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QMB APPROVAL	
QMB Number.	3235-0123
Expires:	May 31, 2017
Estimated average burden	
hours per response	12.00

MAR 20 2016 ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

Washington DC  
406

SEC FILE NUMBER
8-69265

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 JANUARY 1, 2016 AND ENDING DECEMBER 31, 2016  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER: **WHARTON MIDMARKET SECURITIES, INC.**

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

**27 BROOK ROAD**

(No. and Street)

**WOODBIDGE**

(City)

**CT**

(State)

**06460**

(Zip Code)

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

**PAUL HARRIGAN**

**(203)606-9696**

(Area Code - Telephone No.)

B. ACCOUNTANT DESIGNATION

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

**OHAB AND COMPANY, PA**

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

**100 E. SYBELIA AVENUE, SUITE 130, MAITLAND**

(Address and City)

**FLORIDA**

(State)

**32751**

(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 audit 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).

Potential persons who are to respond to the collection of information contained in this form are required to respond unless the form displays a current valid OMB control number.

SEC 1410 (06-02)

RMS  
BS

OATH OR AFFIRMATION

I, PAUL HARRIGAN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm or WHARTON MIDMARKET SECURITIES, INC., as of DECEMBER 31, 2016 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Douglas P. Harrigan  
Public Notary  
My Comm. Exp. 11/30/2017

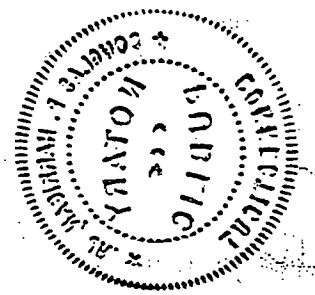
Paul Harrigan  
Signature

PRESIDENT  
Title

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 Proprietor's 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 15c3-1.
- (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).





**Ohab and Company, P.A.**

100 E. Sybelia Ave. Suite 130  
Maitland, FL 32751

*Certified Public Accountants*  
Email: [pem@ohabco.com](mailto:pem@ohabco.com)

Telephone 407-740-7311  
Fax 407-740-6441

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders  
of Wharton Midmarket Securities, Inc.

We have audited the accompanying statement of financial condition of Wharton Midmarket Securities, Inc. as of December 31, 2016, and the related notes to the financial statements. This financial statement is the responsibility of Wharton Midmarket Securities, 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 Wharton Midmarket Securities, Inc. as of December 31, 2016 in accordance with accounting principles generally accepted in the United States of America.

*Ohab and Company, P.A.*

Maitland, Florida

March 10, 2017

**Wharton MidMarket Securities, Inc.**  
**Statement of Financial Condition**  
**December 31, 2016**

<b>Assets</b>		
<b>Current assets</b>		
Cash	\$	1,165,457
Reserve Account		25,000
<b>Total Current Assets</b>		<b>1,190,457</b>
<b>Fixed assets</b>		
Fixed Assets		96,440
Accumulated Depreciation		(86,438)
<b>Total Fixed Assets</b>		<b>10,002</b>
<b>Total Assets</b>	<b>\$</b>	<b>1,200,459</b>
<b>Liabilities and Shareholder's Equity</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$	1,153,932
<b>Total Liabilities</b>		<b>1,153,932</b>
<b>Shareholder's Equity</b>		
Common Stock – no par value 20,000 shares authorized, 100 shares issued and outstanding		35,000
Additional Paid In Capital		55,351
Retained Earnings (Deficit)		(43,824)
<b>Total Equity</b>		<b>46,527</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>\$</b>	<b>1,200,459</b>

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

**Wharton Midmarket Securities, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2016**

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**NOTE 1 - ORGANIZATION**

Wharton MidMarket Securities, Inc. (“the Company”) is registered as a broker and dealer. It is a Connecticut corporation organized on March 8, 2013. The Company is registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company emphasizes mergers and acquisitions, and consulting on mergers and acquisitions.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

*Income Taxes*

The Company is a sub chapter S corporation and is treated as such for both federal and state income tax purposes. Thus, federal and state income (loss) are passed through to the shareholders of the company, and not taxed at the company level. Therefore, no provision of liability for federal or state income taxes are required in these financial statements. The Company accounts for potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as other expense. The Company’s tax returns from 2013, 2014 and 2015 remain open and are subject to regulatory examination.

*Basis of Accounting*

The Company uses the accrual method of accounting for financial accounting and the accrual method for tax accounting purposes.

*Cash and Cash Equivalents*

For the purpose of reporting statement of cash flows, the Company considers all cash accounts, which are not subject to withdrawal penalties and restrictions, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash balance in excess of FDIC and similar insurance coverage are subject to the usual banking risks associated with funds in excess of these limits. The Company had uninsured cash balances of approximately \$915,457 on December 31, 2016.

**Wharton Midmarket Securities, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2016**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Revenue Recognition*

The Company recognizes revenue when earned per an engagement agreement. Retainer fees are generally received at the beginning of an engagement and are non refundable. In the case when retainers are not received in full at the beginning of an engagement, revenue is recognized when the engagement agreement requires payment and persuasive evidence of an arrangement exists, the services outlined in the engagement agreement have been performed, the price of the contract is fixed or determinable and collectability is reasonably assured. Success fee revenue is recognized when it is earned and received at the closing of a transaction.

*Depreciation*

The Company uses MACRS depreciation and follows Section 179 rules for expensing capital assets for both book and tax purposes. Depreciation expense was \$7,144 for the year ended December 31, 2016.

**NOTE 3 -401K**

Wharton MidMarket Securities Inc. (WMMS) offers employees participation in a 401k retirement plan. WMMS contributions to the 401k plan are voluntary and can be stopped at any time without obligation. In 2016 WMMS contributed \$70,000 to the Company's 401k plan as the company's voluntary contribution for tax years 2015 and 2016.

**NOTE 4 – RELATED PARTIES**

Wharton MidMarket Securities Inc (WMMS) is owned by its President Paul Harrigan. Mr. Harrigan also is the sole owner of Wharton MidMarket Advisors LLC (WMMA). WMMS from time to time will reimburse Mr. Harrigan and WMMA for expenses. The sole shareholder was reimbursed \$236,768 for expenses he paid on the Company's behalf and was paid \$44,651, which are included in various operating expenses on the statement of income. The amount of occupancy expense of \$25,004 was paid to the shareholder. The Company paid expenses to related parties in the amount of \$1,367,975.

**NOTE 5 – RAYMOND JAMES RESERVE ACCOUNT**

The Company is required to maintain a minimum balance of \$25,000 in an account with Raymond James and Associates, Inc., its clearing broker/dealer, as part of a clearing agreement. The account balance at December 31, 2016 consisted of a cash sweep account in the Raymond James Bank Deposit Program.

**Wharton Midmarket Securities, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2016**

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**NOTE 6 - CONCENTRATIONS**

*Cash*

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2016 the company had \$915,457 in excess of FDIC insured limits. The Company has not experienced any losses in such accounts.

*Customers*

For the period January 1, 2016 through December 31, 2016 the company had three customers that represented 3%, 24% and 73% of revenue, respectively.

**NOTE 7 – PROPERTY AND EQUIPMENT**

Property and equipment are summarized by major classifications are follows:

	<u>2016</u>
Autos and Trucks	<u>\$96,440</u>
	96,440
Less Accumulated Depreciation	<u>(86,438)</u>
Net Property and Equipment	\$10,002

Total depreciation expense was \$7,144 for the year ended December 31, 2016.

**NOTE 8 – NET CAPITAL**

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule Rule 15c3-1 which requires the maintenance of minimum net capital balance and requires that the Company's aggregate indebtedness to net capital as defined shall not exceed 15 to 1. At December 31 2016 the Company's net capital was \$36,525 compared to \$76,929 required by the 15 to 1 aggregate indebtedness to net capital criteria resulting in a deficit of \$40,404. The Company's aggregate indebtedness to net capital was 31.59 to 1.

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

The Company does not have any commitments or contingencies.



**Wharton Midmarket Securities, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2016**

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**NOTE 10 – SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through March 10, 2017 which is the date the financial statements were available to be issued and on January 4, 2017 the Company paid the compensation expense accrual it made on December 31, 2016 from cash on hand and was again in compliance with net capital rules with \$31,525 in net capital in excess of the \$5000.00 required by Rule 15c3-1.