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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

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Section

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

REPORT FOR THE PERIOD BEGINNING 07/01/15 AND ENDING 06/30/16  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Puplava Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

10809 Thornmint Road Second Floor

(No. and Street)

San Diego  
(City)

California  
(State)

92127  
(Zip Code)

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

Ronald Borio

619-276-2501  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Brian W. Anson

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

18425 Burbank Blvd., #606  
(Address)

Tarzana  
(City)

California  
(State)

91356  
(Zip Code)

CHECK ONE:

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

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\*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)

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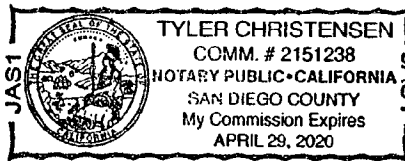
OATH OR AFFIRMATION

I, James Puplava, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Puplava Securities, Inc., as of June 30, 2016, 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

James Puplava  
Signature  
PRESIDENT  
Title

Tyler Christensen  
Notary Public



This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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

**PUPLAVA SECURITIES, INC.**  
*(A Wholly-owned Subsidiary of Puplava Financial Services, Inc.)*

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**BRIAN W. ANSON**

*Certified Public Accountant*

18425 Burbank Blvd., Suite 606, Tarzana, CA 91356 • Tel. (818) 401-8800 • Fax (818) 401-8818

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Directors  
Puplava Securities, Inc.  
San Diego, California

I have audited the accompanying statement of financial condition of Puplava Securities, Inc. as of June 30, 2016 and the related statements of income, changes in shareholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of Puplava Securities, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Puplava Securities, Inc. as of June 30, 2016 and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The supplemental information for the year ended June 30, 2016 (Schedule I, Statement of Net Capital Under Rule 15c3-1, Schedule II, Determination of Reserve Requirements Under Rule 15c3-3 (exemption), and Schedule III, Information for Possession or Control Requirements Under Rule 15c3-3 (exemption)) has been subjected to audit procedures performed in conjunction with the audit of Puplava Securities, Inc.'s financial statements. The supplemental information is the responsibility of Puplava Securities, Inc.'s management. My 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 my opinion on supplemental information, I evaluated whether the supplemental information, including the form and content is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In my opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

This opinion is intended solely for the information and use of the board of directors, the Securities and Exchange Commission, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



Brian W. Anson  
Certified Public Accountant  
Tarzana, California  
August 5, 2016

**PUPLAVA SECURITIES, INC.**

*(A Wholly-owned Subsidiary of Puplava Financial Services, Inc.)*

**Statement of Financial Condition**

**June 30, 2016**

**ASSETS**

Cash and cash equivalents	\$102,858
Securities owned, at fair market value	408,404
Commissions receivable	21,516
Deposits with clearing organization	100,000
Income taxes receivable	21,850
Deferred income taxes	27,287
	<u>\$681,915</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Liabilities	
Accounts payable	\$ 998
Accrued liabilities	<u>62,214</u>
	\$ 63,212
Stockholder's equity	
Common stock, no par value, 100,000 shares authorized, 100 shares issued and outstanding	30,000
Paid-in capital	42,793
Retained earnings	<u>545,910</u>
Total stockholder's equity	<u>618,703</u>
	<u>\$681,915</u>

*See notes to financial statements.*

# PUPLAVA SECURITIES, INC.

(A Wholly-owned Subsidiary of Puplava Financial Services, Inc.)

## Statement of Operations

Year Ended June 30, 2016

Revenues	
Commissions	\$1,382,977
Fees and other revenues	155,918
Interest	11,071
Realized gain on securities owned	2,802
Unrealized loss on securities owned	(17,570)
Other income	<u>73,070</u>
Total revenues	<u>1,608,268</u>
Expenses	
Clearing and other charges	567,491
Commissions	382,490
Compensation and benefits	357,665
Expense sharing	152,741
Information services	58,702
Taxes, licenses, and registrations	60,678
Outside services	57,714
Insurance	11,020
Interest	2,640
Other	<u>4,527</u>
Total expenses	<u>1,655,668</u>
Loss before income taxes	(47,400)
Income tax expense	<u>7,940</u>
Net loss	<u>\$ (55,340)</u>

See notes to financial statements.

**PUPLAVA SECURITIES, INC.**  
*(A Wholly-owned Subsidiary of Puplava Financial Services, Inc.)*

**Statement of Changes in Stockholder's Equity**  
**Year Ended June 30, 2016**

	<i>Common Stock</i>		<i>Paid-in</i>	<i>Retained</i>	
	<i>Shares</i>	<i>Amount</i>	<i>Capital</i>	<i>Earnings</i>	<i>Total</i>
Balance, July 1, 2015	100	\$30,000	\$42,793	\$601,250	\$674,043
Net loss	—	—	—	(55,340)	(55,340)
Balance, June 30, 2016	<u>100</u>	<u>\$30,000</u>	<u>\$42,793</u>	<u>\$545,910</u>	<u>\$618,703</u>

*See notes to financial statements.*

**PUPLAVA SECURITIES, INC.**  
*(A Wholly-owned Subsidiary of Puplava Financial Services, Inc.)*

**Statement of Cash Flows**  
**Year Ended June 30, 2016**

Cash flows from operating activities	
Net loss	\$ (55,340)
Adjustments to reconcile net loss to net cash used in operating activities	
Deferred income taxes	17,764
Changes in operating assets and liabilities	
Commissions receivable	13,567
Deposits with clearing organization	1,059
Accounts payable	(678)
Accrued liabilities	(6,964)
Current income taxes	<u>(21,850)</u>
Net cash used in operating activities	<u>(52,442)</u>
 Cash flows from investing activities	
Proceeds from the sale of securities	<u>7,220</u>
Net cash from investing activities	<u>7,220</u>
 Cash flows from financing activities	<u>-</u>
 Net increase (decrease) in cash and cash equivalents	(45,222)
 Cash and cash equivalents	
Beginning of year	<u>148,080</u>
End of year	<u>\$102,858</u>
 Supplemental disclosure of cash flow information	
Interest paid	<u>\$ 2,640</u>
Taxes paid	<u>\$ 800</u>

*See notes to financial statements.*



# PUPLAVA SECURITIES, INC.

(A Wholly-owned Subsidiary of Puplava Financial Services, Inc.)

## Notes to Financial Statements

### 1. THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES

**The Company.** Puplava Securities, Inc. (the "Company") is a registered broker-dealer licensed by the Securities and Exchange Commission ("SEC") and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. The Company provides broker-dealer services as an introducing broker-dealer clearing customer transactions through another broker-dealer on a fully disclosed basis.

**Accounting Estimates.** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates 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 may differ from those estimates.

**Revenue Recognition.** Commission revenue is recognized on a trade date basis. Fee income is recognized as earned.

**Advertising Costs.** Advertising and promotion costs are expensed as incurred.

**Cash and Cash Equivalents.** The Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months, that are not held for sale in the ordinary course of business.

**Securities Owned.** Securities owned are stated at market value, based on quoted market prices.

**Income Taxes.** Income taxes are accounted for using the liability method whereby deferred tax asset and liability account balances are calculated at the balance sheet date using the current tax laws and rates in effect.

**Concentration of Credit Risk.** The company maintains cash balances with various financial institutions. Management performs periodic evaluations of the relative credit standing of these institutions. The Company has not sustained any material credit losses from these instruments.

Receivables are due primarily from financial institutions such as investment companies, insurance companies, and clearing broker/dealers. These entities are geographically dispersed across the United States. The Company maintains individually significant receivable balances with major financial institutions. If the financial condition and operations of these institutions deteriorate substantially, the Company's operating results could be adversely affected. No allowance for doubtful accounts was considered necessary at June 30, 2016.

**Financial Instruments.** The carrying values reflected in the statement of financial condition at June 30, 2016 reasonably approximate the fair values financial instruments. In making such assessment, the Company has utilized discounted cash flow analyses, estimates, and quoted market prices as appropriate. No allowance for potential credit losses was considered necessary at June 30, 2016.

# PUPLAVA SECURITIES, INC.

(A Wholly-owned Subsidiary of Puplava Financial Services, Inc.)

## Notes to Financial Statements

### 2. FAIR VALUE MEASUREMENTS

The Company follows a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included with 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 assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following is a description of the valuation methodologies used for assets measured at fair value.

- Money Market Funds: Valued at quoted market prices.
- Equity securities: Valued at quoted market prices.
- Mutual Funds: Valued at quoted market prices.
- Precious metals: Valued at quoted market prices.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Company's assets at fair value as of June 30, 2016:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Securities owned				
Money market funds	\$ 58,341	\$ -	\$ -	\$ 58,341
Equity securities	265,699	-	-	265,699
Precious metals	<u>84,364</u>	<u>-</u>	<u>-</u>	<u>84,364</u>
	<u>\$408,404</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$408,404</u>
Money Market (original cost)	\$ 58,341			\$ 58,341
Equity Securities (original cost)	288,623			288,623
Precious metals (original cost)	96,235			96,235

# PUPLAVA SECURITIES, INC.

(A Wholly-owned Subsidiary of Puplava Financial Services, Inc.)

## Notes to Financial Statements

### 3. INCOME TAXES

The Company does not file consolidated income tax returns. The Company uses the liability method of accounting for income taxes whereby deferred tax asset and liability account balances are calculated at the balance sheet date using the current tax laws and rates in effect. The Company is no longer subject to federal, state, or local tax examinations by taxing authorities for years before 2012.

Income tax expense	<u>\$ 7,940</u>
--------------------	-----------------

At June 30, 2016, the Company had net deferred tax assets and liabilities as follows:

Effect of cash method for income taxes	\$ 9,717
Unrealized investment loss	17,570
Deferred tax asset (liability), net	<u>\$ 27,287</u>

### 4. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Puplava Financial Services, Inc. ("PFS"). PFS is a registered investment advisor which clears certain securities transactions through the Company. PFS has an expense sharing agreement with the Company involving the use of certain facilities and administrative assistance. Under this agreement, PFS charged the Company expenses of \$152,741 in fiscal 2016.

### 5. NET CAPITAL REQUIREMENTS

Under Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital (as defined) and a ratio of aggregate indebtedness to net capital (as defined) not exceeding 15 to 1.

The Company's ratio at June 30, 2016 was 0.1249 to 1. The basic concept of the Rule is liquidity, its object being to require a broker-dealer in securities to have at all times sufficient liquid assets to cover its current indebtedness. At June 30, 2016, the Company had net capital of \$506,163 which was \$406,163 in excess of the amount required by the SEC.

### 6. COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS AND INFORMATION RELATING TO THE POSSESSION AND CONTROL REQUIREMENTS UNDER SEC RULE 15c3-3

The Company relies on Section (k) (2) (ii) of the Securities Exchange Rule 15c3-3 to exempt them from the provisions of these rules.

# **PUPLAVA SECURITIES, INC.**

*(A Wholly-owned Subsidiary of Puplava Financial Services, Inc.)*

## **Notes to Financial Statements**

### **7. OFF BALANCE SHEET RISK**

As discussed in Note 1, the Company does not hold customer segregated cash or securities balances. Transactions are processed by a clearing firm on a fully disclosed basis. In conjunction with this arrangement, the Company is contingently liable for any unsecured debit balances in the customer accounts introduced by the Company. These customer activities may expose the Company to off-balance-sheet credit risk in the event the introduced customer is unable to fulfill its contracted obligations. The Company seeks to control such credit risk by monitoring its exposure to the risk of loss daily, on an account-by-account basis. At June 30, 2016, the Company was not responsible for any unsecured debits and did not have any open positions in its trading accounts.

### **8. CLEARING AGREEMENT AND CLEARING DEPOSIT**

The Company operates as an introducing broker clearing customer trades on a fully disclosed basis through a nationally recognized clearing broker, National Financial Services, LLC. Under this basis, it forwards all customer transactions to another broker who carries all customers' accounts and maintains and preserves all books and records. In accordance with its clearing agreement, the Company was required to deposit funds in a clearing deposit account that is maintained by the clearing broker in the amount of \$100,000. The funds are invested in a money market fund.

### **9. SUBSEQUENT EVENTS**

The Company has evaluated subsequent events from the statement of financial condition date through August 5, 2016 the date at which the financial statements were issued, and determined there are no other items to disclose.

\*\*\*\*\*

**PUPLAVA SECURITIES, INC.**  
*(A Wholly-owned Subsidiary of Puplava Financial Services, Inc.)*

**Schedule I**  
**Computation of Net Capital**  
**Pursuant to SEC Rule 15c3-1**

**June 30, 2016**

Total stockholder's equity	\$618,703
Less non-allowable assets	
Deferred income taxes	<u>49,137</u>
Net capital before charges on security positions	569,566
Less charges on security positions	
Securities owned	57,894
Undue concentration	<u>5,509</u>
Net capital	<u>\$506,163</u>
Total aggregate indebtedness, excluding securities sold not purchased	<u>\$ 63,212</u>
Ratio of aggregate indebtedness to net capital	<u>0.1249</u>
Minimum net capital required	<u>\$100,000</u>

*Note: There are no differences between the net capital reported above and the net capital reported on Form FOCUS X-17A-5 Part IIA at June 30, 2016.*

**PUPLAVA SECURITIES, INC.**

*(A Wholly-owned Subsidiary of Puplava Financial Services, Inc.)*

**Schedule II  
Computation for Determination of Reserve Requirements  
Pursuant to Rule 15c3-3**

**June 30, 2016**

The Company is exempt from Rule 15c3-3 under the exemptive provisions of section (k) (2) (ii) and, accordingly, has no reserve requirements. Consequently, a reserve requirement was not calculated in Part II of Form X-17A-5 of this Company's FOCUS report as of June 30, 2016; and a reconciliation to that calculation is not included herein.

**PUPLAVA SECURITIES, INC.**

*(A Wholly-owned Subsidiary of Puplava Financial Services, Inc.)*

**Schedule III  
Information Relating to the Possession or Control Requirements  
Pursuant to Rule 15c3-3**

**June 30, 2016**

The Company is exempt from Rule 15c3-3 under the exemptive provisions of section (k) (2) (ii) and, accordingly, has no possession or control requirements.

**BRIAN W. ANSON**

*Certified Public Accountant*

18425 Burbank Blvd., Suite 606, Tarzana, CA 91356 • Tel. (818) 401-8800 • Fax (818) 401-8818

**REPORT OF INDEPENDENT REGISTERED PUBLIC  
ACCOUNTING FIRM**

Board of Directors  
Puplava Securities, Inc.  
San Diego, California

I have reviewed management's statements, included in the accompanying Exemption Report in which (1) Puplava Securities, Inc., identified the following provisions of 17 C.F.R. §15c3-3(k) under which Puplava Securities, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(ii) (the "exemption provision") and (2) Puplava Securities, Inc., stated that Puplava Securities, Inc., met the identified exemption provision throughout the most recent fiscal year without exception. Puplava Securities, Inc.'s management is responsible for compliance with the exemption provision and its statements.

My 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 Puplava Securities, Inc.'s compliance with the exemption provision. 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, I do not express such an opinion.

Based on my review, I am 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.



Brian W. Anson  
Certified Public Accountant  
Tarzana, California  
August 5, 2016



## Assertions Regarding Exemption Provisions

We, as directors of management of Puplava Securities, Inc. ("the Company"), are responsible for compliance with the annual reporting requirements under Rule 17a-5 of the Securities Exchange Act of 1934. Those requirements compel a broker or dealer to file annual reports with the Securities Exchange Commission (SEC) and the broker or dealer's designated examining authority (DEA). One of the reports to be included in the annual filing is an exemption report prepared by an independent public accountant based upon a review of assertions provided by the broker or dealer. Pursuant to that requirement, the management of the Company hereby makes the following assertions:

### **Identified Exemption Provision:**

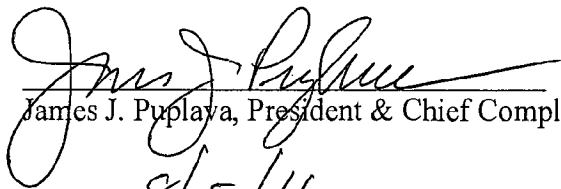
The Company claims exemption from the custody and reserve provisions of Rule 15c3-3 by operating under the exemption provided by Rule 15c3-3, Paragraph (k)(2)(ii).

### **Statement Regarding Meeting Exemption Provision:**

The Company met the identified exemption provision without exception throughout the period ending July 1, 2015 through June 30, 2016.

Puplava Securities, Inc.

By:



James J. Puplava, President & Chief Compliance Officer

8/5/16

(Date)