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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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



07008104

SEC FILE NUMBER  
8-593

FACING PAGE

REGISTRATION 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 10/1/05 AND ENDING 9/30/06  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Olmsted + Mulhall Inc

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

OFFICIAL USE ONLY  
FIRM I.D. NO.

(No. and Street)

(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\*

Flegal + Tibbitts

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

(Address)

(City)

PROCESSED

(State)

(Zip Code)

CHECK ONE:

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

B AUG 27 2007  
THOMSON  
FINANCIAL

SECURITIES AND EXCHANGE COMMISSION  
RECEIVED  
MAY 30 2007  
BRANCH OF REGISTRATIONS  
AND  
EXAMINATIONS

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)

*[Handwritten signature]*

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.

SEC 1410 (06-02)

**OLMSTED & MULHALL, INC.**

**AUDIT REPORT**

**SEPTEMBER 30, 2006**

## INDEPENDENT AUDITOR'S REPORT

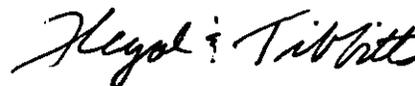
To the Board of Directors  
Olmsted & Mulhall, Inc.  
Kalamazoo, Michigan

We have audited the accompanying balance sheet of Olmsted & Mulhall, Inc. (a corporation) as of September 30, 2006, and the related statements of income, stockholders' equity, and cash flows for the year then ended. 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether 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 Olmsted & Mulhall, Inc. as of September 30, 2006, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. Supplemental information contained on pages 10 through 13 are presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 of the Securities and Exchange Commission. Such information has been subject to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



FLEGAL & TIBBITTS

October 19, 2006

**OLMSTED & MULHALL  
BALANCE SHEET  
SEPTEMBER 30, 2006**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 366,507
Other securities	52,436
Firm investments	9,072
Accounts receivable	8,476
Prepaid insurance	<u>6,638</u>

**TOTAL CURRENT ASSETS** \$ 443,129

**PROPERTY AND EQUIPMENT**

Land and building	\$ 78,285
Furniture	54,017
Accumulated depreciation	<u>(122,303)</u>

**NET PROPERTY AND EQUIPMENT** 9,999

**OTHER ASSETS**

Deferred income tax benefits	\$ <u>1,492</u>
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**TOTAL OTHER ASSETS** 1,492

**TOTAL ASSETS** \$ 454,620

See accompanying notes

**OLMSTED & MULHALL  
BALANCE SHEET  
SEPTEMBER 30, 2006**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**CURRENT LIABILITIES**

Accounts payable	\$ 9,070
Commissions and payroll taxes	23,258
Taxes other than income taxes	1,500
Federal income taxes payable	<u>5,060</u>

**TOTAL CURRENT LIABILITIES** \$ 38,888

**STOCKHOLDERS' EQUITY**

Common stock - \$10 par value	
Authorized - 5,000 shares	
Issued and outstanding - 250 shares	\$ 2,500
Paid in capital	25
Retained earnings unappropriated	<u>413,207</u>

**TOTAL STOCKHOLDERS' EQUITY** 415,732

**TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** \$ 454,620

See accompanying notes

**OLMSTED & MULHALL  
INCOME STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**REVENUE**

Commissions on listed equity securities - on exchange	\$ 79,679
Commissions on listed equity securities - over the counter	15,505
Rule 12(b)-1 compensation	361,749
Sale of investment company shares	141,725
Interest and dividends	12,060
Gain/(loss) on firm investments	<u>972</u>

**TOTAL REVENUE** \$ 611,690

**EXPENSES**

Registered representatives' compensation	\$ 357,669
Clerical and administrative expenses	70,129
Communications	4,441
Occupancy and equipment costs	11,018
Promotional costs	2,668
Regulatory fees and expenses	4,644
Other expenses	<u>135,687</u>

**TOTAL EXPENSES** 586,256

**INCOME BEFORE INCOME TAX** \$ 25,434

Federal income taxes 4,771

**NET INCOME** \$ 20,663

See accompanying notes

**OLMSTED & MULHALL  
STATEMENT OF STOCKHOLDERS' EQUITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>COMMON STOCK</u>	<u>PAID IN CAPITAL</u>	<u>RETAINED EARNINGS</u>	<u>TOTAL STOCKHOLDERS' EQUITY</u>
BALANCE - September 30, 2005	\$ 2,500	25	392,544	395,069
NET INCOME			<u>20,663</u>	<u>20,663</u>
BALANCE - September 30, 2006	<u>\$ 2,500</u>	<u>25</u>	<u>413,207</u>	<u>415,732</u>

See accompanying notes

**OLMSTED & MULHALL  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income	\$ 20,663
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	1,596
From changes in assets and liabilities:	
Decrease (increase) in:	
Other securities	1,469
Firm investments	(9,072)
Accounts receivable	3,648
Prepaid insurance	(5,535)
Prepaid federal income tax	1,200
Increase (decrease) in:	
Accounts payable	34
Commissions and payroll taxes	1,031
Taxes other than income taxes	550
Federal income taxes payable	<u>5,060</u>

**NET CASH PROVIDED BY OPERATING ACTIVITIES** \$ 20,644

**INCREASE (DECREASE) IN CASH** \$ 20,644

**CASH AND CASH EQUIVALENTS - September 30, 2005** 345,863

**CASH AND CASH EQUIVALENTS - September 30, 2006** \$ 366,507

**SUPPLEMENTAL INFORMATION**

Operating activities reflect income taxes paid of \$920 for 2006.

See accompanying notes

**OLMSTED & MULHALL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2006**

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Olmsted & Mulhall, Inc. is a full service stock brokerage firm.

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Assets, liabilities, revenues and expenses are recognized on the accrual basis of accounting.

For the purpose of the Statement of Cash Flows, the Company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Fixed assets are recorded at cost less accumulated depreciation which is computed principally by the declining balance method.

The Company expenses advertising costs as they are incurred. The Company's advertising costs for the year ended September 30, 2006 were \$2,668.

**INCOME TAXES**

Olmsted & Mulhall, Inc. has adopted FASB Statement No. 109, Accounting for Income Taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities. It should also be noted that the tax returns are prepared on a calendar year and audited financial statements are presented on a fiscal year ending September 30, 2006.

The provision for federal income taxes at September 30, 2006 consists of the following:

Federal income taxes per the tax return filed for the calendar year 2005	\$ 631
Less provision for federal income taxes through September 30, 2005	<u>(1,560)</u>
Federal income taxes for the balance of 2005	\$ (929)
Provision for the federal income taxes through September 30, 2006	<u>5,700</u>
Federal income taxes	\$ <u><u>4,771</u></u>

**OLMSTED & MULHALL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30 2006**

**RETIREMENT PLAN**

The Company sponsors a SIMPLE (Savings Incentive Match Plan for Employees of Small Employers) retirement plan for all employees. For each calendar year, the company will contribute a matching contribution to each eligible employee's SIMPLE IRA equal to the employee's salary reduction contributions up to a limit of 3% of the employee's compensation for the calendar year. The company's contributions for the year ended September 30, 2006 were \$12,199.

**CONCENTRATIONS OF CREDIT RISK**

The Company maintains its cash balances in several financial institutions located in Michigan. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. At September 30, 2006, the Company's uninsured cash balances totaled \$267,584.

**OLMSTED & MULHALL, INC.**  
**SUPPLEMENTAL INFORMATION**  
**SEPTEMBER 30, 2006**

**OLMSTED & MULHALL, INC.**  
**COMPUTATION OF NET CAPITAL PURSUANT**  
**TO RULE 15C3-1**  
**SEPTEMBER 30, 2006**

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

Total liabilities per balance sheet		\$ <u>38,888</u>
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**COMPUTATION OF NET CAPITAL**

Stockholders' equity per balance sheet		\$ 415,732
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Less:

Net book value of property and equipment and other assets	\$ 18,154	
Market value\haircuts\firm investments	<u>2,735</u>	<u>20,889</u>

<b>ADJUSTED NET CAPITAL</b>		<b>\$ <u>394,843</u></b>
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<b>PERCENTAGE OF AGGREGATE INDEBTEDNESS TO NET CAPITAL</b>		<b><u>0.10</u></b>
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**COMPUTATION OF BASIC NET CAPITAL**

Minimum net capital required		\$ <u>2,593</u>
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Minimum net dollar required		\$ <u>100,000</u>
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Excess net capital		
Net capital	\$ 394,843	
Net capital required		<u>100,000</u>

<b>EXCESS NET CAPITAL</b>		<b>\$ <u>294,843</u></b>
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Excess net capital at 1000%		
Net capital	\$ 394,843	
10% of total aggregate indebtedness		<u>3,889</u>

<b>EXCESS NET CAPITAL AT 1000%</b>		<b>\$ <u>390,954</u></b>
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**OLMSTED & MULHALL, INC.**  
**SEPTEMBER 30, 2006**

**STATEMENT IN REGARD TO RULE X17A-5(d)(4)**

We have computed the Net capital required under Rule 15c3-1 and the Reserve Requirement under Rule 15c-3-3 (which an exemption is claimed) with the unaudited report filed by the firm for September 30, 2006. Following is a reconciliation of net capital.

<b>NET CAPITAL PER UNAUDITED - Focus Report</b>			
September 30, 2006			\$ 399,936
<b>ADD AUDIT ADJUSTMENTS FOR THE FOLLOWING ITEMS:</b>			
Additional Accounts Receivable	\$	1,413	
Additional Revenue		<u>377</u>	
			1,790
<b>LESS AUDIT ADJUSTMENTS FOR THE FOLLOWING ITEMS:</b>			
Accrual for Michigan Single Business Tax	\$	1,500	
Accrual for Federal Income Tax		5,060	
Additional Expense		<u>323</u>	
			<u>6,883</u>
<b>NET CAPITAL PER AUDIT - September 30, 2006</b>			<b>\$ <u><u>394,843</u></u></b>

**OLMSTED & MULHALL, INC.**  
**RULE 15c3-3**  
**SEPTEMBER 30, 2006**

**COMPUTATION OF RESERVE REQUIREMENT**

An exemption for rule 15c3-3 is claimed since all customer transactions are cleared through another broker-dealer on a fully disclosed basis. The clearing firm is ADP Clearing and Outsourcing, the clearing firm's SEC number is 8-25352 and the product code is G for general securities.

**OLMSTED & MULHALL, INC.**  
**RULE 15c3-1**  
**SEPTEMBER 30, 2006**

**POSSESSION OR CONTROL REQUIREMENTS**

Olmsted & Mulhall, Inc. has met the requirements of the possession or control requirements.

The firm has not failed to deliver within 5 business days nor have any failed to receive within 30 days. All customer transactions are cleared through another broker-dealer on a fully disclosed basis. The clearing firm is ADP Clearing and Outsourcing, the clearing firm's SEC number is 8-25352 and the product code is G for general securities.

**END**