



SECURITIES



15026554

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

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

| OMB APPROVAL | |
|---|----------------|
| OMB Number: | 3235-0123 |
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REPORT FOR THE PERIOD BEGINNING 04/01/14

AND ENDING 3/31/15

MM/DD/YYYY

MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: TULLY AND HOLLAND INCORPORATED

OFFICIAL USE ONLY

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

FIRM I.D. NO.

20 WILLIAM STREET

(No. and Street)

WELLESLEY

MA

02481

(City)

(State)

(Zip Code)

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

TIMOTHY TULLY

781-239-2900

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

LARRY D. LIBERFARB, P.C.

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

11 VANDERBILT AVENUE SUITE 220

NORWOOD

MA

02062

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

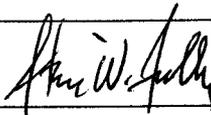
*Claims for exemption from the requirements that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17-a-8(e)(2)

SEC 1410 (05-01) Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

TH 5/28

OATH OR AFFIRMATION

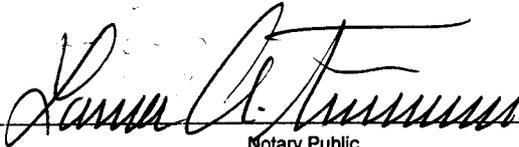
I, TIMOTHY TULLY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of TULLY AND HOLLAND INCORPORATED, as of MARCH 31, 20 15, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principle officer or director has any proprietary interest in any account classified solely as that of A customer, except as follows:



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 Changes in Financial Condition.
- (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 15c2-3.
- (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).

TULLY AND HOLLAND INCORPORATED

FINANCIAL STATEMENTS

MARCH 31, 2015

LARRY D. LIBERFARB, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
AND FINANCIAL ADVISORS

11 Vanderbilt Avenue, Suite 220, Norwood, Massachusetts 02062
Tel. (781) 255-8800 Fax (781) 255-9217
E-Mail: Info@Liberfarb.com

Report of Independent Registered Public Accounting Firm

Board of Directors

Tully and Holland Incorporated

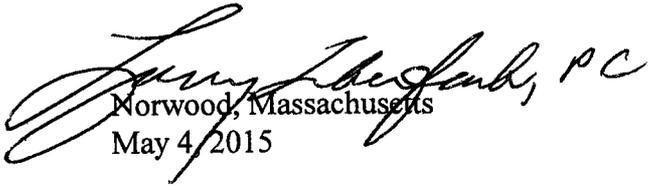
We have audited the accompanying statements of Tully and Holland Incorporated which comprise the statement of financial condition as of March 31, 2015, and the related statements of income, changes in shareholder's equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplementary information. Tully and Holland Incorporated's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit 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 Tully and Holland Incorporated as of March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Schedule I, computation of net capital under Rule 15c3-1 has been subjected to audit procedures performed in conjunction with the audit of Tully and Holland Incorporated's financial statements. The supplemental information is the responsibility of Tully and Holland Incorporated's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplementary information. In forming our opinion of the supplementary

information, we evaluated whether the supplementary information, including the form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.


Norwood, Massachusetts
May 4, 2015

TULLY AND HOLLAND INCORPORATED
STATEMENT OF FINANCIAL CONDITION
March 31, 2015

ASSETS

| | |
|--|-------------------|
| Cash | \$ 145,748 |
| Accounts receivable - non customers | 325,555 |
| Property and equipment, at cost, less accumulated depreciation of \$180,130 | 2,382 |
| Other assets | 13,483 |
| | <u>\$ 487,168</u> |

LIABILITIES AND STOCKHOLDER'S EQUITY

| | |
|--|-------------------|
| Liabilities: | |
| Accounts payable, accrued expenses, and other liabilities | \$ 217,948 |
| Stockholder's equity: | |
| Common stock, \$.01 par value, 1,000 shares authorized, 300 shares issued and outstanding | 3 |
| Additional paid-in capital | 189,198 |
| Retained earnings | 178,836 |
| Less 200 shares of common stock in treasury, at cost | <u>(98,817)</u> |
| Total stockholder's equity | <u>269,220</u> |
| | <u>\$ 487,168</u> |

The accompanying notes are an integral part of these financial statements.

TULLY AND HOLLAND INCORPORATED
STATEMENT OF INCOME
For the year ended March 31, 2015

| | |
|------------------------------------|--------------------------|
| Revenues: | |
| Investment banking and consulting | \$ 1,027,346 |
| Interest and dividends | 168 |
| Other income | 24,608 |
| | <u>1,052,122</u> |
| | |
| Expenses: | |
| Employee compensation and benefits | 393,788 |
| Communications and data processing | 31,216 |
| Occupancy | 95,963 |
| Other expenses | 428,074 |
| | <u>949,041</u> |
| | |
| Income before income taxes | 103,081 |
| | |
| Provision for income taxes | <u>513</u> |
| | |
| Net Income | <u><u>\$ 102,568</u></u> |

The accompanying notes are an integral part of these financial statements.

TULLY AND HOLLAND INCORPORATED
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
For the year ended March 31, 2015

| | <u>Common Stock</u> | <u>Additional Paid-In Capital</u> | <u>Retained Earnings</u> | <u>Common Treasury Stock</u> | <u>Total Stockholder's Equity</u> |
|-------------------------|-------------------------|---|------------------------------|--------------------------------------|---|
| Balance, April 1, 2014 | \$ 3 | \$ 169,198 | \$ 76,268 | \$ (98,817) | \$ 146,652 |
| Capital Additions | - | 20,000 | - | - | 20,000 |
| Net loss | - | - | 102,568 | - | 102,568 |
| Balance, March 31, 2015 | <u>\$ 3</u> | <u>\$ 189,198</u> | <u>\$ 178,836</u> | <u>\$ (98,817)</u> | <u>\$ 269,220</u> |

The accompanying notes are an integral part of these financial statements

TULLY AND HOLLAND INCORPORATED
STATEMENT OF CASH FLOWS
For the year ended March 31, 2015

| | |
|--|--------------------------|
| Cash flows from operating activities: | |
| Net income | \$ 102,568 |
| Adjustments to reconcile net income to net cash provided by operating activities: | |
| Depreciation | 10,010 |
| (Increase) Decrease in operating assets: | |
| Increase in accounts receivable - non customers | (318,827) |
| Increase in other assets | (2,691) |
| Increase (Decrease) in operating liabilities: | |
| Increase in accounts payable and accrued expenses | <u>183,959</u> |
| Net cash from operating activities | (24,981) |
| Cash flows from investing activities: | |
| Purchase of property equipment | - |
| Cash flows from financing activities: | |
| Capital contribution | <u>20,000</u> |
| Decrease in cash | (4,981) |
| Cash at April 1, 2014 | <u>150,729</u> |
| Cash at March 31, 2015 | <u><u>\$ 145,748</u></u> |

Supplemental disclosures of cash flow information:

Cash paid during the year for:

| | |
|--------------|--------|
| Interest | \$ 0 |
| Income taxes | \$ 513 |

Disclosure of accounting policy:

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The accompanying notes are an integral part of these financial statements.

TULLY AND HOLLAND INCORPORATED
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business

The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority, Inc. (FINRA).

Investment Banking and Consulting

Fees are earned from advisory services including merger and acquisition advisory services, private placements of debt and equities, and general financial advisory services. Investment banking management fees are generated primarily from retainer payments and success fees which are paid in cash upon the successful completion of a transaction.

Accounts Receivable

Management closely monitors outstanding accounts receivable, and charges off to expense all balances that are determined to be uncollectable.

Property and Equipment

Property and equipment are recorded at cost. Maintenance and repairs are charged to expense as incurred. Major improvements to property and equipment are capitalized. Depreciation is computed using the accelerated method over the estimated useful lives of the assets.

Income Taxes

The Company, with the consent of its sole shareholder, has made an election under Subchapter S of the Internal Revenue Code, not to be subject to federal income taxes at the corporate level. Pursuant to this election, the income or loss of the Company is included in the taxable income of the individual stockholder. Consequently, the statement of income contains no provision for federal income taxes.

The Company is liable for Massachusetts excise taxes. Accordingly, this tax has been included in the accompanying financial statements.

Advertising

The Company expenses advertising costs as they are incurred.

TULLY AND HOLLAND INCORPORATED
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 amounts reported in these financial statements and accompanying notes. Actual results could differ from these estimates.

NOTE 2 - PROPERTY AND EQUIPMENT

Major classifications of property and equipment are as follows:

| | |
|-----------------------------------|----------------|
| Computer equipment | \$ 69,028 |
| Furniture, fixtures and equipment | 95,817 |
| Leasehold improvements | <u>17,667</u> |
| | 182,512 |
| Less: Accumulated depreciation | <u>180,130</u> |
| | <u>\$ 2382</u> |

Depreciation expense for the year ended March 31, 2015 was \$10,010

NOTE 3 - NET CAPITAL

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. At March 31, 2015 the Company had net capital of \$121,174 which was \$116,174 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was .20 to 1.

NOTE 4 - LONG TERM LEASES

The Company conducts its operations from offices that were leased at \$7,997 per month. Rent expense for the year ended March 31, 2015 was \$88,954.

TULLY AND HOLLAND INCORPORATED
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2015

NOTE 4 - LONG TERM LEASES (Continued)

Future minimum lease payments for this non-cancelable operating lease at March 31, 2015 are as follows.

| Year ended March 31 | |
|------------------------|-------------------|
| 2016 | \$ 94,380 |
| 2017 | 97,020 |
| 2018 | <u>24,420</u> |
| | <u>\$ 215,820</u> |

NOTE 5- OFF- BALANCE SHEET RISK AND CONCENTRATION OF CREDIT RISK

The Company at times maintains cash in bank accounts in excess of the established limit insured by the Federal Deposit Insurance Corporation (FDIC).

NOTE 6 - RELATED PARTY TRANSACTIONS

The Company leases a motor vehicle under an operating lease expiring September 2015 from the sole shareholder of the Company. The lease requires monthly rentals of \$1,350.

Lease expense for the year ended March 31, 2015 amounted to \$16,200. Future minimum rentals under the operating lease agreement for the years ending March 31, 2015 are as follows:

| Year ended March 31, | |
|-------------------------|----------|
| 2016 | \$ 8,100 |

NOTE 7 - EMPLOYEE BENEFIT PLANS

The Company sponsors a profit sharing plan which covers substantially all employees who meet minimum age and service requirements. Funding of the profit sharing plan is discretionary. The Company has elected to make a profit sharing contribution of \$10,278 for 2015.

TULLY AND HOLLAND INCORPORATED
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2015

NOTE 8 – FAIR VALUE

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 the Company has the ability to access.

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 are unobservable inputs for the asset or liability and rely on management's own assumption about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

A qualifying asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. The Company's qualifying assets or liabilities are recorded at fair value using Level 1 inputs.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 4, 2015, the date on which the financial statements were available to be issued. There were no subsequent events that require adjustment or disclosure in the financial statements.

TULLY AND HOLLAND INCORPORATED

SUPPLEMENTARY SCHEDULES

MARCH 31, 2015

SCHEDULE I

TULLY AND HOLLAND INCORPORATED COMPUTATION OF AGGREGATE INDEBTEDNESS AND NET CAPITAL PURSUANT TO RULE 15c3-1 MARCH 31, 2015

| | |
|--|-------------------|
| Aggregate indebtedness: | |
| Accounts payable and accrued expenses | \$ 24,573 |
| Net capital: | |
| Common stock | \$ 3 |
| Additional paid-in capital | 189,198 |
| Retained earnings | 178,836 |
| Treasury stock | <u>(98,817)</u> |
| | 269,220 |
| Adjustments to net capital: | |
| Accounts receivable - non customers(net) | (132,181) |
| Property and equipment | (2,382) |
| Other assets | <u>(13,483)</u> |
| Net capital, as defined | <u>\$ 121,174</u> |
| Net capital requirement | \$ 5,000 |
| Net capital in excess of requirement | \$ 116,174 |
| Ratio of aggregate indebtedness to net capital | .20 to 1 |
| Reconciliation with Company's computation included in Part IIA of Form 17a-5(a) as of March 31, 2015 as reported in Company's (unaudited) focus report | |
| Net audit adjustments | \$ 121,174 |
| Increase in non-allowables and haircuts | 104,125 |
| | <u>(104,125)</u> |
| Net Capital per above | <u>\$ 121,174</u> |

SCHEDULE II

TULLY AND HOLLAND INCORPORATED

**COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS FOR BROKER/DEALERS UNDER
RULE 15c3-3 OF THE SECURITIES EXCHANGE ACT OF 1934**

MARCH 31, 2015

Tully and Holland Incorporated is exempt from the reserve requirements of Rule 15c3-3 as its transactions are limited, such that they do not handle customer funds or securities, accordingly, the computation for determination of reserve requirements pursuant to Rule 15c3-3 and information relating to the possession or control requirement pursuant to Rule 15c3-3 are not applicable.

LARRY D. LIBERFARB, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
AND FINANCIAL ADVISORS

11 Vanderbilt Avenue, Suite 220, Norwood, Massachusetts 02062
Tel. (781) 255-8800 Fax (781) 255-9217
E-Mail: Info@Liberfarb.com

Independent Accountant's Agreed-Upon Procedures Report On Schedule of Assessment and Payments (Form SIPC-7)

Board of Directors

Tully and Holland Incorporated

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 Assessments and Payments (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ending March 31, 2015, which were agreed to by Tully and Holland Incorporated and the Securities Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Tully and Holland Incorporated's compliance with the applicable instructions of Form SIPC-7. Tully and Holland Incorporated's management is responsible for Tully and Holland Incorporated's compliance with those requirements. The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). 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 were performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement record entries, noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended March 31, 2015, as applicable, with the amounts reported in Form SIPC-7 for the year ended March 31, 2015, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, 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 the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, 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.


Norwood, Massachusetts
May 4, 2015

TULLY AND HOLLAND INCORPORATED
SCHEDULE OF GENERAL ASSESSMENT PAYMENTS
FOR THE YEAR ENDED MARCH 31, 2015

| <u>Payment Date</u> | <u>To Whom Paid</u> | <u>Amount</u> |
|---------------------|---------------------|---------------|
| 10/27/2014 | SIPC | \$528.00 |
| 5/1/2015 | SIPC | \$1,358.00 |
| 5/11/2015 | SIPC | \$744.00 |

LARRY D. LIBERFARB, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
AND FINANCIAL ADVISORS

11 Vanderbilt Avenue, Suite 220, Norwood, Massachusetts 02062
Tel. (781) 255-8800 Fax (781) 255-9217
E-Mail: Info@Liberfarb.com

Report of Independent Registered Public Accounting Firm

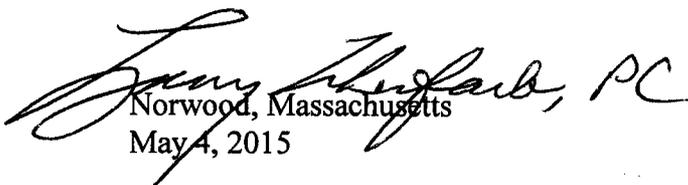
Board of Directors

Tully and Holland Incorporated

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Tully and Holland Incorporated identified the following provisions of 17 C.F.R. 15c3-3(k) under which Tully and Holland Incorporated claimed an exemption from 17 C.F.R. 240.15c3-3 (k)(2)(i) (the "exemption provisions") and (2) Tully and Holland Incorporated stated that Tully and Holland Incorporated met the identified exemption provisions throughout the most recent fiscal year without exception. Tully and Holland Incorporated'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 Tully and Holland Incorporated'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 provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.


Norwood, Massachusetts
May 4, 2015

TULLY AND HOLLAND INCORPORATED

EXEMPTION REPORT

REQUIREMENTS FOR BROKER/DEALERS UNDER

RULE 17A-5 OF THE SECURITIES EXCHANGE ACT OF 1934

MARCH 31, 2015

Tully and Holland Incorporated is exempt from the reserve and possession or control requirements under Rule 15c3-3(k)(2)(i) of the Securities Exchange Act of 1934. The Company was compliant with Rule 15c3-3(k)(2)(i) as it did not carry any customer funds or securities throughout the fiscal year ended March 31, 2015.



Timothy W. Tully
President