

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

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

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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 01/01/2020 AND ENDING 12/31/2020  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: OneAmerica Securities, Inc. OFFICIAL USE ONLY  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
One American Square  
FIRM I.D. NO.  
(No. and Street)  
Indianapolis IN 46282  
(City) (State) (Zip Code)

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

Bryan K. Hartley (317)285-2183

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Crowe LLP

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

485 Lexington Avenue, Floor 11 New York NY 10017-2619  
(Address) (City) (State) (Zip Code)

CHECK ONE:

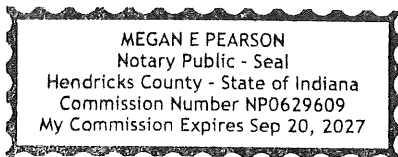
- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

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)

## OATH OR AFFIRMATION

I, Matthew Fleetwood, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of OneAmerica Securities, Inc., as of December 31, 2020, 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:



Matthew T Fleetwood  
Signature  
President  
Title

Megan E Pearson 2-17-2021  
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).

# **OneAmerica Securities, Inc.**

**Financial Statements and Supplementary Information**

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

**December 31, 2020**

**OneAmerica Securities, Inc.**  
**December 31, 2020**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholder of OneAmerica Securities, Inc.  
Indianapolis, Indiana

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

We have audited the accompanying statement of financial condition of OneAmerica Securities, Inc. (the "Company") as of December 31, 2020, the related statements of operations, changes in stockholder's equity, and cash flows for the year ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and the results of its operations and its cash flows for the year ended December 31, 2020, 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 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 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 our audit provides a reasonable basis for our opinion.

## Supplemental Information

The Computation of Net Capital Under Securities and Exchange Commission Rule 15c3-1 and Computation for Determination of Reserve Requirements and Information Related to Possession and Control Requirements Under Securities and Exchange Commission Rule 15c3-3 (collectively the "Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. 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 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.

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and slightly slanted to the right.

Crowe LLP

We have served as the Company's auditor since 2020.

New York, New York  
February 26, 2021

**OneAmerica Securities, Inc.**  
**Statement of Financial Condition**  
**December 31, 2020**

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**Assets**

Cash	\$ 5,547,906
Deposits with clearing broker and clearing organization	105,000
Accrued commissions receivable	3,295,841
Due from affiliate	257,644
Prepaid expenses	13,849
State income tax receivable, due from parent	54,287
Deferred tax asset	131,664

Total assets	<u>\$ 9,406,191</u>
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**Liabilities and stockholder's equity**

**Liabilities**

Commissions payable	\$ 3,205,346
Accounts payable and accrued expenses	419,280
Due to parent, net	46,673
Federal income tax payable	498,855

Total liabilities	<u>4,170,154</u>
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**Stockholder's Equity**

Common stock, no par value, 1,000 shares authorized, 400 shares issued and outstanding at stated amount of \$75 per share	30,000
Additional paid-in capital	6,167,000
Accumulated deficit	(960,963)

Total stockholder's equity	<u>5,236,037</u>
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Total liabilities and stockholder's equity	<u>\$ 9,406,191</u>
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The accompanying notes are an integral part of these financial statements.

**OneAmerica Securities, Inc.**  
**Statement of Operations**  
**For year ended December 31, 2020**

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**Revenues**

Commissions and fees	\$	22,796,239
Revenue sharing income		13,691,188
Investment advisor fee income		7,023,514
Other		1,095,406
Total revenues		<u>44,606,347</u>

**Expenses**

Sales commissions		18,026,819
Revenue sharing expense		13,691,188
Investment advisor fee expense		5,255,251
Salaries and employee benefits		2,036,931
General office expenses and administration		2,626,735
Regulatory licenses, payroll taxes and fees		309,485
Other		304,075
Total expenses		<u>42,250,484</u>
Net income before taxes		<u>2,355,863</u>

Income tax provision—federal and state (Note 3)		<u>552,394</u>
Net income	\$	<u><u>1,803,469</u></u>

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

**OneAmerica Securities, Inc.**  
**Statement of Changes in Stockholder's Equity**  
**For year ended December 31, 2020**

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	<b>Common Stock</b>	<b>Additional Paid-in Capital</b>	<b>Accumulated Deficit</b>	<b>Total Stockholder's Equity</b>
<b>Balance at December 31, 2019</b>	\$ 30,000	\$ 6,167,000	\$ (1,264,432)	\$ 4,932,568
Net income	-	-	1,803,469	1,803,469
Dividends paid to parent company	-	-	(1,500,000)	(1,500,000)
<b>Balance at December 31, 2020</b>	<u>\$ 30,000</u>	<u>\$ 6,167,000</u>	<u>\$ (960,963)</u>	<u>\$ 5,236,037</u>

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

**OneAmerica Securities, Inc.**  
**Statement of Cash Flows**  
**December 31, 2020**

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**Cash flows from operating activities**

Net income	\$ 1,803,469
Adjustments to reconcile net income to net cash provided by operating activities	
Net changes in assets and liabilities	
Increase in accrued commissions receivable	(8,656)
Increase in due from affiliates	(257,644)
Decrease in prepaid expenses	24,473
Increase in income tax receivable	(5,956)
Decrease in deferred tax asset	23,269
Decrease in commissions payable	(9,264)
Decrease in accounts payable and accrued expenses	(222,350)
Increase in income tax payable	252,901
Decrease in due to parent, net	(275,899)
Total adjustments	<u>(479,126)</u>
Net cash provided by operating activities	1,324,343

**Cash flows from financing activities**

Dividends paid to parent company	(1,500,000)
Net cash used in financing activities	<u>(1,500,000)</u>
Net decrease in cash	<u>(175,657)</u>

Cash, beginning of year	5,723,563
Cash, end of year	<u>\$ 5,547,906</u>

**Supplementary information**

Net cash paid to parent for income taxes	<u>\$ 251,779</u>
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The accompanying notes are an integral part of these financial statements.

**OneAmerica Securities, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020**

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**1. Organization and Significant Accounting Policies**

**Organization and Nature of Business**

OneAmerica Securities, Inc. (the “Company”) is a registered securities broker-dealer with the Securities and Exchange Commission (“SEC”), a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”), the Municipal Securities Rulemaking Board (“MSRB”), and the Securities Investor Protection Corporation (“SIPC”). The Company was organized in 1969 as a wholly owned subsidiary of American United Life Insurance Company (“AUL”), the parent company, for the purpose of selling mutual fund shares. During 1998, pursuant to an agreement with FINRA, the Company was permitted to expand its business to act as an introducing securities broker-dealer for the sale of equity and fixed income securities. The Company is a dually registered introducing broker-dealer and registered investment advisor offering stock and bond trading, mutual funds, variable annuities, variable life insurance, fee-based asset management, alternative investments, real estate investment trusts (“REIT”) and fee-based financial planning.

**Basis of Accounting**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

**Revenue**

***Disaggregated Revenue***

Financial planning and consultation fees	\$ 20,470
RIA advisory fees	7,003,044
Annuities	12,267,874
General securities	1,151,392
Mutual funds	2,126,683
12b-1 fees and trails	6,680,376
Revenue sharing	13,691,188
Administrative service agreement with parent	1,062,716
Other	495,864
<b>Total revenue from contracts with customers</b>	<b>\$ 44,499,607</b>
Revenue unrelated to contracts with customers	106,740
<b>Total revenue</b>	<b>\$ 44,606,347</b>

***Financial Planning and Consultation Fees:***

Financial planning and consultation is offered as a service by the Company. Financial planning and consultation services include meeting with the client to draft a plan that includes a detailed analysis and recommendation that may encompass specific areas such as net worth, budget and cash flow, income tax, educational analysis, insurance and risk management, retirement, estate planning and investment analysis. The Company charges an agreed upon fee for financial planning services between the client and the investment advisory representative (“IAR”). Financial consultations require an itemized invoice and are based on an hourly rate. The Company’s performance obligation is considered complete once the plan is delivered to the client. Financial planning and consultation fee revenue is reported within investment advisor fee income in the statement of operations.

**OneAmerica Securities, Inc.**  
**Notes to Financial Statements (*continued*)**  
**December 31, 2020**

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**1. Organization and Significant Accounting Policies (*continued*)**

***RIA Advisory Fees:***

Registered investment advisory (“RIA”) services are offered by the Company through agreements with third party investment advisors (“Advisor”). The Company’s performance obligation is for the IAR to recommend the investment advisory services of the advisor. The IAR may serve as a liaison between the advisor and the client. Advisory fees are earned as a percentage of assets under management (“AUM”) and may be received by the Company in either advance or arrears depending on the terms of the agreement with the advisor. Revenue from fees paid in advance are recognized over time. Revenue from fees paid in arrears are deemed variable consideration and recognized when they can be estimated without risk of significant reversal since the amount to be received is highly susceptible to factors outside of the Company’s influence such as market volatility, asset movement and investor behavior. Pro-rated chargebacks can occur when advisory fees are paid in advance. An estimated allowance, based upon historical experience, has been established to account for chargebacks. RIA advisory fee revenue is reported within investment advisor fee income in the statement of operations.

***Annuities:***

Annuities from various insurance companies for which the Company has selling agreements are offered for end investors to purchase. Introducing the investor to the insurance company is considered the main performance obligation of the selling agreement with the insurance company. The Company evaluates the needs of the investor, gathers all necessary documentation and completes a suitability review. The Company’s performance obligation is considered complete once the insurance policy has been issued and delivered to the investor. Annuity commissions are paid to the Company based upon a percentage of the investment amount per the selling agreement between the Company and the insurance company. Annuity commissions are reported within commissions and fees in the statement of operations.

***General Securities:***

The Company is an introducing broker dealer and has entered into a fully disclosed clearing agreement with Pershing, LLC (“Clearing Firm”). The Clearing Firm is responsible for clearance, custody, trade confirmations and providing monthly investor account statements while the Company’s performance obligation is to provide the Clearing Firm with an investor in order to execute and complete a sale. The Clearing Firm compensates the Company by paying a commission upon submission of purchases and sales. The Company offers mutual funds, unit investment trusts, exchange traded funds, REIT’s, certificate of deposits, stocks, bonds and investment advisory services for purchase through the Clearing Firm. With exception of mutual funds and investment advisory services, revenue from the sale of Clearing Firm related products are considered general securities. The Company recognizes revenue at the point in time that it satisfies a performance obligation by transferring a promised service to an investor. The service is considered transferred when the investor obtains control of that asset, which is at the trade date. General securities commission revenue is reported within commissions and fees in the statement of operations.

**1. Organization and Significant Accounting Policies (continued)**

***Mutual Funds:***

Mutual funds and 529 plans are offered by the Company for purchase by investors on a fully disclosed basis. Purchases and sales may be made through the Company either directly with the fund company or through the Clearing Firm. The Company's performance obligation is to provide a suitable investor to the fund company after completing all regulatory requirements. Fund companies compensate the Company based on a percentage of the investment amount as stated in the fund prospectus. The Company recognizes mutual fund commissions at the point in time that it satisfies a performance obligation by transferring a promised service to an investor. An asset is transferred when the investor obtains control of that asset, which is at the trade date. Mutual fund commissions are reported within commissions and fees in the statement of operations.

***12b-1 Fees and Trails:***

The Company receives variable consideration in the form of 12b-1 fees under Rule 12b-1 of the Investment Company Act of 1940. These fees are considered constrained and are only included in the Company's financial statements to the extent that it is probable and that a significant reversal in the amount of cumulative revenue recognized will not occur when uncertainties such as market volatility, asset movement and investor behavior associated with the variable consideration is subsequently received. Revenue from 12b-1 fees are reported within commissions and fees in the statement of operations.

The Company receives variable consideration from trailing commissions. Revenue from fees paid in arrears are deemed variable consideration and recognized when they can be estimated without risk of significant reversal since the amount to be received is highly susceptible to factors outside of the Company's influence such as market volatility, asset movement and investor behavior. Trailing commissions are reported within commissions and fees in the statement of operations.

***Revenue Sharing:***

AUL variable products include separate accounts that allow investors to choose from an array of funds within investment categories according to their desire for risk tolerance and performance. AUL performs administrative services such as recordkeeping, sub-accounting services, pricing and plan enrollment while the Company acts as the distributor for the variable products offered by AUL. As distributor, the Company's obligations may include distributing prospectuses, sales literature and advertising materials and as a result, receives 12b-1 fees from the funds for marketing and distribution. Revenue sharing fees are a popular method for collecting all or a portion of the plan administrative fees performed by AUL through the plan's investment options. Revenue sharing can consist of 12b-1 fees, but can also consist of payments for record keeping services ("Sub-TA fees"), administrative and other fees. Fund companies compensate the Company according to fee schedules within each fund's prospectus. It is our practice, internally among affiliates, to transfer the fees received by the Company to AUL. The 12b-1 fees collected for marketing and distribution are reported within revenue sharing income in the statement of operations.

**OneAmerica Securities, Inc.**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**1. Organization and Significant Accounting Policies (continued)**

***Administrative Servicing Agreement:***

The Company has entered into an administrative service agreement with AUL, whereby certain services have been agreed. The Company's performance obligation is to provide compliance and executive services. These services are ongoing and provided over the term of the service agreement. The amount that AUL pays the Company is calculated annually, expensed monthly and approved by the Board of Directors of American United Mutual Insurance Holding Company, the ultimate parent company of AUL. Over the course of the year, the Company recognizes the revenue received from the administrative services agreement in twelve equal periodic payments. Administrative service agreement fees are reported within other in the statement of operations. See Note 1, related party transactions, for additional detail.

***Other:***

Miscellaneous revenue items of lesser significant amounts are also earned by the Company throughout the year. These amounts are included in other within the disaggregated revenue table and primarily include revenue from REIT's and miscellaneous marketing fees. The Company's main business objective is to introduce investors to shares of the REIT, perform a suitability review and submit required paperwork. The Company's performance obligation are considered complete once the sale is finalized and the investor gains control of the asset. REIT commissions are paid to the Company based on a percentage of the investment amount as stated in the prospectus. REIT commissions are reported within commissions and fees in the statement of operations.

Marketing fees from third party investment advisors ("Advisor") are paid to the Company as a percentage of AUM. The fee may be deducted from the client account in conjunction with the monthly or quarterly RIA fee depending on payment terms per agreements between the advisor and Company. Not all agreements with advisors allow for marketing fees to be paid to the Company. The Company accounts for these fees as a single performance obligation since the Company is performing a series of distinct services that are substantially the same such as training, marketing, staffing and educating its advisors. Marketing fees are reported within commissions and fees in the statement of operations.

**Related Party Transactions**

AUL furnishes personnel, office space, legal counsel, information technology support and other related services to the Company through an administrative service agreement. This agreement specifies that a monthly payment be made by the Company. Consistent with prior years, the methodology for the determination of these costs is intended to approximate the actual costs incurred by AUL for providing certain services to the Company and is determined through the allocation of costs pursuant to AUL's standard cost allocation. For the year ended December 31, 2020, AUL provided services to the Company for which it earned and was paid \$2,046,686. This amount is classified as an expense and included within general office expenses and administration on the Company's statement of operations. In addition, the Company provided certain compliance and executive services to AUL including the distribution of proprietary products, principal suitability review involving the sale of proprietary products and the marketing of such products for which it earned and was paid \$1,062,716. Income paid to the Company is calculated by dividing the OAS infrastructure costs minus the Company's share of agent benefits by the number of individual and retirement services registered representatives to approximate the cost of providing services to AUL. This amount is classified as revenue and included in other within the revenues section of the Company's statement of operations.

Within the Company's statement of financial condition, the \$257,644 due from affiliate represents a reimbursement of fees charged to the Company. The \$46,673 classified as due to parent, net, primarily represents unsettled revenue sharing amounts and general expense items.

**OneAmerica Securities, Inc.**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**1. Organization and Significant Accounting Policies (continued)**

The Company monitors excess capital and as a result, may pay dividends to AUL. During 2020, the Company paid a dividend of \$1,500,000 to AUL, which is included as a part of accumulated deficit on the statement of financial condition.

For the year ended December 31, 2020, the Company's statement of operations includes \$13,691,188 of AUL revenue sharing income as well as \$2,038,597 of AUL proprietary income from variable product sales commission, and \$20,978 of insurance agency income, all of which are offset by an equal amount of expense. AUL proprietary and insurance agency income are included in commissions and fees within the revenues section of the Company's statement of operations.

**Management Estimates**

The preparation of financial statements in conformity with U.S. GAAP 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.

A novel strain of coronavirus surfaced in Wuhan, China in December 2019 and has spread around the world with resulting business and social disruption. The virus was declared a public health emergency of international concern by the World Health Organization on January 30, 2020 and on March 11, 2020 was declared a pandemic. The operations and business results of the Company could be materially adversely affected. Significant estimates may be materially adversely impacted by local, state and national restrictions and events designed to contain the coronavirus. The magnitude of the impact is likely dependent on the length and severity of the disruption.

**Financial Instruments**

Management estimates that the aggregate carrying value of financial instruments (including receivables and payables) recognized on the statement of financial condition approximates their fair value. Financial instruments are short-term in nature, bear interest at current market rates, or are subject to frequent repricing. As of December 31, 2020, the Company did not hold any financial instruments.

**Concentrations of Credit Risk in Financial Instruments**

The Company's cash on deposit balance is held with financial institutions and exceeds current Federal Deposit Insurance Corporation limits of \$250,000.

The clearing and depository operations for the Company's securities transactions are performed by a single clearing broker pursuant to a clearance agreement. Securities transactions are settled daily by the clearing broker. Because of this daily settlement, the amount of unsettled credit exposure is limited to the amount owed to the Company for very short periods of time. At December 31, 2020, the accrued commission receivable of \$3,295,841 reflected on the statement of financial condition includes \$139,090 representing an amount due from this clearing broker, whom is a member of a nationally recognized exchange. The remaining \$3,156,751 consists of commissions and fees receivable from other third parties. The Company consistently monitors the credit worthiness of the clearing broker to attempt to mitigate its exposure to credit risk.

**OneAmerica Securities, Inc.**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**1. Organization and Significant Accounting Policies (continued)**

**Contingencies**

In the normal course of its business, the Company is contingently liable to its clearing broker for cash payment requirements of customer securities transactions and the failure of delivery of securities sold by a customer. There are no lawsuits pending, threatened, or unasserted claims, assessments and litigation pertaining to the Company at the conclusion of 2020.

**Recent Accounting Pronouncements**

In June 2016, the FASB issued *Financial Instruments – Credit Losses (Topic 326) – Measurement of Credit Losses on Financial Instruments*, or ASU 2016-13. ASU 2016-13 will change how companies measure credit losses on most financial instruments, including accrued commissions receivable. Companies will be required to estimate lifetime expected credit losses, which is generally expected to result in earlier recognition of potential credit losses. Expected credit losses will be measured based on historical experience, current conditions and forecasts that affect the collectability of the reported amount. The new guidance is effective for annual periods beginning after December 15, 2019. The Company adopted the guidance as of January 1, 2020, which did not have a material impact on the financial statements.

**2. Net Capital Requirements**

The Company is subject to the SEC's Uniform Net Capital Rule ("Rule 15c3-1"), which requires that the ratio of aggregate indebtedness to net capital, as defined, shall not exceed 15-to-1. The rule also provides that capital may not be withdrawn if the resulting net capital ratio would exceed 10-to-1.

The Company claims exemption from the provisions of Rule 15c3-3 of the SEC as provided by paragraph k(2)(i) and k(2)(ii). Trade activities are cleared through the Clearing Firm on a fully disclosed basis. The Company promptly transmits all customer funds and delivers all securities, does not otherwise hold funds or securities for, or owe money or securities to customers.

At December 31, 2020, the Company had net capital, as defined, of \$4,632,501 and \$4,370,934 in excess of minimum requirements, and its ratio of aggregate indebtedness to net capital was 0.85 to 1.

**3. Income Taxes**

The Company is a member of a group that files a consolidated federal income tax return and may, depending on the jurisdiction, join certain members in filing consolidated state income tax returns. The Company is party to tax sharing agreements with AUL and OneAmerica Financial Partners, Inc, the parent company of AUL, that principally provide that the Company will pay or receive an amount equal to the tax on its current year taxable income (loss) generated. Such payments are made through routine intercompany settlements. Deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and tax basis of assets and liabilities using enacted tax rates expected to apply to taxable income in the periods in which the deferred tax asset or liability is expected to be settled or realized.

In accordance with the authoritative guidance on accounting for uncertainty in income taxes under U.S. GAAP, uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. This guidance requires the affirmative evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether it is more-likely-than-not (i.e., greater than 50-percent) that each tax position will be sustained upon examination by a taxing authority based on the technical merits of the position. A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in an increase in a liability for taxes payable (or a reduction of a tax refund receivable), including the recognition of any related

**OneAmerica Securities, Inc.**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**3. Income Taxes (continued)**

interest and penalties as a component of tax incurred. Any interest or penalties related to federal or state income taxes, if applicable, are recorded when incurred and included as a component of income tax provision in the statement of operations.

The statute of limitations related to the consolidated federal income tax return that the Company is a member of is closed for all tax years up to and including 2016. The expiration of the statute of limitations related to the various state income tax returns that the Company files varies by state.

As of December 31, 2020, management of the Company has reviewed all open tax years and concluded that there is no tax liability resulting from unrecognized tax benefits related to uncertain tax positions taken or expected to be taken in future tax returns. The Company is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next 12 months. The net income tax expense for the year ended December 31, 2020, is as follows:

	Federal	State	Total
Current income tax expense	\$ 499,236	\$ 29,889	\$ 529,125
Deferred income tax expense (benefit)	(18,688)	41,957	23,269
Net income tax expense	<u>\$ 480,548</u>	<u>\$ 71,846</u>	<u>\$ 552,394</u>

The income tax payable net amount and deferred tax asset for the year ending December 31, 2020 is \$444,568 and \$131,664, respectively. The deferred tax asset is primarily composed of temporary differences related to non-deductible accruals. The Company believes it's more-likely – than – not that it will realize the benefit of the deferred income tax assets, and therefore, a valuation allowance was not established.

A reconciliation of the income tax attributable to continuing operations computed at the federal statutory tax rate to the income tax expense included in the statement of operations, for the year ended December 31, 2020, is as follows:

Income tax expense at statutory tax rate (21%)	\$ 494,730
Nondeductible expenses and other	906
State and local taxes, net of federal tax	56,758
Income tax expense	<u>\$ 552,394</u>

**4. Indemnifications**

Under the Company's organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Company. In addition, in the normal course of business, the Company enters into contracts with its vendors and others that provide for general indemnification. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company. However, based on experience, the Company expects the risk of loss to be remote.

**5. Subsequent Events**

Management has evaluated the impact of all subsequent events after December 31, 2020 and has determined that there were no subsequent events requiring recognition of disclosure in the financial statements.

## Supplementary Information

**OneAmerica Securities, Inc.**  
**Computation of Net Capital**  
**under Securities and Exchange Commission Rule 15c3-1**  
**December 31, 2020**

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Total stockholder's equity	\$ 5,236,037
Nonallowable assets	
Prepaid expenses	(13,849)
Accrued commissions receivable	(392,744)
Due from affiliate	(257,644)
Income tax receivable, due from parent	(54,287)
Deferred tax asset	(131,664)
Other additions and or credits	
Discretionary bonus accrual (net of tax)	246,652
Net capital before haircuts	4,632,501
Haircuts	-
Net capital	4,632,501
Computation of Basic Net Capital Requirement	
Minimum net capital required (6 2/3% of aggregate indebtedness)	261,567
Excess net capital	\$ 4,370,934
Computation of Aggregate Indebtedness	
Commissions payable (net of discretionary bonus accrual)	\$ 2,958,694
Accounts payable and accrued expenses	419,279
Due to parent, net	46,673
Income tax payable	498,855
Aggregate indebtedness	\$ 3,923,501
Ratio of aggregate indebtedness to net capital	0.85 to 1
Statement Pursuant to Paragraph (d)(4) of Rule 17a-5	

There were no material differences between the Computation of Net Capital under Rule 15c3-1 included in this audited report and the computation included in the Company's corresponding unaudited Part IIA Focus report filing as of December 31, 2020.

**OneAmerica Securities, Inc.**  
**Computation for Determination of Reserve Requirements and Information Related to**  
**Possession and Control Requirements Under Securities and Exchange Commission**  
**Rule 15c3-3**  
**December 31, 2020**

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The Company claims exemption from Rule 15c3-3 under the provisions of Rule 15c3-3(k)(2)(i) and (k)(2)(ii).

**Statement Pursuant to Paragraph (d)(4) of Rule 17a-5**

There are no differences between this information and the information included in the Company's unaudited Part IIA FOCUS filing ("Regulatory Report"), as of the same date, as filed on January 26, 2021.