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

SEC  
Max Process  
Section  
JUN 30 2016

SEC FILE NUMBER  
8-16538

FACING PAGE **Washington DC**  
**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 05/01/15 AND ENDING 04/30/16 ✓  
 MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Wadsworth Investment Company, Inc OFFICIAL USE ONLY

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

North Haven CT 06473  
 (City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Patrick McKeon 617-947-2205  
 (Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Staresinic, Stephen J  
 (Name - if individual, state last, first, middle name)

105 Weratrosse, Stuttgart Germany 70190  
 (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)

EP

OATH OR AFFIRMATION

I, Patrick McKeon, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Wadsworth Investment Company, Inc, as of April 30, 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:

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

Patrick McKeon  
Signature

Financial and Operations Principal  
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 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).

Form  
 X-17A-5

FOCUS REPORT  
 (Financial and Operational Combined Uniform Single Report)  
 PART IIA 12

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):  
 1) Rule 17a-5(a)  16      2) Rule 17a-5(b)  17      3) Rule 17a-11  18  
 4) Special request by designated examining authority  19      5) Other  26

NAME OF BROKER-DEALER SEC FILE NO.  
Wadsworth Investment Company, INC 5844 14  
 ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.) FIRM I.D. NO.  
565 Washington Avenue 05/01/15 15  
 (No. and Street) FOR PERIOD BEGINNING (MM/DD/YY)  
Wallingford 21 CT 22 06473 23 04/30/16 24  
 (City) (State) (Zip Code) AND ENDING (MM/DD/YY)  
25

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area Code) — Telephone No.  
Patrick McKean 30 607-947-2265 31  
 NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT: OFFICIAL USE  
32 33  
34 35  
36 37  
38 39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41  
 CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

**EXECUTION:**  
 The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_  
 Manual signatures of:  
 1) \_\_\_\_\_  
 Principal Executive Officer or Managing Partner  
 2) \_\_\_\_\_  
 Principal Financial Officer or Partner  
 \_\_\_\_\_  
 Principal Operations Officer or Partner

**ATTENTION** — Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f(a))

**TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

NAME (If individual, state last, first, middle name)

Staresinic, Stephen J

70

ADDRESS

105 Werastrasse

Number and Street

71

Stuttgart

City

72

Germany

State

73

70190

Zip Code

74

CHECK ONE

Certified Public Accountant

75

Public Accountant

76

Accountant not resident in United States  
or any of its possessions

77

FOR SEC USE

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DO NOT WRITE UNDER THIS LINE . . . FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER <i>Wadsworth Investment Company, Inc</i>	N3			100
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### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) 04/30/76

SEC FILE NO.		99
		98
Consolidated	<input checked="" type="checkbox"/>	198
Unconsolidated	<input type="checkbox"/>	199

	Allowable	Non-Allowable		Total
1. Cash	\$ 4610			\$ 4610
2. Receivables from brokers or dealers:				
A. Clearance account	295			
B. Other	300			
3. Receivable from non-customers	355	8084		8439
4. Securities and spot commodities owned at market value:				
A. Exempted securities	418			
B. Debt securities	419			
C. Options	420			
D. Other securities	355694			
E. Spot commodities	430			
5. Securities and/or other investments not readily marketable:				
A. At cost	130			
B. At estimated fair value	440	610		1050
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:				
A. Exempted securities	150			
B. Other securities	160			
7. Secured demand notes:	470	640		1110
Market value of collateral:				
A. Exempted securities	170			
B. Other securities	180			
8. Memberships in exchanges:				
A. Owned, at market	190			
B. Owned, at cost		650		
C. Contributed for use of the company, at market value		660		900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships	480	670		1150
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization	490	680		1170
11. Other assets	535	8100		8635
12. TOTAL ASSETS	360304	16184		376488

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER

as of 04/30/16

Wadsworth Investment Company, Inc

## STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

### LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
13. Bank loans payable .....	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account .....	1114	1315	1560
B. Other .....	1115	1305	1540
15. Payable to non-customers .....	1155	1355	1610
16. Securities sold not yet purchased, at market value .....		1360	1620
17. Accounts payable, accrued liabilities, expenses and other .....	18292 1205	1385	18292 1685
18. Notes and mortgages payable:			
A. Unsecured .....	1210		1690
B. Secured .....	1211	1390	1700
19. E. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		1400	1710
1. from outsiders, \$ 970			
2. includes equity subordination (15c3-1(d)) of ... \$ 980			
B. Securities borrowings, at market value from outsiders \$ 990		1410	1720
C. Pursuant to secured demand note collateral agreements		1420	1730
1. from outsiders \$ 1000			
2. includes equity subordination (15c3-1(d)) of ... \$ 1010			
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES .....	\$ 18292 1230	\$ 1450	\$ 18292 1760
<b>Ownership Equity</b>			
21. Sole Proprietorship .....			1770
22. Partnership (limited partners) .....	1020		1780
23. Corporation:			
A. Preferred stock .....			1791
B. Common stock .....		11000	1792
C. Additional paid-in capital .....			1793
D. Retained earnings .....		397196	1794
E. Total .....		358196	1795
F. Less capital stock in treasury .....		(1796)	1796
24. TOTAL OWNERSHIP EQUITY .....			\$ 358196 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....			\$ 376428 1810

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER

as of 04/20/16

Wadsworth Investment Company, Inc

## COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition .....	\$	<u>358196</u>	3480
2. Deduct ownership equity not allowable for Net Capital .....			3490
3. Total ownership equity qualified for Net Capital .....		<u>358196</u>	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital .....			3520
B. Other (deductions) or allowable credits (List) .....			3525
5. Total capital and allowable subordinated liabilities .....	\$	<u>358196</u>	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C) .....	17 \$	<u>16184</u>	3540
B. Secured demand note delinquency .....			3590
C. Commodity futures contracts and spot commodities - proprietary capital charges .....			3600
D. Other deductions and/or charges .....			3610
7. Other additions and/or allowable credits (List) .....		<u>( 16184 )</u>	3620
8. Net capital before haircuts on securities positions .....	20 \$	<u>342012</u>	3630
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments .....	\$		3660
B. Subordinated securities borrowings .....			3670
C. Trading and investment securities:			
1. Exempted securities .....	18		3735
2. Debt securities .....			3733
3. Options .....			3730
4. Other securities .....		<u>19233</u>	3734
D. Undue Concentration .....			3650
E. Other (List) .....			3736
		<u>( 19233 )</u>	3740
10. Net Capital .....	\$	<u>322779</u>	3750

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

as of 04/30/16

Wadsworth Investment Company, Inc

### COMPUTATION OF NET CAPITAL REQUIREMENT

**Part A**

11. Minimum net capital required (6 $\frac{2}{3}$ % of line 19) .....	\$ <u>1219</u>	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$ <u>5000</u>	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$ <u>5000</u>	3760
14. Excess net capital (line 10 less 13) .....	\$ <u>317779</u>	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$ <u>316779</u>	3780

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition .....	\$ <u>18292</u>	3790
17. Add:		
A. Drafts for immediate credit .....	\$ <u>3800</u>	
B. Market value of securities borrowed for which no equivalent value is paid or credited .....	\$ <u>3810</u>	
C. Other unrecorded amounts (List) .....	\$ <u>3820</u>	
18. Total aggregate indebtedness .....	\$ <u>18292</u>	3830
19. Percentage of aggregate indebtedness to net capital (line 18 ÷ by line 10) .....	%	<u>5.67</u> 3850
20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) .....	%	<u>0.00</u> 3860

### COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

**Part B**

21. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits .....	\$	3970
22. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	3880
23. Net capital requirement (greater of line 21 or 22) .....	\$	3760
24. Excess capital (line 10 less 23) .....	\$	3910
25. Net capital in excess of the greater of:		
A. 5% of combined aggregate debit items or \$120,000 .....	\$	3920

**NOTES:**

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6 $\frac{2}{3}$ % of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.



# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER Wadsworth Investment Company, Inc

For the period (MMDDYY) from 050115 3932 to 043016 3933  
 Number of months included in this statement 12 3931

### STATEMENT OF INCOME (LOSS)

#### REVENUE

1. Commissions:			
a. Commissions on transactions in exchange listed equity securities executed on an exchange .....	\$		3935
b. Commissions on listed option transactions .....	25		3938
c. All other securities commissions .....			3939
d. Total securities commissions .....			3940
2. Gains or losses on firm securities trading accounts			
a. From market making in options on a national securities exchange .....			3945
b. From all other trading .....			3949
c. Total gain (loss) .....			3950
3. Gains or losses on firm securities investment accounts .....		(11332)	3952
4. Profit (loss) from underwriting and selling groups .....		26	3955
5. Revenue from sale of investment company shares .....		34997	3970
6. Commodities revenue .....			3990
7. Fees for account supervision, investment advisory and administrative services .....		84461	3975
8. Other revenue .....		284370	3995
9. Total revenue .....		\$ 392496	4030

#### EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers .....		291100	4120
11. Other employee compensation and benefits .....			4115
12. Commissions paid to other broker-dealers .....			4140
13. Interest expense .....		550	4075
a. Includes interest on accounts subject to subordination agreements .....	4070		
14. Regulatory fees and expenses .....		8802	4195
15. Other expenses .....		116771	4100
16. Total expenses .....		\$ 417223	4200

#### NET INCOME

17. Income (loss) before Federal income taxes and items below (Item 9 less Item 16) .....		\$ (24727)	4210
18. Provision for Federal income taxes (for parent only) .....		28	4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above .....			4222
a. After Federal income taxes of .....	4338		
20. Extraordinary gains (losses) .....			4224
a. After Federal income taxes of .....	4239		
21. Cumulative effect of changes in accounting principles .....			4225
22. Net income (loss) after Federal income taxes and extraordinary items .....		\$	4230

#### MONTHLY INCOME

23. Income (current month only) before provision for Federal income taxes and extraordinary items .....		\$ (59766)	4211
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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

Wadsworth Investment Company, Inc

For the period (MMDDYY) from 050115 to 043016

### STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period .....	\$	<u>382923</u>		4240
A. Net income (loss) .....		<u>24727</u>		4250
B. Additions (Includes non-conforming capital of .....	\$	4262	)	4260
C. Deductions (Includes non-conforming capital of .....	\$	4272	)	4270
2. Balance, end of period (From item 1800) .....	\$	<u>358196</u>		4290

### STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period .....	\$			4300
A. Increases .....				4310
B. Decreases .....				4320
4. Balance, end of period (From item 3520) .....	\$			4330

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## FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER Wadsworth Investment Company, Inc as of 04/30/16

### EXEMPTIVE PROVISION UNDER RULE 15c3-3

24. If an exemption from Rule 15c3-1 is claimed, identify below the section upon which such exemption is based (check one only)

- A. (k)(1) — \$2,500 capital category as per Rule 15c3-1 .....  4550
- B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained ..... 4560
- C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis.  
Name of clearing firm<sup>30</sup> ..... 4335 ..... 4570
- D. (k)(3) — Exempted by order of the Commission (include copy of letter) ..... 4580

### Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed Withdrawal or Accrual (See below for code )	Name of Lender or Contributor	Insider or D outsider? (in or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
31 4600	4601	4602	4603	4604	4605
32 4610	4611	4612	4613	4614	4615
33 4620	4621	4622	4623	4624	4625
34 4630	4631	4632	4633	4634	4635
35 4640	4641	4642	4643	4644	4645
<b>Total \$<sup>36</sup></b>			<b>4699</b>		

OMIT PENNIES

Instructions: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

<b>WITHDRAWAL CODE:</b>	<b>DESCRIPTIONS</b>
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals

**WADSWORTH INVESTMENT COMPANY, INC.**  
**STATEMENT OF CASH FLOWS**  
For the period ended April 30, 2016

**OPERATING ACTIVITIES:**

Net income/(loss)	\$ (24,727)
Adjustments to reconcile net gain to net cash provided by operating activities:	
(Gain)/loss on securities	16,350
Unrealized (gain)/loss on securities	(27,682)
Decrease/(Increase) in receivables	(3,509)
(Decrease)/Increase in accrued liabilities	(8,286)
Net cash used in operating activities	(47,854)

**INVESTING ACTIVITIES:**

Proceeds from sale of securities	210,269
Purchases of securities	<u>(191,939)</u>
Net cash used in investing activities	18,330
(Decrease)/Increase in cash and cash equivalents	(29,524)
Cash and cash equivalents at beginning of year	<u>389,828</u>
Cash and cash equivalents at end of year	<u>360,304</u>

**SUPPLEMENTAL DISCLOSURES:**

Interest Paid: NONE  
Income taxes paid: Federal - 0; State \$1,257

See accompanying notes and auditor's report

**WADSWORTH INVESTMENT COMPANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2016

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) Description of Business

Wadsworth Investment Company, Inc. is a broker-dealer, located in North Haven, CT, which sells shares of mutual funds and other investments. The Company receives most of its income from commissions on the sale of investments and does not handle any client funds or hold any client securities.

b) Basis of Financial Statement Presentation

The Company prepares the FOCUS REPORT in accordance with the requirements of the Securities and Exchange Commission. The basis of accounting is the same as accounting principles generally accepted in the United States.

c) Equipment

Equipment is stated at cost and depreciated using estimated useful lives. The estimated useful life of equipment is 5 – 7 years. The current year depreciation expense is \$0. Equipment book value is summarized as follows:

Equipment	\$ 7,578
Accumulated depreciation	<u>( 7,578)</u>
Net Book Value	\$ 0

d) Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Company considers all short-term debt securities with maturity of three months or less to be cash equivalents.

e) 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

See accompanying notes on auditor's report.

**WADSWORTH INVESTMENT COMPANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2016

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

f) Concentrations of Credit Risk

Cash accounts are maintained at a bank in Wallingford, Connecticut and a Mutual Fund Money Market account. At times, cash balances may be in excess of FDIC insurance limits, or in uninsured accounts.

g) Stockholder Equity

The stockholder equity consists of retained earnings and common stock outstanding. These are 100 shares no-par common stock authorized with 60 shares issued outstanding at April 30, 2016.

h) Bad Debts

The Company uses the direct write-off method to record bad debts. As a result, the Company does not maintain an allowance for bad debts.

**2. RELATED PARTY TRANSACTIONS**

The Company is solely owned by Wadsworth Family, LLC (WF, LLC). William F. Wadsworth, Sr. is the manager of WF, LLC. WF, LLC also owns a majority interest in W&W Properties, LLC and Portfolio Timing Services (PTS). William F. Wadsworth, Sr. also owns an interest in Wadsworth Financial Group, Inc. WF, LLC also owns an interest in DECA ONE, LLC.

Many of the clients of Wadsworth Investment Company, Inc. (the Company) are also clients of PTS. Each entity receives commissions or fees from clients for the services they provide. The Company and PTS receive payment from each other. DECA ONE, LLC is also a client of the Company. Wadsworth Financial Group, Inc. and W&W Properties, LLC did not have any intercompany transactions with the Company.

See accompanying notes on auditor's report.

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**WADSWORTH INVESTMENT COMPANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2015

**3. INCOME TAXES**

No provision has been made for deferred taxes because the timing differences between book and tax depreciation are immaterial and the Company does not have any other timing differences.

There are no income taxes currently due for Wadsworth Investment Company, Inc for the tax period ending April 30, 2016.

See accompanying notes on auditor's report.

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**WADSWORTH INVESTMENT COMPANY, INC.**  
**RECONCILIATION OF COMPUTATION OF NET CAPITAL**  
April 30, 2016

Net capital per audit report	\$322,779
Net capital per 5 <sup>th</sup> quarterly report	<u>\$322,779</u>
Difference	NONE

There were no differences in net capital. The adjusting entries recorded to complete the audit report were also recorded in the 5<sup>th</sup> quarterly report.

See accompanying notes on auditor's report.



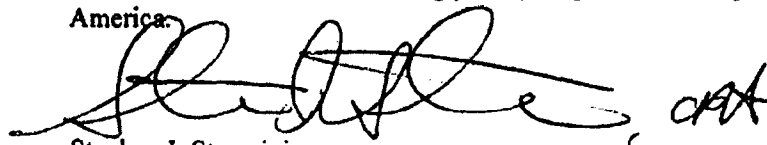
**Independent Auditor's Report**

**William F. Wadsworth  
Wadsworth Investment Company, Inc  
565 Washington Avenue  
North Haven CT 06473**

I have audited the accompanying Balance Sheet (Statement of Financial Condition) of Wadsworth Investment Company, Inc, as of April 30, 2016 and the related Profit and Loss Statement (Income Statement), Statement of Cash Flows, the Financial and Operational Combined Uniform Single Report (FOCUS REPORT), and Reconciliation of Computation of Net Capital. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted this audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that I 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 as well as evaluating the overall financial statement presentation. I believe that this audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wadsworth Investment Company, Inc, as of April 30, 2016, the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. The Statement of Financial Condition for Noncarrying, Nonclearing and Certain Other Brokers or Dealers of Wadsworth Investment Company, Inc, as of April 30, 2016 and the Financial and Operational Combined Uniform Single Report (FOCUS REPORT), Computation of Net Capital, Computation of Net Capital Requirement and the Reconciliation of Computation of Net Capital for the year ended were prepared in accordance with the accounting practices prescribed by the Securities and Exchange Commission and with accounting principles generally accepted in the United States of America.



**Stephen J. Staresinic  
Certified Public Accountant  
May 5, 2016**

Independent Auditor's Report on Internal Accounting Control

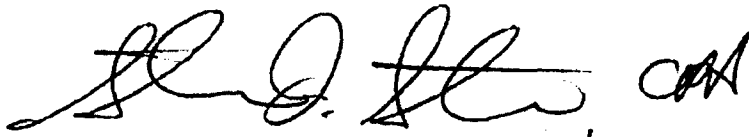
To the President  
Wadsworth Investment Co, Inc.  
565 Washington Avenue  
North Haven, CT 06473

I have audited the accompanying financial statements of Wadsworth Investment Co., Inc. (WIC) as of April 30, 2016, and the related statements of income, changes in ownership equity and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934, and have issued my report thereon. I conducted my audit in accordance with accounting standards generally accepted in the United States of America.

In planning and performing my audit, I considered WIC's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be significant deficiencies. Under standards issued by the American Institute of Certified Public Accountants, significant deficiencies are deficiencies in internal control, of a combination of deficiencies, that adversely affect WIC's ability to initiate, authorize, record, process or report financial data reliably and in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the financial statements being audited that is more than inconsequential will not be prevented or detected. Material weaknesses are significant deficiencies, or a combination of significant deficiencies, that result in a more than remote likelihood that material misstatements in relation to the financial statements being audited will not be prevented or detected. I noted no matters involving the internal control over financial reporting and its operation that I considered to be material weaknesses.

As part of obtaining reasonable assurance about whether WIC's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, I do not express such an opinion.

This report is intended solely for the information and use of the management of Wadsworth Investment Co., Inc. and the U.S. Security and Exchange Commission and is not intended to be and should not be used by anyone other than these specific parties.



Stephen J. Staresinic  
Certified Public Accountant  
May 5, 2016

SIPC Supplemental Report pursuant to SEC Rule 17a-5(e)(4)

To the President  
Wadsworth Investment Co, Inc.  
565 Washington Avenue  
North Haven, CT 06473

I have examined the SIPC general assessment of Wadsworth Investment Co., Inc. (WIC) for the year ended April 30, 2016 and its reconciliation with financial statements of. (WIC) as of April 30, 2016.

WIC made a single payment to SIPC during the year ended April 30, 2016, \$ 406.86, with the SIPC-6 Form on November 28, 2015. A payment of \$ 574.38 was made when the Form SIPC-7T was filed on June 20, 2016.

I have compared the assessment payment recorded and its respective cash disbursement and have verified the accuracy the Annual General Assessment Reconciliation (Form SIPC-7) as well as comparing the Form SIPC-7 with the working papers supporting its data and with the working papers supporting the recorded income and other accounts of WIC for the year ended April 30, 2016.

WIC has not applied for an exclusion from membership in the SIPC.

In my opinion, the assessment was determined fairly in accordance with applicable instructions and forms and was duly paid.

This report is inteded solely for the information and use of the management of Wadsworth Investment Co., Inc. and the Financial Industry Regulatory Authority and is not intended to be and should not be used by anyone other than these specific parties.

A handwritten signature in black ink, appearing to read "Stephen J. Staresinic, CPA". The signature is fluid and cursive, with the initials "CPA" written in a slightly different style at the end.

Stephen J. Staresinic  
Certified Public Accountant  
May 6, 2016


Independent Auditor's Statement on Material Inadequacies

To the President  
Wadsworth Investment Co, Inc.  
565 Washington Avenue  
North Haven CT 06473

I have audited the accompanying financial statements of Wadsworth Investment Co., Inc. (WIC) as of April 30, 2016, and the related statements of income, changes in ownership equity and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934, and have issued my report thereon dated May 5, 2016. I conducted my audit in accordance with accounting standards generally accepted in the United States of America.

In planning and performing my audit, I considered WIC's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be significant deficiencies. Under standards issued by the American Institute of Certified Public Accountants, significant deficiencies are deficiencies in internal control, of a combination of deficiencies, that adversely affect WIC's ability to initiate, authorize, record, process or report financial data reliably and in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the financial statements being audited that is more than inconsequential will not be prevented or detected. Material weaknesses are significant deficiencies, or a combination of significant deficiencies, that result in a more than remote likelihood that material misstatements in relation to the financial statements being audited will not be prevented or detected.

I found and noted no matters involving the internal control over financial reporting and its operation that I considered to be material inadequacies.

A handwritten signature in black ink, appearing to read "Stephen J. Staresinic", followed by the letters "CPA" written in a similar style.

Stephen J. Staresinic  
Certified Public Accountant  
May 5, 2016

**Report of Independent Registered Public Accounting Firm**

I have reviewed management's statements, included in the accompanying Wadsworth Investment Company, Inc **Exemption Report**, in which Wadsworth Investment Company Inc ("the Company") identified the following provisions of 17 C.F.R. § 15c3-3(k) under which (1) the Company claimed an exemption from 17 C.F.R. § 240.15c3-3: (1) and 2(i) (the "exemption provisions") and (2) the Company stated that the Company met the identified exemption provisions throughout the most recent fiscal year without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

My 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, I do not express such an opinion.

Based on my review, I am 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 conditions set forth in paragraph (k) (1) and 2(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

A handwritten signature in black ink, appearing to read "Stephen J. Staresinic, CPA". The signature is written in a cursive style and is positioned above the printed name.

Stephen J. Staresinic, CPA

North Haven, CT

May 6 2016

## **Wadsworth Investment Company, Inc Exemption Report**

Wadsworth Investment Company, 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):

(i) The broker's or dealer's transactions as dealer (as principal for its own account) are limited to the purchase, sale, and redemption of redeemable securities of registered investment companies or of interests or participations in an insurance company separate account, whether or not registered as an investment company; except that a broker or dealer transacting business as a sole proprietor may also effect occasional transactions in other securities for its own account with or through another registered broker or dealer;

(ii) The broker's or dealer's transactions as broker (agent) are limited to:

(a) The sale and redemption of redeemable securities of registered investment companies or of interests or participations in an insurance company separate account, whether or not registered as an investment company;

(b) the solicitation of share accounts for savings and loan associations insured by an instrumentality of the United States; and

(c) the sale of securities for the account of a customer to obtain funds for immediate reinvestment in redeemable securities of registered investment companies; and

(iii) The broker or dealer promptly transmits all funds and delivers all securities received in connection with its activities as a broker or dealer, and does not otherwise hold funds or securities for, or owe money or securities to, customers.

(iv) Notwithstanding the foregoing, this section shall not apply to any insurance company which is a registered broker-dealer, and which otherwise meets all of the conditions in paragraphs (k)(1) (i), (ii), and (iii) of this section, solely by reason of its participation in transactions that are a part of the business of insurance, including the purchasing, selling, or holding of securities for or on behalf of such company's general and separate accounts.

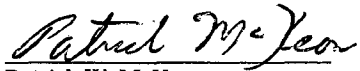
(2) The provisions of this section shall not be applicable to a broker or dealer:

(i) Who carries no margin accounts, promptly transmits all customer funds and delivers all securities received in connection with its activities as a broker or dealer, does not otherwise hold funds or securities for, or owe money or securities to, customers and effectuates all financial transactions between the broker or dealer and its customers through one or more bank accounts, each to be designated as "Special Account for the Exclusive Benefit of Customers of (name of the broker or dealer)"; or

(ii) Who, as an introducing broker or dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, and who promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of §§ 240.17a-3 and 240.17a-4 of this chapter, as are customarily made and kept by a clearing broker or dealer.

The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k) throughout the most recent fiscal year without exception.

I, Patrick W. McKeon, Financial and Operations Principal, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.



**Patrick W. McKeon**  
Financial and Operations Principal  
Wadsworth Investment Company, Inc.