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

AUG 25 2021

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8-12525

FACING PAGE

**Washington, DC** 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 07/01/2020 AND ENDING 06/30/2021  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Alexander Investment Services, co.**

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

**909 Lily Creek Rd., Ste 101**

(No. and Street)

**Louisville**

(City)

**Kentucky**

(State)

**40243-2808**

(Zip Code)

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FIRM I.D. NO.

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

Gerald A. "Rusty" Wells

(502)736-13

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**MCM CPA's & Advisors, LLP,**

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

**2600 Meidinger Tower, 46 Louisville**

(Address)

(City)

**Ky**

(State)

**40202**

(Zip Code)

CHECK ONE:

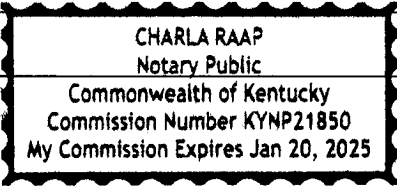
- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

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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)

OATH OR AFFIRMATION

I, Gerald A. Wells, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Alexander Investment Services, co., as of June 30, 2021, 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:



[Signature]  
Signature  
Secretary/Treasurer  
Title

Charla Raap  
Notary Public

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- (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).

**Alexander Investment Services, Co.**

**Financial Statements**

**Years Ended June 30, 2021 and 2020**

**Alexander Investment Services, Co.**  
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**Years Ended June 30, 2021 and 2020**

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## **Report of Independent Registered Public Accounting Firm**

To the Board of Directors of  
Alexander Investment Services, Co.

### **Opinion on the Financial Statements**

We have audited the accompanying statements of financial condition of Alexander Investment Services, Co. (the "Company") as of June 30, 2021 and 2020, and the related statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes and schedule (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of Alexander Investment Services, Co. as of June 30, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

These financial statements are the responsibility of Alexander Investment Services, Co. management. Our responsibility is to express an opinion on Alexander Investment Services, Co.'s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to Alexander Investment Services, Co. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

MCM CPAs & Advisors LLP

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## Report of Independent Registered Public Accounting Firm (Continued)

### Auditor's Report on Supplemental Information

The supplementary information contained in Schedule 1 has been subjected to audit procedures performed in conjunction with the audit of Alexander Investment Services, Co.'s financial statements. The supplemental information is the responsibility of Alexander Investment Services, Co.'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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as Alexander Investment Services, Co.'s auditor since 2009.

*MCM CPAs & Advisors LLP*

Louisville, Kentucky

August 13, 2021

**Alexander Investment Services, Co.**  
**Statements of Financial Condition**  
**June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 98,613	\$ 225,233
Accrued commissions	13,990	3,223
Federal income tax receivable	16,760	18,494
Other assets	10,331	12,176
Property and office equipment, net	<u>7,069</u>	<u>11,299</u>
Total assets	<u>\$ 146,763</u>	<u>\$ 270,425</u>
<b>Liabilities and stockholders' equity</b>		
Accounts payable	\$ 688	\$ 2,272
Accrued expenses and other payables	41,034	39,626
Accrued income tax	3,177	2,192
Deferred tax liability, net	3,283	9,326
Refundable advance	<u>-</u>	<u>117,600</u>
Total liabilities	48,182	171,016
<b>Stockholders' equity</b>		
Capital stock, common, no par value; authorized 100,000 shares, 50,000 issued and outstanding shares	1,000	1,000
Additional paid-in capital	108,882	108,882
Accumulated deficit	<u>(11,301)</u>	<u>(10,473)</u>
Total stockholders' equity	<u>98,581</u>	<u>99,409</u>
Total liabilities and stockholders' equity	<u>\$ 146,763</u>	<u>\$ 270,425</u>

See accompanying notes.

**Alexander Investment Services, Co.**  
**Statements of Operations**  
**Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Revenues		
Commissions	\$ 4,652,610	\$ 4,161,036
Retirement plan fees	27,479	21,328
Interest and dividends	751	1,607
Securities gains, net	-	893
PPP loan forgiveness	117,600	-
	<u>4,798,440</u>	<u>4,184,864</u>
Total revenues	4,798,440	4,184,864
Expenses		
Officers' compensation	2,556,346	2,211,658
Salaries, wages, and commissions	1,793,262	1,680,077
Payroll taxes	47,424	41,322
Insurance	99,740	78,295
Employee retirement plan	57,000	50,000
Depreciation	6,228	10,862
Rent	53,520	51,720
Office supplies	56,891	58,916
Telephone	7,056	13,608
Consulting	35,764	36,572
Regulatory fees	23,829	14,797
Other expenses	41,834	42,982
	<u>4,778,894</u>	<u>4,290,809</u>
Total expenses	4,778,894	4,290,809
Net income (loss) before income taxes	19,546	(105,945)
Income taxes		
Current benefit	(13,583)	(16,301)
Deferred benefit	(6,043)	(7,278)
	<u>(19,626)</u>	<u>(23,579)</u>
Net income (loss)	<u>\$ 39,172</u>	<u>\$ (82,366)</u>

See accompanying notes.

**Alexander Investment Services, Co.**  
**Statements of Changes in Stockholders' Equity**  
**Years Ended June 30, 2021 and 2020**

	<u>Common stock</u>		<u>Additional paid-in capital</u>	<u>(Accumulated deficit) retained earnings</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>			
Balances at June 30, 2019	50,000	\$ 1,000	\$ 108,882	\$ 71,893	\$ 181,775
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(82,366)</u>	<u>(82,366)</u>
Balances at June 30, 2020	50,000	1,000	108,882	(10,473)	99,409
Net income	-	-	-	39,172	39,172
Dividend	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>(40,000)</u>
Balances at June 30, 2021	<u>50,000</u>	<u>\$ 1,000</u>	<u>\$ 108,882</u>	<u>\$ (11,301)</u>	<u>\$ 98,581</u>

See accompanying notes.

**Alexander Investment Services, Co.**  
**Statements of Cash Flows**  
**Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Operating activities		
Net income (loss)	\$ 39,172	\$ (82,366)
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Depreciation	6,228	10,862
Securities gains, net	-	(893)
Deferred income tax	(6,043)	(7,277)
PPP loan forgiveness	(117,600)	-
(Increase) decrease in assets		
Accrued commissions	(10,767)	27,348
Federal income tax receivable	1,734	(18,494)
Other assets	1,845	79,681
Increase (decrease) in liabilities		
Accounts payable	(1,584)	(326)
Accrued expenses and other payables	1,408	(26,106)
Deferred income	-	(110,969)
Accrued income tax	985	(31,516)
Refundable advance	-	117,600
	<u>(84,622)</u>	<u>(42,456)</u>
Net cash used in operating activities		
Investing activities		
Additions to property and office equipment	(1,998)	(2,979)
Sales of marketable securities	-	76,525
	<u>(1,998)</u>	<u>73,546</u>
Net cash (used in) provided by investing activities		
Financing activities		
Dividends paid	(40,000)	-
	<u>(40,000)</u>	<u>-</u>
Cash used in financing activities		
(Decrease) increase in cash and cash equivalents	(126,620)	31,090
Cash and cash equivalents, beginning of year	<u>225,233</u>	<u>194,143</u>
Cash and cash equivalents, end of year	<u>\$ 98,613</u>	<u>\$ 225,233</u>
Supplemental disclosure of cash flow information		
Cash paid for income taxes	\$ 2,192	\$ 33,708

See accompanying notes.

**Alexander Investment Services, Co.**  
**Notes to Financial Statements**  
**Years Ended June 30, 2021 and 2020**

**Note A - Nature of Organization**

Alexander Investment Services, Co. (the "Company") is a financial services firm providing investment services, retirement plan designs, financial advisory and management consulting services to individual and commercial clients primarily in Kentucky and Indiana. The Company is registered as a broker-dealer with the Financial Industry Regulatory Authority ("FINRA").

**Note B - Significant Accounting Policies**

The following is a summary of the significant accounting policies of the Company:

1. Basis of Accounting: The financial statements of the Company are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Accounting Standards Codification ("ASC") as produced by the Financial Accounting Standards Board ("FASB") is the sole source of authoritative accounting technical literature.
2. Cash and Cash Equivalents: For purposes of the statements of cash flows, the Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.
3. Securities Owned: Securities owned consist of mutual funds that are publicly offered and valued on a securities exchange or independent publicly quoted market. All investments are recorded on a trade date basis. Investments are valued at the last trade price. All investments were sold during the year ended June 30, 2020.
4. Investment Income: Interest income is recorded on the accrual basis and dividend income is recognized on the ex-dividend date. Capital gains and losses are calculated on an identified cost basis.
5. Accounts Receivable: Management has determined that no provisions for uncollectible accounts receivable are necessary at June 30, 2021 and 2020.
6. Revenue Recognition: The Company generates two types of commission revenues: sales-based commissions and trailing commissions. Sales-based commission revenues occur when customers trade securities or purchase various types of investment products. Sales-based commissions are recorded on the trade date (the date that the Company fills the trade order for the customer). The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership have been transferred to/from the customer. Trailing commission revenues (commissions that are paid over time, such as 12(b)-1 fees) are recurring in nature and are earned based on the market value of investment holdings in trail eligible assets. The Company earns trailing commission revenues primarily on mutual funds and variable annuities held by customers. The Company believes that trailing commission revenue is recognized when the Company is contractually eligible to receive them, which is generally when the performance obligation is satisfied and all factors relating to pricing are known.
7. Investment Advisory Fees: The Company provides investment advisory services on a daily basis. The Company believes the performance obligation for providing advisory services is satisfied over time because the customer is receiving and consuming the benefits as they are provided by the Company. Fee arrangements are based on a percentage applied to the customer's assets under management. Fees are received quarterly and are generally recognized as revenue at that time as they relate specifically to the services provided in that period.

**Alexander Investment Services, Co.**  
**Notes to Financial Statements (Continued)**  
**Years Ended June 30, 2021 and 2020**

**Note C - Property and Office Equipment**

Property and office equipment at June 30, 2021 and 2020 are summarized as follows:

	<u>2021</u>	<u>2020</u>
Furniture	\$ 39,104	\$ 39,104
Office equipment	<u>180,517</u>	<u>178,519</u>
	219,621	217,623
Less accumulated depreciation	<u>212,552</u>	<u>206,324</u>
	<u>\$ 7,069</u>	<u>\$ 11,299</u>

**Note D - Fair Value Measurements**

The Company applies GAAP for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: Inputs are quoted market prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which the transaction for the asset or liability occurs with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: Inputs are observable market-based inputs or unobservable inputs that are corroborated by market data, such as quoted prices for similar assets or liabilities or model-derived valuations.
- Level 3: Inputs are unobservable inputs that are not corroborated by market data. These inputs reflect a company's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Exchange-traded equity securities, including the Company's mutual funds, are generally valued based on quoted prices from the exchange. To the extent these securities are actively traded, valuation adjustments are not applied, and they are categorized in Level 1 of the fair value hierarchy; otherwise, they are categorized in Level 2 or Level 3 of the fair value hierarchy.

All investments were sold during the year ended June 30, 2020.

There were no transfers between Levels 1 and 2 for the year ended June 30, 2020.

Alexander Investment Services, Co.  
Notes to Financial Statements (Continued)  
Years Ended June 30, 2021 and 2020

Note B - Significant Accounting Policies (Continued)

8. Property and Office Equipment: Property and office equipment are stated at cost less accumulated depreciation. A combination of accelerated methods and the straight-line method has been used to calculate depreciation as applicable to each asset. Furniture is depreciated over a 5-7 year useful life and office equipment is depreciated over a 3-5 year useful life.
9. Fair Value Measurements: The Company applies GAAP for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP also establishes a framework for measuring fair value and expands disclosures about fair value measurements.
10. Income Taxes: The Company accounts for income taxes in accordance with ASC provisions for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The ASC standards also require recognition and measurement of uncertain income tax positions using a "more-likely-than-not" approach.

The Company's policy for interest and penalties on material uncertain tax positions recognized in the financial statements is to classify these as interest expense and operating expense, respectively. Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company will not be subject to additional tax, penalties, and interest as a result of such challenge. The Company is generally not subject to federal, state, or local income tax examinations for taxable years prior to June 30, 2018.

11. Use of Estimates: The financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States which requires management to make estimates and assumptions that may affect the reported amounts in the financial statements and the notes to financial statements. Actual results could differ from those estimates.
12. Subsequent Events: Subsequent events for the Company have been considered through the date of the Report of Independent Registered Public Accounting Firm which represents the date the financial statements were available to be issued.
13. Recent Accounting Pronouncements: In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses*. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statement of operations will reflect the measurement of credit losses for newly-recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. The Company adopted ASU 2016-13 on July 1, 2020 and did not record any material impact from the adoption.

**Alexander Investment Services, Co.**  
**Notes to Financial Statements (Continued)**  
**Years Ended June 30, 2021 and 2020**

**Note E - Refundable Advance**

In April 2020, the Company applied for and received a Paycheck Protection Program ("PPP") loan under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act for \$117,600. Under the provisions of the CARES Act, this loan was fully forgiven in March 2021 based on actual payroll and other qualified costs for the 24 week period following receipt of loan proceeds. The forgiveness has been included in revenues on the statement of operations. In accordance with the related PPP loan guidelines, the SBA reserves the right to audit any PPP loan at any time during the loan process, including after the loan is partially or fully forgiven and the Company has been legally released.

**Note F - Retirement Plan**

The Company offers a profit-sharing plan for all eligible employees. The Company's expense of funding this plan was approximately \$57,000 and \$50,000 for the years ended June 30, 2021 and 2020, respectively.

The profit-sharing plan is a safe harbor plan requiring Company contributions of three percent of each eligible employee's compensation.

**Note G - Income Taxes**

Income taxes attributable to net income before income taxes for the years ended June 30, 2021 and 2020 consists of:

	<u>2021</u>	<u>2020</u>
Current benefit		
Federal	\$ (16,760)	\$ (18,493)
State and other	3,177	2,192
	<u>(13,583)</u>	<u>(16,301)</u>
Deferred benefit		
Federal	(4,881)	(5,878)
State and local	(1,162)	(1,400)
	<u>(6,043)</u>	<u>(7,278)</u>
Total income tax benefit	<u>\$ (19,626)</u>	<u>\$ (23,579)</u>

Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. As such, a valuation allowance was not considered necessary at June 30, 2021.

**Alexander Investment Services, Co.**  
**Notes to Financial Statements (Continued)**  
**Years Ended June 30, 2021 and 2020**

**Note G - Income Taxes (Continued)**

The Tax Cuts and Jobs Act was signed into law on December 22, 2017 and had no material impact on the Company's financial statements. Income tax expense attributable to earnings before income taxes differs from the amounts computed by applying the expected effective U.S. Federal income tax rate of 21% to earnings for the years ended June 30, 2021 and 2020, respectively before income taxes as a result of the following:

	<u>2021</u>	<u>2020</u>
Tax benefit at expected statutory federal rate	\$ (1,080)	\$ (28,332)
Nondeductible expenses	2,973	2,561
Nontaxable income	(24,696)	-
State taxes and other	<u>3,177</u>	<u>2,192</u>
	<u>\$ (19,626)</u>	<u>\$ (23,579)</u>

The tax effects of temporary differences that give rise to significant portions of the net deferred tax liability consists of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Deferred tax liabilities		
Adjustment to cash basis on income tax return	\$ (5,364)	\$ (7,425)
Depreciation	(974)	(1,901)
Loss carryforward	<u>3,055</u>	<u>-</u>
Net deferred tax liability	<u>\$ (3,283)</u>	<u>\$ (9,326)</u>

**Note H - Lease Commitments**

The Company determines if an arrangement is a lease at inception. The Company has two operating leases which are both considered short-term leases under the practical expedient of ASU 2016-02. As such, lease expense is recognized over the lease term.

The Company has entered into a lease agreement effective July 1, 2020, with Roy's Boys, LLC, a related party sharing some common ownership. The lease was for one year and ended on June 30, 2021, with monthly rent of \$3,750. The Company has renewed the lease for one year ending on June 30, 2022, with monthly rent of \$3,750. The Company also leases office space in Harlan, Kentucky under a month-to-month lease. Rent expense was \$53,520 and \$51,720 for the years ended June 30, 2021 and 2020, respectively.

Future minimum lease payments under the operating lease at June 30 are as follows:

2022	<u>\$ 45,000</u>
------	------------------

**Alexander Investment Services, Co.**  
**Notes to Financial Statements (Continued)**  
**Years Ended June 30, 2021 and 2020**

**Note I - Risks and Concentrations**

Approximately 92% of the Company's total commissions is generated from two securities providers. Should the Company or the securities providers seek to terminate their relationship, the Company represents that other providers are readily available to provide the necessary services.

A significant portion of the Company's business is for customers in Kentucky and Indiana. Accordingly, the occurrence of any adverse economic conditions or an adverse regulatory climate in either of these states could have a material adverse effect on the Company's business, although no such conditions have been encountered in the past.

The Company maintains its cash at various financial institutions. The balance at times, may exceed federal insured limits.

The Company invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect account balances and the amounts reported in the statements of operations.

During 2020, the outbreak of the novel coronavirus disease 2019 ("COVID-19") was declared a United States and global pandemic. The Company's operations have not been significantly impacted by the outbreak of COVID-19. Since the situation surrounding the pandemic is on-going, the Company's operations could ultimately be adversely impacted by the outbreak of COVID-19. The duration, nature, and extent of the ultimate direct or indirect impact on the Company's financial condition, liquidity, and/or future results of operations, if any, cannot be reasonably estimated at this time.

**Note J - Net Capital Rule**

As a registered broker-dealer, the Company is subject to the uniform net capital rule of the Securities and Exchange Commission and the FINRA, which requires that the Company maintain minimum net capital, as defined, of \$25,000 and that aggregate indebtedness as defined by the FINRA, shall not exceed fifteen times net capital. The Company may declare dividends or acquire certain non-liquid assets only to the extent of net capital in excess of such requirements. At June 30, 2021 and 2020, the Company had net capital of \$64,421 and \$57,440, respectively. The Company's ratio of aggregate indebtedness to net capital for this same time period was .7479 and 2.9773.

In addition, there were no liabilities subordinated to general creditors during the year ended June 30, 2021.

**Note K - Focus Report Reconciliation**

There were no material differences between the accompanying financial statements and the financial statements filed by the Company on Securities and Exchange Commission Form X-17A-5 (FOCUS report) as of June 30, 2021.

**Supplementary Information**

**Alexander Investment Services, Co.**  
**Schedule 1 - Computation of Net Capital Under SEC Rule 15c3-1**  
**As of June 30, 2021**

As a registered broker-dealer, the Company is subject to the uniform net capital rule of the Securities and Exchange Commission and the FINRA, which requires that the Company maintain minimum net capital, as defined, of \$25,000 and that aggregate indebtedness as defined by the FINRA, shall not exceed fifteen times net capital. The Company may declare dividends or acquire certain non-liquid assets only to the extent of net capital in excess of such requirements.

A computation as of June 30, 2021 of the Company's aggregate indebtedness, as defined, and net capital under the uniform net capital rule is as follows:

Aggregate indebtedness	<u>\$ 48,182</u>
Net capital	
Stockholders' equity	\$ 98,581
Nonallowable assets	
Property and office equipment, net	(7,069)
Other assets	<u>(27,091)</u>
Net capital	<u>\$ 64,421</u>
Ratio of aggregate indebtedness to net capital	<u>0.7479</u>

In addition, there are no liabilities subordinated to general creditors as of June 30, 2021.

There are no differences between net capital as reported above for the year ended June 30, 2021, and those amounts included on the Company's computation included in Part IIA of Form X-17A-5, as of June 30, 2021.

The Company claimed an exemption from Rule 15c3-3 under Section (k)(1) and, as a result, has not included Schedule II, Computation for Determination of Reserve Requirements Under Rule 15c3-3, or Schedule III, Information for Possession or Control Requirements Under Rule 15c3-3.

See report of independent registered public accounting firm.