

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ANNUAL REPORTS  
FORM X-17A-5  
PART III

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Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/2022 AND ENDING 12/31/2022  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: J K Financial Services Inc

TYPE OF REGISTRANT (check all applicable boxes):

- ☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant  
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

149 Cross Rail Ln, Ste. 102

(No. and Street)

Norco

(City)

CA

(State)

92860

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Joe Zheng

(Name)

714-704-1818

(Area Code - Telephone Number)

jkfinancial@gmail.com

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Tuttle & Bond, PLLC

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

2954 Goehmann Lane

(Address)

Fredericksburg TX

(City)

78624

(Zip Code)

6543

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

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\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

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

## OATH OR AFFIRMATION

I, Joe Zheng, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of JK Financial Services Inc as of 12/31, 2022, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

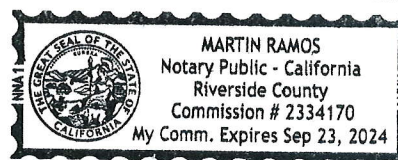


Notary Public

Signature: 

Title:

President



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

- ☒ (a) Statement of financial condition.
- ☐ (b) Notes to consolidated 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 cash flows.
- ☒ (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☒ (g) Notes to consolidated financial statements.
- ☒ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☒ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☒ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☒ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☒ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☒ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: \_\_\_\_\_

**\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.**

J.K. Financial Services, Inc.

Financial Statements and Supplemental Schedules  
Required by the U.S. Securities and Exchange Commission

Including Independent Auditor's Report Thereon

December 31, 2022

J.K. Financial Services, Inc.  
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To the Audited Financial Statements  
For the Year Ended December 31, 2022

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J.K. Financial Services, Inc.

Independent Auditor's Opinion

For the Year-ended December 31, 2022



**Tuttle & Bond, PLLC**  
Certified Public Accountants

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To Member of J.K. Financial Services, Inc.

### **Opinion on The Financial Statements**

We have audited the accompanying statement of financial condition of J.K. Financial Services, Inc. (the "Company") as of December 31, 2022, and the related statements of operations, member's equity and cash flows for the year then ended, including the related notes (collectively referred to as "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year 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 the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. 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 the Company 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 audit of these financial statements in accordance with 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 from material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting 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.

Our audit 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 audit 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 the audit provides a reasonable basis for our opinion.

### **Report on Supplementary Information**

The accompanying information contained in the Supplementary Information section has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statement. The supplemental information is the responsibility of the Company'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 Rule 17a-5 under the Securities Exchange Act of 1934 and, if applicable, under Regulation 1.10 under the Commodity Exchange Act. In our opinion, the information contained in the Supplementary Information section is fairly stated, in all material respects, in relation to the financial statements as a whole.

Tuttle & Bond, PLLC

Fredericksburg, Texas

April 13, 2023

We have served as the JK Financial Service's, Inc. auditor since 2022.



Tuttle & Bond, PLLC  
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Fredericksburg, TX 78624  
[www.tuttlebond.com](http://www.tuttlebond.com)  
Ph: 512.967.3517

J.K. Financial Services, Inc.

Financial Statements

For the year ended December 31, 2022

J.K. Financial Services, Inc.  
Statement of Financial Condition  
For the year ended December 31, 2022

	<u>Dec 31, 22</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	\$ 159,066
Accounts Receivable	29,053
Clearing Deposit Acct	<u>50,679</u>
<b>Total Current Assets</b>	<u><u>\$ 238,798</u></u>
<b>Fixed Assets</b>	
Furniture and Fixtures	41,751
Leasehold Improvements	82,824
Office Equipment	147,331
Accumulated Depreciation	<u>(213,000)</u>
<b>Total Fixed Assets (net)</b>	<u><u>\$ 58,906</u></u>
<b>TOTAL ASSETS</b>	<u><u>\$ 297,704</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities (All current)</b>	
Accounts Payable	<u>34,117</u>
<b>Total Liabilities</b>	<u><u>\$ 34,117</u></u>
<b>Equity</b>	
Capital Stock	115,000
Distribution	(452,452)
Retained Earnings	653,805
Net Income	<u>(52,766)</u>
<b>Total Equity</b>	<u><u>\$ 263,587</u></u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>\$ 297,704</u></u>

The accompanying notes are an integral part of these financial statements.



J.K. Financial Services, Inc.  
Statement of Operations  
For the year ended December 31, 2022

	<u>Jan - Dec 22</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Clearing Commission & Fees	\$ 134,418
Mutual Fund Commission & Fees	168,696
Insurance-related Commission	<u>213,435</u>
<b>Total Income</b>	<b>\$ 516,548</b>
<b>Expenses</b>	
Retirement plan contributions	105,760
Payroll expenses	86,330
Commission expense	188,705
Depreciation expense	25,652
Licenses and permits	7,319
Professional fees	48,614
Rent	27,000
Recruiting	6,000
Office expenses	8,378
Compliance costs	4,900
Automobile expenses	12,241
Taxes - state and local	853
Travel and meals expense	33,527
Other general and administrative	<u>14,885</u>
<b>Total Expense</b>	<b>570,164</b>
<b>Net ordinary loss</b>	<b>\$ (53,616)</b>
<b>Other Income/Expense</b>	
Interest Income	<u>850</u>
<b>Total Other Income</b>	<b>\$ 850</b>
<b>Net Loss</b>	<b><u>\$ (52,766)</u></b>

The accompanying notes are an integral part of these financial statements.

J.K. Financial Services, Inc.  
Statement of Cash Flow  
For the year ended December 31, 2022

Cash flows from operating activities:	<u>Dec 31, 22</u>
Net Income	\$ (52,766)
Adjustments to Reconcile net income to net cash provided by (used by) operating activities:	
Depreciation	25,652
Accounts receivable	6,288
Accounts payable	(75,052)
Increase in Clearing Deposit	(677)
Net Cash used by operating activities	<u>\$ (96,556)</u>
Cash flows from investing activities:	
Money Market Securities	<u>-</u>
Net Cash provided (used) by investing activities	\$ -
Cash flows from financing activities:	<u>-</u>
Net Cash provided (used) by financing activities	\$ -
Net decrease in cash	\$ (96,556)
 Cash at beginning of year	 <u>\$ 255,623</u>
Cash at end of year	<u><u>\$ 159,066</u></u>
 Cash paid during year for:	
Income taxes - federal	<u>\$ -</u>
Income taxes - state	<u>\$ -</u>
Interest	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

J.K. Financial Services, Inc.  
Statement of Changes in Ownership Equity  
For the year ended December 31, 2022

	Common Shares	Common Stock	Capital Distributions	Retained Earnings	Total
Balances at December 31, 2021	200,000	\$ 115,000	\$ (452,452)	\$ 653,805	\$ 316,353
Capital Distributions			-		\$ -
Net Loss				(52,766)	\$ (52,766)
Balances at December 31, 2022	200,000	\$ 115,000	\$ (452,452)	\$ 601,039	<u>\$ 263,587</u>

The accompanying notes are an integral part of these financial statements.

J.K. Financial Services, Inc.  
Footnotes to Financial Statements  
For the year ended December 31, 2022

**Note 1 - Organization and Nature of Business**

J K Financial Services, Inc. (The "Company") is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulation Authority (FINRA). The Company is California Corporation that incorporated on October 20, 1999.

**Note 2 - Significant Accounting Policies**

Basis of Presentation - The Company conducts the following types of business as a securities broker-dealer, which comprises several classes of services, including:

.Broker or dealer retailing corporate equity securities over-the-counter

.Broker of dealer selling corporate debt securities

.Mutual fund retailer

. U.S. government securities broker

.Municipal securities broker

.Broker or dealer selling variable life insurance or annuities

.Put and call broker or dealer or option writer

. Non-exchange member arranging for transactions in listed securities by exchange member

(k)(2)(ii) operating exemption

Under its membership agreement with FINRA and pursuant to Rule 15c3(k)(2)(ii), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers. Accordingly, the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

Use of Estimates - the preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Securities Owned - Profit and loss arising from all securities and commodities transactions entered into the account and risk of the Company are recorded on a trade date basis.

J.K. Financial Services, Inc.  
Footnotes to Financial Statements  
For the year ended December 31, 2022  
(Continued)

**Provision for Income Taxes** - The Company has elected to be taxed under the provisions of subchapter S of the Internal Revenue Code and comparable State of California statutes wherein the Company's taxable federal and state income is taxed directly to the shareholder.

The accounting principles generally accepted in the United States of America provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Company in its Federal and State organization tax returns are more likely than not to be sustained upon examination. The Company is subject to examinations by U.S. Federal and State tax authorities from 2017 to the present, generally for three years after they are filed.

**Depreciation and Amortization** - Depreciation is provided on a straight-line basis using estimated useful lives of three to seven years. Start-up expenditures are amortized over five years and have been fully amortized and no longer represented in the statement of financial condition.

**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.

**Note 3- Fair Value**

FASB ASC 820 defines fair value, establishes a framework for measuring fair value and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or a liability the Company has the ability to access.

Level 2 inputs are inputs (other than quoted prices included within 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 unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

J.K. Financial Services, Inc.  
Footnotes to Financial Statements  
For the year ended December 31, 2022  
(Continued)

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as December 31, 2022.

The Company does not have any securities positions.

**Note 4 - Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, should not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn, or cash dividends paid if the resulting net capital ratio would exceed 10 to 1.

**Note 5 – Income Taxes**

As discussed in Note 2 - Significant Accounting Policies, the company has elected to be taxed as an S0Corporation, and as such the Company makes no provisions for Federal income taxes in its financial statements.

**Note 6 - Exemption from the SEC Rule 15c3-3**

The Company is an introducing broker - dealer that clears all transactions for customers on a fully disclosed basis with an independent securities clearing company and promptly transmits all customer funds and securities to the clearing company, which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of the SEC Rule 17a-3 and 17a-4, as are customarily made and kept by a clearing broker or dealer. The Company also conducts business directly with mutual fund companies, and as such relies on Footnote 74 of SEC Release No. 34-70073 for this "non-covered" activity.

**Note 7 - Clearing Broker Deposit**

The Company has an agreement with a clearing broker which requires a minimum deposit of \$50,000. The clearing broker deposit at December 31, 2022 was \$50,679.

**Note 8 - Operating Lease Commitments**

In February 2016, the FASB established Topic 842, Leases, by issuing Accounting Standards Update No. 2016-02, which requires lessors to classify leases as sales-type, direct financing, or operating lease. Topic 842 was subsequently amended by ASU No. 2018-01, Land Easement Practical Expedient for transition to Topic 842; ASU No. 2018-10, Codification improvements to Topic 842; and ASU No. 2018-11, Targeted Improvements. The new standard is effective for the Company on January 1, 2022, with early adoption permitted. The Company adopted the new standard on its effective date. A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. An entity may choose to use either (1) its effective date or (2) the beginning of the earliest comparative period presented in the financial statements as its date of initial application. If an entity chooses the second option, the transition requirements for existing leases also apply to leases entered into between the date of initial application and the effective date. The entity must also recast its comparative period financial statements and provide

J.K. Financial Services, Inc.  
Footnotes to Financial Statements  
For the year ended December 31, 2022  
(Continued)

the disclosures required by the new standard for the comparative periods. The Company adopted the new standard on January 1, 2022, and uses this as the effective date as our date of initial application. Consequently, financial information will not be updated, and the disclosures required under the new standard will not be provided for dates and periods before January 1, 2022. The new standard provides several optional practical expedients in transition. The Company expects to elect the 'package of practical expedients', which permits us not to reassess under the new standard our prior conclusions about lease identification, lease classification and initial direct costs. The Company did not elect the use-of-hindsight or the practical expedient pertaining to land easements; the latter not being applicable to us. The Company continues to evaluate certain aspects of the new standard and does not expect the new standard to have a material effect on the financial statements or have a significant change in leasing activities.

The Company rents office space under an annual lease agreement with an option to renew the lease annually from August 1, 2019, to July 31, 2023. The Company currently operates pursuant to this one-year renewal.

**Note 9—Related Party Transactions**

The Company pays the principal owner of the Company a recruiting fee. In 2022, the amount paid to the owner was \$6,000.

**Note 10—ASC-606 Revenue Recognition**

Revenue Recognition

The Company adopted ASU 2014-09, Revenue from Contracts with Customers, (codified in ASC 606). The Company recognizes revenue when services are transferred to clients. Revenue is recognized based on the amount of consideration that management expects to receive in exchange for these services in accordance with the terms of the contract with the client. To determine the amount and timing of revenue recognition, the Company must (1) identify the contract with the client, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when the Company satisfies a performance obligation.

General Securities Transaction Revenue

Revenue from contracts with customers includes commissions from retail and institutional broker/dealer clients and is recognized when promised goods or services are delivered to the client in an amount the Company expects to receive in exchange for those goods or services (i.e., the transaction price). The recognition and measurement of revenue is based on the assessment of individual contract terms between the customer and the clearing affiliate ("Customer Agreement"). Commissions and related clearing expenses are recorded on the trade date in an amount established in the agreement between the Company and the clearing affiliate ("Clearing Agreement"). The Company believes that the performance obligations are satisfied because that is the date that the underlying financial instrument is purchased or sold, the purchaser or seller is identified, the pricing is agreed, and the risk and rewards of ownership or dispossession has occurred and transferred. The Company also receives fees charged to the customer pursuant to terms in the in the Customer Agreement, or shares in the fees charged the customer pursuant to the terms of the Customer Agreement in an amount set forth in the Clearing Agreement, and might include, but not be limited to, shared debit interest charges, sweep credit interest earnings,

J.K. Financial Services, Inc.  
Footnotes to Financial Statements  
For the year ended December 31, 2022  
(Continued)

dividend income from operations, and other fees (“Additional Fees”). The Company has no performance obligations to meet to earn these Additional Fees. The amount of Additional Fees is not known in advance of receipt of a statement from the clearing affiliate and are therefore recorded when a statement is received.

#### Investment Company Shares & Insurance-based Product Revenue

The Company receives revenue from the sale of investment company shares (mutual funds) and insurance-based products sold via subscription/application or via direct deposit by a customer into their existing investment account. The contract with the customer is set forth in the purchase agreement with terms for commissions paid by the customer established in the accompanying mutual fund or insurance product prospectus. The Company’s portion of the commission paid by the customer, also referred to as a concession for mutual fund products, is established in the Selling Agreement between the Company and the mutual fund or insurance company sponsor (“Sponsor”). The amount of concession varies depending on the class of shares, the amount the client invested with the family of funds (Rights of Accumulation) or intends to invest in the family of funds (Letter of Intent). Some classes of shares sold provide for concessions to be received on an on-going basis (i.e., “Trails”). The Company has met its obligation and recognizes revenue when the Company forwards the applications and checks to the fund Sponsor. Customers may make additional investments into their investment account without the Company’s knowledge, in which case the Company is entitled to a concession or commission based on the amount of investment as set forth in the prospectus and the terms of the Selling Agreement. In such circumstances, the Company has no performance obligation to satisfy and recognizes revenue upon receipt of notification of the investment by the customer from the Sponsor.

#### 12b-1 Fee Revenue

The Company receives 12b-1 fees from the sale of mutual funds. The amount of 12b-1 fees due to the Company is established in the Selling Agreement between the Company and the mutual fund sponsor. There is no performance obligation required to be performed by the Company to earn and recognize 12b-1 fees. The amount of 12b-1 fees due to the Company is calculated based on the average assets under management for the period in which the 12b-1 fee is calculated. The Company does not know the amount of average assets under management until receipt of a statement from the mutual fund company sponsor, at which time the 12b-1 fee revenue is recognized and recorded as of the calculation date indicated on the statement.

#### **Note 11- Commitments & Contingencies**

There are currently no asserted claims or legal proceedings against the Company, however, the nature of the Company's business subjects it to various claims, regulatory examinations, and other proceedings in the ordinary course of business. The ultimate outcome of any such action against the Company could have an adverse impact on the financial condition, results of operations, or cash flows of the Company. If such action were to occur and would be expected to be settled against the favor of the Company, the Company would record the expected cost of such event on its financial statements.

#### **Note 13- Subsequent Events**

Management has reviewed the results of operation for the period of time from its year end through the date of issuance and has determined that no adjustments are necessary to the amounts reported in the accompanying combined financial statements nor have any subsequent events occurred, the nature of which would require disclosure.



J.K. Financial Services, Inc.

Supplementary Information Section

Pursuant to SEA Rule 17a-5 of the Securities and Exchange Act of 1934

As of and for the year ended December 31, 2022

J.K. Financial Services, Inc.  
Supplementary Computations  
Pursuant to SEA Rule 17a-5 of the Securities and Exchange Act of 1934  
As of and for the year ended December 31, 2022

Computation of Net Capital

Total Stockholder's Equity	\$ 263,587
Allowable Subordinated Loans	-
Non-Allowable Assets	62,646
Haircuts on Securities Positions	
Securities Haircuts	-
Undue Concentration Charges	-
Net Allowable Capital	<u>\$ 200,941</u>

Computation of Net Capital Requirement

Minimum Net Capital Required as a Percentage of Aggregate Indebtedness	\$ 2,276
Minimum Dollar Net Capital Requirement of Reporting Broker/Dealer	\$ 5,000
Net Capital Requirement	<u>\$ 5,000</u>
Excess Net Capital	<u>\$ 195,941</u>

Computation of Aggregate Indebtedness

Total Aggregate Indebtedness	\$ 34,117
Percentage of Aggregate Indebtedness to Net Capital	16.98%

Computation of Reconciliation of Net Capital

Net Capital Computed and Reported on FOCUS IIA as of December 31, 2022	\$ 162,145
Adjustments	
Increase (Decrease) in Equity	23,620
Increase (Decrease) in Subordinated Loans	-
(Increase) Decrease in Non-Allowable Assets	15,176
(Increase) Decrease in Securities Haircuts	-
(Increase) Decrease in Undue Concentration Charges	-
Net Capital per Audit	<u>\$ 200,941</u>
Reconciled Difference	<u>\$ 38,796</u>

\*Primary change in equity and non-allowable assets due to increase in depreciation expense and reduction in value of non-allowable fixed assets, and increase in non-allowable 12b-1 fees.

J.K. Financial Services, Inc.  
Supplementary Statements  
Pursuant to SEA Rule 17a-5 of the Securities and Exchange Act of 1934  
As of and for the year ended December 31, 2022

Statement Related to Uniform Net Capital Rule

The Company is a member of the FINRA and is subject to the SEC Uniform Net Capital Rule 15c3-1. This rule requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 1500% (15:1), or, during its first year of operations, 800% (8:1). Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2022, the Company had net capital of \$200,941 which was \$195,941 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 16.98%. The Company has elected to use the basic computation method, as is permitted by the rule, which requires that the Company maintain minimum Net Capital pursuant to a fixed dollar amount or 6-2/3% percent of total aggregate indebtedness, as defined, whichever is greater, and does not, therefore, calculate its net capital requirement under the alternative reserve requirement method. There were no material differences reported as Net Capital in the audited computation of Net Capital and the broker-dealer's corresponding unaudited Part IIA of the FOCUS report required under Rule 15c3-1.

Statement Related to Exemptive Provision (Possession and Control)

The Company does not have possession or control of customer's funds or securities. There were no material inadequacies in the procedures followed in adhering to the Company's operating pursuant to 15c3-3(k)(2)(ii) and Footnote 74 of SEC Release 34-70073.

Statement Related to Material Inadequacies

This audit did not disclose any material inadequacies since the previous audit of the financial statements in the accounting system or in the internal control related to reporting or the practices and procedures required pursuant to Rule 17a-5. The firm does not maintain customer funds or securities and, therefore, does not maintain customer funds to segregate nor does it maintain separate accounts for customers.

Statement Related to SIPC Reconciliation

SEA Rule 17a-5(e)(4) requires a registered broker-dealer not exempt from SIPC membership with gross revenues the exceed \$500,000 to file an Agreed Upon Procedures Report (AUP Report). SIPC members with gross revenues below \$500,000 are not required to file an AUP Report. Broker-dealers exempt from SIPC membership must file a Form SIPC-3 and are required to file an AUP Report. If an AUP Report is required to filed with SIPC, such report may be filed separately or included within this Supplemental Information section.

J.K. Financial Services, Inc.

Supplementary Auditor's Report on Exemption Letter

Pursuant to SEA Rule 17a-5(d)(1)(i)(B)(2) Of the Securities and Exchange Act of 1934

As of and for the year ended December 31, 2022



Supplementary Schedules Pursuant to SEA Rule 17a-5  
Of the Securities and Exchange Act of 1934  
For the Year-End December 31, 2022

Report of Independent Registered Public Accounting Firm  
Exemption Review Report Pursuant to 15c3-3

Joe Jiankang Zheng  
J.K. Financial Services,  
Inc. 149 Cross  
Rail Lane, Suite 102  
Norco, CA 92860

Dear Joe Zheng:

We have reviewed management's statements included in the accompanying Exemption Report in which (1) J.K. Financial Services Inc. ("the Company") identified the following provision of 17 C.F.R. 15c3-3(k) under which the Company claimed the following exemption from 17 C.F.R. §240.15c3-3: (k)(2)(ii) and (2) The Company stated that it met the identified exemption provisions throughout the most recent fiscal year without exception.

The Company is also filing this Exemption Report because the Company's other business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. §240.17a-5 are limited to commissions and fees earned on mutual funds, equities, and other financial instruments. In addition, the Company did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; did not carry accounts to or for customers; and did not carry PAB accounts (as described in Rule 15c3-3) throughout the most recent fiscal year, without exception.

Company'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 Sunstreet Securities, LLC's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934 and the Company's other business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. §240.17a-5, and related SEC Staff Frequently Asked Questions.

*Tuttle & Bond*

Fredericksburg, Texas  
April 13, 2023

J.K. Financial Services, Inc.  
Supplementary Customer Protection Exemption Letter  
Pursuant to SEA Rule 17a-5(d)(1)(i)(B)(2) of the Securities and Exchange Act of 1934  
As of the year ended December 31, 2022

J.K. Financial Services, Inc.  
149 Cross Rail Lane, Suite 102  
Norco, CA 92860

J.K. Financial Services, Inc.'s Exemption Report

To: Tuttle & Bond PLLC

Re: 17 C.F.R. § 240.15c3-3(k)

J.K. Financial Services, Inc. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers").

This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

1. The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provisions of 17 C.F.R. § 240.15c3-3 (k): (k)(2)(ii)
2. The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k) from January 01, 2022 through December 31, 2022 without exception.
3. The Company is also filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to effecting securities transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company.

The Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) from January 01, 2022 through December 31, 2022 without exception.

J.K. Financial Services, Inc.

I, Joe Jiankang Zheng, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

  
\_\_\_\_\_  
President

J.K. Financial Services, Inc.

Supplementary Auditor's Agreed Upon Procedures Report

Pursuant to SEA Rule 17a-5(d)(1)(i)(B)(2) of the Securities and Exchange Act of 1934

As of the year ended December 31, 2022



**Tuttle & Bond, PLLC**  
Certified Public Accountants

**J.K. Financial Services, Inc.**

**Supplementary Schedules Pursuant to SEA Rule 17a-5 Of the Securities and Exchange Act of 1934  
As of and for the Year-Ended December 31, 2022**

**Report of Independent Registered Public Accounting Firm on Applying  
Agreed Upon Procedures Pursuant to SEA Rule 17a-5(e)(4)  
Form SIPC-7**

J.K. Financial Services, Inc. is a member of the Securities Investor Protection Corporation (SIPC). In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessments and Payments, Forms SIPC-7 to the Securities Investor Protection Corporation (SIPC) for the periods through December 31, 2022, which were agreed to by J.K. Financial Services, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority and the SIPC, solely to assist you and other specified parties in evaluating J.K. Financial Services, Inc.'s compliance with the applicable instructions of the Assessment Reconciliation Forms SIPC 7. J.K. Financial Services, Inc.'s management is responsible for J.K. Financial Services, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the Public Company Accounting Oversight Board (United States). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures were performed, and our findings are as follows:

1. Compared the listed assessment payments represented on Form SIPC 6 & 7 with the respective cash disbursements record entries, noting no differences.
2. Compared audited Total Revenue for the period of January 01, 2022 through December 31, 2022 (fiscal year-end) with the amounts reported on Forms SIPC-7, noting no differences.
3. Compared any adjustments reported on Form SIPC-7 with supporting schedules and work papers, to the extent such exists, noting no differences.
4. Proved the arithmetical accuracy of the calculations reflected on Form SIPC-7, noting no differences.
5. If applicable, compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

We are not engaged to and did not conduct an examination for which the objective would be to express an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures other matters might have come to our attention that would have been reported.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Tuttle & Bond, PLLC

*Tuttle & Bond, PLLC*

Fredericksburg, Texas

April 13, 2023



Tuttle & Bond, PLLC  
2954 Goehmann Lane  
Fredericksburg, TX 78624  
[www.tuttlebond.com](http://www.tuttlebond.com)  
Ph: 512.967.3517



J.K. Financial Services, Inc.  
Supplementary Agreed Upon Procedures Report SIPC Reconciliation  
Pursuant to SEA Rule 17a-5(d)(1)(i)(B)(2) of the Securities and Exchange Act of 1934  
As of the year ended December 31, 2022

JK Financial  
December 31, 2022  
**SIPC 7 Reconciliation**

Total Due - SIPC 7	\$	145
<hr/>		
Overpayment Applied	\$	-
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Balance Due after SIPC 6 Payment and Applied Overpayment	\$	67
<hr/>		

			<u>Date Paid:</u>	<u>Check #:</u>	<u>Paid To:</u>
Paid with SIPC 6	\$	78	August 3, 2022	ACH	SIPC
Paid with SIPC 7	\$	68	April 10, 2023	ACH	SIPC
Total Paid	\$	<u>146</u>			
<hr/>					
Reconciled Difference (Overpayment) Underpayment	\$	-			