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JUN 27 2011  
 For credit to the U.S. Treasury

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

SEC FILE NUMBER
8- 046927

**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 05/01/10 AND ENDING 04/30/11  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Charter Capital Management, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

2525 N. Mayfair Road, Suite 210

(No. and Street)  
 Wauwatosa WI 53226  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
 Joel Hassler (414) 257-3700  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Walkowicz, Boczkiewicz & Co., S.C.

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

1800 E. Main Street, Suite 100 Waukesha WI 53186  
(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)

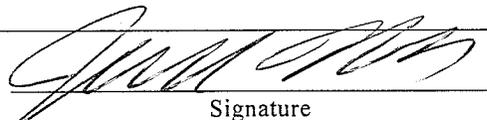
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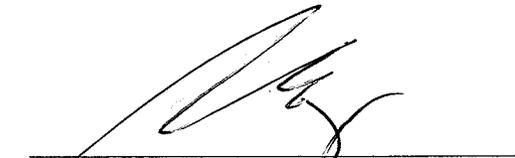
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OATH OR AFFIRMATION

I, Joel Hassler, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Charter Capital Management, Inc., as of April 30, 20 11, 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:

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

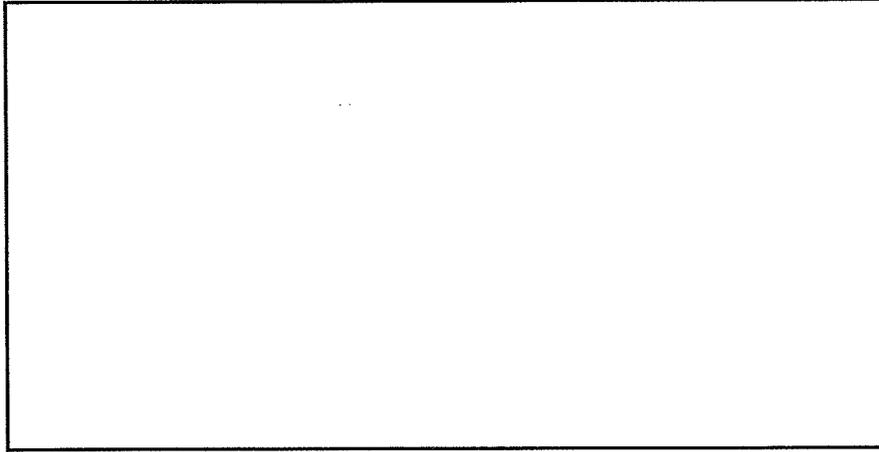
  
\_\_\_\_\_  
Signature  
President  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
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).



***CERTIFIED PUBLIC ACCOUNTANTS***

1800 East Main Street, Suite 100  
Waukesha, Wisconsin 53186-3902

**CHARTER CAPITAL MANAGEMENT, INC.**

**ANNUAL REPORT**

**FOR THE YEAR ENDED**

**APRIL 30, 2011**

**Charter Capital Management, Inc.**

**Annual Report**

**April 30, 2011**

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**WALKOWICZ,  
BOCHKIEWICZ & CO., S.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

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CHRISTOPHER P. OLSON, CPA  
WENDY L. HANSON**

### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Charter Capital Management, Inc.

We have audited the accompanying statement of financial condition of Charter Capital Management, Inc., as of April 30, 2011 and April 30, 2010, and the related statements of income (loss), changes in stockholders' equity, and cash flows for the years then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. 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 audits.

We conducted our audits 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 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 audits provide 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 Charter Capital Management, Inc. as of April 30, 2011 and April 30, 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the accompanying computation of net capital and aggregate indebtedness schedule is 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 under the Securities Exchange Act of 1934. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with accounting standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Walkowicz, Boczkiwicz & Co., S.C.*

Waukesha, Wisconsin  
June 17, 2011

**Charter Capital Management, Inc.**  
**Statements of Financial Condition**  
**April 30, 2011 and 2010**

	2011	2010
<b>Assets</b>		
<b>Current Assets:</b>		
Cash	\$ 118,410	\$ 63,729
Commissions receivable	7,598	6,621
Due from stockholder	35,500	-
Total Current Assets	161,508	70,350
<b>Property and Equipment:</b>		
Computer equipment	7,958	7,057
Office furniture, fixtures, and equipment	6,965	6,965
Total Property and Equipment	14,923	14,023
Less: accumulated depreciation	(13,062)	(12,070)
Net Property and Equipment	1,861	1,953
Total Assets	\$ 163,369	\$ 72,303

See notes to financial statements.

**Charter Capital Management, Inc.**  
**Statements of Financial Condition**  
**April 30, 2011 and 2010**

**Liabilities and Stockholder's Equity**

	<u>2011</u>	<u>2010</u>
<b>Current Liabilities:</b>		
Accounts payable	\$ 1,116	\$ 908
Accrued payroll taxes	<u>2,023</u>	<u>12,925</u>
Total Current Liabilities	3,139	13,833
<b>Stockholder's Equity:</b>		
Common stock	25	25
Paid in capital	2,321	2,321
Retained earnings	<u>157,884</u>	<u>56,124</u>
Total Stockholder's Equity	<u>160,230</u>	<u>58,470</u>
Total Liabilities and Stockholder's Equity	<u>\$ 163,369</u>	<u>\$ 72,303</u>

See notes to financial statements.

**Charter Capital Management, Inc.**  
**Statements of Income (Loss)**  
**For the Years Ended April 30, 2011 and April 30, 2010**

	<u>2011</u>	<u>2010</u>
<b>Revenue:</b>		
Advisory fees	\$ 532,862	\$ 463,194
Commissions	<u>65,507</u>	<u>54,824</u>
Total Revenue	598,369	518,018
<b>Expenses:</b>		
Commissions, other compensation and related benefits	430,608	451,149
Communications	4,855	4,369
Occupancy	21,589	24,777
Other operating expenses	<u>39,558</u>	<u>45,206</u>
Total Expenses	<u>496,610</u>	<u>525,501</u>
Net Income (Loss) From Operations	101,759	(7,483)
<b>Other Income (Expense):</b>		
Interest income	1	2
Loss on disposition of assets	<u>-</u>	<u>(917)</u>
Total Other Income (Expense)	<u>1</u>	<u>(915)</u>
Net Income (Loss)	<u>\$ 101,760</u>	<u>\$ (8,398)</u>

See notes to financial statements.

**Charter Capital Management, Inc.**  
**Statements of Changes in Stockholders' Equity**  
**For the Years Ended April 30, 2011 and April 30, 2010**

	<u>Common Stock</u>	<u>Additional Paid in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total Stockholder's Equity</u>
Balance, April 30, 2009	\$ 25	\$ 2,321	\$ 64,522	\$ -	\$ 66,868
Net Loss	-	-	(8,398)	-	(8,398)
Balance, April 30, 2010	\$ 25	\$ 2,321	\$ 56,124	\$ -	\$ 58,470
Net Income	-	-	101,760	-	101,760
Balance, April 30, 2011	<u>\$ 25</u>	<u>\$ 2,321</u>	<u>\$ 157,884</u>	<u>\$ -</u>	<u>\$ 160,230</u>

See notes to financial statements.

**Charter Capital Management, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended April 30, 2011 and April 30, 2010**

	<u>2011</u>	<u>2010</u>
<b>Cash Flows from Operating Activities:</b>		
Net Income (Loss)	\$ 101,760	\$ (8,398)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Loss on disposition of assets	-	917
Depreciation	992	1,421
(Increase) decrease in assets:		
Advisory fees receivable	-	2,003
Commissions receivable	(977)	(2,047)
Due from stockholder	(35,500)	-
Increase (decrease) in liabilities:		
Accounts payable	208	(796)
Accrued payroll taxes	(10,902)	10,616
	<u>55,581</u>	<u>3,716</u>
<b>Net Cash Provided by Operating Activities</b>	<b>55,581</b>	<b>3,716</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of fixed assets	(900)	(1,118)
	<u>(900)</u>	<u>(1,118)</u>
<b>Net Cash Used in Investing Activities</b>	<b>(900)</b>	<b>(1,118)</b>
Net Increase in Cash	54,681	2,598
Cash - Beginning of year	63,729	61,131
Cash - End of year	<u>\$ 118,410</u>	<u>\$ 63,729</u>
<b>Supplementary Disclosures of Cash Flow Information:</b>		
Cash paid during the period for		
Interest	<u>\$0</u>	<u>\$0</u>
Income taxes	<u>\$0</u>	<u>\$0</u>

See notes to financial statements.

**Charter Capital Management, Inc.**  
**Notes To Financial Statements**  
**April 30, 2011 and April 30, 2010**

**Note 1 - Summary of Significant Accounting Policies**

This summary of significant accounting policies is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

**Business Activity**

The Company was incorporated in the State of Wisconsin on May 1, 1981. The Company is registered with the Securities and Exchange Commission and it is a member of the Financial Industry Regulatory Authority, or "FINRA" (created in 2007 through the consolidation of the National Association of Securities Dealers, Inc. ("NASD") and the member regulation, enforcement and arbitration operations of the New York Stock Exchange). The Company's principal business activity is registered investment advisor.

**Property and Equipment**

Property and equipment are recorded at cost, and depreciated using the straight-line and 200DB methods over various lives between 3 and 10 years.

**Bad Debts**

The Company uses the direct write-off method to account for bad debts. As such, they are expensed when determined to be bad.

**Unearned Fees**

The Company maintains its financial records generally on an accrual basis of accounting. The only exception relates to certain management fees that are billed prospectively, for varying terms up to six months, based on contractual percentages of the current market values. In accordance with practices allowed by the State of Wisconsin Office of Commissioner of Securities, the Company has not deferred the revenue to be earned under these contracts, nor has it recorded as prepaid, a substantially similar amount for the salaries paid as a result of these fees.

Management's estimate of unearned fees and prepaid salaries at April 30, 2011 and April 30, 2010, is approximately \$40,779 and \$37,080, respectively, which management believes is not material to the fair presentation of the financial statements of the Company.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Income Taxes**

The Company files their 1120 tax return on a calendar year end. The federal income tax returns of the Company for the years ending December 31, 2007, 2008, 2009, 2010 remain open to examination by the Internal Revenue Service.

**Charter Capital Management, Inc.**  
**Notes To Financial Statements**  
**April 30, 2011 and April 30, 2010**

**Note 2 - Net Capital Requirements**

As a registered broker/dealer and member of the Financial Industry Regulatory Authority, the Company is subject to the Uniform Net Capital Rule, which required the maintenance of minimum net capital and requires that the ratio of aggregated indebtedness to net capital, both as defined, shall not exceed 15 to 1. At April 30, 2011, the Company's net capital and required net capital were \$5,000 and \$5,000, respectively. The ratio of aggregate indebtedness to net capital was 2.71%.

**Note 3 - Common Stock**

Common stock consists of 56,000 shares authorized, 25 shares issued and outstanding \$1 par value common shares.

**Note 4 - Lease Commitment**

Under the terms of noncancellable leases for office space, minimum annual rentals, exclusive of additional payment which may be required for certain increases in operating and maintenance costs, are as follows:

<u>Year Ending April 30,</u>	<u>Minimum Rentals</u>
2012	\$ 24,848
2013	15,709
2014	-
2015	-
2016	-
	<hr/> <u>\$ 40,557</u>

**Note 5 - Filing Requirements**

There were no liabilities subordinated to claims of creditors during the year ended April 30, 2011. Accordingly, a statement of changes in liabilities subordinated to claims of creditors is not included in the financial statements as required by rule 17a-5 of the Securities and Exchange Commission.

**Note 6 - Subsequent Events**

The Company has reviewed events and transactions through June 17, 2011 and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

**Charter Capital Management, Inc.**  
**Computation of Net Capital and Aggregate Indebtedness**  
**For the Years Ended April 30, 2011 and April 30, 2010**

	<u>2011</u>	<u>2010</u>
<b>Net Capital Computation</b>		
Stockholder's equity at year end	\$ 160,230	\$ 58,470
Deductions:		
Nonallowable assets:		
Nonallowable receivables	(4,067)	(5,951)
Nonallowable receivables from non-customers	(38,373)	-
Net property and equipment	<u>(1,861)</u>	<u>(1,953)</u>
Net Capital	<u>\$ 115,929</u>	<u>\$ 50,566</u>
<b>Computation of Basic Net Capital Requirement</b>		
Minimum net capital required (6 2/3% of aggregate indebtedness)	<u>\$ 209</u>	<u>\$ 922</u>
Minimum dollar net capital requirement	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Net capital requirement	<u>\$ 5,000</u>	<u>\$ 5,000</u>
<b>Computation of Aggregate Indebtedness</b>		
Total liabilities	<u>\$ 3,139</u>	<u>\$ 13,833</u>
Aggregate Indebtedness	<u>\$ 3,139</u>	<u>\$ 13,833</u>
<b>Percentage of Aggregate Indebtedness to Net Capital</b>		
	<u>2.71%</u>	<u>27.36%</u>

**Charter Capital Management, Inc.**  
**Computation of Net Capital and Aggregate Indebtedness**  
**For the Years Ended April 30, 2011 and April 30, 2010**

	<u>2011</u>	<u>2010</u>
<b>Reconciliation with Company's Computation (included in Part IIA of Form X-17A-5 as of April 30):</b>		
Net capital, as reported in Company's Part IIA (unaudited) FOCUS report	\$ 115,929	\$ 50,566
Net changes per audit	<u>-</u>	<u>-</u>
 Net Capital Per Above	 <u>\$ 115,929</u>	 <u>\$ 50,566</u>



**WALKOWICZ,  
BOCHKIEWICZ & CO., S.C.**

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### **Independent Auditor's Report on Internal Control**

Board of Directors,  
Charter Capital Management, Inc.

In planning and performing our audit of the financial statements of Charter Capital Management, Inc. as of and for the year ended April 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g)(1) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *control deficiency* exists when the design or operation of a control does not allow management of employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously. However, our study and evaluation disclosed that a lack of segregation of functions exists. Although this condition may be considered to be a material weakness in internal control, it is a common condition in entities of this size. This condition was considered in determining the nature, timing and extent of the procedures to be performed in our audits of the financial statements of Charter Capital Management, Inc. for the year ended April 30, 2011, and this report does not affect our report thereon dated June 17, 2011. In addition, no facts came to our attention which would indicate the Company was not in compliance with its type k(2)(i) exemption from the requirements of SEC Rule 15c3-3. However, it should be noted that our examination was not directed primarily toward obtaining knowledge of such noncompliance.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purpose in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at April 30, 2011, to meet the SEC's objectives.

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

*Walter J. Boyer, C.S.C.*

Waukesha, Wisconsin  
June 17, 2011