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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	August 31, 2020
Estimated average burden hours per response.....	12.00

SEC
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AUG 24 2018

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

SEC FILE NUMBER
8-45219

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 07/01/17 AND ENDING 06/30/18
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Black Oak Securities, Inc.**

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

707 Carroll Street - Suite C

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

Pawnee

IL

62558

(City)

(State)

(Zip Code)

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

Eric R Stark 217-498-7876

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Kerber Eck & Braeckel LLP

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

3200 Robbins Road Suite 200A Springfield

IL

62704

(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, Eric R Stark, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Black Oak Securities, Inc. of June 30, 2018, 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:



Eric R. Stark
Signature

President
Title

Sally E Zimmerman
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).

BLACK OAK SECURITIES, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2018

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Report of Independent Registered Public Accounting Firm

To the Board of Directors
Black Oak Securities, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Black Oak Securities, Inc. (an Illinois corporation) as of June 30, 2018, and the related statements of operations, changes in stockholders' equity, and cash flows for the year then ended, and the related notes and Schedule 1 - Net Capital Computation (collectively referred to as the financial statements). In our opinion, the financial statements, present fairly, in all material respects, the financial position of Black Oak Securities, Inc. as of June 30, 2018 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis of Opinion

These financial statements are the responsibility of Black Oak Securities, Inc.'s management. Our responsibility is to express an opinion on Black Oak Securities, Inc.'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 Black Oak Securities, Inc. 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.

Supplementary Information

Schedule 1 - Net Capital Computation has been subjected to audit procedures performed in conjunction with the audit of Black Oak Securities, Inc.'s financial statements. The supplementary information is the responsibility of Black Oak Securities, Inc.'s management. Our audit procedures included determining whether the supplementary 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 supplementary information. In forming our opinion on the supplemental information, we evaluated whether the supplementary information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, Schedule 1 - Net Capital Computation is fairly stated, in all material respects, in relation to the financial statements as a whole.

Kulter, Est. + Brueckel LLP

We have served as Black Oak Securities, Inc.'s auditors since 2009.

Springfield, Illinois
August 13, 2018

Black Oak Securities, Inc.

STATEMENT OF FINANCIAL CONDITION

June 30, 2018

ASSETS

Cash and cash equivalents	\$ 231,062
Commissions receivable	21,487
Prepaid expenses	<u>2,846</u>
Total assets	<u><u>\$ 255,395</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Commissions payable	<u>\$ 13,256</u>
Total liabilities	13,256
Common stock, \$ 1 par value, 1,000 shares authorized, 610 shares issued and outstanding	610
Additional paid-in capital	5,390
Retained earnings	<u>236,139</u>
Total stockholders' equity	<u>242,139</u>
Total liabilities and stockholders' equity	<u><u>\$ 255,395</u></u>

The accompanying notes are an integral part of this statement.

Black Oak Securities, Inc.

STATEMENT OF OPERATIONS

For the year ended June 30, 2018

Revenue	
Securities commissions	\$ 305,206
Investment income	<u>178</u>
Total revenues	305,384
Expenses	
Administration fees	115,200
Commissions	142,007
Other operating expenses	<u>7,970</u>
Total expenses	<u>265,177</u>
Income before income taxes	40,207
Income tax expense	<u>11,622</u>
Net income	<u><u>\$ 28,585</u></u>

The accompanying notes are an integral part of this statement.

Black Oak Securities, Inc.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

For the year ended June 30, 2018

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Total Stockholders' Equity</u>
Balance at July 1, 2017	\$ 610	\$ 5,390	\$ 207,554	\$ 213,554
Net income	<u>-</u>	<u>-</u>	<u>28,585</u>	<u>28,585</u>
Balance at June 30, 2018	<u>\$ 610</u>	<u>\$ 5,390</u>	<u>\$ 236,139</u>	<u>\$ 242,139</u>

The accompanying notes are an integral part of this statement.

Black Oak Securities, Inc.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2018

Cash flows from operating activities	
Net income	\$ 28,585
Adjustments to reconcile net income to net cash provided by operating activities	
Increase in commissions receivable	(14,699)
Decrease in prepaid expenses	550
Increase in commissions payable	9,129
	<hr/>
Net cash provided by operating activities	23,565
	<hr/>
Net increase in cash	23,565
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Cash and cash equivalents at beginning of year	207,497
	<hr/>
Cash and cash equivalents at end of year	\$ 231,062
	<hr/> <hr/>
Cash paid for income taxes	\$ 11,622
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

Black Oak Securities, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF ACCOUNTING POLICIES

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. *Nature of Operations*

Black Oak Securities, Inc. (Company) began operations September 28, 1992, as a broker-dealer in securities. The Company provides customers with investment assistance through access to various mutual funds and insurance companies. The Company does not receive directly or indirectly, or hold funds or securities for, or owe funds or securities to, customers and does not carry any accounts of, or for customers. The Company is exempt from provisions of Rule 15c3-3 of the Securities and Exchange Commission on the basis that it carries no margin accounts and does not otherwise hold funds or securities for customers.

2. *Cash & Cash Equivalents*

For purposes of the statement of cash flows, the Company considers cash on hand, deposits with banks and certificates of deposits to be cash.

3. *Commissions*

Securities commissions and related commissions to agents are recorded on a trade-date basis as securities transactions occur. Mutual fund trailing commissions are recorded in the period the mutual fund has determined a customer's ending investment balance.

4. *Income Taxes*

As of June 30, 2018, the Company has recognized in the financial statements the effects of all tax positions and continually evaluates expiring statutes of limitations, audits, changes in tax law, and new authoritative rulings. The Company is not aware of any circumstances or events that make it reasonably possible that unrecognized tax benefits may increase or decrease within 12 months of the statement of financial condition date. Penalties and interest assessed by taxing authorities are included in the provision for income taxes, if applicable.

Black Oak Securities, Inc.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2018

NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued

5. *Subsequent Events*

Management has evaluated subsequent events for recognition and disclosure in the financial statements through August 13, 2018, which is the date the financial statements were available to be issued. Through August 13, 2018, no subsequent events required recognition or disclosure in the financial statements.

6. *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 amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

NOTE B – INCOME TAXES

The Company is taxed as a corporation. The components of the income tax provision for the year ended June 30, 2018, are as follows:

Current	
Federal	\$ 5,000
State	<u>\$ 6,622</u>
	<u>\$ 11,622</u>

Black Oak Securities, Inc.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2018

NOTE C – NET CAPITAL REQUIREMENT

As a broker-dealer, the Company is subject to the net capital requirements of the Securities and Exchange Commission. Those requirements prohibit a broker-dealer from engaging in any securities transaction at a time when:

- a. Its aggregate indebtedness exceeds 15 times its net capital as those defined in Rule 15c3-1, or
- b. Its net capital is less than the minimum required.

At June 30, 2018, the Company's net capital and required net capital were \$239,293 and \$5,000, respectively, and its ratio of aggregate indebtedness to net capital was 0.06:1.

NOTE D – RELATED-PARTY TRANSACTIONS

The Company is related to Administrative Services, Inc. through common ownership and management. The financial activities of Administrative Services, Inc. are not included in the accompanying financial statements. Administrative Services, Inc. pays all common administrative expenses of the Company. Common administrative expenses are set forth in a signed agreement between Administrative Services, Inc. and the Company. The Company makes payments to Administrative Services, Inc. throughout the year for its share of these expenses. Expenses to Administrative Services, Inc. totaled \$115,200 for the year ended June 30, 2018.

SUPPLEMENTARY INFORMATION

Black Oak Securities, Inc.

SCHEDULE 1 - NET CAPITAL COMPUTATION

June 30, 2018

Total assets	\$ 255,395
Total liabilities	<u>13,256</u>
Ownership equity	242,139
Less: Non-liquid assets	2,846
Haircut on securities	<u>-</u>
Adjusted net capital	<u>\$ 239,293</u>
Computation of aggregate indebtedness	
Other liabilities	<u>\$ 13,256</u>
Aggregate indebtedness	<u>\$ 13,256</u>
Computation of net capital requirement	
A - Net capital requirement	\$ 884
(6-2/3% of aggregate indebtedness)	
B - Minimum net capital requirement	\$ 5,000
Net capital requirement (greater of A or B)	<u>\$ 5,000</u>
Excess net capital	<u>\$ 234,293</u>
Net capital less greater of 10% of aggregate indebtedness or 120% of minimum net capital requirement	<u>\$ 233,293</u>
Ratio of aggregate indebtedness to net capital	<u>0.06:1</u>

There are no significant differences between the computation above and the computation filed with the June 30, 2018 Focus IIA.

BLACK OAK SECURITIES, INC.
EXEMPTION REPORT AND
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

June 30, 2018



Kerber, Eck & Braeckel LLP



Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants

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www.kebcpa.com

Report of Independent Registered Public Accounting Firm

To the Board of Directors
Black Oak Securities, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Black Oak Securities, Inc. identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Black Oak Securities, Inc. claimed an exemption from 17 C.F.R. § 240.15c3-3: (1) (the "exemption provisions") and (2) Black Oak Securities, Inc. stated that Black Oak Securities, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Black Oak Securities, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Black Oak Securities, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(1) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Kerber, Eck & Braeckel LLP

Springfield, Illinois
August 13, 2018

**Exemption Report
(Notice Pursuant to Rule 15c3-3)**

Broker or Dealer

Name: Black Oak Securities, Inc.
Address: 205 S. Walnut, P.O. Box 590
Rochester, IL 62563
Telephone: 217-498-7876
SEC Registration Number: 8-45219
FINRA Registration Number: 30889

The Customer Protection Rule outlines three types of exemptions, all limiting the degree of interaction that a broker-dealer may have with customer assets.

Although the exemptions may allow a broker-dealer to receive customer monies and securities, they all require the broker-dealer to promptly transmit such monies and securities that it may receive to third parties such as clearing broker-dealers.

1. Black Oak Securities, Inc. is exempt from 15c3-3 because it meets the conditions set forth in paragraph (k) of Rule 15c3-3. The applicable exemption being used is:

(k)(1) Exemption - Provided to broker-dealers that limit their activities (both principal and agent) to transactions in certain redeemable securities of registered investment companies (mutual funds) or insurance products. Under this exemption, the broker-dealer may briefly handle customer funds and/or securities, but must promptly transmit such funds and securities received in connection with its broker or dealer activities. Additionally, it can not hold funds or securities for, or owe money or securities to, customers.

2. Black Oak Securities, Inc. has met the exemption under 15c3-3(k)(1) throughout the most recent fiscal year without exception.

3. There have been no exceptions, therefore, there are none to identify.

I, the undersigned, hereby attest that all statements are current, correct and accurate to the best of my knowledge.

Signature: _____

Date: _____

Eric R. Stark

7/2/18

Name: Eric R. Stark

Title: President

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