



ION

16012860

OMB APPROVAL

OMB Number: 3235-0123  
 Expires: March 31, 2016  
 Estimated average burden  
 hours per response... 12.00

SEC  
 Mail Processing  
 Section  
 FEB 29 2016  
 Washington DC  
 404

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

SEC FILE NUMBER  
 8- 046982

FACING PAGE

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

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

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Hamilton Cavanaugh & Associates, Inc.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

661 N. Broadway

(No. and Street)

White Plains

(City)

NY

(State)

10603

(Zip Code)

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

Matthew Sampson

914-761-6110

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Morey, Nee, Buck & Oswald, LLC

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

2571 Baglyos Circle, Suite B20

(Address)

Bethlehem

(City)

PA

(State)

18020

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

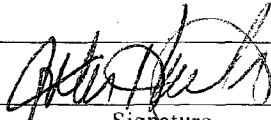
*\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)*

SEC 1410 (06-02)

Potential 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.

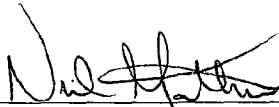
OATH OR AFFIRMATION

I, John Hamilton, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Hamilton Cavanaugh & Associates, Inc. as of ~~December~~<sup>NM</sup> February 25, 2016<sup>NM</sup>, 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

President & Registered Principal  
Title



Notary Public

NEIL MATHEW  
NOTARY PUBLIC, STATE OF NEW YORK  
LIC. #01MA6329474  
WESTCHESTER COUNTY  
COMMISSION EXPIRES 08/24/2019

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (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).

**Hamilton, Cavanaugh & Associates, Inc.**

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

**SEC FILE NO. 8-46982**

**FOR THE YEAR ENDED  
DECEMBER 31, 2015.**

**(with Report of Registered Independent Public Accounting Firm)**

## TABLE OF CONTENTS

	<u>Page No.</u>
<b>Report of Registered Independent Public Accounting Firm</b>	1 - 2
<b>Financial Statements</b>	
Statement of Financial Condition	3
Notes to Financial Statements	4 - 6

# Morey, Nee, Buck & Oswald, LLC

Certified Public Accountants and Advisors

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder  
of Hamilton, Cavanaugh & Associates, Inc.

We have audited the accompanying statement of financial condition of Hamilton, Cavanaugh & Associates, Inc. (a New York corporation) as of December 31, 2015, and the related notes to the financial statements. This financial statement is the responsibility of Hamilton, Cavanaugh & Associates, Inc.'s management. Our responsibility is to express an opinion on this financial statement 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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial position. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial position presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Hamilton, Cavanaugh & Associates, Inc. as of December 31, 2015, in accordance with accounting principles generally accepted in the United States of America.

*Morey, Nee, Buck & Oswald, LLC*

Morey, Nee, Buck & Oswald, LLC  
Bethlehem, Pennsylvania  
February 19, 2016

**Hamilton, Cavanaugh & Associates, Inc.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2014**

**ASSETS**

Cash and cash equivalents	\$ 626,419
Receivable from broker-dealers and plan sponsors	80,669
Property and equipment, less accumulated depreciation	139,405
Other assets	<u>52,585</u>

**TOTAL ASSETS**

**\$ 899,078**

**LIABILITIES AND STOCKHOLDER'S EQUITY**

**LIABILITIES**

Notes payable	\$ 53,210
Accounts payable and accrued expenses	62,219
Due to affiliate	<u>2,672</u>

**TOTAL LIABILITIES**

**118,101**

**STOCKHOLDER'S EQUITY**

Common stock, no par value	
200 shares authorized,	
Issued and outstanding	16,000
Retained earnings	<u>764,977</u>

**TOTAL STOCKHOLDER'S EQUITY**

**780,977**

**TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY**

**\$ 899,078**

The accompanying notes are an integral part of this statement.

**Hamilton, Cavanaugh & Associates, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**NATURE OF BUSINESS**

Hamilton, Cavanaugh & Associates, Inc. (the "Company"), a New York State corporation, is a registered broker-dealer in securities under the Securities Act of 1934 and is a member of the Financial Industry Regulatory Authority and Securities Investor Protection Corporation. The Company is engaged in the sale of variable annuities and mutual funds.

**INCOME TAXES**

The Company is organized as an S corporation under the applicable provisions of the Internal Revenue Code. In lieu of corporate income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

The Company has determined that there are no material uncertain tax positions that require recognition or disclosure in its financial statements.

Taxable years ended from December 31, 2012 through the present are subject to examination by the taxing authorities.

**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 the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**ADVERTISING AND PROMOTION**

The company expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place.

**DATE OF MANAGEMENT'S REVIEW**

Management has evaluated events through February 19, 2016, the date on which the financial statements were available to be issued.

**NOTE 2: CREDIT AND MARKET RISK**

The Company maintains its cash balances at one financial institution. The Federal Deposit Insurance Company (FDIC) insures up to \$250,000 of deposits maintained in non-interest-bearing transaction accounts at any member financial institution. At December 31, 2015, the Company had an uninsured balance of \$376,219 at one financial institution.

**Hamilton, Cavanaugh & Associates, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 3: PROPERTY AND EQUIPMENT**

Depreciation is calculated by the straight line method for financial reporting purposes at rates based on the following estimated useful lives.

	<b>YEARS</b>
Equipment	5 - 7
Fixtures	7
Autos	5

At December 31, 2015:

Equipment	\$ 423,819
Fixtures	120,887
Autos	<u>175,358</u>
Subtotal	720,063
Accumulated depreciation	<u>(580,658)</u>
Property and equipment, less accumulated depreciation	<u>\$ 139,405</u>

**NOTE 4: NOTE PAYABLE**

As of December 31, 2015:

Bank of America, collateralized by equipment, due in monthly payments of \$1,644, including interest at 3.29%, through October 2018	\$ 53,210
Current maturities	<u>(18,224)</u>
Long-term notes payable	<u>\$ 34,986</u>

Principal payments on notes payable are due as follows, for years ended December 31:

2016	\$ 18,224
2017	18,842
2018	<u>16,144</u>
	<u>\$ 53,210</u>

**NOTE 5: COMMITMENTS AND CONTINGENCIES**

The Company has obligations under a current operating lease for certain office equipment. Future minimum lease payments due at December 31, 2015, are as follows:

2016	\$ 14,118
2017	<u>9,487</u>
Total	<u>\$ 23,605</u>



**Hamilton, Cavanaugh & Associates, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 6: RETIREMENT PLAN**

The Company terminated its 401(k) profit sharing plan during 2015. The termination was effective July 31, 2015. Prior to termination qualified employees could elect to contribute a portion of their salaries up to certain limits.

**NOTE 7: RELATED PARTY TRANSACTIONS**

As of December 31, 2015 the Company owes \$2,672 to an affiliated company.

**NOTE 8: NET CAPITAL REQUIREMENTS**

The Company is subject to the SEC's Uniform Net Capital Rule (Rule 15c3-1) under the Securities Exchange Act of 1934, which requires the maintenance of minimum net capital, as defined and requires that the ratio of aggregate indebtedness, as defined, to net capital, shall not exceed 15 to 1.

At December 31, 2015 the Company had net capital of \$2,163,688 which was \$2,155,297 in excess of its required net capital of \$8,391. The Company's ratio of aggregate indebtedness to net capital was .21 to 1.

Capital withdrawals are subject to certain notification and other provisions of the net capital rules of the SEC.

# Morey, Nee, Buck & Oswald, LLC

Certified Public Accountants and Advisors

## INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT ON SCHEDULE OF ASSESSMENT AND PAYMENTS (FORM SIPC-7)

To the Shareholder of Hamilton, Cavanaugh & Associates Inc.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2015, which were agreed to by Hamilton, Cavanaugh & Associates Inc., and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Hamilton, Cavanaugh & Associates Inc.'s compliance with the applicable instructions of Form SIPC-7. Hamilton, Cavanaugh & Associates Inc.'s management is responsible for Hamilton, Cavanaugh & Associates 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 amounts reported on the audited Form X-17A-5 for the year ended December 31, 2015, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2015, noting no differences;
- 2) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, quarterly FOCUS reports and general ledger detail, noting no differences;
- 3) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers, client prepared schedule and related general ledger detail supporting the adjustments noting no differences; and
- 4) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Morey, Nee, Buck & Oswald, LLC*

Morey, Nee, Buck & Oswald, LLC  
Bethlehem, Pennsylvania  
February 18, 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**

For the fiscal year ended December 31, 2015

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



**SIPC-7**

(33-REV 7/10)

**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:

046982 FINRA DEC  
Hamilton Cavanaugh Investment  
Hamilton Cavanaugh & Associates Inc  
661 N Broadway  
White Plains, NY 10603-2406

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.

M. Sampson 914-761-6110

WORKING COPY

- 2. A. General Assessment (item 2e from page 2) \$ 155.19
- B. Less payment made with SIPC-6 filed (exclude interest) ( 0 )
- Date Paid \_\_\_\_\_
- C. Less prior overpayment applied ( 5,832.00 )
- D. Assessment balance due or (overpayment) -5,676.81
- 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) \$ \_\_\_\_\_
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ \_\_\_\_\_
- H. Overpayment carried forward \$( 5,676.81 )

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.

Hamilton Cavanaugh & Associates, Inc.

(Name of Corporation/Partnership or other organization)

(Authorized Signature)

Dated the 17 day of February, 20 16

Chief Financial Officer

(Title)

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

SIPC REVIEWER

Dates: Postmarked Received Reviewed

Calculations \_\_\_\_\_ Documentation \_\_\_\_\_

Forward Copy \_\_\_\_\_

Exceptions:

Disposition of exceptions:

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

Amounts for the fiscal period  
beginning 01/01/2015  
and ending 12/31/2015

Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4039)

\$ 1,999,881

2b. Additions:

(1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.

(2) Net loss from principal transactions in securities in trading accounts.

(3) Net loss from principal transactions in commodities in trading accounts.

(4) Interest and dividend expense deducted in determining item 2a.

(5) Net loss from management of or participation in the underwriting or distribution of securities.

(6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.

(7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

(1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.

1,437,804

(2) Revenues from commodity transactions.

(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.

(4) Reimbursements for postage in connection with proxy solicitation.

(5) Net gain from securities in investment accounts.

(6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.

(7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).

(8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

**Management Fee**

500,000

(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.

\$ \_\_\_\_\_

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

\$ \_\_\_\_\_

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

Total deductions

1,937,804

2d. SIPC Net Operating Revenues

\$ 62,077

2e. General Assessment @ .0025

\$ 155.19

(to page 1, line 2.A.)