

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

OMB APPROVAL
OMB Number: 3235-0123
Expires: August 31, 2020
Estimated average burden
hours per response... 12.00



20013136

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

SEC FILE NUMBER
8-24767

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 04/01/19 AND ENDING 03/31/20
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Gramercy Securities, Inc.**

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
3949 Old Post Road

(No. and Street) (City) (State) (Zip Code)
Charlestown RI 02813

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Roderick Scribner 401-364-7700
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Cree Alessandri & Strauss CPA's LLC

(Name - if individual, state last, first, middle name) SEC
20 Walnut Street, Suite 301 Wellesley Hills MA Processing 02481
(Address) (City) (State) Section (Zip Code)

CHECK ONE:

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

JUN 02 2020
Washington DC
415

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)

OATH OR AFFIRMATION

I, Roderick Scribner, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Gramercy Securities, Inc., as of March 31, 2020, 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

VANESSA LYN BLUM
Notary Public, State of Rhode Island
My Commission Expires Oct. 20, 2020

[Handwritten Signature]
Notary Public

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

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
(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).

**Gramercy Securities, Inc.
Financial Statements and
Supplemental Schedules
March 31, 2020**

Gramercy Securities, Inc.

Index

Report of Independent Registered Public Accounting Firm	1
Financial Statements:	
Statement of Financial Condition	2
Statement of Income	3
Statement of Changes in Stockholder's Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6
Report of Independent Registered Public Accounting Firm (required by SEC Rule 17a-5 for a Broker-Dealer claiming an exemption from SEC Rule 15c3-3)	10
Supplementary Information:	
Schedule I - Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission Act of 1934	11
Schedule II - Exemptive Provision under Rule 15c3-3	12
Report of Independent Registered Public Accounting Firm on Applying Agreed upon Procedures (Form SIPC-7)	13

AUDITOR'S REPORT

Report of Independent Registered Public Accounting Firm

To the Directors and Shareholder of
Gramercy Securities, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Gramercy Securities, Inc as of March 31, 2020, the related statements of income, changes in stockholder's equity and cash flows for the year then ended, and the related notes and schedules (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of Gramercy Securities, Inc, as of March 31, 2020, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of Gramercy Securities, Inc's management. Our responsibility is to express an opinion on Gramercy Securities, Inc's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Gramercy Securities, Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Auditor's Report on Supplemental Information

The Supplemental Schedule I - Computation of Net Capital Under SEC Rule 15c3-1 (page 11), has been subjected to audit procedures performed in conjunction with the audit of Gramercy Securities, Inc's financial statements. The supplemental information is the responsibility of Gramercy Securities, 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 Supplemental Schedule I- Computation of Net Capital Under SEC Rule 15c3-1 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Schedule II – Exemptive Provision under Rule 15C3-3 has been subjected to review procedures.

Cree Alessandri & Strauss

We have served as Gramercy Securities, Inc's auditor since March 31, 2017.

Cree Alessandri & Strauss CPAs LLC
May 18, 2020

FINANCIAL INFORMATION

Gramercy Securities, Inc.
Statement of Financial Condition
March 31, 2020

<u>Assets</u>			
	Allowable	Non- Allowable	Total
Current assets:			
Cash	\$39,077	\$ --	\$ 39,077
Accounts receivable	804	156	960
Prepaid expense	--	287	287
Prepaid corporate taxes	--	800	800
Total current assets	39,881	1,243	41,124
Property and equipment, net (Note 3)	--	--	--
Other assets:			
Deferred tax asset (Notes 2 and 4)	--	5,125	5,125
Total assets	\$ 39,881	\$ 6,368	\$ 46,249

<u>Liabilities and Stockholder's Equity</u>			
Current liabilities:			
Accounts payable	\$ 10,788	\$ --	\$ 10,788
Stockholder's equity:			
Common stock (200 shares authorized, no par, 10 shares issued and outstanding)	11,400		11,400
Additional paid-in capital	48,014		48,014
Retained earnings (accumulated deficit)	(30,321)	6,368	(23,953)
Total stockholder's equity	29,093	6,368	35,461
Total liabilities and stockholder's equity	\$ 39,881	\$ 6,368	\$ 46,249

The Report of the Independent Registered Public Accounting Firm and related notes
are an integral part of these financial statements.

Gramercy Securities, Inc.
Statement of Income
For the Year Ended March 31, 2020

Revenues:	
Commissions	\$ 315,799
Expenses:	
Agent commissions	226,748
Auto expense	1,518
Bank charges	144
Communications	2,445
Contributions	150
Dues and subscriptions	792
Insurance and bond	1,302
Licenses, registrations and regulatory fees	9,142
Meals and entertainment	66
Office expenses	1,227
Officer compensation	46,000
Payroll taxes	3,856
Postage and overnight delivery charges	1,038
Professional fees	14,011
Rent	5,198
Travel	1,105
Utilities	193
Total expenses	314,935
Income before taxes	864
Corporate taxes (Note 4)	1,225
Net income (loss)	\$ (361)

The Report of the Independent Registered Public Accounting Firm and related notes
are an integral part of these financial statements.

Gramercy Securities, Inc.
Statement of Changes in Stockholder's Equity
For the Year Ended March 31, 2020

	Common Stock	Additional Paid In Capital	Retained Earnings (Accumulated Deficit)	Total
Balance, April 1, 2019	\$ 11,400	\$ 48,014	\$ (23,592)	\$ 35,822
Net income (loss)			(361)	(361)
Balance, March 31, 2020	\$ 11,400	\$ 48,014	\$ (23,953)	\$ 35,461

The Report of the Independent Registered Public Accounting Firm and related notes
are an integral part of these financial statements.

Gramercy Securities, Inc.
Statement of Cash Flows
For the Year Ended March 31, 2020

Cash flows from operating activities:	
Net income (loss)	\$ (361)
Adjustments to reconcile net income to net cash provided by operating activities:	
Increase (decrease) in cash from changes in assets and liabilities:	
Accounts receivable	9,689
Prepaid expense	(265)
Accounts payable	(8,186)
	<hr/>
Total adjustments	1,238
	<hr/>
Net cash provided by operating activities	877
	<hr/>
Net increase in cash	877
Cash, beginning of the year	38,200
	<hr/>
Cash, end of the year	\$ 39,077
	<hr/>

Supplemental Disclosures of Cash Flow Information

Cash paid during the year for income taxes	\$ 1,225
--	----------

The Report of the Independent Registered Public Accounting Firm and related notes
are an integral part of these financial statements.

NOTES

Gramercy Securities, Inc.
Notes to Financial Statements

1. Business Activity

The Company was organized as of October 29, 1979 in the State of New York as a registered broker dealer in securities. It is presently located in Charlestown, Rhode Island and has a branch office in Dana Point, California. In total there are seven registered representatives. The Company limits its operations as described in SEC Rule 15c3-3(k)(2)(i).

2. Summary of Significant Accounting Policies

Use of Estimates

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

Handling Customers' Funds

Customers' checks are made payable directly to the sponsors, escrow agents or other companies which clear the transactions ordered by the customer. The checks are promptly submitted to these firms no later than noon of the next business day following receipt and do not enter the accounts of the Company.

Accounts Receivable

Commissions receivable are recorded at the amount the Company expects to collect on balances outstanding at March 31, 2020. Management provides for an allowance based on its assessment of the current status of individual accounts, historical performance and projections of trends. There was no allowance for doubtful collections at March 31, 2020. Balances that are still outstanding after management has used reasonable collection efforts will be written off through a charge to the allowance account and a credit to accounts receivable.

Revenue Recognition

The Company sells securities on behalf of its customers. Each time a customer enters into a buy or sell transaction, the Company charges a commission. Commissions and related clearing expenses are recorded on the trade date (the date that the Company fills the trade order by finding and contracting with a counterparty and confirms the date with the customer). The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership have been transferred to/from the customer.

Gramercy Securities, Inc.
Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

The Company enters into arrangements with managed accounts or other pooled investment vehicles (funds) to distribute shares to investors. The Company may receive distribution fees by the fund upfront, over time, upon the investor's exit from the fund (that is, a contingent deferred sales charge), or as a combination thereof. The Company believes that its performance obligation is the sale of securities to investors and as such this is fulfilled on the trade date. Any fixed amounts are recognized on the trade date and variable amounts are recognized to the extent it is probable that a significant revenue reversal will not occur once the uncertainty is resolved. For variable amounts, as the uncertainty is dependent on the value of the shares at future points in time as well as the length of time the investor remains in the fund, both of which are highly susceptible to factors outside the Company's influence, the Company does not believe that it can overcome this constraint until the market value of the fund and the investor activities are known, which are usually monthly or quarterly. Distribution fees recognized in the current period are primarily related to performance obligations that have been satisfied in prior periods.

Depreciation

Depreciation of property and equipment is computed using the straight-line method over the estimated useful life of 5 years. For federal income tax purposes, depreciation is computed using accelerated methods.

Deferred Income Taxes

The Company has adopted U.S. GAAP relating to the accounting for income taxes. U.S. GAAP adopts a liability method that requires the recognition of deferred tax assets and liabilities for the expected future consequences of events that have been recognized in the Company's financial statements or tax returns. The deferred tax asset results from net operating losses that are available to offset future taxable income. In estimating future tax consequences, U.S. GAAP generally considers all expected future events other than enactments or changes in laws or rates.

3. Property and Equipment

The following major classes are stated at cost at March 31, 2020:

Furniture and fixtures	\$1,796
Office equipment	<u>1,784</u>
	3,580
Less accumulated depreciation	<u>3,580</u>
	<u><u>\$ --</u></u>

Gramercy Securities, Inc.
Notes to Financial Statements

4. Corporate Taxes

The Company was not liable for any federal income taxes due to the use of the net operating loss carryforward. For state purposes, the Company was liable for minimum state tax fees totaling \$1,225.

At March 31, 2020 the deferred tax asset consisted of the tax effects of the temporary difference of net operating loss carryforwards.

The components of the deferred tax asset included the following at March 31, 2020:

Deferred:		
Federal, net of valuation allowance of \$15,500	\$3,100	
State	<u>2,025</u>	
		<u>\$5,125</u>

It is at least reasonably possible that the estimates used by management will change in the near term. The Company has the following net operating loss carryforwards available in future years to offset taxable income:

<u>Year Ended</u>	<u>Amount</u>	<u>Expiration Date</u>
March 31, 2014	\$67,427	March 31, 2034
March 31, 2016	6,247	March 31, 2036
March 31, 2020	<u>274</u>	March 31, 2040
	<u>\$73,948</u>	

Income tax returns for the year 2016 and prior are no longer subject to examination by tax jurisdictions.

5. Net Capital, Possession or Control, and Reserve Requirements

As a registered broker and dealer in securities, the Company is subject to the Uniform Net Capital Rule (Rule 15c3-1(a)(2)(vi)), which requires that the Company maintain at minimum a net capital of \$5,000 and a ratio of aggregate indebtedness to net capital not exceeding 15 to 1.

At March 31, 2020, the Company had a net capital of \$29,093, which was \$24,093 in excess of its required minimum net capital. At March 31, 2020, the Company's percentage of aggregate indebtedness to net capital was 37.08%.

The Company is exempt from Possession or Control Requirements and Reserve Requirements under 15c3-3(k)(2)(i).

Gramercy Securities, Inc.
Notes to Financial Statements

6. Concentration of Credit Risk

The Company maintains cash balances at a financial institution where certain accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Company's checking account may, at times, exceed federally insured limits. The Company has not experienced any losses in such accounts, and monitors the credit-worthiness of the financial institutions with which it conducts business. The Company believes it is not exposed to any significant credit risk on its cash.

7. Subsequent Events

The Company has evaluated subsequent events through May 18, 2020, which is the date the financial statements were available to be issued.

ACCOUNTANT'S REPORT

**Report of Independent Registered Public Accounting Firm
(required by SEC Rule 17a-5 for a Broker-Dealer
claiming an exemption from SEC Rule 15c3-3)**

To: the Stockholder of
Gramercy Securities, Inc.

We have reviewed management's statement, included in the accompanying "Financial and Operational Combined Uniform Single Report – Part IIA, Exemptive Provision under Rule 15c3-3" in which (1) Gramercy Securities, Inc. identified the following provisions of 17 C.F.R. 15c3-3(k) under which Gramercy Securities, Inc. claimed an exemption from 17 C.F.R. 240.15c3-3 (k)(2)(i) (the "exemption provisions") and (2) Gramercy Securities, Inc. stated that Gramercy Securities, Inc. met the identified exemption provisions throughout the most recent fiscal year from April 1, 2019 through March 31, 2020 without exception. Gramercy Securities, 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 Gramercy Securities, Inc.'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 conditions set forth in (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.



Cree Alessandri & Strauss CPAs LLP
May 18, 2020

SUPPLEMENTARY

Gramercy Securities, Inc.
Schedule I
Computation of Net Capital Under
Rule 15c3-1 of the Securities and
Exchange Commission Act of 1934
March 31, 2020

Net Capital:	
Stockholder's equity qualified for net capital	\$ 35,461
Deduction for non-allowable assets:	
Accounts receivable	156
Prepaid expense	1,087
Deferred tax asset	5,125
	<u>6,368</u>
Net capital before haircuts	29,093
Less: haircuts	<u>—</u>
Net capital	29,093
Minimum capital requirement	<u>5,000</u>
Excess net capital	<u>\$ 24,093</u>
Aggregate indebtedness:	
Liabilities	<u>\$ 10,788</u>
Ratio of aggregate indebtedness to net capital	<u>37.08%</u>

There are no material differences between the computation of net capital presented above and the computation of net capital in the Company's unaudited Form X-17A-5, Part II-A filing as of March 31, 2020.

Gramercy Securities, Inc.

3949 Old Post RD
P.O. Box 1059
Charlestown, RI 02813
Member: FINRA/SIPC
P 401-364-7700 F 401-364-2228

Gramercy Securities, Inc. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R S240. 17a-5 (d)(1) and (4), (Reports to be made by certain brokers and dealers).

This Exemption Report was prepared as required by 17 C.F.R. S240. 17a-5(d) and (4).

To the best of my knowledge and belief, the Company states the following:

- (1) The Company claims an exemption from 17 C.F.R. S240. 15c3-3(k)(2)(i) (the "exemption provision"), and
- (2) The Company met the exemption provision throughout the most recent fiscal year, April 1, 2019 to March 31, 2020.

Gramercy Securities, Inc.



By: Roderick R. Scribner, President

ACCOUNTANT'S REPORT

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON APPLYING AGREED UPON PROCEDURES**

To the Director and Shareholder of
Gramercy Securities, Inc.
Charlestown, RI

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, and with the SIPC Series 600 Rules, we have performed the following procedures enumerated below which were agreed to by Gramercy Securities, Inc. and the Securities Investor Protection Corporation (SIPC) with respect to the accompanying General Assessment Reconciliation – (Form SIPC-7) of Gramercy Securities, Inc. (the Company) for the year ended March 31, 2020, solely to assist you and SIPC in evaluating Gramercy Securities, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Gramercy Securities, Inc.'s Management is responsible for the Gramercy Securities, Inc.'s compliance with those requirements. This agreed upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). 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, if any, with respective cash disbursement records entries, as applicable, noting no differences;
2. Compared the Total Revenue amounts reported on the Annual Audited Form X-17A-5 Part III for the year ended March 31, 2020, with the Total Revenue amounts reported in Form SIPC-7 for the year ended March 31, 2020, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and workpapers, noting no differences;
4. Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and workpapers 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 or review, the objective of which would be the expression of an opinion conclusion on Gramercy Securities, Inc.'s compliance with the applicable instructions of the Form SIPC-7 for the year ended March 31, 2020. Accordingly, we do not express such an opinion or conclusion. 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.



Cree Alessandri & Strauss CPAs LLC

May 18, 2020