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

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 Section  
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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 01/01/16 AND ENDING 12/31/16  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: VARIABLE INVESTMENT ADVISORS, INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
 4305 SOUTH LOUISE AVENUE, SUITE 101A

(No. and Street)  
 SIOUX FALLS SD 57106  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
 GREGORY WILSON 505-361-8230  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

HENJES, CONNER & WILLIAMS P.C.

(Name - if individual, state last, first, middle name)  
 P.O. BOX 1528 SIOUX CITY IA 51102  
(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

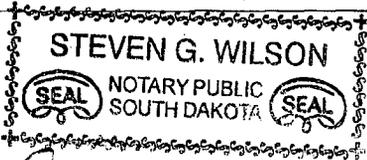
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

BS

OATH OR AFFIRMATION

I, GREGORY S. WILSON, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of VARIABLE INVESTMENT ADVISORS, INC. of DECEMBER 31, 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:

N/A



Gregory S. Wilson Signature

GREGORY S. WILSON, CEO Title

Notary Public signature and date 1/5/18

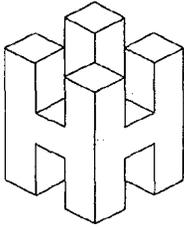
This report \*\* contains (check all applicable boxes):

- (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).

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HENJES, CONNER &  
WILLIAMS, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

800 FRANCES BUILDING  
505 FIFTH STREET  
P.O. BOX 1528  
SIOUX CITY, IOWA 51102

PH. (712) 277-3931  
(800) 274-3931  
FAX (712) 233-3431

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder and Directors  
Variable Investment Advisors, Inc.  
Sioux Falls, South Dakota

We have audited the accompanying statement of financial condition of VARIABLE INVESTMENT ADVISORS, INC. (a South Dakota corporation), as of December 31, 2016, and the related statements of income, changes in stockholders' equity, cash flows, and changes in liabilities subordinated to claims of general creditors for the year then ended. These financial statements are the responsibility of Variable Investment Advisors, Inc.'s management. 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. An audit includes 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Variable Investment Advisors, Inc. as of December 31, 2016, and the results of its operations and its changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The supplemental schedules listed in the accompanying table of contents have been subjected to audit procedures performed in conjunction with the audit of Variable Investment Advisors, Inc.'s financial statements. The supplemental information is the responsibility of Variable Investment Advisors, 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 17 C.F.R. §240.17a-5. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

*Henjes, Conner &  
Williams, PC*

Certified Public Accountants

Sioux City, Iowa  
February 17, 2017

Variable Investment Advisors, Inc.

Statement of Financial Condition

As of December 31, 2016

ASSETS

Cash	\$ 284,259
Accounts receivable	21,589
Commissions receivable	60,084
Prepaid expenses	33,459
Office furniture and equipment at cost, less accumulated depreciation of \$96,540	<u>42,882</u>
TOTAL ASSETS	<u>\$ 442,273</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable	\$ 1,274
Commissions payable	29,120
Accrued expenses	7,067
Deferred revenue	<u>26,345</u>
TOTAL LIABILITIES	<u>63,806</u>
Common stock; \$.01 par value, 400,000 share authorized; 366,700 issued and outstanding	3,667
Additional paid in capital	77,127
Retained earnings	<u>297,673</u>
TOTAL STOCKHOLDERS' EQUITY	<u>378,467</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 442,273</u>

The Accompanying Notes are an Integral Part of This Financial Statement

Variable Investment Advisors, Inc.

Statement of Income

For the Year Ended December 31, 2016

REVENUES	
Alternative trading system	\$ 224,852
Insurance based products - fixed contracts	210,802
Insurance based products - variable contracts	342,491
Investment company shares	497,069
Miscellaneous income	4,385
Representative processing fees	<u>55,450</u>
	1,335,049
EXPENSES	
Annual report	2,172
Bank Charge	1,122
Charitable contributions	225
Continuing education	1,176
Depreciation	24,393
General insurance	6,407
Life insurance	2,787
Loss on disposition of assets	369
Occupancy and equipment expenses	18,500
Office supplies and postage	12,008
Payroll taxes	28,115
Professional fees	33,915
Promotional fees	4,014
Registered representative compensation	559,510
Regulatory fees	31,994
Retirement	11,429
Salaries - officer	191,743
Salaries	238,149
Technology and communication costs	18,277
Travel and entertainment	<u>23,144</u>
	1,209,449
NET INCOME	<u>\$ 125,600</u>

The Accompanying Notes are an Integral Part of This Financial Statement

**Variable Investment Advisors, Inc.**

Statement of Changes in Stockholders' Equity

For the Year Ended December 31, 2016

	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Total Stockholders' Equity
Balance at December 31, 2015	\$ 3,667	\$ 77,127	\$ 297,073	\$ 377,867
Net income	-	-	125,600	125,600
Less distributions	<u>-</u>	<u>-</u>	<u>(125,000)</u>	<u>(125,000)</u>
Balance at December 31, 2016	<u>\$ 3,667</u>	<u>\$ 77,127</u>	<u>\$ 297,673</u>	<u>\$ 378,467</u>

The Accompanying Notes are an Integral Part of This Financial Statement

# Variable Investment Advisors, Inc.

## Statement of Cash Flows

For the Year Ended December 31, 2016

### CASH FLOWS FROM OPERATING ACTIVITIES

Net Income	\$ 125,600
Adjustments to reconcile net income to net cash provided from operating activities	
Depreciation and amortization	24,393
Loss on disposal of assets	369
(Increase) accounts receivable	(15,833)
(Increase) commissions receivable	(12,388)
(Increase) prepaid expenses	(1,867)
(Decrease) accounts payable	(13,025)
Increase commissions payable	6,809
Increase accrued expenses	1,948
(Decrease) deferred revenue	<u>(39,520)</u>
Net cash provided by operating activities	76,485

### CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of property & equipment	<u>(218)</u>
Net cash used in investing activities	<u>(218)</u>

### CASH FLOWS FROM FINANCING ACTIVITIES

Stockholder distributions	<u>(125,000)</u>
Net cash used in financing activities	<u>(125,000)</u>

NET DECREASE IN CASH	(48,732)
CASH AT BEGINNING OF YEAR	<u>332,991</u>
CASH AT END OF YEAR	<u>\$ 284,259</u>

The Accompanying Notes are an Integral Part of This Financial Statement

**Variable Investment Advisors, Inc.**

**Statement of Changes in Liabilities Subordinated to Claims of General Creditors  
For the Year Ended December 31, 2016**

Subordinated Liabilities as of December 31, 2015	\$ -
Increase in Subordinated Liabilities	-
Decrease in Subordinated Liabilities	-
	<hr/>
Subordinated Liabilities as of December 31, 2016	<u>\$ -</u>

# Variable Investment Advisors, Inc.

Notes to the Financial Statements

December 31, 2016

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Nature of Operations

The Company, located in Sioux Falls, South Dakota, sells mutual funds and variable and fixed insurance products. The Company accomplishes this goal through a small group of brokers located throughout the United States. The Company's customers are located throughout the United States. In 2002 the Company developed an Alternative trading system. This system is a web-based system that offers a computer-based service to companies and individuals for the purpose of matching buyers with sellers of capital units.

### Basis of Presentation

The Company follows accounting standards set by the Financial Accounting Standards Board, commonly referred to as the FASB. The FASB sets generally accepted accounting principles (GAAP) that the Company follows to ensure we consistently report our financial condition, results of operations, and cash flows. References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification, sometimes referred to as the Codification or ASC.

### Revenue Recognition

The Company receives commissions from selling mutual funds and variable and fixed insurance products. The commissions are reported as revenue and a receivable on a trade date basis. The Company also receives fees for the use of its Alternative Trading System (ATS). Annual fees that are received from companies participating in the (ATS) are initially recorded as deferred revenue and recognized as income over the life of the contract. Trading fees received from sellers are recognized as revenue and a receivable upon board approval of the participating companies whose capital units are being traded.

### Commission Receivable

The Company considers commissions receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when the determination is made.

### Statement of Cash Flows

For purpose of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days that are not held for sale in the ordinary course of business.

### Property and Equipment

Property and equipment is carried at cost less accumulated depreciation and includes expenditures which substantially increase the useful lives of existing property and equipment. Maintenance and repairs are charged to expense as incurred.

# Variable Investment Advisors, Inc.

Notes to the Financial Statements

December 31, 2016

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When property and equipment is retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the respective accounts and any gain or loss on the disposition is credited or charged to income.

Depreciation is computed using the straight-line method based on the estimated useful lives of the individual assets ranging from three to ten years.

### Income Taxes

The Company, with the consent of its shareholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes the stockholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

Management has concluded that uncertain tax positions would be the responsibility of the stockholders. Accordingly the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statement of income or accrued in the statement of financial condition.

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## NOTE 2. OPERATING LEASES

The Company leases its office space on a month-to-month basis. A total of \$16,764 was paid under the terms of two separate verbal leases during the year ended December 31, 2016.

Future minimum lease payments as of December 31, 2016 are \$1,520.

## NOTE 3. DEFINED CONTRIBUTION PENSION PLAN

On April 1, 2011, the Company established a Simple IRA Plan for all employees. The plan provides for employer matching contributions. The Company's cost for the Plan contributions was \$11,429 for the year ended December 31, 2016.

## NOTE 4. COMMITMENTS AND CONTINGENCIES

There were no outstanding commitments or contingencies as of December 31, 2016.

**Variable Investment Advisors, Inc.**

Notes to the Financial Statements

December 31, 2016

**NOTE 5. NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission (SEC) Uniform Net Capital Rule (Rule 15c-3-1), which requires the maintenance of minimum net capital of \$5,000 and requires that the ratio of aggregate indebtedness to net capital both as defined, shall not exceed 15 to 1 (and the rule of the applicable exchange also provide that equity capital may not be withdrawn or cash dividend paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2016, the Company had net Capital of \$300,537. The Company's percentage of aggregated indebtedness to net capital 21.23%

Management expects to make capital withdrawals during 2017 to facilitate payment of the shareholder's income tax due to the inclusion of company income on his personal return. At no time will the withdrawals cause the Company to be below statutory net capital requirements.

**NOTE 6. EXEMPTION**

This Company is exempt from filing supporting schedules on the Computation for Determination of the Reserve Requirements and Information Relating to Possession or Control Requirements. This exemption is claimed under the provisions of SEC Rule 15c-3-3, Section (K)(1) limited business (Mutual funds and/or variable annuities only).

**NOTE 7. SUBSEQUENT EVENTS**

The Company has evaluated all subsequent events through February 17, 2017, the date the financial statements were issued.

## Variable Investment Advisors, Inc.

## Schedule I

## Computation of Net Capital

As of December 31, 2016

NET CAPITAL

Total Stockholder's Equity		\$	378,467
Deductions:			
Non-Allowable Assets:			
Accounts receivables	\$	1,589	
Prepaid expenses		33,459	
Office furniture and equipment		<u>42,882</u>	<u>77,930</u>
Net Capital		\$	<u>300,537</u>

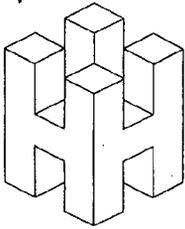
AGGREGATE INDEBTEDNESS

Accounts payable	\$	1,274
Commission payable		29,120
Accrued expenses		7,067
Deferred revenue		<u>26,345</u>
Net Aggregate Indebtedness	\$	<u>63,806</u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required	\$	<u>5,000</u>
Excess net capital	\$	<u>295,537</u>
Excess net capital at 10 percent of aggregate indebtedness	\$	<u>294,156</u>
Percentage of aggregate indebtedness to net capital		<u>21.23%</u>

The above calculations are based on Rule 15c3-1 of the Securities and Exchange Commission. There are no material differences between the preceding computation and the Company's corresponding unaudited Part II of Form X-17A-5, as of December 31, 2016.



HENJES, CONNER &  
WILLIAMS, P.C.

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505 FIFTH STREET  
P.O. BOX 1528  
SIOUX CITY, IOWA 51102

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(800) 274-3931  
FAX (712) 233-3431

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder and Directors  
of Variable Investment Advisors, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Variable Investment Advisors, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Variable Investment Advisors, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3 (k)(1) "Limited Business (mutual funds and/or variable annuities only)" (the "exemption provisions") and (2) Variable Investment Advisors, Inc. stated that Variable Investment Advisors, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Variable Investment Advisors, 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 Variable Investment Advisors, 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)(1) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Henjes, Conner &  
Williams, PC*  
Certified Public Accountants

Sioux City, Iowa  
February 17, 2017

Variable Investment Advisors, Inc.

AgStockTrade.com



Gregory S. Wilson  
President CEO

4305 S. Louise Ave. Ste. 101A  
Sioux Falls, South Dakota 57106  
Office: 605-361-8230  
Fax: 605-362-5819  
e-mail: Gwilson310@aol.com

December 31, 2016

*Creating Security for Life*

US Securities and Exchange Commission  
Washington, D.C. 20549

In Re: Broker Dealer Exemption Report for 2016 Audit

To Whom It May Concern:

The following statement identifies why, under provisions in paragraph (k) of SEC Rule 15c3-3, and under which a broker dealer may claim an exemption, Variable Investment Advisors, Inc. (VIA) meets the requirements under Rule 15c3-3(k)(1).

VIA does not trade as a broker or dealer, for any customer, nor does it trade in its own account.

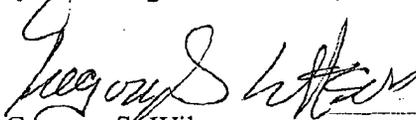
VIA does not hold funds or securities for, or owe money or securities to, customers.

VIA has no margin accounts or commodities transactions.

VIA at no time holds customer funds or securities, holds overnight balances, certificates of deposit, or money market deposits.

VIA is not an introducing broker dealer and VIA does only sales of investment company and annuity transactions on an application way, while accepting checks made payable only to the investment company or insurance company.

VIA has met the exemption for the year ending December 31, 2016.

  
\_\_\_\_\_  
Gregory S. Wilson  
President