

4/5/2004



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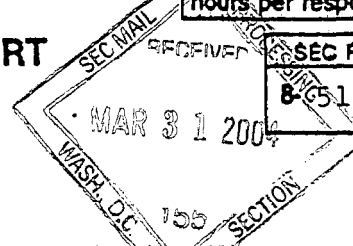
STATES
LARGE COMMISSION
D.C. 20549

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

VP 4-1-04

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	September 30, 1998
Estimated average burden hours per response . . .	12.00

SEC FILE NUMBER
8-651387



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 01/01/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Iron Street Securities Inc.

OFFICIAL USE ONLY

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

112 EAST IRON AVE

(No. and Street)

SALINA

KANSAS

67401

(City)

(State)

(Zip Code)

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

ROBERT L HAMMAN

785-827-7700

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KENT R BASSFORD CPA

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

800 MAIN PLACE

WINFIELD

KANSAS

67156

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

PROCESSED

APR 09 2004

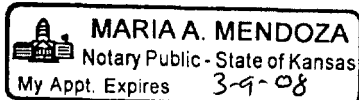
FOR OFFICIAL USE ONLY

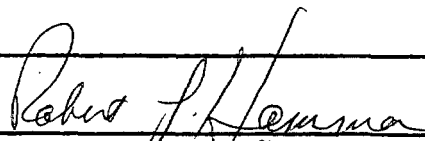
THOMSON
FINANCIAL

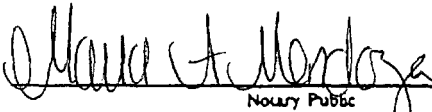
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

OATH OR AFFIRMATION

I, ROBERT L. HAMMAN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of IRON STREET SECURITIES, INC., as of DECEMBER 31, 192003, 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:




ROBERT L. HAMMAN Signature
President
Title


Notary Public

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

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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).

IRON STREET SECURITIES, INC.
REPORT ON FINANCIAL STATEMENTS

December 31, 2003



Prepared By
KENT BASSFORD
Certified Public Accountant
Winfield, Kansas

FORM
X-17A-5

FOCUS REPORT

(Financial and Operational Combined Uniform Single Report)

Part IIA FOCUS

INFORMATION REQUIRED OF BROKERS AND DEALERS PURSUANT TO RULE 17

COVER

Select a filing method:

Basic ☒ Alternate ☐ [0011]

Name of Broker Dealer: IRON STREET SECURITIES INC. [0013] SEC File Number: 8- 51387 [0014]
Address of Principal Place of Business: 112 EAST IRON AVE [0020]
SALINA KS 67401 Firm ID: 46338 [0015]
[0021] [0022] [0023]

For Period Beginning 01/01/03 And Ending 12/31/03
[0024] [0025]

Name and telephone number of person to contact in regard to this report:
Name: ROBERT L. HAMMAN Phone: 785-827-7700
[0030] [0031]
Name(s) of subsidiaries or affiliates consolidated in this report:
Name: _____ Phone: _____
[0032] [0033]
Name: _____ Phone: _____
[0034] [0035]
Name: _____ Phone: _____
[0036] [0037]
Name: _____ Phone: _____
[0038] [0039]

Does respondent carry its own customer accounts? Yes ☐ [0040] No ☒ [0041]
Check here if respondent is filing an audited report ☒ [0042]

KENT R. BASSFORD
CERTIFIED PUBLIC ACCOUNTANT
800 Main Place
Winfield, Kansas 67156
(316) 221-6241

March 27, 2004

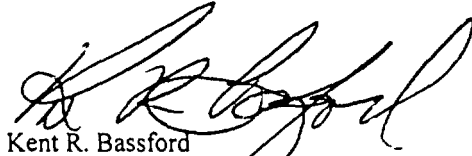
Iron Street Securities, Inc.
112 East Iron Avenue
Salina, KS 67401

I have audited the statement of financial condition of Iron Street Securities, Inc. (an "S" Corporation) as of December 31, 2003, and the related statements of income, changes in stockholders equity and cash flows for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures, as I considered necessary in the circumstances.

In my opinion, the financial statements examined by me present fairly the financial position of Iron Street Securities, Inc. at December 31, 2003, the result of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles. There are no liabilities subordinated to claims of general creditors.

Also, I have examined the supplementary schedules and in my opinion, they present fairly the information included therein in conformity with rules of the Securities and Exchange Commission.

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



Kent R. Bassford
Certified Public Accountant

ASSETS

Consolidated ☒ [0198] Unconsolidated ☐ [0199]

	Allowable	Non-Allowable	Total
	<u>66,700</u>		<u>66,700</u>
	[0200]		[0750]
1. Cash			
2. Receivables from brokers or dealers:			
A. Clearance account	<u>10,000</u>		<u>10,000</u>
	[0295]		
B. Other	<u> </u>	<u> </u>	<u> </u>
	[0300]	[0550]	[0810]
3. Receivables from non-customers	<u>58,709</u>	<u> </u>	<u>58,709</u>
	[0355]	[0600]	[0830]
4. Securities and spot commodities owned, at market value:			
A. Exempted securities	<u> </u>		
	[0418]		
B. Debt securities	<u> </u>		
	[0419]		
C. Options	<u> </u>		
	[0420]		
D. Other securities	<u> </u>		
	[0424]		
E. Spot commodities	<u> </u>		<u> </u>
	[0430]		[0850]
5. Securities and/or other investments not readily marketable:			
A. At cost	<u> </u>		
	[0130]		
B. At estimated fair value	<u> </u>	<u> </u>	<u> </u>
	[0440]	[0610]	[0860]
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:	<u> </u>	<u> </u>	<u> </u>
	[0460]	[0630]	[0880]
A. Exempted securities	<u> </u>		
	[0150]		
B. Other securities	<u> </u>		
	[0160]		
7. Secured demand notes market value of collateral:	<u> </u>	<u> </u>	<u> </u>
	[0470]	[0640]	[0890]
A. Exempted securities	<u> </u>		
	[0170]		

[0180]

8. Memberships in exchanges:

A. Owned, at market

[0190]

B. Owned, at cost

[0650]

C. Contributed for use of the company, at market value

[0660]

[0900]

9. Investment in and receivables from affiliates, subsidiaries and associated partnerships

[0480]

[0670]

[0910]

10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization

[0490]

[0680]

[0920]

11. Other assets

[0535]

[0735]

[0930]

135,409

-0-

135,409

12.

[0540]

[0740]

[0940]

TOTAL ASSETS

LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
13. Bank loans payable	<u> </u> [1045]	<u> </u> [1255]	<u> </u> [1470]
14. Payable to brokers or dealers:			
A. Clearance account	<u> </u> [1114]	<u> </u> [1315]	<u> </u> [1560]
B. Other	<u> </u> [1115]	<u> </u> [1305]	<u> </u> [1540]
	<u> 45,139 </u>		<u> 45,139 </u>
15. Payable to non-customers	<u> </u> [1155]	<u> </u> [1355]	<u> </u> [1610]
16. Securities sold not yet purchased, at market value		<u> </u> [1360]	<u> </u> [1620]
17. Accounts payable, accrued liabilities, expenses and other	<u> </u> [1205]	<u> </u> [1385]	<u> </u> [1685]
18. Notes and mortgages payable:			
A. Unsecured	<u> </u> [1210]		<u> </u> [1690]
B. Secured	<u> </u> [1211]	<u> </u> [1390]	<u> </u> [1700]
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		<u> </u> [1400]	<u> </u> [1710]
1. from outsiders			
	<u> </u> [0970]		
2. Includes equity subordination (15c3-1(d)) of			
	<u> </u> [0980]		
B. Securities borrowings, at market value:		<u> </u> [1410]	<u> </u> [1720]
from outsiders			
	<u> </u> [0990]		
C. Pursuant to secured demand note collateral agreements:		<u> </u> [1420]	<u> </u> [1730]
1. from outsiders			
	<u> </u> [1000]		
2. Includes equity subordination (15c3-1(d)) of			

[1010]

20.	D. Exchange memberships contributed for use of company, at market value		<u> </u>	<u> </u>
			[1430]	[1740]
	E. Accounts and other borrowings not qualified for net capital purposes	<u> </u>	<u> </u>	<u> </u>
		[1220]	[1440]	[1750]
		<u>45,139</u>	<u> </u>	<u>45,139</u>
	TOTAL LIABILITIES	[1230]	[1450]	[1760]

Ownership Equity

		Total
21.	Sole proprietorship	<u> </u>
		[1770]
22.	Partnership (limited partners _____)	<u> </u>
	[1020])	[1780]
23.	Corporations:	
	A. Preferred stock	<u> </u>
		[1791]
	B. Common stock	<u>25,000</u>
		[1792]
	C. Additional paid-in capital	<u>10,000</u>
		[1793]
	D. Retained earnings	<u>55,270</u>
		[1794]
	E. Total	<u> </u>
		[1795]
	F. Less capital stock in treasury	<u> </u>
		[1796]
24.	TOTAL OWNERSHIP EQUITY	<u>90,270</u>
		[1800]
25.	TOTAL LIABILITIES AND OWNERSHIP EQUITY	<u>135,409</u>
		[1810]

STATEMENT OF INCOME (LOSS)

Period Beginning 01/01/03
[3932]

Period Ending 12/31/03
[3933]

Number of months 12
[3931]

REVENUE

1. Commissions:

a. Commissions on transactions in exchange listed equity securities executed on an exchange

13,578
[3935]
7,028

b. Commissions on listed option transactions

165,292
[3938]

c. All other securities commissions

185,898
[3939]

d. Total securities commissions

[3940]

2. Gains or losses on firm securities trading accounts

a. From market making in options on a national securities exchange

[3945]

b. From all other trading

[3949]

c. Total gain (loss)

[3950]

3. Gains or losses on firm securities investment accounts

23,480
[3952]

4. Profit (loss) from underwriting and selling groups

460,961
[3955]

5. Revenue from sale of investment company shares

[3970]

6. Commodities revenue

[3990]

7. Fees for account supervision, investment advisory and administrative services

81,443
[3975]

8. Other revenue

751,782
[3995]

9. Total revenue

[4030]

EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers

18,000
[4120]
45,019

11. Other employee compensation and benefits

[4115]

12. Commissions paid to other broker-dealers

[4140]

13. Interest expense

[4075]

a. Includes interest on accounts subject to subordination agreements

[4070]

26,696

14. Regulatory fees and expenses

562,088
[4195]

15. Other expenses

651,803
[4100]

16. Total expenses

[4200]

NET INCOME

17. Net Income(loss) before Federal Income taxes and items below (Item 9 less Item 16)

99,979
[4210]

18. Provision for Federal Income taxes (for parent only)

[4220]

19. Equity in earnings (losses) of unconsolidated subsidiaries not included above

[4222]

a. After Federal income taxes of

[4238]

20. Extraordinary gains (losses)

[4224]

a. After Federal income taxes of

[4239]

21. Cumulative effect of changes in accounting principles

[4225]

22. Net income (loss) after Federal income taxes and extraordinary items

99,979

[4230]

MONTHLY INCOME

23. Income (current monthly only) before provision for Federal income taxes and extraordinary items

[4211]

STATEMENT OF CHANGES

STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1.	Balance, beginning of period		80,291	
			99,979	[4240]
	A. Net income (loss)			[4250]
	B. Additions (includes non-conforming capital of	[4262])		[4260]
	C. Deductions (includes non-conforming capital of	[4272])	90,000	[4270]
			90,270	
2.	Balance, end of period (From item 1800)			[4290]

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3.	Balance, beginning of period		0	[4300]
	A. Increases			[4310]
	B. Decreases			[4320]
			0	
4.	Balance, end of period (From item 3520)			[4330]

IRON STREET SECURITIES, INC.
STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES

Operations (Loss)	\$ 99,979
Add Items Not Requiring Cash Outlay Depreciation	-
Net (Increase) Decrease in Other Assets	73
Net (Increase) Decrease in Receivables	19,220
Net Increase (Decrease) in Accounts Payable	<u>18,426</u>
Net Cash Provided/(Used) by Operations	\$ 137,698

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	\$ -
--------------------------	------

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend Distributions	<u>(90,000)</u>
------------------------	-----------------

NET INCREASE/ (DECREASE) IN CASH	\$ 47,698
---	------------------

CASH AT BEGINNING OF YEAR	<u>19,002</u>
----------------------------------	---------------

CASH AT END OF YEAR	<u><u>\$ 66,700</u></u>
----------------------------	-------------------------

NOTE:

Total interest paid during the fiscal year ending December 31, 2001 was \$0. The corporation is an "S" Corporation and pays no income taxes.

The accompanying notes to Financial Statements are an integral part of this statement.

IRON STREET SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Iron Street Securities, Inc. have been prepared on the accrual basis of accounting. The significant accounting policies followed by the Company are presented below.

Business Activity - Iron Street Securities, Inc. was incorporated on July 30, 1997, in the state of Kansas, as a broker/dealer of securities.

Revenue from commissions and sale of investment company shares are recorded on a trade-date basis as securities transactions occur.

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

Income Taxes - The Company has elected to be taxed under the provisions of subchapter S of the Internal Revenue Code by the consent of its stockholders. Under those provisions, the Company does not pay income taxes on its taxable income. Instead, the stockholders are liable for individual income taxes on the Company's taxable income.

NOTE B - EMPLOYEE BENEFIT PLAN

The Company has a SIMPLE IRA plan covering all of its eligible employees. All employees who have attained the age of 21 and earn at least \$5,000.00 per year are eligible to participate. The Company may contribute 2% of the employees' wages in the SIMPLE IRA. Employees are immediately 100% vested in all contributions. The employee may elect additional salary deferral in the plan up to \$8,000.00 per year. The Company contributed \$1,128.70 to the plan in 2003.

IRON STREET SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 2003

NOTE C - LEASES

The Company rents its facilities, furniture and equipment from members of the stockholders' family under a month-to-month agreement. For the year ended December 31, 2003, the Company paid \$12,000.00 in rent to the related party.

The Company sublets two small offices in its facilities on a month-to-month basis. For the year ended December 31, 2003, the Company collected \$1651.20 in rents.

COMPUTATION OF NET CAPITAL

			90,270
1.	Total ownership equity from Statement of Financial Condition		[3480]
2.	Deduct ownership equity not allowable for Net Capital		
			90,270 ^[3490]
3.	Total ownership equity qualified for Net Capital		[3500]
4.	Add:		
	A. Liabilities subordinated to claims of general creditors allowable in computation of net capital		[3520]
	B. Other (deductions) or allowable credits (List)		
		[3525A]	[3525B]
		[3525C]	[3525D]
		[3525E]	[3525F]
			90,270 ^[3525]
5.	Total capital and allowable subordinated liabilities		[3530]
6.	Deductions and/or charges:		
	A. Total nonallowable assets from Statement of Financial Condition (Notes B and C)	[3540]	
	B. Secured demand note deficiency	[3590]	
	C. Commodity futures contracts and spot commodities - proprietary capital charges	[3600]	
			- 0 -
	D. Other deductions and/or charges	[3610]	[3620]
7.	Other additions and/or credits (List)		
		[3630A]	[3630B]
		[3630C]	[3630D]
		[3630E]	[3630F]
			90,270 ^[3630]
8.	Net capital before haircuts on securities positions		[3640]
9.	Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):		
	A. Contractual securities commitments	[3660]	
	B. Subordinated securities borrowings	[3670]	
	C. Trading and investment securities:		
	1. Exempted securities	[3735]	
	2. Debt securities	[3733]	
	3. Options	[3730]	
	4. Other securities	[3734]	
	D. Undue Concentration	[3650]	

E. Other (List)

[3736A]

[3736B]

[3736C]

[3736D]

[3736E]

[3736F]

[3736]

90,270 [3740]

10. Net Capital

[3750]

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)

3,009

5,000 [3756]

12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note(A)

[3758]

5,000

13. Net capital requirement (greater of line 11 or 12)

85,270 [3760]

14. Excess net capital (line 10 less 13)

85,756 [3770]

15. Excess net capital at 1000% (line 10 less 10% of line 19)

[3780]

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition

45,139

[3790]

17. Add:

A. Drafts for immediate credit

[3800]

B. Market value of securities borrowed for which no equivalent value is paid or credited

[3810]

C. Other unrecorded amounts(List)

[3820A]

[3820B]

[3820C]

[3820D]

[3820E]

[3820F]

[3820]

45,139

[383]

19. Total aggregate indebtedness

[384]

20. Percentage of aggregate indebtedness to net capital (line 19 / line 10)

% 50%

[385]

OTHER RATIOS

%

IRON STREET SECURITIES, INC.
STATEMENT OF NET CAPITAL
For The Year Ended December 31, 2003

COMPUTATION OF NET CAPITAL IS AS FOLLOWS:

Cash	\$ 66,700
Receivables from brokers or dealers: Clearance Account	10,000
Receivables from non-customers	58,709
Other Assets	<u>-</u>
Total Assets	\$ 135,409
Less: Non-Allowable Assets	<u>-</u>
Total Allowable Assets	<u>135,409</u>
Payable to non-customers	\$ 45,139
Total Liabilities	<u>\$ 45,139</u>
Net Capital	<u><u>\$ 90,270</u></u>

NOTE:

Iron Street Securities, Inc. computation of net capital per the focus report dated December 31, 2003 is also \$90,270.

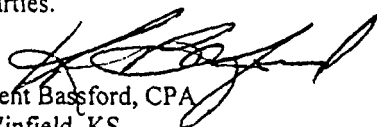
KENT R. BASSFORD
CERTIFIED PUBLIC ACCOUNTANT
800 Main Place
Winfield, KS 67156
(620)221-6241

March 27, 2004

To the Board of Directors and Stockholders
of Iron Street Securities, Inc.

In planning and performing my audit of the financial statements of Iron Street Securities, Inc. for the year ended December 31, 2003, I considered the Company's internal control in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control component does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control and its operation that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of the Board of Directors, management and regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.



Kent Bassford, CPA
Winfield, KS

XEMPTIVE PROVISIONS

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based

A. (k)

☐ [4550]

(1)—Limited business (mutual funds and/or variable annuities only)

B. (k)

☐ [4560]

(2)(i)—"Special Account for the Exclusive Benefit of customers" maintained

C. (k)

☐ [4570]

(2)(ii)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm(s)

Clearing Firm SEC#s

Name

Product Code

8- 51387

ADVANCED CLEARING

_____ [4335B]

[4335A]

[4335A2]

8- _____

_____ [4335D]

[4335C]

[4335C2]

8- _____

_____ [4335F]

[4335E]

[4335E2]

8- _____

_____ [4335H]

[4335G]

[4335G2]

8- _____

_____ [4335J]

[4335I]

[4335I2]

D. (k)

☐ [4580]

(3)—Exempted by order of the Commission