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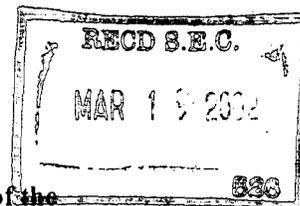
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SEC FILE NUMBER
8- 40867

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



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 01/01/2001 AND ENDING 12/31/2001  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

ICBA Securities Corporation

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

775 Ridge Lake Blvd

(No. and Street)

Memphis

(City)

Tennessee

(State)

38120

(Zip Code)

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

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

McGladrey & Pullen, LLP

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

801 Nicollet Avenue, Suite 1300

(Address)

Minneapolis

(City)

MN

(State)

55402

(Zip Code)

CHECK ONE:

Certified Public Accountant

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4/4/2002





**McGLADREY & PULLEN, LLP**

Certified Public Accountants

**RSM**  
International

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
ICBA Securities Corporation  
Memphis, Tennessee

We have audited the accompanying statements of financial condition of ICBA Securities Corporation (a wholly owned subsidiary of ICBA Community Banking Network, Inc.) as of December 31, 2001 and 2000, and the related statements of income, changes in stockholder's equity, and cash flows for the years then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ICBA Securities Corporation as of December 31, 2001 and 2000, 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.

*McGladrey & Pullen, LLP*

Minneapolis, Minnesota  
February 15, 2002

**ICBA SECURITIES CORPORATION**

**STATEMENTS OF FINANCIAL CONDITION**

**December 31, 2001 and 2000**

<b>ASSETS</b>	<b>2001</b>	<b>2000</b>
Cash and cash equivalents	\$ 498,310	\$ 117,857
Certificates of deposit (Note 2)	190,000	100,000
Securities, at market value	417,649	117,880
Accounts receivable from clearing broker-dealer	803,901	230,536
Prepaid expenses	1,676	4,402
	<u>\$ 1,911,536</u>	<u>\$ 570,675</u>
 <b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>Liabilities</b>		
Trade payables	\$ 5,743	\$ 1,860
Compensation payable	528,419	7,895
Income taxes payable to parent	119,177	-
Due to related parties (Note 2)	45,046	44,296
Royalties payable:		
State independent banker associations (Note 3)	527,655	162,672
ICBA (Note 2)	131,840	53,282
	<u>1,357,880</u>	<u>270,005</u>
 <b>Stockholder's Equity (Note 5 and 6)</b>		
Common stock, no par value; authorized and issued 100 shares	70,000	70,000
Contributed capital	65,000	65,000
Retained earnings	418,656	165,670
	<u>553,656</u>	<u>300,670</u>
	<u>\$ 1,911,536</u>	<u>\$ 570,675</u>

See Notes to Financial Statements.