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SECUR. Washington, D.C. 20549 SSION

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

SEC FILE NUMBER
B- 40770

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 01/01/10 AND ENDING 12/31/10 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: OFG Financial Services, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) 120 SE 6th Avenue, Suite 105

(No. and Street)

Topeka KS 66603-3515 (City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT Todd M. Payne (785) 233-4071 (Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Berberich Trahan & Co., P.A.

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

3630 SW Burlingame Road Topeka KS 66611-2050 (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)

ml

OATH OR AFFIRMATION

I, Todd M. Payne, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of OFG Financial Services, Inc., as of December 31, 2010, 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:

Todd Payne

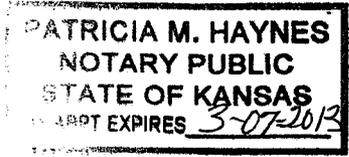
Signature

Chief Financial Officer

Title

Patricia M. Haynes

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 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).



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Board of Directors
OFG Financial Services, Inc.:

We have audited the accompanying statements of financial condition of OFG Financial Services, Inc. (the Company) as of December 31, 2010 and 2009, 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 OFG Financial Services, Inc. at December 31, 2010 and 2009 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Berberich Trahan + Co., P.A.

Topeka, Kansas
February 22, 2011

An Independently Owned Member
McGLADREY ALLIANCE



OFG FINANCIAL SERVICES, INC.
FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
Years Ended December 31, 2010 and 2009

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BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

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Berberich Trahan + Co., P.A.

Topeka, Kansas
February 22, 2011

An Independently Owned Member
McGLADREY ALLIANCE

 **McGladrey**

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OFG FINANCIAL SERVICES, INC.

STATEMENTS OF FINANCIAL CONDITION

December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash and cash equivalents:		
Cash	\$ 348,195	\$ 232,711
Money market account	907,844	405,421
	<u>1,256,039</u>	<u>638,132</u>
Receivables:		
Commissions and concessions	404,078	400,787
Advances to salesmen	5,599	3,679
Income tax refund receivable	1,343	26,589
Other	297	6,663
	<u>411,317</u>	<u>437,718</u>
Clearinghouse deposit	15,000	15,000
Certificates of deposit	-	500,000
Prepaid expenses	74,871	78,214
Premium customer list, less accumulated amortization of \$ 12,750 and \$ 9,750 in 2010 and 2009, respectively	2,250	5,250
Furniture and equipment, less accumulated depreciation of \$ 240,116 and \$ 235,757 in 2010 and 2009, respectively	9,485	13,843
	<u>101,606</u>	<u>612,307</u>
	<u>\$ 1,768,962</u>	<u>\$ 1,688,157</u>

See accompanying notes to financial statements.

	<u>2010</u>	<u>2009</u>
<u>LIABILITIES AND STOCKHOLDER'S EQUITY</u>		
Liabilities:		
Accounts payable	\$ 5,688	\$ 5,001
Accrued liabilities:		
Commissions	284,762	286,692
Bonuses	175,731	98,776
Employee benefits	<u>1,918</u>	<u>1,742</u>
Total liabilities	<u>468,099</u>	<u>392,211</u>
Stockholder's equity:		
Common stock - \$ 10 par value; authorized 2,500 shares, issued and outstanding 325 shares	3,250	3,250
Additional paid-in capital	163,750	163,750
Retained earnings	<u>1,133,863</u>	<u>1,128,946</u>
	1,300,863	1,295,946
	<u>\$ 1,768,962</u>	<u>\$ 1,688,157</u>

OFG FINANCIAL SERVICES, INC.

STATEMENTS OF INCOME

Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
Commissions and concessions	\$ 6,943,863	\$ 5,506,103
Interest	5,891	11,018
Other income	588	3,929
	<u>6,950,342</u>	<u>5,521,050</u>
Expenses:		
Employee compensation and benefits	1,465,112	1,053,432
Commissions and clearing charges	4,902,828	3,887,619
Rent	78,716	76,812
Communications	104,741	94,744
Promotional costs	146,150	153,442
Supplies	51,518	50,799
Taxes, other than income taxes	61,245	58,182
Other operating expenses	131,338	123,646
	<u>6,941,648</u>	<u>5,498,676</u>
Income before income taxes	8,694	22,374
Provision for income taxes	<u>3,777</u>	<u>6,031</u>
Net income	<u>\$ 4,917</u>	<u>\$ 16,343</u>

See accompanying notes to financial statements.

OFG FINANCIAL SERVICES, INC.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

Years Ended December 31, 2010 and 2009

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
Balance at January 1, 2009	\$ 3,250	\$ 163,750	\$ 1,112,603	\$ 1,279,603
Net income			16,343	16,343
Balance at December 31, 2009	3,250	163,750	1,128,946	1,295,946
Net income			4,917	4,917
Balance at December 31, 2010	<u>\$ 3,250</u>	<u>\$ 163,750</u>	<u>\$ 1,133,863</u>	<u>\$ 1,300,863</u>

See accompanying notes to financial statements.

OFG FINANCIAL SERVICES, INC.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Net income	\$ 4,917	\$ 16,343
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,358	27,174
Changes in assets and liabilities:		
Receivables	26,401	37,889
Prepaid expenses	3,343	12,934
Accounts payable	687	(5,437)
Accrued liabilities	75,201	2,589
Net cash provided by operating activities	<u>117,907</u>	<u>91,492</u>
Cash flows from investing activities:		
Purchase of certificates of deposit	-	(500,000)
Redemption of certificates of deposit	500,000	-
Purchase of furniture and equipment	-	(18,516)
Net cash provided by (used in) investing activities	<u>500,000</u>	<u>(518,516)</u>
Net increase (decrease) in cash and cash equivalents	617,907	(427,024)
Cash and cash equivalents, beginning of year	<u>638,132</u>	<u>1,065,156</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,256,039</u></u>	<u><u>\$ 638,132</u></u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid for income taxes	<u><u>\$ 4,560</u></u>	<u><u>\$ 22,760</u></u>
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See accompanying notes to financial statements.

OFG FINANCIAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

1 - Organization and Summary of Significant Accounting Policies

Organization

OFG Financial Services, Inc. (the Company) is a broker-dealer registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority (FINRA). The Company concentrates in the marketing of mutual funds and annuities covering an area which includes seventeen states. A substantial part of commission income is generated through one carrier.

Statements of Cash Flows

For purposes of the statement of cash flows, the Company considers all cash and investments with an original maturity of three months or less to be cash equivalents.

Certificates of Deposit

Certificates of deposit are recorded at cost since they are not affected by market rate changes.

Premium Customer List

Premium customer list is recorded at cost. Amortization is provided on the straight-line method over the estimated useful life of the customer list, which is five years.

Furniture and Equipment

Furniture and equipment are recorded at cost and consist of items with original cost greater than \$ 5,000 and a useful life of greater than one year. Depreciation is provided on the straight-line method over the estimated useful lives of assets, which are generally five years. Assets acquired under capital leases are capitalized and amortized over a period not in excess of applicable lease terms. Expenditures for major renewals and improvements are capitalized. Expenditures for maintenance and repair are charged to expense as incurred. When equipment is retired or otherwise disposed of, the related costs and accumulated depreciation or amortization are removed from the accounts, and any gain or loss is reflected in income.

Commissions and Concessions Revenue

Commissions and concessions are recorded as revenue once the carrier or mutual fund company confirms that payment has been received and the commission or concession earned.

OFG FINANCIAL SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

1 - Organization and Summary of Significant Accounting Policies (Continued)

Promotional Costs

Promotional costs including advertising are expensed as incurred.

Income Tax Matters

On January 1, 2009, the Company adopted the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Company may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. As of December 31, 2010, there were no uncertain tax benefits identified and recorded as a liability.

The Company files income tax returns in the U.S. federal jurisdiction, Kansas and various other state jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal or state and local income tax examinations by tax authorities for years before 2007.

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent 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.

OFG FINANCIAL SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - Deposits

The Company routinely invests its surplus operating funds in money market funds. These funds generally invest in highly liquid U.S. government and agency obligations and various investment grade corporate obligations. Certain investments in money market funds are not insured or guaranteed by the U.S. government or by the underlying corporation; however, management believes that credit risk related to these investments is minimal.

At December 31, 2010, the bank balance of the Company's deposits was \$ 1,037,010. Of this, \$ 1,035,358 was covered by FDIC insurance and \$ 1,652 was uninsured.

3 - Premium Customer List

The Company purchased a premium customer list in 2006 for \$ 15,000. Amortization expense for the years ended December 31, 2010 and 2009 was \$ 3,000 each year. Amortization expense is \$ 2,250 for next year.

4 - Leases

The Company has a residential property lease for the purpose of providing a Topeka residence for the President of the Company. Annual lease payments for 2010 and 2009 were \$ 12,000. The lease can be terminated by either party upon 30 days notice.

The Company has a 60-month lease agreement for office space which is scheduled to terminate June 30, 2012. Annual lease expense for 2010 and 2009 was \$ 70,880 and \$ 69,603, respectively.

Minimum future lease payments are as follows:

2011	\$ 70,932
2012	35,466

OFG FINANCIAL SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

5 - Pension Plan

The Company has a 401(k) plan. Full-time employees must complete one year of service and be at least 21 years of age in order to participate in the plan. Employees can contribute up to 10% of their salary subject to Internal Revenue Service limitations. The Company provided a discretionary contribution of 10% in 2009. From January 1, 2010 to September 30, 2010 the Company provided a discretionary contribution of 10%. Starting October 1, 2010, the discretionary contribution was increased to 12%. Both employee and employer contributions are 100% vested upon payment into the plan. For the years ended December 31, 2010 and 2009, the Company contributed \$ 105,493 and \$ 95,745, respectively, into the plan. These contributions are included in employee compensation and benefits on the statements of income.

6 - Income Taxes

The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate to pretax income for the years ended December 31, 2010 and 2009, due to the following:

	2010	2009
Computed "expected" tax expense	\$ 1,304	\$ 3,356
Increase (decrease) in income taxes resulting from:		
Book depreciation greater than income tax depreciation	169	186
Book amortization greater than income tax amortization	300	300
Nondeductible expenses	1,515	1,264
State income taxes, net of federal tax benefit	489	925
	\$ 3,777	\$ 6,031

7 - Related Party Transactions

For 2010 and 2009, the Company received \$ 1,500 per month from an affiliated corporation for use of office facilities and other administrative costs. These receipts are netted against certain operating expenses, including rent, communications, and promotional costs.

OFG FINANCIAL SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

8 - Net Capital

Pursuant to the net capital provisions of rule 15c3-1 of the Securities and Exchange Commission, the Company is required to maintain a minimum net capital as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. Net capital requirements, aggregate indebtedness, and net capital ratio as of December 31, 2010 were:

Net capital	\$ 1,189,201
Net capital requirements	100,000
Aggregate indebtedness	468,099
Aggregate indebtedness to net capital ratio	.39 to 1

9 - Subsequent Events

Subsequent events have been evaluated by management of the Company through the date of the independent auditors' report, which is the date the financial statements were available to be issued.

SUPPLEMENTARY SCHEDULES

OFG FINANCIAL SERVICES, INC.
CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS

December 31, 2010

No such liabilities exist at December 31, 2010.

See independent auditors' report.

OFG FINANCIAL SERVICES, INC.

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION

December 31, 2010

Aggregate indebtedness - total liabilities	\$ 468,099
Net capital:	
Credit items:	
Common stock	\$ 3,250
Additional paid-in capital	163,750
Retained earnings	1,133,863
	<u>1,300,863</u>
Debit items:	
Nonallowable assets:	
Advances to salesmen	5,599
Other receivables	1,640
Premium customer list, net	2,250
Furniture and equipment, net	9,485
Prepaid expenses	74,871
Haircut on money market account	17,817
	<u>111,662</u>
Net capital	1,189,201
Capital requirements	<u>100,000</u>
Capital in excess of requirements	<u>\$ 1,089,201</u>

Ratio of aggregate indebtedness to net capital is .39 to 1.

See independent auditors' report.

OFG FINANCIAL SERVICES, INC.

INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

December 31, 2010

The Company is operating under the exemptive provisions of the Securities and Exchange Commission Rule 15c3-3 since they do not carry securities accounts for customers or perform custodial functions relating to customer securities.

See independent auditors' report.

OFG FINANCIAL SERVICES, INC.

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER
RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

December 31, 2010

The Company is operating under the exemptive provisions of the Securities and Exchange Commission Rule 15c3-3 since they do not carry securities accounts for customers or perform custodial functions relating to customer securities.

See independent auditors' report.

OFG FINANCIAL SERVICES, INC.

RECONCILIATIONS

December 31, 2010

COMPUTATION OF NET CAPITAL

Net capital shown in FOCUS II report for December 31, 2010, as previously filed	\$ 1,189,201
Reconciling item: None	<u> -</u>
Net capital as shown on this report	<u>\$ 1,189,201</u>

RESERVE REQUIREMENTS

Not applicable.

See independent auditors' report.



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON
PROCEDURES RELATED TO AN ENTITY'S SIPC
ASSESSMENT RECONCILIATION**

To the Board of Directors of
OFG Financial Services, Inc.
Topeka, Kansas

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 Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2010, which were agreed to by OFG Financial Services, Inc. (the Company), the Securities and Exchange Commission, the Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and these other specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company'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. 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 we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records and canceled checks noting no differences.
2. Compared the amounts reported on the audited Form X-17A-5 Part III for the year ended December 31, 2010, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2010 noting no differences.
3. Compared any adjustments reported in Form SIPC-7 with the SIPC Net Operating Revenues Calculation noting no adjustments.
4. Proved the mathematical accuracy of the calculations reflected in Form SIPC-7 and in the SIPC Net Operating Revenues Calculation supporting the adjustments noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of 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 to you.

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.

Berberich Trahan + Co., P.A.

Topeka, Kansas
February 22, 2011

An Independently Owned Member
McGLADREY ALLIANCE

 **McGladrey**

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION

P.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300

General Assessment Reconciliation

SIPC-7

(33-REV 7/10)

For the fiscal year ended Dec. 31, 20 10

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

040770 FINRA DEC
OFG FINANCIAL SERVICES INC 18*18
TOWNSITE PLAZA #2 STE 105
120 SE 6TH AVE
TOPEKA KS 66603-3519

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

Todd Payne, CCO, CFO, (785) 233-4071

2. A. General Assessment (item 2e from page 2)

\$ 156

B. Less payment made with SIPC-6 filed (exclude interest)

(150)

7-28-2010

Date Paid

C. Less prior overpayment applied

(_____)

D. Assessment balance due or (overpayment)

6

E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum

F. Total assessment balance and interest due (or overpayment carried forward)

\$ 6

G. PAID WITH THIS FORM:

Check enclosed, payable to SIPC
Total (must be same as F above)

\$ 6

H. Overpayment carried forward

\$(_____)

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

OFG Financial Services, Inc.

(Name of Corporation, Partnership or other organization)

Todd Payne

(Authorized Signature)

(Todd Payne)

Dated the 14th day of January, 20 11

CCO, CFO

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: Postmarked Received Reviewed

Calculations _____ Documentation _____

Forward Copy _____

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT**

Amounts for the fiscal period
beginning Jan. 1, 2010
and ending Dec. 31, 2010
Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 6,950,341

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.
(See Instruction C):

6,881,493

6,479

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ _____

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ _____

Enter the greater of line (i) or (ii)

Total deductions

\$ 62,369
\$ 156

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0025

(to page 1, line 2.A.)

OFG FINANCIAL SERVICES, INC.
COMPARATIVE TRIAL BALANCE
FOR ACCOUNTING PERIOD 12 ENDED 12/31/10

ACCOUNT MAJOR SUB	DESCRIPTION	ACCOUNTING PERIOD ACTIVITY THIS YEAR	LAST YEAR	THIS YEAR	YEAR-TO-DATE BALANCE LAST YEAR
1010.000	BANK IV#21431 (K) (2) (I)	.00	.00	175.00	175.00
1011.000	BANK IV#168203	401,968.44CR	61,919.05CR	344,049.39	228,522.64
1012.000	BANK IV COMM. ACCT.	1,462.43	1,765.07CR	3,054.79	4,013.08
1013.000	COREFIRST CD	22.74	.00	251,611.28	250,000.00
1014.000	INTRUST CD	40.69	.00	250,040.69	250,000.00
1015.000	SECURITY CASH FUND	2.04	1.31	254,533.86	150,901.19
1017.000	US BANK SAVINGS ACCT	64.38	64.06	151,657.52	15,000.00
1081.000	SECURITY DEPOSITS RPR	.00	.00	15,000.00	1,251.00
1081.000	SECURITY DEPOSITS RPR	.00	.00	1,251.00	695.00
1222.000	INTEREST REC. - COREFIRST	1,099.00CR	302.00	290,000.00	110,000.00
1223.000	INTEREST REC. - INTRUST	140,000.00	150,000.00	110,000.00	290,000.00
1240.000	EST-A/R-CONCESS/V.A.	20,000.00CR	30,000.00CR	4,078.34	4,786.71
1241.000	EST-A/R-CONCESS/COMM.MF	3,681.65	6,982.53CR	5,296.83	4,716.88
1242.000	A/R-COMM RPR CLEARING	1,296.83	1,657.11	5,598.81	3,678.98
1250.000	CLEARING ACCOUNT	95.36CR	4,960.42CR	15,000.00	15,000.00
1262.000	ADVANCES-COMMISSIONS	3,144.61CR	17,550.39CR	12,750.00CR	9,750.00CR
1280.000	ACCT.REC./KO	.00	.00	249,600.55	235,757.16CR
1285.000	PREMIUM LIST/CUSTOMER	.00	250.00CR	47,391.00	49,932.00
1286.000	ACCUM.AMORT.PREM.LIST	.00	1.04	26,520.00	26,762.00
1310.000	FURNITURE & LEASEHOLD	.00	940.27	1,037.76CR	28,109.00
1320.000	ACCUMULATED AMORT & DEPR	.00	4,346.00CR	1,189.15CR	5,502.95CR
1340.000	PREPAID INSURANCE	4,316.00CR	4,346.00CR	3,724.56CR	1,189.15CR
1341.000	INSURANCE TO BE REIMB	.00	.00	203,000.00CR	203,000.00CR
1342.000	PREPAID EXPENSES	26,520.00	26,762.00	77,000.00CR	77,000.00CR
1350.000	PREPAID TAXES	.00	.00	175,731.00CR	98,776.00CR
2050.000	COMMISSIONS PAYABLE	554.46	3,109.00	26,520.00	26,762.00
2062.000	COMMISSIONS PAYABLE-RPR	3,133.78CR	4,535.13	1,037.76CR	5,502.95CR
2066.000	VA COMMISSIONS-EST	98,000.00CR	105,000.00CR	3,724.56CR	1,189.15CR
2067.000	MF-COMMISSION EST	14,000.00	21,000.00	203,000.00CR	203,000.00CR
2072.000	BONUS PAYABLE	348,269.00	31,745.25	77,000.00CR	77,000.00CR
2090.000	FICA PAYABLE	.16	.12CR	175,731.00CR	98,776.00CR
2092.000	FIT PAYABLE	.00	.00	.00	.00
2094.001	KANS.INCOME TAX PAYABLE	.10	.00	.00	.00
2096.001	SUTA/KANSAS	.01	.12	.00	.00
2097.001	FUTA/KANSAS	.10	.13	.00	.00
2098.001	SEC. 125/SECURITY BENEFIT	35.77	8.10	1,611.24CR	1,611.24CR
2098.002	SEC. 125/AMERICAN HERITAGE	.00	.00	306.67CR	130.35CR
2098.003	OFG 401(K) PLAN	.00	.00	.00	.00
2098	TOTALS FOR MAJOR ACCOUNT	35.77 *	8.10 *	1,917.91CR *	1,741.59CR *
2100.000	ACCOUNTS PAYABLE	5,688.00CR	5,001.00CR	5,688.00CR	5,001.00CR
3010.000	COMMON STOCK	.00	.00	3,250.00CR	3,250.00CR
3015.000	PAID-IN CAPITAL	.00	.00	163,750.00CR	163,750.00CR
3020.000	UNDIVIDED PROFITS	.00	.00	1,128,946.00CR	1,112,603.00CR
3040.000	YTD NET INCOME	2,494.83 *	3,581.76CR *	2,613.16CR *	2,613.16CR *
4012.000	COMMISSIONS-OTC AGENCY	2,678.01CR	1,645.00CR	21,938.03CR	16,343.00CR *
4014.000	COMMISSIONS-OTC PRIN BNDS	.00	.00	1,850.00CR	28,193.23CR
4016.000	COMM. -PRIN DEBT TRANS	.00	.00	1,844.29CR	1,844.29CR
4018.000	COMMISSIONS-MONEY MGMT	.00	.00	.00	.00
4048.000	ADVISORY SERVICES	.00	.00	.00	.00
4049.000	COMMISSIONS-HEALTH PLANS	6,037.87CR	6,853.32CR	68,591.00CR (3)	4,874.03CR
4050.000	COMMISSIONS-M.F. RPR	2,364.43CR	5,133.40CR	19,981.91CR (1)	5,625.94CR
4051.000	COMMISSIONS-ANNUITIES	382,246.39CR	345,155.18CR	4,375.377 (2)	88,193.13CR
4052.000	COMMISSIONS-MUTUAL FUNDS	226,826.32CR	211,766.54CR	2,328,775.47CR (4)	14,438.99CR
4054.000	COMMS/TIMING-MGM. FEES	823.01CR	766.54CR	38,227.68CR	3,351,213.09CR

Total Revenues = 6,950,341

MF's, 529's = 2,392,326

VA's = 4,375,377

Ins. = 113,790

Other, not revenues = 529 = 6,479 → Line 8 Deduct

Line 1 Deducts = 6,881,493

2,392,326 } → Line 1 Deducts = 6,881,493

Line 8 Deduct

OFG FINANCIAL SERVICES, INC.
COMPARATIVE TRIAL BALANCE
FOR ACCOUNTING PERIOD 12 ENDED 12/31/10

ACCOUNT MAJOR SUB	DESCRIPTION	ACCOUNTING PERIOD ACTIVITY		YEAR-TO-DATE BALANCE	
		THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
4056.000	CONCESSIONS/FIX. ANNUITY	2,517.61CR	2,517.61CR	45,198.73CR	19,322.01CR
4057.000	COMMISSIONS-MUNI BONDS	1,459.54CR	1,459.54CR	43,568.12CR	19,784.84CR
4080.000	INTEREST-OTHER	4.70CR	4.92CR	40.20CR	826.96CR
4081.000	INTEREST COREFIRST	22.74CR	94.00CR	2,115.50CR	4,509.64CR
4082.000	INTEREST INTRUST	166.45CR	302.00CR	2,978.64CR	4,779.93CR
4083.000	INTEREST US BANK	64.48CR	64.06CR	756.33CR	3,901.19CR
4090.000	MISCELLANEOUS	.00	.00	588.12CR	3,929.00CR
5008.000	ADVISORY SERVICES	.00	.00	281.25	3,309.38
5009.000	COMM EXPENSE-HEALTH PLANS	4,226.51	4,371.46	46,662.09	57,104.89
5010.000	COMMISSIONS-MUTUAL FUNDS	160,977.61	152,750.44	1,660,045.53	1,394,333.02
5011.000	COMMISSION EXP-ANNUITIES	273,291.42	245,205.91	3,127,484.75	2,388,026.02
5012.000	COMM EXPENSE-LONG TERM C	.00	.00	.00	533.89CR
5013.000	COMM. EXP.-M.F. RPR	1,354.47	3,568.26CR	1,421.39	87.02
5017.000	COMM. EXP/TIMING-MGM FEES	617.28	574.91	26,867.43	8,689.18
5019.000	MANAGED ACCOUNT FEES	.00	.00	15,141.74	5,651.94
5020.000	COMM EXPENSE-MUNI BONDS	712.50	.00	.00	4,630.33
5026.000	COMMISSIONS-MONEY MGMT	.00	.00	8,847.38	14,004.76
5027.000	COMMISSIONS-STOCK	1,285.97	884.45	13,263.00	12,991.77
5029.000	CLEARING FEES	1,234.00	821.00	443.30	.00
5030.000	EXECUTION FEES	.00	.00	2,370.82	2,325.47
5032.000	MISC RPR FEES	642.19	234.30	463,140.00	436,458.26
5110.000	SALARIES-CLERICAL & ADMIN	39,900.00	36,828.26	188,070.00	205,520.26
5120.000	SALARIES-OFFICERS	15,800.00	10,460.00	57,416.20	51,741.64
5130.000	PAYROLL TAXES-FICA	10,821.17	8,824.85	2,486.51	1,425.05
5132.000	PAYROLL TAXES-UNEMPL	.00	2.40	2,045.00	2,240.00
5140.000	INSURANCE-WORKMENS COMP	10,571.62	9,025.82	119,322.47	104,312.90
5142.000	INSURANCE-MEDICAL	467.68	462.68	5,011.04	5,431.24
5144.000	INSURANCE-GROUP LIFE	.00	.00	.00	483.00
5148.000	OTHER FRINGE COSTS	.00	.00	105,492.61	95,745.24
5149.000	OFG EMPLOYER 401(K)	23,671.43	18,869.32	37,047.44	38,936.83
5210.000	COMMUNICATIONS-TELE/E-MAL	4,478.31	3,405.95	39,174.81	5,838.94
5212.000	COMMUNICATIONS-QUOTRON	8,033.35	2,494.50	18,931.20	42,894.71
5214.000	COMMUNIC.-USPS/UPS/DRAFTS	1,232.59	5,439.73	.00	327.72
5216.000	COMMUN-PRINTING SALES	.00	.00	533.83	6,744.62
5218.000	COMMUN-PRINTING OFFICE	5,338.68	595.34	77,588.30	76,130.75
5310.000	OCCUPANCY-RENT	5,559.00	538.00	1,128.26	6,680.56
5312.000	OCCUPANCY-EQUIPMENT RENT	1,128.26	372.43	2,675.57	6,212.77
5314.000	OCCUPANCY-EQUIPMENT SERV	.00	.00	15,912.96	12,280.55
5316.000	OCCUPANCY-LEASE HOUSE/TOP	5,471.49	328.08	4,358.61	24,174.06
5318.000	PROMOTION-ADVERTISING	209.90	89.95	3,746.35	3,992.40
5410.000	PROMOTION-ENTERTAINMENT	1,293.60	1,818.52	13,588.06	16,635.98
5412.000	PROMOTION-TRAVEL	1,692.76	3,456.17	34,300.76	37,648.23
5414.000	LEASE/LODGING EXPENSE	1,000.00	1,000.00	12,200.00	12,000.00
5422.000	PROMO-OTHER AUTO OPER	10,842.08	3,747.47	40,648.93	30,576.98
5426.000	PROMO-MEETINGS & SEMINARS	347.05	152.93	38,320.91	48,943.93
5428.000	PROMOTION-FEES	.00	.00	3,345.00	645.00
5430.000	PROMO.PREM.LIST.CUST.	.00	250.00	3,000.00	3,000.00
5510.000	TRADING ERRORS	90.57	.00	250.01	250.00
5512.000	DATA PROCESSING-SERVICE	1,336.22	1,344.05	8,436.71	8,668.05
5612.000	REGULATORY-BROKER FEES	.00	.00	37,123.17	15,415.62
5614.000	REGULATORY-SALES FEES LIC	133.76	75.95	4,127.71	2,596.45
5616.000	REGULATORY-OTHER	362.25	35.00	8,688.27	10,894.36
5916.000	ACCOUNTING FEES-OTHER	.00	.00	11,945.00	11,675.00

OFG FINANCIAL SERVICES, INC.
COMPARATIVE TRIAL BALANCE
FOR ACCOUNTING PERIOD 12 ENDED 12/31/10

ACCOUNT MAJOR SUB	DESCRIPTION	ACCOUNTING PERIOD ACTIVITY		YEAR-TO-DATE BALANCE	
		THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
5930.000	CONTRIBUTIONS	366.16	.00	5,276.16	2,521.00
5940.000	DUES	829.00	.00	3,186.18	1,941.00
5960.000	INSURANCE-OTHER	476.00CR	570.50CR	6,648.50	4,435.00
5970.000	MISCELLANEOUS	1,659.76	1,997.42	8,908.41	14,162.92
5980.000	SUBSCRIPTIONS-SALES	1,162.28	153.00	8,662.17	4,231.76
5982.000	SUBSCRIPTIONS-OTHER	.00	.00	5,138.03	4,188.62
5990.000	SUPPLIES-SALES	.00	2,873.87	7,334.82	12,282.53
5992.000	SUPPLIES-OFFICE	4,631.26	5,036.74	44,182.61	38,516.32
5998.000	TAXES-OTHER	1,341.52	5,015.45	1,341.52	5,015.45
6000.000	PROVISION FOR TAXES	1,520.00	3,110.04CR	6,080.00	6,029.96
6100.000	PROVISION FOR BONUS	25,731.00	45,241.75	582,031.00	203,241.75
	TOTALS FOR ALL ACCOUNTS				

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DFG FINANCIAL SERVICES, INC. 8-91

TOWNSHIP PLAZA FL 32 92
180 SE 8TH AVE, STE 100 PH. 703-628-4071
TOPEKA, KS 66608-3813

Bank of America.

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BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED
BY SEC RULE 17a-5 FOR A BROKER-DEALER CLAIMING
AN EXEMPTION FROM SEC RULE 15c3-3**

The Board of Directors
OFG Financial Services, Inc.:

In planning and performing our audit of the financial statements and supplementary schedules of OFG Financial Services, Inc. (the Company) as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, the recordation of differences required by rule 17a-13 or in complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

BERBERICH TRAHAN & CO., P.A. 3630 SW Burlingame Rd., Topeka, KS 66611-2050
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An Independently Owned Member
McGLADREY ALLIANCE



Because of inherent limitations in any internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2010 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the Securities and Exchange Commission, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Berlebach Inahan + Co., P.A.

February 22, 2011
Topeka, Kansas