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



SEC File Number
8-68187

FACING PAGE

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

Report for the period beginning 01/01/15 and ending 12/31/15

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
Bolton Securities Corporation

Official Use Only
Firm ID No.

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

Bolton MA 01740
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS
REPORT: Eugene Hayes (978) 779-6947
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
DeMarco Sciacotta Wilkens & Dunleavy, LLP
(Name - if individual, state last, first, middle name)

6601 N. Avondale Avenue, Suite 200
(No. and Street)

Chicago Illinois 60631
(City) (State) (Zip Code)

CHECK ONE:

- [X] Certified Public Accountant
[] Public Accountant
[] Accountant, not resident in United States or any of its possessions

FOR OFFICAL USE ONLY

*Claims for exemption from the requirement that the annual report 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 initials: B 311, JG

OATH OR AFFIRMATION

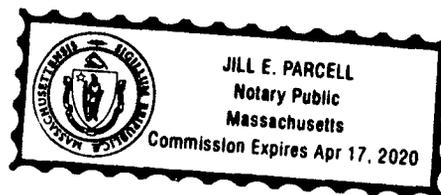
I, **Eugene Hayes**, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of Bolton Securities Corporation, as of December 31, 2015, are true and correct. I further swear (or affirm) that neither the Company 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.


Signature

Chief Financial Officer
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 Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c-3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c-3-3.
- (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 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) Exemption Report.

** For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
Bolton Securities Corporation

We have audited the accompanying statements of financial condition of Bolton Securities Corporation (the Company) as of December 31, 2015 and 2014 that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the statements of financial condition. The Company's management is responsible for these financial statements. 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 audits to obtain reasonable assurance about whether the statements of financial condition 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 statements of financial condition, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statements of financial condition. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the statements of financial condition referred to above present fairly, in all material respects, the financial position of Bolton Securities Corporation as of December 31, 2015 and 2014, in accordance with accounting principles generally accepted in the United States of America.

DeMarco Sciacotta Wilkens & Dunleavy LLP

Chicago, Illinois
February 19, 2016

BOLTON SECURITIES CORPORATION

STATEMENTS OF FINANCIAL CONDITION

As of December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets:		
Current Assets:		
Cash and cash equivalents	\$ 319,048	\$ 709,586
Receivables from others	1,000	1,000
Receivables - registered investment advisors	27,479	0
Note receivable	22,223	33,333
Deferred charges	42,279	7,038
Total Current Assets	<u>412,029</u>	<u>750,957</u>
Note receivable - non-current	0	22,223
Cash - clearing deposit	<u>50,000</u>	<u>50,000</u>
Total Assets	<u>\$ 462,029</u>	<u>\$ 823,180</u>
Liabilities and Stockholder's Equity:		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 31,954	\$ 40,733
Accounts payable - related party	71,790	35,609
Commissions payable - registered investment advisors	<u>0</u>	<u>361,689</u>
Total Current Liabilities	<u>103,744</u>	<u>438,031</u>
Stockholder's Equity:		
Common stock, \$.01; 3,000 shares authorized, 100 shares issued and outstanding	1	1
Additional paid-in capital	28,920	28,920
Retained earnings	<u>329,364</u>	<u>356,228</u>
Total Stockholder's Equity	<u>358,285</u>	<u>385,149</u>
Total Liabilities and Stockholder's Equity	<u>\$ 462,029</u>	<u>\$ 823,180</u>

The accompanying notes are an integral part
of this financial statement.

BOLTON SECURITIES CORPORATION
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2015 and 2014

Note 1. Nature of Business, Summary of Significant Accounting Policies

NATURE OF BUSINESS

Bolton Securities Corporation (the Company) is located in Bolton, Massachusetts. The Company is a dually registered broker-dealer and investment advisor conducting business on a fully-disclosed basis over a nation-wide network of advisors. The Company, through its independent financial advisors, offers investment advice to its investment clients. The Company is registered with the Securities and Exchange Commission (SEC), an introducing broker subject to the rules of the Commodity Futures Trading Commission (CFTC), and is a member of the Financial Industry Regulatory Authority (FINRA), the National Futures Association (NFA), and the Securities Investors Protection Corporation (SIPC).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Fee-Based Revenues, Commodity Transactions

Fee-based revenues primarily consist of portfolio service fees that are derived from accounts that charge an annual fee based on net asset value (generally billed quarterly in advance based on prior quarter asset values and recognized over the quarterly period). The Company did not engage in any commodity transactions in 2015 or 2014.

Allowance for Doubtful Accounts

Management believes that all receivables are fully collectible; thus, an allowance for doubtful accounts is not considered necessary at December 31, 2015 or December 31, 2014.

Fair Value Measurement – Assets and Liabilities

Certain of the Company's assets and liabilities, including cash and cash equivalents, accounts receivable from registered investment advisors, accounts and commissions payable, and other accrued taxes and expenses, are recorded at amounts that approximate fair value because they are short-term in nature.

BOLTON SECURITIES CORPORATION
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2015 and 2014

Note 1. Summary of Significant Accounting Policies - continued

Concentration of Credit Risk

At times, certain bank account balances may exceed Federal Deposit Insurance Corporation insured limits. The Company has not experienced any losses in such accounts.

Management Fees

The Company pays monthly management fees to Bolton Capital Group, Inc., a related corporation, under a management contract (See Related Party Transactions, Note 4). The fees provide compensation for supervisory responsibilities, and for any operational and overhead expenses incurred in connection with the Company's broker/dealer business.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily due to differences between the bases of certain assets and liabilities for financial and tax reporting. The Company provides for income taxes based upon pre-tax earnings at applicable federal and state corporate income tax rates. Thus, current income taxes are provided for on taxable income. There were not any significant differences in the timing of recognition of transactions for financial and income tax reporting purposes for the years ended December 31, 2015 and 2014.

Uncertainty in Income Taxes

U.S. generally accepted accounting principles require the Company to evaluate and disclose any uncertain tax positions that could have an effect on the financial statements. At December 31, 2015, the Company determined that it had no tax positions that did not meet the "more likely than not" threshold of being sustained upon examination by the applicable tax authorities. The Company files tax returns in the United States Federal and Massachusetts state jurisdictions. These returns are generally subject to examination by the tax authorities for a period of three years after filing. The Company is no longer subject to examination by tax authorities for federal, state or local income taxes for periods before 2012.

BOLTON SECURITIES CORPORATION
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2015 and 2014

Note 1. Summary of Significant Accounting Policies - continued

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual amounts could differ from those estimates.

Concentration of Credit Risk

The Company is engaged in various brokerage activities in which the counterparties primarily include broker/dealers, banks, other financial institutions and the Company's own customers. In the event the 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.

Note 2. Cash – Clearing Deposit

This amount represents a clearing deposit required by one of its clearing broker/dealers, RBC Capital Markets Corporation (RBC Capital). Interest earned on such deposits can be drawn upon by the Company.

Note 3. Net Capital Requirements

The Company is subject to SEC Uniform Net Capital Rule (rule 15c3-1). This rule requires the maintenance of minimum net capital, and also requires that the ratio of aggregate indebtedness to net capital, as defined by rule 15c3-1, shall not exceed 15 to 1. The Company is also subject to the net capital requirements of CFTC Regulation 1.17. The Company, at December 31, 2015 and December 31, 2014, had net capital of \$260,763 and \$319,554, respectively, which was \$210,763 and \$269,554, respectively, in excess of its required net capital.

BOLTON SECURITIES CORPORATION
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2015 and 2014

Note 4. Related Party Transactions

The Company incurred \$96,916 and \$91,450, respectively, in commission expenses during 2015 and 2014 to a related party.

The Company shares facilities and operational resources with Bolton Capital Group, Inc., a related entity. Supervisory and overhead costs incurred under this arrangement totaled \$1,416,573 and \$1,311,337 for the years ended December 31, 2015 and 2014, respectively. The Company leased office space, used as its main headquarters, as a tenant at-will from a related entity. The lease was terminated effective February 28, 2014. Rent expense was \$0 and \$4,000 for the years ended December 31, 2015 and 2014, respectively. Effective March 1, 2014, Bolton Capital Group, Inc. rented this office on behalf of the Company. The Company incurred this expense as part of the management fees noted above.

Note 5. Income Taxes

The components of income tax expense, for the years ended December 31, 2015 and 2014, are as follows:

	<u>2015</u>	<u>2014</u>
Federal	\$ -0-	\$ 29,274
State	<u>456</u>	<u>10,103</u>
Income tax provision	<u>\$ 456</u>	<u>\$ 39,377</u>

Note 6. Economic Dependency

As part of its relationship with a related party, the Company introduces and clears approximately 70% of its accounts through Pershing, LLC.

Note 7. Focus (Form X-17A-5) Report

A copy of the Company's most recent, annually audited Focus Form X-17A-5 Report (December 31, 2015) is available for examination at the principal office of the firm and at the regional office of the Securities and Exchange Commission.

BOLTON SECURITIES CORPORATION
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2015 and 2014

Note 8. Exempt Provisions Under Rule 15c3-3

The Company claims an exemption from Securities and Exchange Commission Rule 15c3-3(k)(2)(ii), as an introducing broker-dealer who clears all transactions for customers on a fully disclosed basis with a clearing broker-dealer, which carries all the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to rule 17a-3 and 17a-4, as are customarily made by a clearing broker-dealer.

Note 9. Business Concentrations

The Company had approximately 53 and 56 registered investment advisor affiliations during 2015 and 2014, respectively. Two of those advisors were responsible for approximately 29% and 33% of the Company's commission revenue volume during the years ended December 31, 2015 and 2014, respectively.

Note 10. Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, guarantees, and other sources are recorded when it is probable that a liability has been incurred, and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. There were no matters in 2015 or 2014, that required the Company to record or disclose such a liability in the financial statements.

BOLTON SECURITIES CORPORATION
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2015 and 2014

Note 11. Clearing Agreements with Off-Balance Sheet Risk

The Company has clearing agreements with RBC Capital (see Cash – Clearing Deposit, Note 2) and Interactive Brokers. Pursuant to these clearing agreements, the Company introduces all of its securities transactions to these clearing broker/dealers on a fully-disclosed basis. All of the customers' money balances and long and short security positions are carried on the books of the clearing brokers/dealers. In accordance with the clearing agreements, the Company has agreed to indemnify the clearing broker/dealers for losses, if any, which the clearing broker/dealers may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing broker/dealers monitor collateral on the customers' accounts.

The Company signed an additional clearing agreement with Raymond James in December 2015. The Company does not have any customer accounts held with this clearing broker/dealer.