

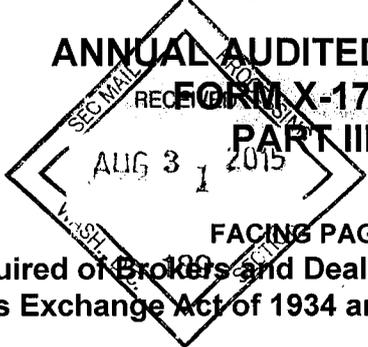
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: March 31, 2016  
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Hours per response.....12.00

Handwritten initials and date: 8/31



ANNUAL AUDITED REPORT



FORM X-17A-5

PART III

SEC FILE NUMBER

8-30576

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 JULY 1, 2014 AND ENDING JUNE 30, 2015  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **NELSON SECURITIES, INC.**

OFFICIAL USE ONLY

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

FIRM I.D. NO.

**601 W. MAIN STREET, SUITE 1118**

(No. and Street)

**SPOKANE**

(City)

**WA**

(State)

**99201**

(Zip Code)

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

**PATRICK K. DONAHUE**

**509-838-1313**

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

**EIDE BAILLY LLP**

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

**926 W. SPRAGUE, SUITE 300**

(Address)

**SPOKANE**

(City)

**WA**

(State)

**99201**

(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)

Handwritten signature/initials

OATH OR AFFIRMATION

I, ROBERT O. NELSON, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of NELSON SECURITIES, INC., as of JUNE 30, 20 15, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
Notary Public



  
Signature

PRESIDENT  
Title

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).

# NELSON SECURITIES, INC.

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CPAs & BUSINESS ADVISORS

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders  
of Nelson Securities, Inc.  
Spokane, Washington

We have audited the accompanying financial statements of Nelson Securities, Inc. (a Washington corporation), which comprise the statement of financial condition as of June 30, 2015, 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, and the related notes to the financial statements and supplemental information. Nelson Securities, Inc.'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 condition of Nelson Securities, Inc. as of June 30, 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.

As discussed in Note 8 to the financial statements, certain errors resulting in understatement of amounts previously reported for deferred advisory service revenue as of June 30, 2014, were discovered by management of the Company during the current year. Accordingly, an adjustment has been made to opening retained earnings as of July 1, 2014, to correct the error. Our opinion is not modified with respect to that matter.

The supplemental information required by rule 17a-5 of the Securities and Exchange Commission has been subjected to audit procedures performed in conjunction with the audit of Nelson Securities, Inc.'s financial statements. The supplemental information is the responsibility of Nelson Securities, Inc.'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 supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Eide Bailly LLP*

Spokane, Washington  
August 27, 2015



# NELSON SECURITIES, INC.

## STATEMENT OF FINANCIAL CONDITION *June 30, 2015*

ASSETS	<u>2015</u>
Cash	\$ 169,662
Deposits with clearing house	50,000
Receivable from clearing broker	1,391
Commissions receivable	147,589
Employee receivable	12,589
Prepaid expenses & other assets	35,350
Furniture and equipment, net	-
	<hr/>
	\$ 416,581
	<hr/> <hr/>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>	
Payable to vendors	\$ 15,847
Payroll and business taxes payable	915
Accrued salaries and commissions	60,824
Deferred advisory service revenue	85,668
	<hr/>
	\$ 163,254
	<hr/> <hr/>
<b>Stockholder's equity:</b>	
Common stock, \$100 par value:	
Authorized, 500 shares:	
Issued and outstanding, 100 shares	\$ 10,000
Additional paid-in capital	328,279
Retained deficit	(84,952)
	<hr/>
	\$ 253,327
	<hr/> <hr/>
	\$ 416,581
	<hr/> <hr/>

*The accompanying notes are an integral  
part of the financial statements*

# NELSON SECURITIES, INC.

## STATEMENT OF INCOME *for the year ended June 30, 2015*

	<u>2015</u>
<b>Revenues:</b>	
Investment advisory fees and commissions	\$ 2,298,914
Trading commissions	113,154
Investment income	91
Interest and dividend income	1,070
	<hr/>
	\$ 2,413,229
<b>Expenses:</b>	
Salaries and commissions	\$ 1,595,116
License and regulatory fees	38,421
Payroll taxes	100,764
Telephone and utilities	59,874
Occupancy and leases expense	163,792
Auto	9,459
Office expense and postage	64,845
Travel and entertainment	31,565
Consulting expense	70,824
Newsletter expense	18,000
Business and property taxes	7,261
Depreciation	1,951
Professional services	15,943
Insurance	170,219
Quotation service	11,336
Miscellaneous	43,209
	<hr/>
	\$ 2,402,579
<b>Income before income taxes</b>	<b>\$ 10,650</b>
<b>Income tax expense</b>	<b>\$ -</b>
	<hr/>
<b>Net income</b>	<b>\$ 10,650</b>

*The accompanying notes are an integral  
part of the financial statements*

**NELSON SECURITIES, INC.**

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY  
*for the year ended June 30, 2015*

	<u>Shares</u>	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
<b>Balances, July 1, 2014 as previously reported</b>	100	\$ 10,000	\$ 328,279	\$ (34,726)	\$ 303,553
<b>Prior period adjustment for correction of error (See Note 8)</b>				\$ (60,876)	\$ (60,876)
<b>Balances, July 1, 2014 as restated</b>	100	\$ 10,000	\$ 328,279	\$ (95,602)	\$ 242,677
<b>Net income for the year ended June 30, 2015</b>				\$ 10,650	\$ 10,650
<b>Balances, June 30, 2015</b>	100	\$ 10,000	\$ 328,279	\$ (84,952)	\$ 253,327

*The accompanying notes are an integral  
part of the financial statements*

**NELSON SECURITIES, INC.**

**STATEMENT OF CASH FLOWS**  
*for the year ended June 30, 2015*

2015

**Cash flows from operating activities:**

Net income	\$	10,650
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation Expense		1,953
Changes in assets and liabilities:		
Net receivable from clearing broker		9,324
Fees and commissions receivable		27,591
Employee receivables		(540)
Prepaid expenses & other assets		(6,792)
Payable to vendors		(4,124)
Payroll and business taxes payable		(1,219)
Accrued salaries and commissions		(9,587)
Deferred advisory service revenue		4,500
Total adjustments	\$	21,106
Net cash provided by operating activities	\$	31,756
<b>Net increase in cash</b>	\$	31,756
<b>Cash at beginning of year</b>	\$	137,906
<b>Cash at end of year</b>	\$	169,662
<b>Supplemental disclosure of cash paid for income taxes</b>	\$	-

*The accompanying notes are an integral part of the financial statements*

# NELSON SECURITIES, INC.

## NOTES TO FINANCIAL STATEMENTS

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### 1. The Company and Significant Accounting Policies:

**Business Activity** - Nelson Securities, Inc. was incorporated under the laws of the State of Washington on October 3, 1983 to operate as a broker/dealer in investment securities. The Company has offices located in Spokane, Washington; San Diego, California; and Gainesville, Florida.

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

**Use of Estimates in the Preparation of Financial Statements** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 such estimates.

**Trade Settlement** - Customers' securities transactions are recorded on a settlement date basis with the related commission revenues and expenses recorded on a trade basis. Securities transactions of the Company are recorded on a trade date basis.

**Cash and Cash Equivalents** - The Company places its cash and cash equivalents with high quality financial institutions. At times, the amount may be in excess of the FDIC insurance limits, however, the Company does not consider this to be significant credit risk.

**Accounts Receivables** - The Company's accounts receivable consist primarily of commissions due from various insurance companies and other broker/dealers under contractual agreements. Historically, the Company has not experienced losses related to these receivables and does not consider these amounts to be a significant credit risk.

# NELSON SECURITIES, INC.

## NOTES TO FINANCIAL STATEMENTS

### 1. The Company and Significant Accounting Policies, *continued*:

#### Revenue Recognition Policies:

*Investment Advisory Fees and Commissions* – Commission revenue consists of revenue generated through providing commission-based brokerage services to customers, and also commission-based annuity services. Investment advisory fees are earned in the months for the services provided. Advisory service fees billed prior to the delivery of services are accounted for as deferred revenue.

*Property and Equipment* - Furniture and equipment are stated at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are charged to expense when incurred. Additions and major improvements are capitalized.

*Advertising* - The Company's policy is to expense advertising costs when incurred.

### 2. Furniture and Equipment:

Furniture and equipment at June 30, 2015 consisted of the following:

	<u>2015</u>
Furniture and fixes	\$ 89,647
Computer equipment	\$ 7,480
	<u>\$ 97,127</u>
Less accumulated depreciation	\$ 97,127
	<u>\$ -</u>

### 3. Net Capital Requirements:

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities and Exchange Act of 1934, The Company was required to maintain minimum net capital of \$10,883 at June 30, 2015, and a net capital ratio of no more than 15 to 1, as defined under such provisions. Net capital and the related net capital ratio will fluctuate on a daily basis. The Company has net capital of \$65,323 at June 30, 2015. The Company's net capital ratio (aggregate indebtedness to net capital) was 2.49 to 1 at June 30, 2015.

# NELSON SECURITIES, INC.

## NOTES TO FINANCIAL STATEMENTS

### 4. Retirement Plan:

The Company has adopted a 401(k) plan covering all eligible employees. The plan allows employees to defer up to 75% of their salaries with a discretionary match made by the Company. There were no employer match contributions for the year ended June 30, 2015.

### 5. Income Taxes:

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxed currently due plus deferred taxes related primarily to differences between financial and income tax reporting. The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years. As of June 30, 2015, no provision for current or deferred federal taxes has been accrued as the Company has an unused operation loss carry forward of approximately \$5,000 at June 30, 2015. Due to the uncertain nature of future income, the Company has elected to provide a valuation allowance equal to the unused carry forward, thereby eliminated any deferred tax assets.

Deferred tax asset-net operating loss carry forward	\$2,000
Less valuation allowance	(2,000)
	<u>\$ 0</u>

The change in the valuation allowance or deferred tax assets related to the net operating loss carry forward is as follows:

Beginning of year valuation allowance	\$12,000
Less effect of utilization of net operating loss	(10,000)
	-----
End of year valuation allowance	<u>\$2,000</u>

The Reconciliation of taxes at statutory rates is as follows:

Federal tax rate	34%
State tax rate	<u>6%</u>
Total tax rate	40%
Less impact of net operating loss	
Utilized	<u>(40%)</u>
Net income tax rate	0%

## **NELSON SECURITIES, INC.**

At June 30, 2015, the Company has an unused operating loss carry forward of approximately \$5,000 that may be applied against future taxable income through 2028.

The Company is no longer subject to examinations by the Internal Revenue Service or state tax commissions for fiscal year ending prior to June 30, 2012.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of June 30, 2015, the unrecognized tax benefit accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

## NELSON SECURITIES, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### 6. Lease Commitments:

The Company leases its Spokane and San Diego office space for \$8,731 monthly under operating lease agreements. The Spokane lease expires August 2016 and the San Diego lease expires September 2015. The Company also leases its Gainesville office space for \$742 per month in which the lease expires August 2015. Lease expense including utilities for all locations was \$122,489 for year ended June 30, 2015. Future minimum payments under noncancellable office space leases having initial or remaining lease terms in excess of one year as of June 30, 2015 are as follows:

<u>Years ending June 30:</u>	
2016	\$ 92,342
2017	\$ 14,388
	<hr/>
	<b>\$ 106,730</b>

The Company leases various equipment under operating leases expiring in various years through 2017. Lease expense paid under these agreements was \$41,302 for the year ended June 30, 2015.

The Company leases the majority of its equipment from NFS Leasing, L.L.C. (NFS), which is owned 100% by the stockholder of the Company. The lease agreement from NFS currently provide for rent of \$3,222 per month including applicable sales tax. Lease expense paid to NFS under these agreements was \$41,302 for the year June 30, 2015. Future minimum payments under noncancellable equipment leases having initial or remaining lease terms in excess of one year as of June 30, 2015, are as follows:

<u>Years ending June 30:</u>	
2016	\$ 35,477
2017	\$ 16,298
	<hr/>
	<b>\$ 51,775</b>

# NELSON SECURITIES, INC.

## NOTES TO FINANCIAL STATEMENTS

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### **7. Subsequent Events:**

The Company evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through August 27, 2015, the day the financial statements were available to be issued, and has determined there are no subsequent events that require disclosure.

### **8. Prior Period Adjustment:**

Retained deficit at July 1, 2014 has been adjusted to correct an error for the understatement of deferred advisory service revenue made in prior years. Retained deficit at July 1, 2015 has been adjusted to correct an error of understatement of deferred advisory service revenue. Net income for the year ended June 30, 2014 would have decreased from \$42,829 to \$32,293, a decrease of \$10,536.

# NELSON SECURITIES, INC.

## SCHEDULE 1 COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION *June 30, 2015*

<b>Net capital</b>		
Stockholder's equity:		
Common stock	\$	10,000
Additional paid-in capital	\$	328,279
Retained deficit	\$	(84,952)
		\$ 253,327
Deductions:		
Non-allowable assets:		
Commissions receivable	\$	140,068
Employee receivables	\$	12,589
Prepaid expenses	\$	33,458
Furniture and equipment at cost, net of accumulated depreciation	\$	-
		\$ 186,113
Net capital before haircut on securities positions		\$ 67,214
Haircuts on securities		\$ (1,891)
		\$ 65,323
<b>Net capital</b>		\$ 65,323
<b>Required net capital</b>		\$ 10,883
<b>Excess net capital</b>		\$ 54,440
<b>Aggregate indebtedness:</b>		
Payable to vendors	\$	15,847
Payroll and business taxes payroll	\$	915
Accrued salaries and commissions	\$	60,824
Deferred advisory service revenue	\$	85,668
		\$ 163,254
Total aggregate indebtedness		\$ 163,254
<b>Ratio of aggregate indebtedness to net capital</b>		2.49 to 1

**NELSON SECURITIES, INC.**

SCHEDULE 2  
COMPUTATION OF DETERMINATION OF RESERVE  
REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES  
AND EXCHANGE COMMISSION  
*June 30, 2015*

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Nelson Securities, Inc. acts strictly as an introducing broker-dealer, clearing all transactions with and for customers on a fully disclosed basis with the clearing broker, which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto. Therefore, Nelson Securities, Inc. is not required to carry a "Special Reserve Bank Account for the Exclusive Benefits of Customers", as stated under Exemption Rule 15c3-3.

**NELSON SECURITIES, INC.**

SCHEDULE 3  
RECONCILIATION WITH COMPANY'S COMPUTATION OF NET CAPITAL  
INCLUDED IN PART II OF FORM X-17A-5  
*June 30, 2015*

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**Net capital:**

Net capital as reported on FOCUS REPORT	\$ 129,572
Restatement of Deferred revenue	\$ ( 64,249)
Net capital as computed on page 14	<u>\$ 65,323</u>

**Aggregate indebtedness:**

Aggregate indebtedness as reported on FOCUS REPORT	\$ 99,003
Restatement of deferred revenue	\$ 64,249
Rounding	2
Aggregate indebtedness as computed on page 14	<u>\$ 163,254</u>

**NELSON SECURITIES, INC.**

SCHEDULE 4  
INFORMATION RELATING TO POSSESSION OR CONTROL  
REQUIREMENTS UNDER RULE 15c3-3 OF THE  
SECURITIES AND EXCHANGE COMMISSION  
*June 30, 2015*

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Nelson Securities, Inc. acts strictly as an introducing broker-dealer, clearing all transactions with and for customers on a fully disclosed basis with the clearing broker, which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto. Therefore, Nelson Securities, Inc. is exempt under Rule 15c3-3(k)(2)(ii).



CPAs & BUSINESS ADVISORS

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

Board of Directors of Nelson Securities, 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 (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended June 30, 2015, which were agreed to by Nelson Securities, 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 Nelson Securities, Inc.'s compliance with the applicable instructions of Form SIPC-7. Nelson Securities, Inc.'s management is responsible for Nelson Securities, Inc.'s compliance with those requirements. This 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 we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 for the year ended June 30, 2015, as applicable, with the amounts reported in Form SIPC-7 for the year ended June 30, 2015, noting a revenue from the X-17A-5 was \$3,373 less than SIPC-7 line 2a;
- 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 that the general assessment on line 2e was overstated by \$8.

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 cursive script that reads "Eide Bailly LLP".

Spokane Washington  
August 27, 2015

[www.eidebailly.com](http://www.eidebailly.com)

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

Amounts for the fiscal period  
beginning 7/1/2014  
and ending 6/30/2015

Eliminate cents

Item No.

1a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 2,416,602

1b. 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

1c. 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):

847,868  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
475,793  
\_\_\_\_\_

Long Term Care / Life Ins / Annuity

(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

1,323,661  
\_\_\_\_\_  
1,092,941  
\_\_\_\_\_  
2732  
\_\_\_\_\_

2d. SIPC Net Operating Revenues

\$ 1,092,941

2e. General Assessment @ .0025

\$ 2732

(to page 1, line 2.A.)

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

SIPC-7

(33-REV 7/10)

For the fiscal year ended 6/30/2015

(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:

030576 FINRA JUN
NELSON SECURITIES INC
601 W MAIN AVE STE 1118
SPOKANE WA 99201-0613

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) \$ 2732
B. Less payment made with SIPC-6 filed (exclude Interest) ( 1328 )
C. Less prior overpayment applied ( )
D. Assessment balance due or (overpayment) 1404
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) \$ 1404
G. PAID WITH THIS FORM:
Check enclosed, payable to SIPC
Total (must be same as F above) \$ 1404
H. Overpayment carried forward \$( )

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.

NELSON Securities Inc
(Name of Corporation, Partnership or other organization)
[Signature]
(Authorized Signature)
C. Foltes
(Title)

Dated the \_\_\_ day of \_\_\_, 20\_\_.

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:



CPAs & BUSINESS ADVISORS

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders  
of Nelson Securities, 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) Nelson Securities, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Nelson Securities, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: (2) (ii) (the "exemption provisions") and (2) Nelson Securities, Inc. stated that Nelson Securities, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Nelson Securities, 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 Nelson Securities, 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 provisions set forth in paragraph (k)(2) (ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Spokane, Washington  
August 27, 2015