 2011**

**Computation of Net Capital**

Total stockholder's equity qualified for net capital	<u>\$ 692,038</u>
Deductions and/or charges	
Non-allowable assets:	
Commissions receivable	5,968
Deposit with FCM	10,000
Prepaid expenses	8,835
Property and equipment, net	4,693
Deferred tax asset	<u>949</u>
Total deductions and/or charges	<u>30,445</u>
Net capital before haircuts	<u>661,593</u>
Haircuts on securities:	
Cash equivalents	4,202
Debt securities	<u>11,375</u>
Total haircuts on securities	<u>15,577</u>
Net Capital	<u>\$ 646,016</u>
Aggregate indebtedness	
Accounts payable	\$ 431
Commissions payable	59,439
Accrued expenses	2,650
Income taxes payable to Parent	31,071
Income taxes payable - state	<u>5,012</u>
Total aggregate indebtedness	<u>\$ 98,603</u>
Computation of basic net capital requirement	
Minimum net capital required (greater of \$100,000 or 6 2/3% of aggregate indebtedness)	<u>\$ 100,000</u>
Net capital in excess of minimum requirement	<u>\$ 546,016</u>
Ratio of aggregate indebtedness to net capital	<u>0.15 to 1</u>

**Reconciliation of Computation of Net Capital**

Net capital as reported by Registrant in Original Filing of Part IIA of Form X-17a-5 as of December 31, 2011 (unaudited)	\$ 631,042
Adjustments made by Registrant prior to filing Amended Form X-17a-5:	
Commissions receivable originally treated as non-allowable classified as allowable	13,709
Increase in net income - income taxes - federal	<u>1,265</u>
Net capital as computed above	<u>\$ 646,016</u>

**Statement of Changes in Liabilities Subordinated to Claims of General Creditors**

No statement is required as no subordinated liabilities existed at any time during the year.

**Statement Regarding Reserve Requirements and Possession or Control Requirements**

The Company operates pursuant to section (k)(2)(ii) exemptive provisions of Rule 15c3-3 of the Securities Exchange Act of 1934, in which all customer transactions are cleared on a fully disclosed basis through a clearing broker/dealer. Under these exemptive provisions, the Computation of Determination of the Reserve Requirements and Information Relating to the Possession or Control Requirements are not required.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL REQUIRED BY  
SEC RULE 17a-5(g)(1)**

Board of Directors  
Presidio Financial Services, Inc.

In planning and performing our audit of the financial statements of Presidio Financial Services, Inc. (the Company), as of and for the year ended December 31, 2011 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 debits) 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 required 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 previously 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 and 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.

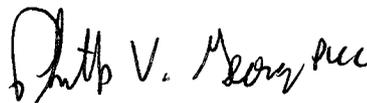
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented, or detected and corrected, on a timely basis.

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 previously.

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, as described in the second paragraph of this report, were adequate at December 31, 2011, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, Financial Industry Regulatory Authority, Inc., 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 to be and should not be used by anyone other than these specified parties.



PHILLIP V. GEORGE, PLLC

Flower Mound, Texas  
March 12, 2012

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON  
PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT  
RECONCILIATION**

Board of Directors  
Presidio Financial Services, Inc.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2011, which were agreed to by Presidio Financial Services, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Presidio Financial Services, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Presidio Financial Services, Inc.'s management is responsible for the Presidio Financial Services, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 record entries (checks issued) noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2011, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2011 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers (trial balance) noting no differences; and
4. Proved 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.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

A handwritten signature in black ink that reads "Phillip V. George, PLLC". The signature is written in a cursive style with a large initial "P".

PHILLIP V. GEORGE, PLLC

Flower Mound, Texas  
March 12, 2012

SIPC-7

(88-PEV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8900

SIPC-7

(88-PEV 7/10)

General Assessment Reconciliation

For the fiscal year ended December 31, 2011

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:

026119 FINRA DEC  
PRESIDIO FINANCIAL SERVICES INC 21\*21  
ATTN: ELIZABETH WILLMORE  
755 E MULBERRY AVE STE 430  
SAN ANTONIO TX 78212-4285

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.

Elizabeth Willmore 210.222.0111

- 2. A. General Assessment (item 2e from page 2) \$ 3149.16
- B. Less payment made with SIPC-6 filed (exclude interest) ( 1597.50 )  
10.27.2011  
Date Paid
- C. Less prior overpayment applied ( 0 )
- D. Assessment balance due or (overpayment) 0
- E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum 0
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 1571.66
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ 1571.66
- H. Overpayment carried forward \$( 0 )

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.

Presidio Financial Services Inc.  
Name of Corporation, Partnership or other organization

[Signature]  
Authorized Signatory

Chief Compliance Officer

Dated the 25<sup>th</sup> day of January, 2012.

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.

IPC REVIEWER

Dates: Postmarked Received Reviewed  
Calculations \_\_\_\_\_ Documentation \_\_\_\_\_ Forward Copy \_\_\_\_\_  
Exceptions: \_\_\_\_\_

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

Amounts for this fiscal period  
beginning Jan 1, 2011  
and ending Dec 31, 2011

Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9. Code 4090)

1,351,003.00

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above. 0
  - (2) Net loss from principal transactions in securities in trading accounts. 0
  - (3) Net loss from principal transactions in commodities in trading accounts. 0
  - (4) Interest and dividend expense deducted in determining item 2a. 0
  - (5) Net loss from management of or participation in the underwriting or distribution of securities. 0
  - (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. 0
  - (7) Net loss from securities in investment accounts. 0
- Total additions 0

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. 0
  - (2) Revenues from commodity transactions. 1311.47
  - (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions. 109,007.04
  - (4) Reimbursements for postage in connection with proxy solicitation. 0
  - (5) Net gain from securities in investment accounts. 0
  - (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. 0
  - (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). 0
  - (8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C): 0
- (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. \$ 0

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ 2794.40

Enter the greater of line (i) or (ii)

Total deductions

2794.40  
113,342.91  
\$ 1,267,665.09

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0025

\$ 3169.16  
1c page 1, line 3.A.1