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OMB APPROVAL
OMB Number: 3235-0123
Expires: Oct. 31, 2023
Estimated average burden hours per response: 12

SEC FILE NUMBER
8-40088

**ANNUAL REPORTS  
FORM X-17A-5  
PART III**

**FACING PAGE**

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/2022 AND ENDING 12/31/2022  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF FIRM: Penrod Financial Services, Inc. DBA Penrod Financial Group

TYPE OF REGISTRANT (check all applicable boxes):

- Broker-dealer     Security-based swap dealer     Major security-based swap participant  
 Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

574 State Highway 248, P.O. Box 220

(No. and Street)

Branson, MO 65615

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Becky Penrod

(417) 334-3455

pfg@penrodandcompany.com

(Name)

(Area Code - Telephone Number)

(Email Address)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Sanville & Company

(Name - If individual, state last, first, and middle name)

325 N. St. Paul St., Suite 3100,

Dallas,

Texas

75201

(Address)

(City)

(State)

(Zip Code)

09/18/2003

169

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

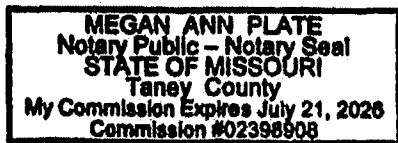
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\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

### OATH OR AFFIRMATION

I, Donald R. Penrod, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Penrod Financial Services, Inc. DBA Penrod Financial Group, as of December 31, 2022, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.



Notary Public

Signature:

Title:

Donald R. Penrod, President, CCO

#### This filing\*\* contains (check all applicable boxes):

- (a) Statement of financial condition.
- (b) Notes to consolidated 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 cash flows.
- (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- (f) Statement of changes in liabilities subordinated to claims of creditors.
- (g) Notes to consolidated financial statements.
- (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (t) Independent public accountant's report based on an examination of the statement of financial condition.
- (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- (z) Other: \_\_\_\_\_

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

**PENROD FINANCIAL SERVICES, INC.  
DBA PENROD FINANCIAL GROUP**

REPORT PURSUANT TO RULE 17a-5(d)

YEAR ENDED DECEMBER 31, 2022

**PENROD FINANCIAL SERVICES, INC.  
DBA PENROD FINANCIAL GROUP**

CONTENTS

	<u>PAGE</u>
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1 - 2
STATEMENT OF FINANCIAL CONDITION	3
STATEMENT OF OPERATIONS	4
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7 - 9
SUPPLEMENTAL INFORMATION	
Schedule I:    Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission	10 - 11
Schedule II & III: Computation For Determination Of Reserve Requirements and Information Relating to Possession or Control Requirements Under Rule 15c3-3 of the Securities and Exchange Commission	12
REVIEW REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON MANAGEMENT'S EXEMPTION REPORT	13
MANAGEMENT'S EXEMPTION REPORT	14

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NEW YORK, NY 10005  
(212) 709-9512

## Report of Independent Registered Public Accounting Firm

To the Stockholder of  
Penrod Financial Services, Inc. DBA Penrod Financial Group

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Penrod Financial Services, Inc. DBA Penrod Financial Group (the Company) as of December 31, 2022, the related statements of operations, changes in stockholder's, and cash flows for the year then ended, and the related notes to the financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, 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 for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company'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 the Company in accordance with 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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.

### Supplemental Information

The supplementary information contained in The Schedule I, Computation of Net Capital Under SEC Rule 15c3-1, Schedule II, Computation for Determination of Reserve Requirements Under Rule SEC 15c3-3 and Schedule III, Information Relating to the Possession or Control Requirements Under SEC Rule 15c3-3 have been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental 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 supplemental information. In forming our opinion on the supplemental information, we evaluated whether the

supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supplementary information contained in the Schedule I, Computation of Net Capital Under SEC Rule 15c3-1, Schedule II, Computation for Determination of Reserve Requirements Under SEC Rule 15c3-3 and Schedule III, Information Relating to the Possession or Control Requirements Under SEC Rule 15c3-3 are fairly stated, in all material respects, in relation to the financial statements as a whole.

*Sanville & Company*

This is the initial year we have served as the Company's auditor.

Dallas, Texas  
February 23, 2023

PENROD FINANCIAL SERVICES, INC.  
DBA PENROD FINANCIAL GROUP  
Statement of Financial Condition  
December 31, 2022

ASSETS

Cash	\$ 352
Deposit with clearing organization	20,000
Investments, at fair value	6,403
Prepaid expenses	4,946
Commissions receivable	<u>15,055</u>
Total assets	<u>\$ 46,756</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities	
Commissions payable	3,547
Accounts payable	95
Accrued expenses	<u>197</u>
Total liabilities	<u>3,839</u>
Stockholder's equity	
Common stock, 30,000 shares authorized with \$1 par value, 500 shares issued and outstanding	500
Additional paid-in capital	15,560
Retained earnings	<u>26,857</u>
Total stockholder's equity	<u>42,917</u>
Total liabilities & stockholder's equity	<u>\$ 46,756</u>

The accompanying notes are an integral part of these financial statements.

PENROD FINANCIAL SERVICES, INC.  
DBA PENROD FINANCIAL GROUP  
Statement of Operations  
For the Year Ended December 31, 2022

Revenues	
Distribution fees	\$ 214,994
Commissions	85,730
Interest income	<u>90</u>
Total revenues	<u>300,814</u>
Expenses	
Commissions and clearance	63,237
Compensation	52,729
Professional fees	45,773
Regulatory fees and expenses	6,134
Technology and communications	3,226
Occupancy	52,272
Dues and subscriptions	2,891
Other expenses	<u>912</u>
Total expenses	<u>227,174</u>
Net Income	<u>\$ 73,640</u>

The accompanying notes are an integral part of these financial statements.

PENROD FINANCIAL SERVICES, INC.  
DBA PENROD FINANCIAL GROUP  
Statement of Changes in Stockholder's Equity  
For the Year Ended December 31, 2022

	Shares	Common Stock	Additional Paid in Capital	Retained Earnings	Total
Balances at December 31, 2021	500	\$ 500	\$ 15,560	\$ 21,868	\$ 37,928
Dividends	--	--	--	(68,651)	(68,651)
Net income	--	--	--	73,640	73,640
Balances at December 31, 2022	500	\$ 500	\$ 15,560	\$ 26,857	\$ 42,917

The accompanying notes are an integral part of these financial statements.

PENROD FINANCIAL SERVICES, INC.  
DBA PENROD FINANCIAL GROUP  
Statement of Cash Flows  
For the Year Ended December 31, 2022

<b>Cash flows from operating activities</b>	
Net income	\$ 73,640
Interest income	90
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Change in assets and liabilities:	
Increase in commissions receivable	(10,258)
Increase in prepaid expenses	(1,936)
Increase in commissions payable	1,183
Decrease in accounts payable – related party	(3,201)
Increase in accounts payable	95
Increase in accrued expenses	<u>197</u>
Net cash provided by operating activities	<u>59,630</u>
<b>Cash flows from investing activities</b>	
Net cash provided by investing activities	<u>--</u>
<b>Cash flows from financing activities</b>	
Dividends	<u>(68,653)</u>
Net cash provided by financing activities	<u>(68,653)</u>
Net decrease in cash	(9,023)
Cash at beginning of year	<u>9,375</u>
Cash at end of year	<u>\$ 352</u>

**Supplemental Disclosure of Cash Flow Information**

**Cash paid (received) during the year for:**

Interest	<u>\$ --</u>
Income taxes	<u>\$ --</u>

The accompanying notes are an integral part of these financial statements.

PENROD FINANCIAL SERVICES, INC.  
DBA PENROD FINANCIAL GROUP  
Notes to Financial Statements  
December 31, 2022

Note 1 - Summary of Significant Accounting Policies

Penrod Financial Services, Inc. dba Penrod Financial Group (the "Company") is a broker-dealer in securities registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company operates under ("SEC") Rule 15c3-3 (k)(2)(ii) for a portion of its operating activities and is considered a "non-covered firm" by relying on footnote 74 to SEC Release 34-70073 for the other portion of its operating activities, which provides that all funds and securities belonging to the Company's customers would be handled by a clearing broker-dealer or that the Company does not receive customer funds or securities to complete transactions. The Company is a Missouri corporation, and its customers are located throughout the United States.

**Revenue Recognition**

Security transactions (and related commission revenue and expense) are recorded on a trade date basis as securities transactions occur.

**Compensated Absences**

Compensated absences have not been accrued because the amount cannot be reasonably estimated.

**Receivable From Broker-Dealers and Clearing Organizations**

Receivables from broker-dealers and clearing organizations are generally collected in full in the month following their accrual. As such, management has not recorded an allowance for doubtful accounts on these receivables. Any receivables deemed uncollectible are written off against the allowance. As of December 31, 2022 there were no amounts receivable from registered representatives.

**Income Taxes**

The Company has elected S Corporation status with the Internal Revenue Service. In lieu of a provision for income taxes, the shareholders of a S Corporation are taxed on their proportionate share of the Company's taxable income.

**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.

**Investments**

Investments are recorded at their quoted fair value. The increase or decrease in net unrealized appreciation or depreciation of securities is credited or charged to operations as trading income or loss.

Note 2 - Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, 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. As of December 31, 2022, the Company had net capital of approximately \$37,843, which was \$32,843 in excess of its minimum net capital requirement of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.1 to 1. The Securities and Exchange Commission permits a ratio of no greater than 15 to 1.

PENROD FINANCIAL SERVICES, INC.  
DBA PENROD FINANCIAL GROUP  
Notes to Financial Statements  
December 31, 2022

Note 3 - Fair Value Measurements

The Company uses various methods including market, income and cost approaches to determine fair value. Based on the approach, the Company often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Company is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Investments in securities, at fair value

<i>Investments in:</i>	Total	Level 1	Level 2	Level 3
<i>Mutual funds</i>	\$ 6,403	\$ 6,403	\$ --	\$ --
Totals	<u>\$ 6,403</u>	<u>\$ 6,403</u>	<u>\$ --</u>	<u>\$ --</u>

There were no transfers between Levels 1, 2, or 3 during the year.

Note 4 - Commitments and Contingencies

Included in the Company's clearing agreement with its clearing broker-dealer, is an indemnification clause. This clause relates to instances where the Company's customers fail to settle security transactions. In the event this occurs, the Company will indemnify the clearing broker-dealer to the extent of the net loss on the unsettled trade. As of December 31, 2022, management of the Company had not been notified by the clearing broker-dealer, nor were they otherwise aware, of any potential losses relating to this indemnification.

Note 5 - Revenue Recognition

Revenues are recognized when control of the promised services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. Revenues are analyzed to determine whether the Company is the principal (i.e., reports revenues on a gross basis) or agent (i.e., reports revenues on a net basis) in the contract. Principal or agent designations depend primarily on the control an entity has over the product or service before control is transferred to a customer.

PENROD FINANCIAL SERVICES, INC.  
DBA PENROD FINANCIAL GROUP  
Notes to Financial Statements  
December 31, 2022

Note 5 - Revenue Recognition, continued

*Securities Commissions*

Commission revenue is generally recognized at a point in time upon delivery of contracted services based on a predefined contractual amount on a trade date for a trade execution services based on providing market prices and internal and regulatory guidelines. Commission revenue consists of the sale of equity and fixed income securities and unit investment trusts.

*Distribution Fees*

The Company earns revenue for selling affiliated and unaffiliated mutual funds, fixed variable annuities and insurance products. The performance obligation is satisfied at the time of each individual sale. A portion of the revenue is based on a fixed rate applied, as a percentage, to amounts invested at the time of sale. The remaining revenue is recognized over the time the client owns the investment or holds the contract and is generally earned based on a fixed rate applied, as a percentage, to the net asset value of the fund, or the value of the insurance policy or annuity contract. The ongoing revenue is not recognized at the time of sale because it is variably constrained due to factors outside the Company's control including market volatility and client behavior (such as how long clients hold their investment, insurance policy or annuity contract). The revenue will not be recognized until it is probable that a significant reversal will not occur.

Note 6 - Related Party Transactions

The Company is subject to an expense sharing agreement with an affiliate under common control. The expense sharing agreement specifies that the Company will incur 94% of shared expenses incurred by the Company and its affiliate. During the year the Company incurred \$84,668 in expenses associated with this agreement with none of this amount considered payable at year-end.

Supplementary Information  
Pursuant to Rule 17a-5 of the  
Securities Exchange Act of 1934  
as of  
December 31, 2022

Schedule I

PENROD FINANCIAL SERVICES, INC.  
DBA PENROD FINANCIAL GROUP  
Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission  
As of December 31, 2022

**COMPUTATION OF NET CAPITAL**

Total stockholders' equity qualified for net capital	\$ 42,917
Add:	
Other deductions or allowable credits	<u>          --</u>
Total capital and allowable subordinated liabilities	42,917
Deductions and/or charges	
Prepaid expenses	<u>(4,946)</u>
Net capital before haircuts on securities positions	<u>37,971</u>
Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1(f))	<u>(128)</u>
Net capital	<u>\$ 37,843</u>

**AGGREGATE INDEBTEDNESS**

Items included in statement of financial condition:

Commissions payable	\$ 3,547
Accounts payable	95
Accrued expenses	<u>197</u>
Total aggregate indebtedness	<u>\$ 3,839</u>

**Schedule I (continued)**

PENROD FINANCIAL SERVICES, INC.  
DBA PENROD FINANCIAL GROUP  
Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission  
As of December 31, 2022

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Minimum net capital required (6 2/3% of total aggregate indebtedness)	<u>\$ 256</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>\$ 5,000</u>
Net capital requirement (greater of above two minimum requirement amounts)	<u>\$ 5,000</u>
Net capital in excess of required minimum	<u>\$ 32,843</u>
Excess net capital at 1000%	<u>\$ 31,843</u>
Ratio: Aggregate indebtedness to net capital	<u>0.1 to 1</u>

**RECONCILIATION WITH COMPANY'S COMPUTATION**

There were no differences in the computation of net capital under Rule 15c3-1 from the Company's computation.

**Schedule II & III**

PENROD FINANCIAL SERVICES, INC.

DBA PENROD FINANCIAL GROUP

Computation For Determination Of Reserve Requirements And  
Information Relating To Possession Or Control Requirements  
Under Rule 15c3-3 of the Securities and Exchange Commission

December 31, 2022

The Company is exempt from Securities Exchange Commission ("SEC") Rule 15c3-3 pursuant to both the exemptive provisions of sub-paragraph (k)(2)(ii) and is considered a "Non-Covered Firm" from 15c3-3 by relying on footnote 74 to SEC Release 34-70073 and therefore, is not required to maintain a "Special reserve bank account for the Exclusive benefit of customers."

Report of Independent Registered Public Accounting Firm

On Management's Exemption Report

Required By SEC Rule 17a-5

Year Ended December 31, 2022

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NEW YORK, NY 10005  
(212) 709-9512

### Report of Independent Registered Public Accounting Firm

To the Stockholder of  
Penrod Financial Services, Inc. DBA Penrod Financial Group

We have reviewed management's statements, included in the accompanying Exemption Report, in which Penrod Financial Services, Inc. DBA Penrod Financial Group (the Company) stated that:

1. 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: Paragraph (k)(2)(ii) (the exemption provisions), and the Company stated that it met the identified exemption provisions throughout the most recent fiscal year without exception;
2. The Company is also filing this Exemption Report because the Company's other business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 are limited to (1) acting as a mutual fund retailer (2) acting as a broker or dealer selling variable life insurance or annuities throughout the most recent fiscal year; and
3. The Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of 17 C.F.R. § 240.15c2-4; (2) did not carry accounts of or for customers; and (3) did not carry proprietary accounts of broker-dealers (as defined in 17 C.F.R. § 240.15c3-3), throughout the most recent fiscal year without exception.

The Company's management is responsible for 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 the Company's compliance with the exemption provisions and that the Company's other business activities were limited to (1) acting as a mutual fund retailer (2) acting as a broker or dealer selling variable life insurance or annuities and (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of 17 C.F.R. § 240.15c2-4; (2) did not carry accounts of or for customers; and (3) did not carry proprietary accounts of broker-dealers (as defined in 17 C.F.R. § 240.15c3-3) throughout the most recent fiscal year without exception. 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 17 C.F.R. § 240.15c3-3 and 17 C.F.R. § 240.17a-5.

*Sanville & Company*

Dallas, Texas  
February 23, 2023

## Penrod Financial Services, Inc. dba Penrod Financial Group Exemption Report

Penrod Financial Services, Inc. dba Penrod Financial Group (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company claimed an exemption from 17 C.F.R. §240.15c3-3 under the following provisions of 17 C.F.R. §240.15c3-3(k)(2)(ii).
- (2) The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k) throughout the most recent fiscal year without exception.
- (3) The Company is considered "Non-Covered Firm" exempt from 17 C.F.R. §240.15c3-3 and is filing an Exemption Report relying on footnote 74 to SEC Release 34-70073, and as discussed in Q&A 8 of the related FAQ issued by the SEC staff. The Company limits its business activities exclusively to: (1) acting as a mutual fund retailer (2) acting as a broker or dealer selling variable life insurance or annuities.
- (4) The Company (1) did not directly or indirectly receive, hold or otherwise owe funds or securities for or to customers, other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3), throughout the most recent fiscal year without exception.

I, Donald Penrod, swear (or affirm) that, to my best knowledge and belief, this exemption report is true and correct.

Regards,

  
Donald R. Penrod  
President

Date of Report: January 31, 2023