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SECURITIES AND EXCHANGE COMMISSION
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8-46646

FEB 26 2015

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 1/1/2014 AND ENDING 12/31/2014
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: WINDHAM FINANCIAL SERVICES, INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

608 Hills Point Road

(No. and Street)

Charlotte

Vermont

05445

(City)

(State)

(Zip Code)

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

Paul D. Mendelsohn

802-425-7755

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Green & Company, CPAs

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

10320 N 56th Street, Suite 330

Tampa

Florida

33617

(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)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Paul D. Mendelsohn, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Windham Financial Services, Inc. of December 31, 2014, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

None

[Handwritten signature of Notary Public]

Notary Public

[Handwritten signature of President]

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).

STATE OF VERMONT
Chittenden County, ss

Subscribed and sworn to before me this 15th day of February 2015

[Handwritten signature] Notary Public

My Commission Expires 2/10/19

WINDHAM FINANCIAL SERVICES, INC.

Financial Statements and Schedules

December 31, 2014

(With Independent Auditor's Report Thereon)

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Green & Company, CPAs
A PCAOB Registered Accounting Firm

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
of Windham Financial Services, Inc.

We have audited the accompanying financial statements of Windham Financial Services, Inc. (a Vermont company), which comprise the statement of financial condition as of December 31, 2014, and the related statements of operations, changes in members' equity, changes in liabilities subordinated to claims of general creditors, 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. Windham Financial Services' management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit. The December 31, 2013 financial statements were audited by a predecessor independent registered public accounting firm that issued an unqualified opinion on February 21, 2014.

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 Windham Financial Services, Inc. as of December 31, 2014, 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.

The supplemental information has been subjected to audit procedures performed in conjunction with the audit of Windham Financial Services' financial statements. The supplemental information is the responsibility of Windham Financial Services' 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.

/s/ Green & Company, CPAs

Tampa, FL
February 18, 2015

WINDHAM FINANCIAL SERVICES, INC.
Statement of Financial Condition
December 31, 2014

Assets	
Cash	\$ 181,876
Commissions and management fees receivable	21,365
Prepaid expenses	10,996
Total current assets	214,237
Furniture and equipment, net	10,453
Other assets	2,500
Total assets	\$ 227,190
Liabilities and Stockholder's Equity	
Accounts payable	\$ 12,390
Accrued expenses	86
Total current liabilities	12,476
Stockholder's Equity:	
Common stock, no par value: 1,000 shares authorized; 100 shares issued and outstanding	100
Additional paid-in capital	124,040
Retained earnings	90,574
Total stockholder's equity	214,714
Total liabilities and stockholder's equity	\$ 227,190

See accompanying notes to financial statements.

WINDHAM FINANCIAL SERVICES, INC.
Statement of Income
Year Ended December 31, 2014

Revenues:	
Commissions	\$ 216,113
Interest earned	676
Management fees	234,453
	<hr/> 451,242 <hr/>
Expenses:	
Commissions and brokerage	146,735
Management fees	101,963
Depreciation and amortization	4,970
Employee compensation and benefits	84,180
Occupancy and equipment rental	19,689
Other operating expenses	89,302
	<hr/> 446,839 <hr/>
Net Income	\$ 4,403

See accompanying notes to financial statements.

WINDHAM FINANCIAL SERVICES, INC.
Statement of Changes in Stockholder's Equity

	<u>Common Stock</u>		Additional Paid-in Capital	Retained Earnings	Total Stock- holder's Equity
	Number of Shares	Amount			
<i>Balances December 31, 2013</i>	100	100	124,040	125,255	249,395
Net income	-	-	-	4,403	4,403
Distributions to shareholder	-	-	-	(39,084)	(39,084)
<i>Balances December 31, 2014</i>	100	\$ 100	124,040	90,574	214,714

See accompanying notes to financial statements.

WINDHAM FINANCIAL SERVICES, INC.
Statement of Cash Flows
Year Ended December 31, 2014

<i>Cash flows form operating activities:</i>	
Net income	\$ 4,403
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	4,970
(Increase) decrease in operating assets:	
Commissions and management fees receivable	9,712
Prepaid expenses	(2,877)
Increase (decrease) in operating liabilities:	
Accounts payable	(8,958)
Accrued liabilities	14
Total adjustments	2,861
<i>Net cash provided by operating activities</i>	7,264
<i>Cash flows from investing activities:</i>	
Purchases of equipment	(1,403)
Goodwill	(2,500)
<i>Net cash used in investing activities</i>	(1,403)
<i>Cash flows from financing activities:</i>	
Distributions to shareholder	(39,084)
<i>Net cash used in financing activities</i>	(39,084)
<i>Net decrease in cash</i>	(33,223)
<i>Cash, beginning of year</i>	217,599
<i>Cash, end of year</i>	\$ 184,376

See accompanying notes to financial statements.

WINDHAM FINANCIAL SERVICES, INC.

Notes to Financial Statements

(1) Description of Business Activity and Summary of Significant Accounting Policies

(a) Business Activity

Windham Financial Services, Inc. (the "Company") was incorporated on September 21, 1983 for the purpose of developing certain computerized market trading programs and acting as a Commodity Trading Advisor (CTA).

On December 30, 1988, the Company received an order granting registration pursuant to section 203 of the Investment Advisors Act of 1940 from the Securities and Exchange Commission as a Registered Investment Advisor (RIA). In January 1994, as an extension to its advisory services, the Company became a member in the National Association of Securities Dealers (NASD).

The Company is a member of Financial Industry Regulatory Authority (FINRA) (formerly NASD), Securities Investors Protection Corporation (SIPC), and the Municipal Securities Rulemaking Board (MSRB). The Company is also registered with the Securities and Exchange Commission (SEC) as a securities broker dealer. The Company is also registered and licensed with state regulatory agencies in jurisdictions where transactions occur.

The Company provides services to customers throughout the United States.

(b) Customer Accounts

The Company has registered as a Fully Disclosed Introducing Broker/Dealer that does not receive, directly or indirectly, or hold funds or securities for, or owe funds or securities to customers and does not carry accounts of or for customers. As such, the Company is exempt from the requirements of SEC Customer Protection Rule 15c3-3 and Rule 15c3-2 dealing with customers' notification of free credit balances.

All customer accounts are maintained by an independent clearing broker dealer who is responsible for all customer account record keeping under SEC Rules 15c3-2 and 15c3-3. Customers' securities transactions are recorded on a settlement date basis with related commission income and expenses recorded on a trade date basis. Securities transactions of the Company are recorded on a trade date basis. Investment management revenue is recorded as income in the period earned.

(c) Use of Estimates in the Preparation of Financial Statements

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(continued)

WINDHAM FINANCIAL SERVICES, INC.

Notes to Financial Statements

(1) *Description of Business Activity and Summary of Significant Accounting Policies* *(continued)*

(d) Cash

Cash consists of checking and savings accounts with financial institutions as well as investment cash balances maintained with a clearing broker.

(e) Furniture and Equipment

Furniture and equipment are carried at cost. Depreciation of furniture and equipment is provided on a straight-line basis using estimated lives of five to seven years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. Deduction is made for retirements resulting from renewals and betterments.

(f) Revenue Recognition

Most of the Company's revenue is derived from commissions and management fees. Management fees are recorded when billed and are generally calculated based on a percentage of assets managed.

(g) Advertising

The Company expenses advertising costs the first time the advertising takes place.

(2) *Commissions Receivable*

Commissions receivable consist of commissions earned and due from the clearing broker, investment companies, life insurance companies, variable annuity distributors and clients of separately managed accounts.

(3) *Furniture and Equipment*

Furniture and equipment consist of the following:

Furniture and fixtures	\$ 14,677
Computers and equipment	42,016
	56,693
Less accumulated depreciation and amortization	(46,240)
	\$ 10,453

(4) *Other Assets*

Other assets consist of \$ 2,334 in remaining goodwill resulting from the acquisition of Lifetime Financial Strategies, Inc. on January 1, 2014.

WINDHAM FINANCIAL SERVICES, INC.

Notes to Financial Statements

(5) *Income Taxes*

The Company's stockholder has elected S-Corporation status under provisions of the Internal Revenue Code. Income from corporations classified as S-Corporations is generally taxed at the shareholder level and, accordingly, the Company has not accrued any Federal or State income tax liability.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities as of December 31, 2014. The Company is generally no longer subject to examination by tax authorities for years before 2011.

(6) *Retirement Plan Contributions*

The Company created a 401(k) plan for its employees in 2003. No contributions were made to the plan for 2014.

(7) *Liabilities Subordinated to Claims of General Creditors*

At December 31, 2014 the Company had no liabilities subordinated to claims of general creditors.

(8) *Net Capital Requirements*

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2014, the Company had net capital of \$164,866, which was \$159,866 in excess of its required net capital of \$5,000. The Company's net capital ratio was 0.076 to 1.

(9) *Subsequent Events*

The Company has evaluated subsequent events through February 1, 2015, the date on which the financial statements were available to be issued. There are no reportable subsequent events.

WINDHAM FINANCIAL SERVICES, INC.
Computation of Net Capital Under Rule 15c3-1 of the
Securities and Exchange Commission
December 31, 2014

Net capital:	
Total stockholder's equity	\$ 214,714
Less:	
Non-allowable assets:	
Prepaid expenses	\$ 10,996
Equipment and leasehold improvements	12,953
CRD deposit	1,420
Non-allowable receivables	<u>14,479</u> (39,848)
Other deductions:	
Excess blanket bond deductible	<u>(10,000)</u>
Net capital	\$ 164,866
15c3-1(f) Haircut (CD-5%)	<u>-</u>
Adjusted net capital	<u>\$ 164,866</u>
Aggregate indebtedness:	
Current liabilities	<u>\$ 12,476</u>
Required net capital	<u>\$ 5,000</u>
Excess net capital	<u>\$ 159,866</u>
Ratio: Aggregate indebtedness to net capital	<u>0.0757 to 1</u>

Note: There are no material differences between the above computation and the Company's corresponding unaudited Part II of Form X-17A-5 as of December 31, 2014.

**WINDHAM FINANCIAL SERVICES, INC.
Computation for Determination of Reserve Requirements
Under Rule 15c3-3 of the Securities and Exchange Commission
December 31, 2014**

The Company is not subject to the requirements of SEC Rule 15c3-3.

**WINDHAM FINANCIAL SERVICES, INC.
Information Relating to Possession or Control Requirements
Under Rule 15c3-3 of the Securities and Exchange Commission
December 31, 2014**

The Company is not subject to the requirements of SEC Rule 15c3-3.



Green & Company, CPAs
A PCAOB Registered Accounting Firm

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
of Windham Financial Services, Inc.

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

/s/ Green & Company, CPAs

Tampa, FL
February 18, 2015