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ANNUAL AUDITED REPORT

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

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

OMB APPROVAL
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8-35381

REPORT FOR THE PERIOD BEGINNING 01/01/2015 AND ENDING 12/31/2015
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **BOSC, Inc.**
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
One Williams Center, Plaza East

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)
Tulsa **OK** **74172**
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ernst & Young LLP

(Name - if individual, state last, first, middle name)
One Williams Center, Suite 1700 **Tulsa** **Oklahoma** **74172**
(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

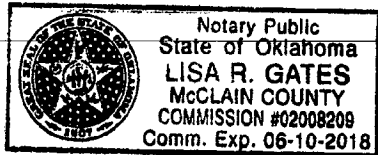
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

JG

AKB

OATH OR AFFIRMATION

I, Robert Ledvora, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BOSC, Inc. of December 31, 2015, 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:



Signature of Robert Ledvora

Chief Financial Officer

Title

Signature of Lisa R. Gates

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).

BOSC, Inc.

**Financial Statements
and Supplemental Information**
As of and for the Year Ended
December 31, 2015

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Report of Independent Registered Public Accounting Firm

The Board of Directors
BOSC, Inc.

We have audited the accompanying statement of financial condition of BOSC, Inc. (the Company), as of December 31, 2015, and the related statements of income, changes in stockholders' equity and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934 and related notes to the financial statements. 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 audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 audit provides 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 BOSC, Inc. at December 31, 2015, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

The accompanying information contained in Schedules I, II, and III has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. Such information is the responsibility of the Company's management. Our audit procedures included determining whether the 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. In forming our opinion on the information, we evaluated whether such information, including its form and content, is presented in conformity with Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst & Young LLP

February 26, 2016

BOSC, Inc.

Statement of Financial Condition December 31, 2015

Assets	
Cash and cash equivalents	\$ 19,475,401
Receivables from broker/dealers	2,010,599
Receivable from investment banking activities	500,112
Interest receivable	343,288
Prepaid expenses and other assets	1,098,004
Securities, at fair value	61,540,765
Furniture, fixtures, software and equipment, at cost, less accumulated depreciation of \$1,542,647	2,007,512
Deferred tax asset	1,727,954
Deposits with third parties	1,454,408
Margin deposits	500,000
Total assets	\$ 90,658,043

Liabilities and stockholder's equity	
Accrued operating expenses	\$ 7,491,913
Payable to affiliates	577,110
Net payable for unsettled regular-way trades	1,121,242
Securities sold not yet purchased, at fair value	5,801,151
Total liabilities	14,991,416

Stockholder's equity:	
Common stock, \$10 par value – 2,500 shares authorized and issued	25,000
Additional paid-in capital	51,259,036
Retained earnings	24,382,591
Total stockholder's equity	75,666,627
Total liabilities and stockholder's equity	\$ 90,658,043

See accompanying notes.

BOSC, Inc.

Statement of Income Year Ended December 31, 2015

Revenues	
Trading gains and losses, net	27,842,239
Brokerage fees and commissions	25,350,970
Investment banking fees and commissions	16,955,070
Interest income	1,626,265
Other revenue	597,013
Total operating revenues	72,371,557

Expenses	
Personnel expense	48,117,890
Affiliate allocated expenses	10,732,993
Equipment rental	2,725,868
Business promotion	1,532,839
Clearance fees	2,174,180
Professional fees	1,144,371
Data processing	1,292,296
Administrative expense	909,537
Brokerage licensing and registration	662,114
Other	611,351
Depreciation and amortization	291,244
Interest	1,035
Total operating expenses	70,195,718

Income before income tax provision	2,175,839
Income tax provision	583,024
Net income	\$ 1,592,815

See accompanying notes.

BOSC, Inc.

Statement of Changes in Stockholder's Equity
Year Ended December 31, 2015

	<u>Common Stock</u>		<u>Additional</u>	<u>Retained</u>	
	<u>Shares</u>	<u>Par Value</u>	<u>Paid-in Capital</u>	<u>Earnings</u>	<u>Total</u>
Balance January 1, 2015	2,500	\$ 25,000	\$ 51,098,495	\$ 22,789,776	\$ 73,913,271
Net income	—	—	—	1,592,815	1,592,815
Capital provided by stock-based compensation	—	—	117,464	—	117,464
Tax benefit on exercise of stock options	—	—	43,077	—	43,077
Balance, December 31, 2015	2,500	\$ 25,000	\$ 51,259,036	\$ 24,382,591	\$ 75,666,627

See accompanying notes.

BOSC, Inc.

Statement of Cash Flows Year Ended December 31, 2015

Operating activities		
Net income	\$ 1,592,815	
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	291,244	
Tax benefit on exercise of stock options	43,077	
Stock-based compensation	117,464	
(Increase) decrease in operating assets:		
Commissions receivable from broker/dealer	6,232,142	
Receivable from investment banking activities	1,435,536	
Interest receivable	(2,039)	
Receivable from affiliates	62,024	
Prepaid expenses and other assets	44,425	
Securities, at fair value	6,111,717	
Notes receivable - employees	43,594	
Deferred tax asset	256,166	
Deposits with third parties	1,088,492	
Increase (decrease) in operating liabilities:		
Accrued operating expenses	(907,865)	
Payable to affiliates	534,033	
Net payable for unsettled regular-way trades	775,126	
Securities sold not yet purchased	(5,965,864)	
Net cash provided by operating activities	11,752,087	
Investing activities		
Purchases of furniture, fixtures, and equipment	(1,879,622)	
Disposal of fixed assets	(3,847)	
Net cash used in investing activities	(1,883,469)	
Financing activities		
Tax benefit on exercise of options	43,077	
Net cash provided by financing activities	43,077	
Net increase (decrease) in cash		9,911,695
Cash and cash equivalents at beginning of year		9,563,706
Cash and cash equivalents at end of year		\$ 19,475,401
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 1,035	
Cash paid for taxes	\$ 34,314	

See accompanying notes.

BOSC, Inc.

Notes to Financial Statements December 31, 2015

1. Organization and Description of Business

BOSC, Inc. ("BOSC" or "the Company"), a wholly owned subsidiary of BOK Financial Corporation ("the Parent"), is a registered broker/dealer with the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority ("FINRA"). BOSC is a registered investment adviser with the SEC under the Investment Advisers Act of 1940. BOSC is permitted to transact business as a broker/dealer in all 50 states, subject to certain state securities regulations. BOSC is registered with the SEC as a municipal adviser and with the Municipal Securities Rulemaking Board. BOSC's Parent is a financial holding company, authorized to conduct the full range of activities permitted under Section 4(k) of the US Bank Holding Company Act.

BOSC is a full-service securities firm and engages in investment banking, trading and underwriting, and retail and institutional securities sales. BOSC offers a variety of investment options, including mutual funds, unit investment trusts, variable annuities, municipal and other fixed-income securities, stocks, real estate investment trusts, exchange-traded funds and financial advisory services. BOSC financial consultants use a network of branch offices located primarily within branches of its national bank affiliate, BOKF, NA, in Oklahoma, Texas, New Mexico, Kansas/Missouri, Colorado, Arkansas and Arizona. BOSC also services clients through standalone offices in Wisconsin and California. As a bank-affiliated broker/dealer, BOSC is required to disclose to clients and potential clients its relationship with the Parent and that investments (1) are not insured by the Federal Deposit Insurance Corporation, (2) are not deposits or other obligations of and are not guaranteed by any bank or bank affiliate, and (3) are subject to risks, including possible loss of principal invested.

BOSC's securities transactions are executed and customer accounts are carried and cleared on a fully disclosed basis with Pershing, LLC ("Pershing"), a clearing broker/dealer and a wholly owned subsidiary of Bank of New York Mellon ("BNY"). Pershing is a member of FINRA, the New York Stock Exchange and the Securities Investor Protection Corporation.

2. Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing the financial statements are reasonable and prudent. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents includes bank deposit accounts and money market funds. As of December 31, 2015, cash and cash equivalents includes \$13,216,954 in a money market fund sponsored by an unrelated global investment bank and \$308,687 is on deposit with an unaffiliated bank. Additionally, \$1,796,371 is on deposit with BOKF, NA and \$4,153,389 is held in a money market fund sponsored by BOKF, NA.

Depreciation and Amortization

Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets. The majority of the assets are software and furniture, the estimated useful lives of which range from three to ten years.

Receivables From Broker/Dealers

BOSC has receivables from broker/dealers which primarily consists of excess margin and commission receivable from Pershing, net of payables for unsettled trades. Also included are receivables from other broker/dealers for commissions earned from the sales of investment. BOSC may reserve for uncollectible accounts based on an aging analysis and estimated collectability of those receivables. No reserve was recorded at December 31, 2015. Amounts not collected after 90 days are generally written off.

Revenues Receivable From Investment Banking Activities

Revenues for investment banking activities are accrued when all significant responsibilities have been completed and the underwriting revenue has been determined. BOSC evaluated the aging and collectability of these receivables and no reserve was recorded at December 31, 2015.

Securities, at Fair Value

Securities are acquired by the Company for profit through resale with purchases carried at fair value with unrealized gains and losses included in trading gains and losses, net, in the Statement of Income. The purchase or sale of securities is recognized on a trade date basis. Realized gains or losses are based upon the cost of the specific security sold and included in trading gains and losses, net, in the Statement of Income.

Net Payable for Unsettled Regular-way Trades

Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net on the Statement of Financial Condition.

Securities Sold Not Yet Purchased

Securities sold not yet purchased represents the liability for securities sold that are not yet owned by BOSC. BOSC is obligated to purchase the securities at a future date at the then current market price. Securities sold not yet purchased are recorded at fair value on a trade date basis.

Revenue Recognition

BOSC receives a percentage of commissions that Pershing charges its customers, as described in the clearing contract with Pershing. The agreement requires BOSC to indemnify Pershing for uncollected amounts relating to customers introduced by BOSC.

Fees and commissions earned for security trades are recorded on a trade-date basis.

Commissions on sales of annuities are recorded when the contracts are accepted by the insurance companies.

Investment banking fees and commissions include gains, losses, and underwriting fees, net of syndicate expenses, arising from securities in which BOSC acts as underwriter. Investment banking revenue also includes fees earned from providing financial advisory services and structured financing services. Revenue is recognized at the time the underwriting or service is substantially complete and the income is reasonably determinable.

Newly Adopted and Pending Accounting Pronouncements

FASB Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers ("ASU 2014-09")

On May 28, 2014, the FASB issued ASU 2014-09 to clarify the principles for recognizing revenue by providing a more robust framework that will give greater consistency and comparability in revenue recognition practices. In the new framework, an entity recognizes revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services. The new model requires the identification of performance obligations included in contracts with customers, a determination of the transaction price and an allocation of the price to those performance obligations. The entity recognizes revenue when performance obligations are satisfied. ASU 2014-09 is effective for the Company for annual reporting periods beginning after December 15, 2016. The Company is evaluating the impact the adoption of ASU 2014-09 will have on the Company's financial statements.

3. Net Capital Requirements

BOSC is subject to the SEC Uniform Net Capital Rule ("SEC Rule 15c3-1"), which requires the maintenance of a minimum net capital, as therein defined, and requires that the ratio of aggregate indebtedness, defined as total money liabilities of a broker/dealer arising in connection with any transaction subject to certain exclusions, to net capital, shall not exceed 15 to 1 (or 1500%).

At December 31, 2015, BOSC's net capital position was as follows:

Net capital, as defined	\$	62,157,246
Net capital required		575,156
Excess capital	\$	61,582,090
Net capital ratio***		13.88%

***The net capital ratio is calculated as aggregate indebtedness, as defined, divided by net capital.

BOSC does not carry its own customer accounts.

4. Deposits With Third Parties

As of December 31, 2015, deposits with third parties totaled \$1,454,408, including a \$100,000 cash security deposit with Pershing for the purpose of maintaining a fully disclosed clearing arrangement, and underwriting good faith deposits of \$1,354,408, which are provided to issuers as a guarantee of performance.

5. Margin Deposits

Margin deposits of \$500,000 as of December 31, 2015, consisted of cash on deposit with Pershing in a preferred stock trading account. BOSC buys and holds preferred stock in a Pershing firm account for the purpose of selling to BOSC customers. The preferred stock is held on margin and, as such, requires a 50% deposit against the margin balance. The unused portion of the margin balance at Pershing does not currently earn interest.

At December 31, 2015, the Company's margin requirement for proprietary securities was \$3,050,113 and was adequately fulfilled by Securities held at Pershing.

6. Related-Party Transactions

As of December 31, 2015, payables to affiliates of \$577,110 included \$971,852 of net payables to BOKF, NA for intercompany settlement of certain operating expenses, net of income taxes receivable from the Parent of \$394,742. BOSC's financial obligations to BOKF, NA are guaranteed by a pledge of cash collateral by the Parent.

The income taxes receivable from the Parent of \$394,742 included receivables of \$336,109 for federal income taxes and \$58,633 of receivables for state income taxes. BOSC is included in the consolidated income tax return filed by the Parent. Pursuant to a tax sharing agreement between BOSC and the Parent, income taxes are allocated to BOSC on a separate return basis. The amount of current income tax expense or benefit is either remitted to or received from the Parent.

BOSC affiliate allocated expenses are paid to third parties by BOKF, NA. In 2015, BOSC incurred \$10,732,993 of general and administrative expenses allocated to BOSC by, and reimbursable to, BOKF, NA. Of this, management fees were \$6,667,928, occupancy costs were \$2,081,826, communication costs were \$278,912, and other expenses were \$1,704,327.

BOSC has two secured revolving lines of credit with BOKF, NA and an unsecured revolving line of credit with the Parent, as discussed in Note 8.

BOKF, NA may serve as trustee for municipal bond issues underwritten by BOSC. In that role, BOKF, NA assumes responsibility for all distributions of the proceeds along with payments for principal and interest to the bondholders through maturity.

In compliance with applicable regulations, BOSC may provide broker/dealer services for certain executive officers, directors, and affiliates of the Parent.

BOSC is the Distributor of the Cavanal Hill Funds ("the Funds"). Cavanal Hill Investment Management, Inc. serves as the Investment Advisor and Administrator for the Funds and is a subsidiary of BOKF, NA. BOKF, NA serves as Custodian of the Funds. BOSC received \$62,218 in fees primarily for serving as a dealer of the Funds, and as the Distributor of the Funds.

There were no subordinated borrowings during 2015.

7. Financial Instruments

Fair value is defined by applicable accounting guidance as the price to sell an asset or transfer a liability in an orderly transaction between market participants in the principal market for the given asset or liability at the measurement date based on market conditions at that date.

A hierarchy for fair value has been established that categorizes into three levels the inputs to valuation techniques used to measure fair value:

Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1) - Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities.

Significant Other Observable Inputs (Level 2) - Fair value is based on significant other observable inputs, which are generally determined based on a single unadjusted price for each financial instrument provided by an applicable third-party pricing service and is based on one or more of the following:

- Quoted prices for similar, but not identical, assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable, such as interest rate and yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates; and
- Other inputs derived from or corroborated by observable market inputs.

Significant Unobservable Inputs (Level 3) - Fair value is based on model-based valuation techniques for which at least one significant assumption is not observable in the market.

Transfers between levels are recognized as of the end of the reporting period. There were no transfers in or out of quoted prices in active markets for identical instruments, significant other observable inputs or significant unobservable inputs for the year ended December 31, 2015.

The underlying methods used by the third-party pricing services are considered in determining the primary inputs used to determine fair values. Management has evaluated the methodologies employed by the third-party pricing services by comparing the price provided by the pricing service with other sources, including brokers' quotes, sales or purchases of similar instruments and discounted cash flows to establish a basis for reliance on the pricing service values. Significant differences between the pricing service provided value and other sources are discussed with the pricing service to understand the basis for their values. Based on all observable inputs, management may adjust prices obtained from third-party pricing services to more appropriately reflect the prices that would be received to sell assets or paid to transfer liabilities in orderly transactions in the current market. No significant adjustments were made to prices provided by third-party pricing services at December 31, 2015.

Certain assets and liabilities recorded in the financial statements are measured at fair value on a recurring basis are as follows as of December 31, 2015:

	Total	Quoted Prices in Active Market for Identical Instruments	Significant Other Observable Inputs	Significant Unobservable Inputs
Assets				
Securities:				
Obligations of the Federal Home Loan Bank	\$ 9,521,029	\$ —	\$ 9,521,029	\$ —
Obligations of the U.S. Government or other agencies	15,865,920	—	15,865,920	—
State and municipal obligations	31,901,036	—	31,901,036	—
Corporate obligations and other	4,252,780	—	4,252,780	—
Total securities	\$ 61,540,765	\$ —	\$ 61,540,765	\$ —
Liabilities				
Securities sold not yet purchased	\$ 5,801,151	\$ 5,801,151	\$ —	\$ —

The carrying value of cash and cash equivalents approximates fair value based on the short term nature of these items.

BOSC is engaged in various trading and brokerage activities in which counterparties are primarily broker/dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, BOSC may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is BOSC's policy to review, as necessary, the credit standing of each counterparty and each issuer.

8. Funding Arrangements

In addition to its own resources, BOSC utilizes financing agreements with BOKF, NA and Pershing as funding sources for its trading and investment banking activities.

BOSC has two revolving lines of credit with BOKF, NA of \$60 million and \$20 million. As of December 31, 2015, there were no amounts drawn on either line of credit. Any outstanding amounts under the \$60 million line are fully collateralized by qualifying securities from the trading securities portfolio. Any outstanding amounts under the \$20 million line must be fully collateralized by U.S. Treasuries or securities issued by U.S. government agencies. BOKF, NA does not have the right to sell or re-pledge these securities. For both lines of credit, interest is based on the 30-day LIBOR rate plus 1.50% and is paid monthly. Both lines mature on November 18, 2016. It is anticipated both lines will be renewed with substantially the same terms.

BOSC has an unsecured \$15 million revolving line of credit with the Parent, for which no amount was drawn as of December 31, 2015. The primary purpose of the line is to provide additional liquidity and other uses, as allowed with prior approval from the Parent. Interest is based on the 30-day LIBOR rate plus 1.50%, not to fall below 3%, and is paid monthly. The line matures on May 12, 2016, and is expected to be renewed with substantially the same terms.

In addition, BOSC has the ability to borrow funds from Pershing for the purposes of financing securities purchases or to facilitate funding of investment banking activities, on terms to be negotiated at the time of the borrowing. BOSC had no borrowings from Pershing outstanding at December 31, 2015.

9. Commitments and Contingencies

BOSC is an introducing broker to Pershing for equity and fixed income investment transactions pursuant to a fully disclosed clearing agreement. As such, BOSC has agreed to indemnify Pershing against potential losses due to a customer's failure to settle a transaction or repay a margin loan. Equity and fixed income transactions are settled within three business days of the trades date. Margin loans are due on demand. All unsettled transactions are collateralized by the security being purchased. Margin loans are secured as required by the Board of Governors of the Federal Reserve Regulation T, *Credit by Brokers and Dealers*. At December 31, 2015, the total amount of customer balances subject to indemnification was \$2,672. In accordance with applicable margin lending practices, customer balances are typically collateralized by customer securities or supported by other types of recourse provisions. The fair value of the guarantee is not significant and no amount was recorded on BOSC's Statement of Financial Condition to reflect this contingent liability based on an assessment of probable loss.

The Director of the New Mexico Securities Division of the State of New Mexico Regulation and Licensing Department has issued a Notice of Contemplated Action in connection with the purchase of various municipal bonds by the elected County Treasurer of Bernalillo County, New Mexico from the Company. The Director seeks to determine whether to seek sanctions, which could include a fine and/or the suspension or revocation of registration, on the grounds that the Company violated the suitability rule. The County of Bernalillo, New Mexico has commenced arbitration pursuant to the Arbitration Rules of FINRA seeking recovery of \$5.6 million dollars arising out of the purchase. The Company has been advised by its counsel that there is no basis to suggest the Director should make such a determination and that any recovery by the County is remote.

In the ordinary course of business, BOSC is subject to legal actions and complaints. Management believes, based upon the opinion of counsel, that actions and liability or loss, if any, resulting from the final outcomes of any such actions and complaints will not have a material effect on the Company's financial condition, results of operations or cash flows.

For 2015, BOSC expensed \$2,234,571 for certain information services contracts and has commitments to purchase information services of \$2,793,040 in 2016 and \$930,940 in 2017.

In the normal course of business, BOSC enters into underwriting commitments. Transactions relating to such underwriting commitments that were open at December 31, 2015, and were subsequently settled, had no material effect on the financial statements.

10. Income Taxes

The deferred tax asset of \$1,727,954 reflects the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The net deferred tax assets consists of deferred tax assets of \$2,415,383 and deferred tax liabilities of \$687,429. A valuation allowance is provided when it is more likely than not that some portion of the entire deferred tax asset may not be realized based on taxes previously paid in net loss carry-back periods and other factors. No valuation allowance was required at December 31, 2015. The significant components of deferred income taxes principally relate to stock-based compensation, accrued liabilities and prepaid expenses.

The reconciliation of the income tax provision computed at the U.S. federal statutory tax rate to the effective income tax expense, for the year ended December 31, 2015, was as follows:

	Amount	Percent
Tax expense at U.S. statutory rate	\$ 761,544	35 %
State income tax, net of federal tax benefit	85,340	4 %
Tax-exempt revenue	(505,148)	(23)%
Meals and entertainment	122,330	6 %
Other	118,958	5 %
Total income tax expense	\$ 583,024	27 %

Significant components of the income tax provision for the year ended December 31, 2015, were as follows:

Current:		
Federal	\$	278,823
State		99,759
Total current		378,582
Deferred:		
Federal		183,945
State		20,497
Total deferred		204,442
Total income tax expense	\$	583,024

Based on the provisions of Accounting Standards Codification (ASC) 740, *Income Taxes*, regarding uncertain tax positions (formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*) at December 31, 2015 there were no unrecognized tax benefits recorded. If unrecognized tax benefits were recorded, the related interest and penalties would be recorded in income tax expense.

Federal statute remains open for federal tax returns filed in the previous three reporting periods. Various state income tax statutes remain open for the previous three to six reporting periods.

11. Employee Benefits

BOSC employees who meet certain service requirements may participate in a defined-contribution thrift plan sponsored by BOKF. Employee contributions are matched by BOSC equal to 6% of base compensation as defined in the plan. BOSC matching contribution rates range from 50% for employees with less than four years of service to 200% for employees with 15 or more years of service. Additionally, a maximum non-elective annual contribution of up to \$750 is made for employees whose annual base compensation is less than \$40,000. Participants may direct investments in their account to a variety of options, including a BOKF common stock fund or Cavanal Hill Funds. Employer contributions invested in accordance with the participant's investment options vest over five years. BOSC employees who satisfy certain age and service requirements also participate in a defined-benefit cash balance pension plan sponsored by BOKF. BOSC incurred total expenses of \$0, included in the allocation of personnel expense, from these plans in 2015.

BOSC's employees may also be awarded stock-based compensation through BOKF's employee stock option plan. Grant date fair value of stock options is based on the Black-Scholes option pricing model. Compensation cost is recognized as expense over the applicable service period. The Parent allocated \$8,060 of compensation expense related to stock options during 2015 to BOSC, which is included in personnel expense.

12. Subsequent Events

BOSC has evaluated events from the date of the financial statements on December 31, 2015, through the issuance of those financial statements on February 26, 2016. No events were identified requiring recognition and/or disclosure in the financial statements.

Supplemental Information

BOSC, Inc.**Computation of Net Capital Pursuant to Rule 15c3-1
Year Ended December 31, 2015**

Net capital		
Stockholder's equity	\$	75,666,627
Deduct ownership equity not allowable for net capital		—
Total ownership equity qualified for net capital		75,666,627
Non-allowable assets:		
Securities owned, defined by SEC rule as not readily marketable		4,153,389
Deferred tax asset		1,727,954
Prepaid expenses and other assets		1,098,004
Commissions receivable		575,819
Fixed assets		2,007,512
Federal and state income taxes receivable		394,742
Other assets		110,046
Total non-allowable assets		10,067,466
Other deductions or charges		11,178
Net capital before haircuts		65,587,983
Haircuts on securities		(3,430,737)
Net capital	\$	62,157,246
Computation of basic net capital requirement		
Minimum net capital required (1/15 of aggregate indebtedness)	\$	575,156
Minimum dollar net capital requirement	\$	100,000
Net capital requirement	\$	575,156
Excess net capital	\$	61,582,090
Computation of aggregate indebtedness		
Total aggregate indebtedness	\$	8,627,333
Deduct adjustment based on deposits in Special Reserve Bank Accounts (15c3-1(c)(1)(vii))		—
Total aggregate indebtedness	\$	8,627,333
Percentage of aggregate indebtedness to net capital		13.88%

BOSC does not carry its own customer accounts.

There are no material differences between the Company's computation included in this report and the corresponding schedule included in the Company's unaudited December 31, 2015, Part II FOCUS report.

See accompanying Report of Independent Registered Public Accounting Firm.

BOSC, Inc.

**Computation for Determination of Reserve Requirements
Under Rule 15c3-3 of the Securities and Exchange Commission
Year Ended December 31, 2015**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(ii) of the rule.

BOSC does not carry its own customer accounts.

There are no material differences between the Company's computation included in this report and the corresponding schedule included in the Company's unaudited December 31, 2015, Part II FOCUS report.

See accompanying Report of Independent Registered Public Accounting Firm.

BOSC, Inc.

**Information Relating to Possession or Control Requirements
Under Rule 15c3-3 of the Securities and Exchange Commission
Year Ended December 31, 2015**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(ii) of the rule.

There are no material differences between the Company's computation included in this report and the corresponding schedule included in the Company's unaudited December 31, 2015, Part II FOCUS report.

See accompanying Report of Independent Registered Public Accounting Firm.

BOSC, Inc.
Exemption Report
For the Fiscal Period from January 1, 2015 through
December 31, 2015
With Report of Independent Registered Public Accounting
Firm



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Report of Independent Registered Public Accounting Firm

The Board of Directors
BOSC, Inc.

We have reviewed management's statements, included in the accompanying BOSC, Inc.'s Exemption Report, in which (1) BOSC Inc. (the Company) identified the following provisions of 17 C.F.R. § 15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3: (k)(2)(ii) (the "exemption provision") and (2) the Company stated that it met the identified exemption provision for the period from January 1, 2015 through December 31, 2015 without exception. Management is responsible for compliance with the exemption provision 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 the Company'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)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, Financial Industry Regulatory Authority, other regulatory agencies that rely on Rule 17a-5 under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and other recipients specified by Rule 17a-5(d)(6) and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

February 26, 2016

BOSC, Inc.'s Exemption Report

BOSC, Inc. (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:

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) at December 31, 2015.

The Company met the identified exemption provisions in C.F.R. §240.15c3-3(k)(2)(ii) for the period from January 1, 2015 through December 31, 2015 without exception.

BOSC, Inc.

I, Robert Ledvora, swear that, to my best knowledge and belief, this Exemption Report is true and correct.

By: 

Signed: Robert Ledvora

Title: Chief Financial Officer

Date: February 26, 2016

General Assessment Reconciliation

BOSC, Inc.

For the Fiscal Period from January 1, 2015 through
December 31, 2015

With Report of Independent Registered Accounting
Firm

BOSC, Inc.
General Assessment Reconciliation

For the Fiscal Period from January 1, 2015 through December 31, 2015

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Report of Independent Registered Public Accounting Firm on Applying Agreed-Upon Procedures

To the Board of Directors and Management of BOSC, Inc.:

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and management of BOSC, Inc., the Securities Investor Protection Corporation (SIPC), the Securities and Exchange Commission and the Financial Industry Regulatory Authority, in accordance with Rule 17a-5(e)(4) of the Securities Exchange Act of 1934. We performed the procedures solely to assist the specified parties in evaluating BOSC, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2015. BOSC Inc.'s management is responsible for BOSC Inc.'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 record entries, to the outgoing FED wire message.

There were no findings.

2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2015 with the amounts reported in Form SIPC-7 for the year ended December 31, 2015.

There were no findings.

3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, to amounts recorded in the general ledger and working papers as prepared by management.

There were no findings.

4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related supporting schedules and working papers supporting the adjustments.

There were no findings.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2015. 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.

Ernst & Young LLP

February 26, 2016

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 12/31/2015

(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:

BOSC, Inc.
One Williams Center, East Plaza
Tulsa, Oklahoma 74172

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.

Robert Ledvora 405-272-2311

2. A. General Assessment (item 2e from page 2)	\$ <u>154,096</u>
B. Less payment made with SIPC-6 filed (exclude interest)	(<u>77,862</u>)
<u>07/14/2015</u>	
Date Paid	
C. Less prior overpayment applied	(_____)
D. Assessment balance due or (overpayment)	<u>76,234</u>
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)	\$ <u>76,234</u>
G. PAID WITH THIS FORM:	
Check enclosed, payable to SIPC	
Total (must be same as F above)	\$ <u>76,234</u>
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.

BOSC, Inc.

(Name of Corporation, Partnership or other organization)

Robert Ledvora
(Authorized Signature)

Chief Financial Officer

(Title)

Dated the 26th day of February, 20 16

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 01/01/2015
and ending 12/31/2015

Item No.

Eliminate cents

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

\$ 72,371,557

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.

281,525

(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.

167,411

(7) Net loss from securities in investment accounts.

Total additions

448,936

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.

11,060,647

(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.

120,365

(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):

(Deductions in excess of \$100,000 require documentation)

(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.

\$ 1,035

(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)

1,035

Total deductions

11,182,047

2d. SIPC Net Operating Revenues

\$ 61,638,446

2e. General Assessment @ .0025

\$ 154,096

(to page 1, line 2.A.)