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

SEC FILE NUMBER
8-50094

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 07/01/2018 AND ENDING 06/30/2019  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Financial Security Management, Inc**

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

**575 Lynnhaven Pkwy, Ste 310**

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)		
<b>Virginia Beach</b>	<b>VA</b>	<b>23452</b>
(City)	(State)	(Zip Code)

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

Amy C Austin 757-431-1414

(Area Code – Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**PB Mares, LLP**

(Name – if individual, state last, first, middle name)			
<b>150 Boush St, Ste 400</b>	<b>Norfolk</b>	<b>VA</b>	<b>23510</b>
(Address)	(City)	(State)	(Zip Code)

CHECK ONE:

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

Securities and Exchange Commission  
Trading and Markets

AUG 30 2019

<b>FOR OFFICIAL USE ONLY</b>
<b>RECEIVED</b>

\*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, Reginald C Corinaldi, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Financial Security Management, Inc, as of June 30, 2019, 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:

ANGELICA LYNNE SOFIA-RITA OLIVIER  
NOTARY PUBLIC  
COMMONWEALTH OF VIRGINIA  
COMMISSION NUMBER 7164167

my commission expires 01/31/2020

  
Signature

Title

Angelica A. O.  
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).



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors  
Financial Security Management, Inc.  
Virginia Beach, Virginia

We have reviewed management's statements, included in the accompanying Management's Exemption Report, in which (a) Financial Security Management, Inc. (the Company) identified the following provisions of 17 C.F.R. § 240.15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3(k)(1) (the "exemption provisions") and Financial Security Management, Inc. stated that the Company met the identified exemption provisions throughout the most recent fiscal year ending June 30, 2019 without exception. The Company'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 Financial Security Management, 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 17 C.F.R. § 240 15c3-3.

*PBMares, LLP*

Fredericksburg, Virginia  
August 29, 2019

**FINANCIAL SECURITY MANAGEMENT, INC.**

**Statement of Financial Condition**

**June 30, 2019**

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**ASSETS**

Cash and cash equivalents	\$	114,805
Investments, at fair value		327,441
Commissions receivable		44,191
Prepaid expenses		23,443
Property and equipment, net		<u>3,113</u>
Total assets	\$	<u>512,993</u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**LIABILITIES**

Commissions payable	\$	31,385
Deferred tax liability, net		<u>17,645</u>
Total liabilities		<u>49,030</u>

**STOCKHOLDERS' EQUITY**

Common stock - \$10 par value, 5,000 shares authorized, 1,500 shares issued and outstanding		15,000
Additional paid-in capital		168,167
Retained earnings		<u>280,796</u>
Total stockholders' equity		<u>463,963</u>
Total liabilities and stockholders' equity	\$	<u>512,993</u>

See accompanying notes.