



SEC

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

SEC  
 Mail Processing  
 Section

MAR 01 2017

SEC FILE NUMBER
8-51622

FACING PAGE

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

Washington DC  
 416

REPORT FOR THE PERIOD BEGINNING 01/01/16 AND ENDING 12/31/16  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: SCH ENTERPRISES, INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
 690 W. Northfield Drive #100

(No. and Street)

Brownsburg

Indiana

46112

(City)

(State)

(Zip Code)

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

STEVEN HEINEKAMP

317-852-8184

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Shedjama, Inc. - Edward Opperman, CPA

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

1901 Kossuth St.

Lafayette

Indiana

47905

(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)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Steven Heienkamp, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SCH Enterprises, Inc. 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:

[Handwritten Signature]

Signature

President

Title

[Handwritten Signature: Angelica R. Rivera]
Notary Public



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

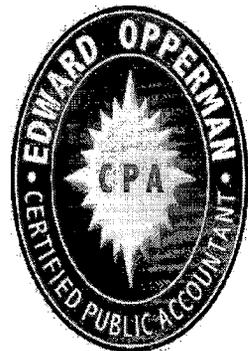
- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss).
(d) Statement of Changes in Financial Condition.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
(f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
(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).

**SCH ENTERPRISES, INC.**

**REPORT ON AUDIT OF  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**



**EDWARD OPPERMAN, CPA**  
CERTIFIED PUBLIC ACCOUNTANT

*"NOT JUST YOUR ACCOUNTANT, YOUR PARTNERS IN SUCCESS"*

**SCH ENTERPRISES, INC.**

**TABLE OF CONTENTS**

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Report of Independent Registered Public Accounting Firm

Financial Statements:

Statement of Financial Condition

Statement of Income

Statement of Changes in Stockholders' Equity

Statement of Cash Flows

Notes to the Financial Statements

Computation of Net Capital Under SEC Rule 15c3-1

Reconciliation Between Audited and Unaudited Net Capital Computation

Independent Auditors' Report on Internal Controls Under SEC Rule 17A-5(g)(1)

Report of Independent Registered Public Accounting Firm on Applying Agreed-Upon Procedures

	
<b>CERTIFIED PUBLIC ACCOUNTANT &amp; BUSINESS CONSULTANT</b>	<b>"NOT JUST YOUR ACCOUNTANT, YOUR PARTNERS IN SUCCESS"</b>
1901 Kossuth Street   Lafayette, IN 47905   765-588-4335	e@edwardoppermancpa.com   www.edwardoppermancpa.com

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors  
SCH Enterprises, Inc.  
Brownsburg, Indiana

We have audited the accompanying statement of financial condition of SCH Enterprises, Inc., (an Indiana corporation), as of December 31, 2016, and the related statements of income, changes in stockholders' equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended. These financial statements are the responsibility of SCH Enterprises, Inc.'s management. Our responsibility is to express an opinion on these financial statements 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 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 SCH Enterprises, Inc. as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Schedules of Computation of Net Capital Under SEC Rule 15c3-1 and the Reconciliation between Audited and Unaudited Net Capital Computation have been subjected to audit procedures performed in conjunction with the audit of SCH Enterprises, Inc.'s financial statements. The supplemental information is the responsibility of SCH Enterprises, Inc.'s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the Schedules of Computation of Net Capital Under SEC Rule 15c3-1 and the Reconciliation between Audited and Unaudited Net Capital Computation are fairly stated, in all material respects, in relation to the financial statements as a whole.



SHEDJAMA, INC.  
dba Edward Opperman, CPA  
Lafayette, Indiana  
January 24, 2017

**SCH ENTERPRISES, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2016**

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**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	203,648
Commissions receivable		7,323
Prepaid expenses		2,585
Accrued dividends		128

**TOTAL CURRENT ASSETS** 213,684

**OTHER ASSETS**

Marketable equity securities		<u>26,848</u>
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**TOTAL ASSETS** \$ 240,532

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**LIABILITIES**

Accrued and withheld payroll taxes	\$	<u>3,939</u>
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**TOTAL LIABILITIES** 3,939

**STOCKHOLDERS' EQUITY**

Common stock		9,500
Retained earnings		204,845
Accumulated other comprehensive income		<u>22,248</u>

**TOTAL STOCKHOLDERS' EQUITY** 236,593

**TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** \$ 240,532

**SCH ENTERPRISES, INC.**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**REVENUE**

Commissions revenue	\$	569,376
Interest and dividends		517
<b>TOTAL REVENUE</b>		<u>569,893</u>

**EXPENSES**

Employee compensation and benefits		119,297
Occupancy expenses		13,285
Communications and data processing		6,312
Legal and professional fees		17,010
Administrative expenses		29,256
<b>TOTAL EXPENSES</b>		<u>185,160</u>

<b>NET INCOME</b>	\$	<u>384,733</u>
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**SCH ENTERPRISES, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
<b>BALANCE AT THE BEGINNING OF THE YEAR</b>	\$ 9,500	\$ 203,112	\$ 18,568	\$ 231,180
Net Income	-	384,733	-	384,733
Unrealized gain on marketable securities	-	-	3,680	3,680
Distributions	-	(383,000)	-	(383,000)
<b>BALANCE AT THE END OF THE YEAR</b>	<u>\$ 9,500</u>	<u>\$ 204,845</u>	<u>\$ 22,248</u>	<u>\$ 236,593</u>

**SCH ENTERPRISES, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income	\$	384,733
Adjustments to reconcile net income to net cash provided by Operating activities:		
(Increase) decrease in operating assets:		
Commissions receivable		(5,381)
Accrued dividends		(28)
Increase (decrease) in operating liabilities:		
Accrued payroll and payroll taxes		<u>(253)</u>
Net Cash Provided by Operating Activities		379,071

**CASH FLOWS FROM INVESTING ACTIVITIES**

Stockholder distributions		<u>(383,000)</u>
Net Cash Used in Investing Activities		<u>(383,000)</u>

**NET (DECREASE) IN CASH** (3,929)

**CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** 207,577

**CASH AND CASH EQUIVALENTS AT END OF YEAR** \$ 203,648

**SCH ENTERPRISES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR DECEMBER 31, 2016**

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

A summary of the Firm's significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

- a. Nature of Operations— SCH Enterprises, Inc. (the Firm) is a registered broker-dealer with Financial Industry Regulatory Authority, the Securities and Exchange Commission (SEC) and various states within the United States. The Firm was organized and incorporated in the state of Indiana on April 1, 1999. The Firm operates as an introducing broker on a fully disclosed basis, and forwards all transactions to its clearing broker. Accordingly, the Firm operates under the exemptive provision of the SEC Rule 15c3-3(k) (1).
- b. Cash Equivalents—For purposes of the statements of cash flows, the Firm considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash equivalents. There were no cash equivalents at December 31, 2016.
- c. Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at 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.
- d. Concentrations of Credit Risk—The Firm places its cash in accounts with a local financial institution. At times, balances in these accounts may be exceed FDIC insured limits.
- e. Commissions Receivable— Commissions Receivable consists of commissions, fees and other amounts owed to the Firm. The Firm considers all commissions receivable to be fully collectible. Uncollectible accounts receivable are charged directly against operations when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America. Management believes an allowance is unnecessary. Commissions receivable are written-off when collection efforts have been exhausted.
- f. Advertising—The Firm's advertising costs are expensed as incurred. There were no advertising costs incurred during the year.
- g. Investment in Debt and Marketable Equity Securities—The Firm has an investment in a marketable equity security that is listed and traded on a national exchange. The Firm's investment in marketable equity securities has been classified as available-for-sale and is stated at fair value. Unrealized holding gains and losses are reported in other comprehensive income. Dividends on marketable equity securities are recognized in income when declared. Realized gains and losses, including losses from declines in value of specific securities determined by management to be other-than-temporary, are included in income. Realized gains and losses are determined on the basis of average cost of securities sold.

**NOTE 2: COMMISSION RECEIVABLES AND PAYABLES FROM AND TO BROKERS**

Receivables from brokers represent commissions due and accrued to the Firm from their correspondents. The payable to brokers are commissions due to the brokers. At December 31, 2016, there were commission receivables of \$7,323. There were no accrued commission payables at December 31, 2016.

**SCH ENTERPRISES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR DECEMBER 31, 2016**

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**NOTE 3: TRANSACTIONS WITH AFFILIATED ENTITIES**

The Firm shares office space, utilities, telephone, interior maintenance and janitorial services with two affiliated entities. These expenses are allocated per an Expense Sharing Agreement effective October 1, 2011. The agreement calls for an 80% (affiliated entity), 20% (the Firm) split of shared expenses for the period January through April; and a 40% affiliated entity), 60% (the Firm) split of shared expenses for the period May through December each year. The Firm's allocated portion of these expenses was \$16,270 for the year ended December 31, 2016.

**NOTE 4: EXEMPTION UNDER RULE 15c3-3**

The Firm claims an exemption under Rule 15c3-3 in accordance with the provision of paragraph (k) (1) "Limited business (mutual funds and/or variable annuities only". During the year ended December 31, 2016 there were no amounts to be reported pursuant to the possession or control requirements under Rule 15c3-3, and the Firm is in compliance with their stated exemptive provisions, and thus is exempt from the provisions of Rule 15c3-3.

**NOTE 5: INCOME TAX EXPENSE**

The Firm has elected to be treated as an S Corporation for tax purposes. In lieu of corporate income taxes, the shareholders of an S Corporation are taxed on their proportionate share of the Firm's taxable income. Therefore, no provision or liability for income taxes has been included in these financial statements.

Accounting principles generally accepted in the United State of America require the Firm to examine its tax positions for uncertain positions. Management is not aware of any tax positions that are more likely than not to change in the next twelve months or that would not sustain an examination by applicable taxing authorities.

The Firm's policy is to recognize penalties and interest as incurred in its Statement of Income, there were none for the year ended December 31, 2016.

The firm's federal and state income tax returns for 2013 through 2016 are subject to examination by the applicable tax authorities, generally for three years after the later of the original or extended due date.

**NOTE 6: ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES**

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation Number 48 (FIN 48), Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109 (SFAS 109). The interpretation contains a two-step approach to recognizing and measuring uncertain tax positions accounted for in accordance with SFAS 109. The Firm has elected to defer the adoption of FIN 48 as allowed in FASB Staff Position (FSP-48-3) issued December 30, 2008. The adoption of this standard is not currently anticipated to have a material impact on the Firm's financial position, results of operations, or cash flows; however, the effect on future financial statements of this pronouncement cannot be determined at this time. Management will continue to evaluate any uncertain tax positions, if any, during the deferral period.

**SCH ENTERPRISES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR DECEMBER 31, 2016**

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**NOTE 7: FAIR VALUE MEASUREMENTS**

Accounting Standards Codification (ASC) 820 defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (or exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Firm. Unobservable inputs are inputs that reflect the Firm's assumptions about the inputs that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances.

The fair value hierarchy input levels are as follows:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 - Observable inputs other than quoted market prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, or quoted market prices for identical or similar assets or liabilities in markets that are not active.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

As of December 31, 2016, the Firm held certain financial assets that are required to be measured at fair value on a recurring basis. These marketable equity securities are valued at a Level 1 fair value of \$26,848. These marketable equity securities have an original cost of \$4,600 resulting in an accumulated unrealized gain of \$22,248.

**NOTE 8: OPERATING LEASES**

The Firm has a shared lease obligation for its office facilities with an affiliated entity. The lessor is another affiliated entity. The Firm was operating under a month to month lease from January 1 to August 31. A new lease was entered into on September 1, and ends December 31, 2021. These leases resulted in \$16,800 in total shared annual costs with the affiliated entity. Rent expense paid by the Firm during 2016 was \$8,160. An affiliated entity paid the remaining \$8,640 due under these lease agreements.

The Firm's portion of minimum future rentals on the non-cancelable operating lease is as follows:

2017-\$10,080; 2018-\$10,800; 2019-\$10,800; 2020-\$10,800; 2021-\$10,800

**NOTE 9: NET CAPITAL REQUIREMENTS**

The Firm is required to maintain a minimum net capital under Rule 15c3-1 of the Securities and Exchange Commission. Net capital required under the rule is the greater of \$5,000 or 6 2/3 percent of the aggregate indebtedness of the Firm. At December 31, 2016, net capital as defined by the rules, equaled \$232,547. The ratio of aggregate indebtedness to net capital was 1.69%. Net capital in excess of the minimum required was \$227,547.

**SCH ENTERPRISES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR DECEMBER 31, 2016**

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**NOTE 10: RECONCILIATION PURSUANT TO RULE 17A-5(D)(4)**

There were no material reconciling items between the December 31, 2016 unaudited FOCUS report and this audit, in the computation of Net Capital under Rule 15c3-1.

**NOTE 11: POSSESSION OR CONTROL REQUIREMENT UNDER RULE 15c3-3**

Information relating to possession or control requirements is not applicable to the Firm as the Firm qualified for exemption under Rule 15c3-3 (k) (1).

**NOTE 12: FILING REQUIREMENTS**

There were no liabilities subordinated to claims of creditors during the year ended December 31, 2016. Accordingly, no Statement of Changes in Liabilities Subordinated to Claims of Creditors has been included in these financial statements as required by rule 17a-5 of the Securities and Exchange Commission.

**NOTE 13: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date which the report of the independent registered account firm was available to be issued.

**SCH ENTERPRISES, INC.**  
**COMPUTATION OF NET CAPITAL REQUIREMENTS**  
**AS OF DECEMBER 31, 2016**

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**COMPUTATION OF NET CAPITAL**

Total ownership equity from Statement of Financial Condition	\$ 236,593
less nonallowable assets from Statement of Financial Condition	<u>-</u>
Net capital before haircuts on securities positions	236,593
Haircuts on securities	<u>(4,046)</u>
Net Capital	<u><u>\$ 232,547</u></u>

Aggregate Indebtedness	\$ 3,939
Net capital required based on aggregate indebtedness (6-2/3%)	263

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS**

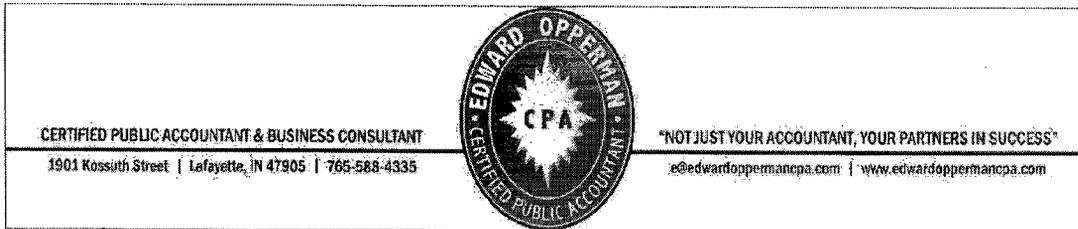
Minimum dollar net capital requirement of reporting broker or dealer	<u>5,000</u>
Excess Net Capital	<u><u>\$ 227,547</u></u>

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

(A) - 10% of total aggregate indebtedness	394
(B) - 120% of minimum net capital requirement	6,000

Net Capital less the greater of (A) or (B)	<u><u>\$ 226,547</u></u>
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Percentage of Aggregate Indebtedness to Net Capital	1.69%
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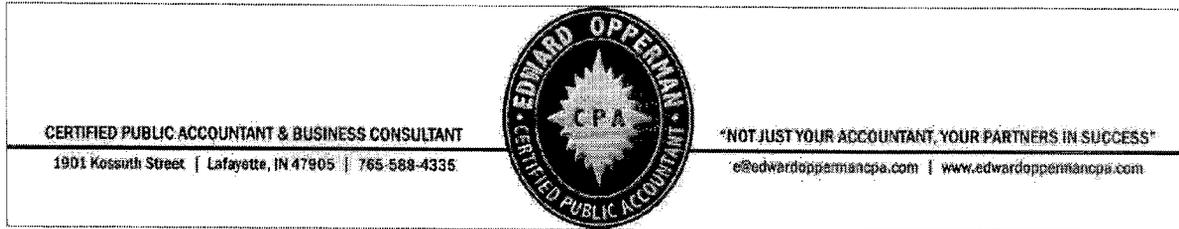
## RECONCILIATION BETWEEN AUDITED AND UNAUDITED NET CAPITAL COMPUTATION

The Board of Directors  
SCH Enterprises, Inc.  
Brownsburg, Indiana

Reference: Reconciliation between the audited computation of net capital and the broker dealer's unaudited net capital computation as reported on the December 31, 2016 Part IIA filing.

Conclusion: There were no material differences between the audited and unaudited net capital computation.

SHEDJAMA, INC  
dba Edward Opperman, CPA  
Lafayette, Indiana  
January 24, 2017



## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL UNDER SEC RULE 17A-5(g)(1)

The Board of Directors  
SCH Enterprises, Inc.  
Brownsburg, Indiana

In planning and performing our audit of the financial statements of SCH Enterprises, Inc. as of and for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered SCH Enterprises, Inc.'s internal control over financial reporting (internal control) as a basis for designing our audit 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 SCH Enterprises, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of SCH Enterprises, Inc. 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 SCH Enterprises, Inc., 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) 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 provisions of Rule 15c3-3. Because SCH Enterprises, Inc. 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:

- Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13.
- 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 SCH Enterprises, Inc. 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 previously 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 the 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, error 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

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 purposes 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 SCH Enterprises, Inc.'s practices and procedures, as described in the second paragraph of this report, were adequate at January 18, 2017, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, 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 intended to be and should not be used by anyone other than these specified parties.



SHEDJAMA, INC.  
dba Edward Opperman, CPA  
Lafayette, Indiana  
January 24, 2017

	
<b>CERTIFIED PUBLIC ACCOUNTANT &amp; BUSINESS CONSULTANT</b>	<b>"NOT JUST YOUR ACCOUNTANT, YOUR PARTNERS IN SUCCESS"</b>
1901 Kossuth Street   Lafayette, IN 47905   765-588-4335	e@edwardoppermancpa.com   www.edwardoppermancpa.com

**INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED UPON PROCEDURES  
RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION**

The Board of Directors  
SCH Enterprises, Inc.  
Brownsburg, Indiana

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and with SIPC Series 600 Rules, we have performed the procedures enumerated below with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2016, which were agreed to by SCH Enterprises, Inc. and SIPC, Securities and Exchange Commission, and Financial Industry Regulatory Authority, Inc., solely to assist you and the other specified parties in evaluating SCH Enterprises, Inc.'s compliance with the applicable instructions of Form SIPC-7. SCH Enterprises, Inc.'s management is responsible for SCH Enterprises, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 (FOCUS Report) for the year ended December 31, 2016 with the amounts reported in Form SIPC-7 for the year ended December 31, 2016, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences; and
- 5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

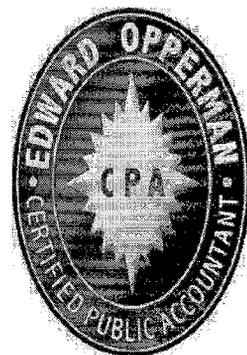
We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported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

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



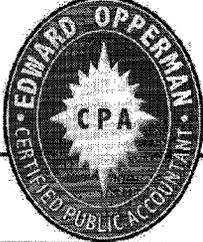
SHEDJAMA, INC  
dba Edward Opperman, CPA  
Lafayette, Indiana  
January 24, 2017

**SCH ENTERPRISES, INC.**  
**BROKER DEALER EXEMPTION REPORT**  
**SEC RULE 15C3-3**  
**DECEMBER 31, 2016**



**EDWARD OPPERMAN, CPA**  
CERTIFIED PUBLIC ACCOUNTANT

*"NOT JUST YOUR ACCOUNTANT, YOUR PARTNER IN SUCCESS"*

	
CERTIFIED PUBLIC ACCOUNTANT & BUSINESS CONSULTANT	"NOT JUST YOUR ACCOUNTANT, YOUR PARTNERS IN SUCCESS"
1901 Kossuth Street   Lafayette, IN 47905   765-588-4335	e@edwardoppermancpa.com   www.edwardoppermancpa.com

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors  
SCH Enterprises, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report of Brokers and Dealers, in which SCH Enterprises, Inc., identified the following provisions of 17 C.F.R. § 15c3-3(k) under which the Firm claimed an exemption from 17 C.F.R. § 240.15c3-3: (1), and SCH Enterprises, Inc. stated that SCH Enterprises, Inc met the identified exemption provisions throughout the most recent fiscal year without exception. SCH Enterprises, Inc's management is responsible for compliance with the exemption provisions and its statements.

Our 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 Firm'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, we do not express such an opinion.

Based on our review, we are 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 provisions set forth in paragraph (k) (1) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Sincerely,



SHEDJAMA, INC.  
dba Edward Opperman, CPA  
Lafayette, Indiana  
January 27, 2017

**SCH Enterprises, Inc.**

Member FINRA, SIPC

**690 W. Northfield Drive #100**

**P.O. Box 607**

**Brownsburg, IN 46112**

**(317)852-8184**

**(317)852-8185 (fax)**

### **Rule 15c3-3 Exemption Statement**

SCH Enterprises, Inc. (CRD 47033, SEC file 8-15622) is a \$5,000 minimum net capital non-carrying, non-clearing broker/dealer and is exempt from reserve requirements, with exemptions, according to rules 15c3-3(k)(1). The firm is limited to dealing in only mutual funds or variable annuity product.

### **Rule 15c3-3 Exemption Report**

SCH Enterprises, Inc. has met the exemption provisions throughout the past fiscal year ending December 31, 2016.

To the best of my knowledge and belief, the above statements are true without exception.

SCH Enterprises, Inc.



Steven C. Heinekamp  
President