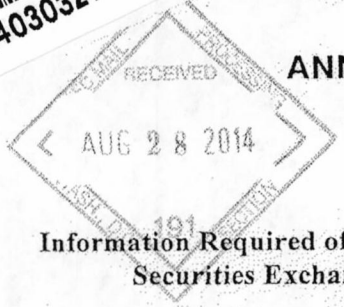


TA
8/29/14



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

OMB APPROVAL
OMB Number: 3235-0123
Expires: March 31, 2016
Estimated average burden
hours per response..... 12.00



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

SEC FILE NUMBER
8- ~~36558~~
36558

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 07/01/2013 AND ENDING 06/30/2014
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Saturna Brokerage Services, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
1300 N. State St.

Bellingham (No. and Street) 98225
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
James Gibson (360) 734-9900
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Moss Adams, LLP

2200 Rimland Dr. #300 (Name - if individual, state last, first, middle name)
Bellingham WA 98225
(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)

8/28/14

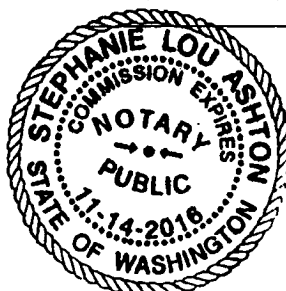
OATH OR AFFIRMATION

I, James Gibson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Saturna Brokerage Services, as of August 25, 20 14, 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:

James Gibson
Signature
Chief Financial Officer

Title

Stephanie Ann M
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).

SEC
Mail Processing
Section
NOV 10 2014
Washington DC
404

Report of Independent Registered Public
Accounting Firm and Financial Statements
with Supplementary Schedules for
Saturna Brokerage Services, Inc.
(A wholly owned subsidiary of
Saturna Capital Corporation)
June 30, 2014 and 2013

CONTENTS

	PAGE
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1-2
FINANCIAL STATEMENTS	
Statements of financial condition	3
Statements of operations and comprehensive income (loss)	4
Statements of shareholder's equity	5
Statements of cash flows	6
Notes to financial statements	7-11
SUPPLEMENTARY INFORMATION	
Computation of net capital under rule 15c3-1 under the Securities Exchange Act of 1934 (Schedule I)	12
EXEMPTION PROVISIONS UNDER RULE 15c3-3 OF THE SECURITIES EXCHANGE ACT OF 1934	
Review report on management's statements regarding compliance with certain exemption provisions under Rule 15c3-3 of the Securities Exchange Act of 1934	13
Management's statement regarding compliance with certain exemption provisions under Rule 15c3-3 of the Securities Exchange Act of 1934	14

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders
Saturna Brokerage Services, Inc.

We have audited the accompanying statements of financial condition of Saturna Brokerage Services, Inc. (the "Company") as of June 30, 2014 and 2013, and the related statements of operations and comprehensive income (loss), shareholder's equity, and cash flows for the years then ended that the Company is filing pursuant to Rule 17a-5 of 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 the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included 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 Saturna Brokerage Services, Inc. as of June 30, 2014 and 2013, 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.

Our audit was made for the purpose of forming an opinion on the financial statements as a whole. The information contained in Schedule I 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 Schedule I 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 the standards of the Public Company Accounting Oversight Board (United States). In our opinion the information in Schedule I is fairly stated in all material respects in relation to the financial statements taken as a whole.

Mon Adams LLP

Bellingham, Washington
August 25, 2014

SATURNA BROKERAGE SERVICES, INC.
(A WHOLLY OWNED SUBSIDIARY OF SATURNA CAPITAL CORPORATION)
STATEMENTS OF FINANCIAL CONDITION

ASSETS

	June 30,	
	2014	2013
Cash and cash equivalents	\$ 2,932,436	\$ 3,312,960
Investment securities, at fair value	1,337,705	1,255,576
Receivable from Affiliate	-	268,492
Receivable from Saturna Capital	355,957	160,998
Other receivables	273	-
Deposits with clearing organizations	100,000	100,000
Prepaid expenses	28,027	27,048
	<u>4,754,398</u>	<u>5,125,074</u>
TOTAL ASSETS	\$ 4,754,398	\$ 5,125,074

LIABILITIES AND SHAREHOLDER'S EQUITY

LIABILITIES

Mutual fund distribution fees payable	\$ 1,805,342	\$ 1,906,482
Accounts payable and accrued expenses	33,401	36,248
Payable to Saturna Capital	17,443	372
	<u>1,856,186</u>	<u>1,943,102</u>
Total liabilities	<u>1,856,186</u>	<u>1,943,102</u>

SHAREHOLDER'S EQUITY

Common stock, \$10 par value, 100,000 shares authorized; issued and outstanding 70,500 and 70,500 shares at June 30, 2014 and June 30, 2013	705,000	705,000
Additional paid-in capital	5,964,716	5,964,716
Accumulated deficit	(3,799,847)	(3,464,862)
Accumulated other comprehensive income (loss)	28,343	(22,882)
	<u>2,898,212</u>	<u>3,181,972</u>
Total shareholder's equity	<u>2,898,212</u>	<u>3,181,972</u>

TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$ 4,754,398	\$ 5,125,074
---	---------------------	---------------------

See accompanying notes.

SATURNA BROKERAGE SERVICES, INC.
(A WHOLLY OWNED SUBSIDIARY OF SATURNA CAPITAL CORPORATION)
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	Years Ended June 30,	
	2014	2013
REVENUES		
Mutual fund distribution fees	\$ 9,262,406	\$ 9,536,399
Brokerage commission fees	63,301	41,509
Dividend income	30,904	29,859
Other income	10,717	5,836
Total	<u>9,367,328</u>	<u>9,613,603</u>
EXPENSES		
Mutual fund distribution fees	9,391,308	9,536,399
Compensation expense	199,565	-
Market data and information services	2,385	2,067
Brokerage clearing and trading	237,032	157,735
General and administrative	79,346	74,580
Occupancy expenses	17,500	17,554
Professional services	40,976	35,224
State and city taxes	(11,837)	40,652
Total	<u>9,956,275</u>	<u>9,864,211</u>
LOSS BEFORE INCOME TAXES	(588,947)	(250,608)
Tax benefit	253,962	88,774
NET LOSS	<u>\$ (334,985)</u>	<u>\$ (161,834)</u>
OTHER COMPREHENSIVE INCOME (LOSS):		
Unrealized gain (loss) on available for sale securities arising during period	\$ 51,225	\$ (20,887)
COMPREHENSIVE LOSS	<u>\$ (283,760)</u>	<u>\$ (182,721)</u>
Basic Net Loss per Share	<u>\$ (4.75)</u>	<u>\$ (2.30)</u>
Basic weighted average number of shares outstanding	<u>70,500</u>	<u>70,500</u>

SATURNA BROKERAGE SERVICES, INC.
(A WHOLLY OWNED SUBSIDIARY OF SATURNA CAPITAL CORPORATION)
NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

Organization – Saturna Brokerage Services, Inc. (the “Company” or “SBS”) was organized under the laws of the state of Washington on September 2, 1986 as a broker-dealer. The Company is a wholly owned subsidiary of Saturna Capital Corporation (“Saturna”).

Basis of presentation – The accompanying financial statements have been prepared on the accrual basis of accounting.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the financial statements; and the amounts of revenues and expenses reported during the period under review. Actual results could differ from those estimates.

Cash and cash equivalents – For purposes of the statements of financial condition and cash flows, SBS considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Saturna Brokerage Services maintains an account with one financial institution that is insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. Balances in the Company bank account exceeded the federal insurance limits; however, Saturna Brokerage Services has not experienced any losses with respect to its bank balances in excess of government-provided insurance, and management believes that the Company is not vulnerable to excessive risk on its cash balances.

Investment securities – Saturna Brokerage Services holds investments in securities classified as available-for-sale and reported at fair value in accordance with FASB ASC 320, *Investments – Debt and Equity Securities*. As of June 30, 2014, these investments had a fair value of \$1,337,705. Unrealized gains and losses on these investments are included in accumulated other comprehensive income until realized.

FASB ASC 820 *Fair Value Measurement* establishes a three-level hierarchy of fair value measurement. Level 1 includes assets that have an active market providing an objective, quoted value for each unit. Level 2 assets are those where there is no active market in the same assets, but where there are parallel markets or other means for estimating fair value using observable information. Level 3 fair values refer to valuations based on data that is unavailable to parties outside the entity. The fair value hierarchy places the highest priority on unadjusted quoted prices in active markets for identical assets (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). Investments consist of equity and fixed income mutual funds managed by an affiliate and are classified as Level 1 securities.

SATURNA BROKERAGE SERVICES, INC.
(A WHOLLY OWNED SUBSIDIARY OF SATURNA CAPITAL CORPORATION)
NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies (continued)

Saturna Brokerage Services periodically assesses its investment portfolios for impairment of individual available-for-sale securities. An impairment occurs if the fair value of the investment falls below its cost basis, and an other-than-temporary impairment of a security occurs when there has been a significant or prolonged decline in fair value below original cost. Saturna Brokerage Services exercises judgment in determining what is significant or prolonged by evaluating, among other factors, whether the decline is outside the normal range of volatility in the price of the asset. Saturna Brokerage Services recognizes other-than-temporary impairments in earnings if the Company intends to sell the security; it is more likely than not that the Company will be required to sell the security before the impairment is recovered; or the Company does not expect to recover its amortized cost basis.

Receivables – Receivables of the Company consist primarily of amounts due from: (1) affiliated mutual funds resulting from mutual fund distribution services and (2) the parent company resulting from the two companies' expense-sharing arrangement. Based on the Company's history of collecting on those receivables, management has decided not to establish a reserve for uncollectible receivables.

Revenue recognition – Saturna Brokerage Services records nearly all of its revenues from providing mutual fund distribution services to two affiliated mutual fund trusts. Mutual fund distribution fees are computed based on 12-month daily net assets and recorded as revenue on a monthly basis.

Income taxes – Saturna Brokerage Services files a consolidated federal income tax return with Saturna Capital Corporation. For financial statement purposes, income tax expense (benefit) is calculated as if SBS filed a separate return.

Management has analyzed the Company's position taken on federal income tax returns for all open tax years (2009-2012) and has concluded that no additional adjustments are required in the Company's financial statements.

Advertising costs – Saturna Brokerage Services expenses advertising and marketing costs when incurred.

12b-1 plan distribution – SBS, as underwriter for Amana Mutual Funds Trust (the "Amana" funds or "AMFT") and at no profit to itself, receives up to 0.25% of Amana's daily net assets annually for various marketing and distribution expenses.

SATURNA BROKERAGE SERVICES, INC.
(A WHOLLY OWNED SUBSIDIARY OF SATURNA CAPITAL CORPORATION)
STATEMENTS OF SHAREHOLDER'S EQUITY

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholder's Equity
	Shares Outstanding	Amount				
BALANCE, June 30, 2012	70,500	\$ 705,000	\$ 5,964,716	\$ (3,303,028)	\$ (1,995)	3,364,693
Comprehensive loss:						
Net loss	-	-	-	(161,834)	-	(161,834)
Unrealized holding losses	-	-	-	-	(20,887)	(20,887)
BALANCE, June 30, 2013	70,500	705,000	5,964,716	(3,464,862)	(22,882)	3,181,972
Comprehensive loss:						
Net loss	-	-	-	(334,985)	-	(334,985)
Unrealized holding gains	-	-	-	-	51,225	51,225
BALANCE, June 30, 2014	<u>70,500</u>	<u>\$ 705,000</u>	<u>\$ 5,964,716</u>	<u>\$ (3,799,847)</u>	<u>\$ 28,343</u>	<u>\$ 2,898,212</u>

See accompanying notes.

SATURNA BROKERAGE SERVICES, INC.
(A WHOLLY OWNED SUBSIDIARY OF SATURNA CAPITAL CORPORATION)
STATEMENTS OF CASH FLOWS

	Years Ended June 30,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (334,985)	\$ (161,834)
Changes in operating assets and liabilities		
Receivable from Affiliate	268,492	(126,861)
Receivable from Saturna Capital	(194,959)	(117,002)
Other receivables	(273)	-
Prepaid expenses	(979)	(13,351)
Accounts payable and accrued expenses	(103,987)	(268,836)
Payable to Saturna Capital	17,071	(1,631)
Net cash flows from operating activities	<u>(349,620)</u>	<u>(689,515)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Reinvestment of dividend income	<u>(30,904)</u>	<u>(29,859)</u>
Net cash flows from investing activities	<u>(30,904)</u>	<u>(29,859)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(380,524)	(719,374)
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,312,960</u>	<u>4,032,334</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,932,436</u>	<u>\$ 3,312,960</u>

SATURNA BROKERAGE SERVICES, INC.
(A WHOLLY OWNED SUBSIDIARY OF SATURNA CAPITAL CORPORATION)
NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies (continued)

For the 2014 and 2013 fiscal years, Saturna Brokerage Services received \$8,757,092 and \$8,948,847, respectively, from AMFT. In addition, SBS recognized 12b-1 distribution expense of \$12,661,388 and \$12,972,335, respectively, in distributing Amana mutual funds, of which the portion in excess of 12b-1 receipts was borne by Saturna Capital per the two companies' expense-sharing understanding. Distribution expenses exceed revenues primarily because mutual fund distribution platforms used by Amana charge up to 0.40% of Amana's daily net assets. In addition to 12b-1 distribution fees, SBS recognized expense of \$123,305 and \$0 in its 2014 and 2013 fiscal years, respectively, for distributing Amana mutual funds' institutional shares.

Saturna Brokerage Services also acts as the underwriter for the six Sextant funds in Saturna Investment Trust. As underwriter of the Sextant funds, SBS receives up to 0.25% of the funds' daily net assets annually for various distribution expenses. For the 2014 and 2013 fiscal years, SBS was paid \$505,314 and \$587,552, respectively, by Saturna Investment Trust, while the Company expensed \$558,784 and \$690,179, respectively, to distribute the Sextant mutual funds. The portion of the expense in excess of 12b-1 receipts was borne by Saturna Capital per the two companies' expense-sharing understanding.

Note 2 – Investment Securities

Securities have been classified according to management's intent. Amortized cost of securities and their approximate fair values were as follows:

	June 30, 2014			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities Available for Sale				
Investment in mutual funds	\$ 1,238,925	\$ 28,343	\$ -	\$ 1,337,705

	June 30, 2013			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities Available for Sale				
Investment in mutual funds	\$ 1,208,021	\$ -	\$ (20,887)	\$ 1,255,576

There were no securities in an unrealized loss position for more than 12 months at June 30, 2014 and 2013.

SATURNA BROKERAGE SERVICES, INC.
(A WHOLLY OWNED SUBSIDIARY OF SATURNA CAPITAL CORPORATION)
NOTES TO FINANCIAL STATEMENTS

Note 3 – Net Capital Requirements

Saturna Brokerage Services is subject to the U.S. Securities and Exchange Commission's uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital to ensure that the ratio of aggregate indebtedness to net capital, both as defined, does not exceed 15 to 1. At June 30, 2014 and 2013, SBS' net capital of \$2,381,466 and \$2,602,418 was \$2,257,720 and \$2,472,877 in excess of its minimum net capital required, respectively. The ratio of SBS' aggregate indebtedness to net capital was 0.7794 to 1 and 0.7467 to 1 at June 30, 2014 and 2013, respectively.

Note 4 – Transactions with Affiliated Persons

SBS is a wholly owned subsidiary of Saturna Capital Corporation. Due to his common stock ownership, the chairman of the board of Saturna Capital is deemed to be its controlling person. The chairman of Saturna Capital is also a director of SBS; chairman and a director of Saturna Trust Company; a director of Saturna Sdn. Bhd. (Malaysia); and is a trustee, president and fund shareowner of both Amana Mutual Funds Trust and Saturna Investment Trust (the "Trusts"). The president of Saturna Capital is the chairman's daughter, and is a director of Saturna Capital, SBS, and Saturna Trust Company.

Among other customers, SBS provides brokerage execution services to private accounts and mutual funds managed by its parent, Saturna Capital Corporation. Effective January 1, 2005, SBS executes transactions for these managed accounts for no commission. This negatively impacts SBS, since it still must pay its clearing and other charges for these transactions.

SBS shares its principal offices with Saturna, and all employees of SBS are employees of Saturna. The companies maintain an expense-sharing agreement for services provided by Saturna personnel on behalf of SBS. Shared expenses charged to SBS were \$207,024 and \$12,279 in 2014 and 2013, respectively, and related primarily to compensation of employees and other general and administrative costs.

Note 5 – Provision for Income Taxes

No deferred tax assets or liabilities were recorded at June 30, 2014 and 2013, as there were no material temporary differences between the carrying amounts and tax bases of other assets and liabilities. SBS records a receivable from Saturna Capital for the benefit of the taxable loss that SBS generates. For the fiscal years ended June 30, 2014 and 2013, SBS recorded a federal income tax benefit of \$253,962 and \$88,774, respectively.

SATURNA BROKERAGE SERVICES, INC.
(A WHOLLY OWNED SUBSIDIARY OF SATURNA CAPITAL CORPORATION)
NOTES TO FINANCIAL STATEMENTS

Note 6 – Subsequent Events

Saturna Brokerage Services has evaluated events and transactions for potential recognition or disclosure through the date these financial statements were issued. There were no events or transactions that occurred between the balance sheet date and the date that the financial statements were issued that materially impacted the amounts or disclosures in the Company's financial statements.

SUPPLEMENTARY INFORMATION

SATURNA BROKERAGE SERVICES, INC.
(A WHOLLY OWNED SUBSIDIARY OF SATURNA CAPITAL CORPORATION)
COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 UNDER
THE SECURITIES EXCHANGE ACT OF 1934 (SCHEDULE I)
AS OF JUNE 30, 2014

Total shareholder's equity	\$ 2,898,212
Less – Shareholder's equity not allowable for Net Capital	<u>-</u>
Total shareholder's equity qualified for Net Capital	2,898,212
Add:	
Liabilities subordinated to claims of general creditors allowable in computation of Net Capital	-
Other deductions or allowable credits	<u>-</u>
Total capital and allowable subordinated liabilities	2,898,212
Deductions and/or charges:	
Non-allowable assets	(384,257)
Secured demand note deficiency	-
Commodity futures contracts and spot commodities	-
Other deductions and/or charges	-
Other additions and/or allowable credits	<u>-</u>
Net Capital before haircuts on securities positions	2,513,955
Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1(f)):	
Contractual securities commitments	-
Subordinated securities borrowings	-
Trading and investment securities:	
Exempted securities	-
Debt securities	-
Options	-
Other securities	(132,489)
Undue concentrations	-
Other	<u>-</u>
Net Capital	<u><u>\$ 2,381,466</u></u>
Aggregate Indebtedness	
Total aggregate indebtedness liabilities from Statements of Financial Condition	\$ 1,856,186
Add:	
Drafts from immediate credit	-
Market value of securities borrowed for which no equivalent value is paid or credited	-
Other unrecorded amounts	<u>-</u>
Total aggregate indebtedness	<u><u>\$ 1,856,186</u></u>
Computation of basic Net Capital requirement	
Minimum Net Capital required	\$ 123,746
Excess Net Capital	\$ 2,257,720
Ratio: Aggregate Indebtedness to Net Capital	0.7794 to 1

Note: There are no material differences between the preceding computation and the Company's corresponding part II of Form X-17A-5 as of June 30, 2014.

MOSS ADAMS LLP
Certified Public Accountants | Business Consultants

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders
Saturna Brokerage Services, Inc.

We have reviewed management's statements, included in the accompanying Management's Statement Regarding Compliance with Certain Exemption Provisions Under Rule 15c3-3 of the Securities Exchange Act of 1934, in which (1) Saturna Brokerage Services, Inc. identified provision 17 C.F.R. §15c3-3(k)(2)(ii) (the "exemption provisions") under which Saturna Brokerage Services, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3 and (2) Saturna Brokerage Services, Inc. stated that Saturna Brokerage Services, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Saturna Brokerage Services, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Saturna Brokerage Services, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the conditions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Moss Adams LLP

Bellingham, Washington
August 25, 2014



1300 North State Street
Bellingham
Washington 98225
www.saturna.com/sbs

Telephone: (360) 734-1266
(800) 728-1266
Fax: (360) 734-0755

**MANAGEMENT STATEMENT REGARDING COMPLIANCE WITH CERTAIN
EXEMPTION PROVISIONS UNDER RULE 15c3-3 OF THE SECURITIES EXCHANGE ACT
OF 1934**

We, as members of management of Saturna Brokerage Services, Inc. (the Company), are responsible for complying with the requirements of 17 C.F.R. §15c3-3, "The Customer Protection Rule", of the Securities Exchange Act of 1934 (the "Act"). We have performed an evaluation of the Company's compliance with the Customer Protection Rule as of June 30, 2014 and during the period from July 1, 2013 through June 30, 2014. Based on this evaluation, we assert to the best of our knowledge and belief that the Company was in compliance with the Act as described below:

- 1) The Company is exempt from the Customer Protection Rule under Paragraph (k)(2)(ii) as the Company is an introducing broker or dealer, who clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, and who promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of Rules 17a-3 and 17a-4, as are customarily made and kept by a clearing broker or dealer.
- 2) The Company met the identified exemption provisions throughout the most recent fiscal year without exception.

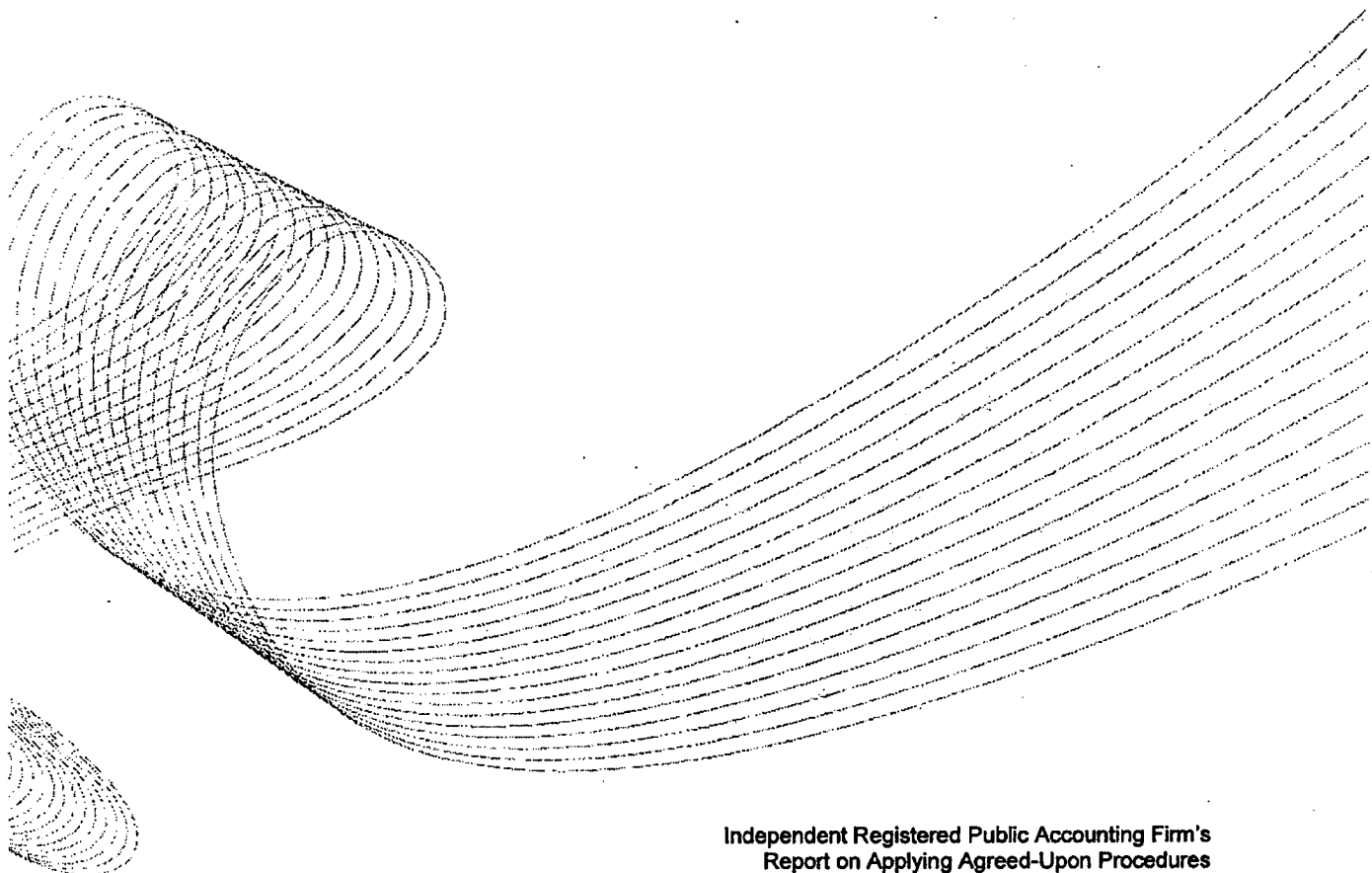
Saturna Brokerage Services, Inc.



Jane Carten, President

8/25/14

Date



**Independent Registered Public Accounting Firm's
Report on Applying Agreed-Upon Procedures
Related to the SIPC Assessment Required by
SEC Rule 17a-5 for**

**Saturna Brokerage Services, Inc.
(A Wholly Owned Subsidiary of
Saturna Capital Corporation, Inc.)**

June 30, 2014

MOSS ADAMS_{LLP}

Certified Public Accountants | Business Consultants

MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S REPORT ON APPLYING
AGREED-UPON PROCEDURES RELATED TO THE SIPC ASSESSMENT REQUIRED BY
SEC RULE 17a-5**

To the Board of Directors
Saturna Brokerage 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 General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the period from July 1, 2013 to June 30, 2014, which were agreed to by Saturna Brokerage Services, Inc. (the Company) and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company'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. In performing the procedures listed below, differences of less than \$1 were not considered a difference requiring reporting.

1. We were unable to compare the listed assessment payments in Form SIPC-7 with respective cash disbursement records consisting of copies of cancelled checks as the Company's SIPC Net Operating Revenues were negative and there were no required SIPC payments during the year.
2. Compared amounts reported on the Company's annual filing of audited financial statements for the year ended June 30, 2014 with the amounts reported in Form SIPC-7 for the period from July 1, 2013 to June 30, 2014, noting no differences.
3. Compared adjustments reported in Form SIPC-7 with supporting schedules and working papers prepared by the Company, noting no differences.
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting adjustments in Form SIPC-7, noting no differences.
5. We were unable to compare the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed as there was no such overpayment amount stated on Form SIPC-7 and management represented to us that no such overpayment exists.

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION
P.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300

General Assessment Reconciliation

For the fiscal year ended 6/30/2014

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

SIPC-7

(33-REV 7/10)

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:

036558 FINRA JUN
SATURNA BROKERAGE SERVICES INC
ATTN JAMES GIBSON
1300 N STATE ST
BELLINGHAM WA 98225-4715

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.

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

SATURNA BROKERAGE SERVICES INC
(Name of Corporation, Partnership or other organization)

James Gibson
(Authorized Signature)

Dated the 26 day of AUGUST, 20 14.

CFO

(Title)

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

SIPC REVIEWER

Dates: Postmarked Received Reviewed

Calculations Documentation Forward Copy

Exceptions:

Disposition of exceptions:

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.

Wynn Adams LLP

Bellingham, Washington
August 26, 2014

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

Amounts for the fiscal period
beginning 7/1/2013
and ending 6/30/2014

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

Eliminate cents
\$ 9,418,553

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

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.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):

(Deductions in excess of \$100,000 require documentation)

- (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ _____
- (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ _____

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

Total deductions

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0025

9,269,895

207,811

51,225

9,528,931

\$ <110,378

\$ 0

(to page 1, line 2.A.)