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

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

OMB APPROVAL	
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SEC FILE NUMBER
8-48782

FACING PAGE

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

REPORT FOR THE PERIOD BEGINNING 05/01/2019 AND ENDING 04/30/2020  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **McDUFFIE MORRIS FINANCIAL GROUP, INC**

OFFICIAL USE ONLY

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

FIRM I.D. NO.

**3 BROADRIVER ROAD**

(No. and Street)

**ORMOND BEACH**

**FL**

**32174**

(City)

(State)

(Zip Code)

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

CLIFTON MORRID JR 386-677-9557

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

**Ohab & Company, PA**

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

**100 E. Sybelia Ave Suite 130**

**Maitland**

**FL**

**32751**

(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)

OATH OR AFFIRMATION

I, CLIFTON MORRIS JR, CLU, ChFC, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of McDUFFIE MORRIS FINANCIAL GROUP, INC, as of APRIL 30TH, 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

[Blank lines for additional text]

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).

Document Name: Oath or Affirmation

State of Florida Jurat Notary Certificate

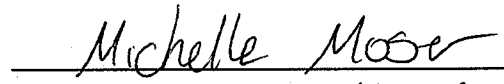
STATE OF FLORIDA

COUNTY OF Volusia

Sworn to (or affirmed) and subscribed by personally appearing before me by physical presence this 26th day of June, 2020, by, Clifton Morris Jr (name of person making statement).



  
\_\_\_\_\_  
(Signature of notary public)

  
\_\_\_\_\_  
(Name of notary public)

My commission expires: 05/01/2022

Official Seal

Personally known           OR

Produced identification X Type of identification produced: Florida Driver License

Document Name: Oath or Affirmation

State of Florida Jurat Notary Certificate

STATE OF FLORIDA  
COUNTY OF Volusia

Sworn to (or affirmed) and subscribed by personally appearing before me by physical presence this 26th day of June, 2020, by, Clifton Morris Jr (name of person making statement).



*Michelle Moser*  
\_\_\_\_\_  
(Signature of notary public)

*Michelle Moser*  
\_\_\_\_\_  
(Name of notary public)

My commission expires: 05/01/2022

Official Seal

Personally known            OR

Produced identification X Type of identification produced: Florida Driver License

**MCDUFFIE MORRIS FINANCIAL GROUP, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**Pursuant to Rule 17 a-5(d)**

**YEAR ENDED APRIL 30, 2020**



# **Ohab and Company, P.A.**

100 E. Sybelia Ave. Suite 130  
Maitland, FL 32751

Certified Public Accountants  
Email: [pam@ohabco.com](mailto:pam@ohabco.com)

Telephone 407-740-7311  
Fax 407-740-6441

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholder's  
of McDuffie Morris Financial Group, Inc.

### **Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of McDuffie Morris Financial Group, Inc. as of April 30, 2020, the related statements of operations, 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 McDuffie Morris Financial Group, Inc. as of April 30, 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 McDuffie Morris Financial Group, Inc.'s management. Our responsibility is to express an opinion on McDuffie Morris Financial Group, 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 McDuffie Morris Financial Group, 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 Schedules I, II and III (see page numbers 7, 8 & 9) have been subjected to audit procedures performed in conjunction with the audit of McDuffie Morris Financial Group, Inc.'s financial statements. The supplemental information is the responsibility of McDuffie Morris Financial Group, 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 I, II and III are fairly stated, in all material respects, in relation to the financial statements as a whole.

*Ohab and Company, P.A.*

We have served as McDuffie Morris Financial Group, Inc.'s auditor since 2020.

Maitland, Florida

June 23, 2020

**McDUFFIE MORRIS FINANCIAL GROUP, INC**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF APRIL 30, 2020**

**ASSETS**

Cash and Cash Equivalents	\$6,747
Commission Receivable	11,529
Stockholder Receivable	8,000

**PROPERTY AND EQUIPMENT, NET**

Furniture and fixtures	12,627
Leasehold Improvements	8,266
Less accumulated depreciation	<u>(20,893)</u>
Net Property and Equipment	0

**TOTAL ASSETS** **\$26,276**

**LIABILITIES AND STOCKHOLDER EQUITY**

**CURRENT LIABILITIES**

Accounts payable and other accrued liabilities	3,132
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**Total Current Liabilities** **\$3,132**

**STOCKHOLDER'S EQUITY**

Capital stock, \$10 stated value and outstanding, 700 shares	7,000
Additional paid in capital	3,000
Retained earnings	7,739
Net Income	5,405

**Total Stockholders' Equity** **\$23,144**

**TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY** **\$26,276**

The Accompanying notes are an integral part of this financial statement

**McDUFFIE MORRIS FINANCIAL GROUP, INC**  
**STATEMENT OF OPERATIONS**  
**AS OF APRIL 30, 2020**

REVENUES:

Revenue From Sale of Mutual Funds And Distribution Fees	\$295,455
Interest Income	<u>30</u>
Total revenue	295,485

EXPENSES:

Commissions	100,167
Management Fees Related Party	140,000
Rent-Related Party	18,000
Other compensation and benefit	1,334
Regulatory fees and expenses	4,158
General operating expenses	<u>26,421</u>
Total expenses	<u>290,080</u>
NET INCOME (LOSS)	<u>\$5,405</u>

The Accompanying notes are an integral part of this financial statement



**McDUFFIE MORRIS FINANCIAL GROUP, INC**  
**STATEMENT OF CHANGE IN STOCKHOLDERS EQUITY**  
**AS OF APRIL 30, 2020**

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total Stockholders Equity
Balances, April 30, 2019	\$7,000	\$3,000	\$7,739	\$17,739
Net income (loss) for 2019	<u>          </u>	<u>          </u>	<u>  5,405</u>	<u>  5,405</u>
Balances, April 30, 2020	<u>\$7,000</u>	<u>\$3,000</u>	<u>\$13,144</u>	<u>\$23,144</u>

The Accompanying notes are an integral part of this financial statement

**McDUFFIE MORRIS FINANCIAL GROUP, INC**  
**STATEMENT OF CASH FLOWS**  
**AS OF APRIL 30, 2020**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Income (Loss)	<b>\$5,405</b>
Adjustments to reconcile net loss to Net Cash	
Net change in operating assets and Liabilities	
Increase in Commission Receivables	<b>(19,529)</b>
Increase in accounts payable	<b>2,036</b>
	<hr/>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>(12,088)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>18,835</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$6,747</u></b>

The Accompanying notes are an integral part of this financial statement

# MCDUFFIE MORRIS FINANCIAL GROUP, INC.

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 2020

### Note 1

#### **Organization and Summary of Significant Accounting Policies**

##### **Organization and Business**

McDuffie Morris Financial Group, Inc. ("Company") was incorporated in the state of Maryland and started operations in October 1995. The Company subsequently moved its charter to the state of Florida in December 2003. The Company Has Established a branch office in North Carolina, with the main office in Florida. The Company was approved to operate as a broker-dealer, with a perpetual period of duration, registered with the Securities and Exchange Commission ("SEC"), and a member of the Financial Industry Regulatory Authority ("FINRA"). The Company provides mutual funds, tax deferred investments, and related insurance products.

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

The Company, under Rule 15c3-3(k)(2)(ii), is exempt from the reserve and possession or control requirements of Rule 15c3-3 of the Securities and Exchange Commission. The Company does not carry or clear customer accounts.

##### **Revenue Recognition**

Revenues include brokerage commissions, fees from the sale of mutual funds and insurance. The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; whether revenue should be presented gross or net of certain costs; and whether constraints on variable consideration should be applied due to uncertain future events.

Revenue is recognized in accordance with FASB ASC Topic 606 as services are rendered and the contracts identified performance obligation have been satisfied. Commissions and fees received from the sale of mutual funds and variable annuities are recognized at the time the associated service is fulfilled, including the investment company receiving the application which is based on trade date. There were no unsatisfied performance obligations at April 30, 2020.

##### **Cash Equivalents**

The Company defines cash equivalents as highly liquid investments, with original maturities of less than 90 days, which are not held for sale in the ordinary course of business.

##### **Income Taxes**

Income taxes when recorded are accounted for under the asset and liabilities method. For the year ended April 30, 2020 the Company did not record a provision for income taxes. The Company's tax year is April 30 and management expects there will be no taxable income. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and any operating loss carryforwards. At April 30, 2020, the Company has no reportable deferred tax assets, deferred tax liabilities, or net operating loss carryforwards.

The Company's tax returns are subject to possible examination by the taxing authorities. The federal and state income tax returns of the Company for 2019, 2018 and 2017 are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

##### **Fair Value of Financial Instruments**

The carrying amounts reflected in the financial statements for cash, other assets, due to parent and accrued expenses approximate their respective fair values due to the short term maturities of these instruments.

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

### **Office Lease**

In February 2016, the FASS Issued ASU 2016-02 Leases-(Topic842). ASU 2016-02 will require the recognition of lease assets and lease liabilities on the balance sheet related to the rights and obligations created by lease agreement. Including for those leases classified as operating leases under previous GAAP, along with disclosure of key Information about leasing arrangements. The Company has elected not to apply the recognition requirements of Topic 842 relating to its short-term related party office lease and instead has elected to recognize the lease payments as lease costs on a straight-line basis over the lease term. The lease cost is \$18,000 relating to the office lease for the year ended April 30, 2020.

### **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.

#### **Note2**

### **Financial Instruments, Concentration o(Risk and Contingencies**

Financial instruments subject to risk concentration are cash and cash equivalents. Depository accounts are insured by the Federal Depository Insurance Corporation ("FDIC") to a maximum of \$250,000 per bank, per depositor. The cash and cash equivalents for the Company do not exceed the FDIC insured limit as of April 30, 2020.

#### **Note3**

### **Property and Equipment**

Property and equipment consist of furniture and fixtures. There was no depreciation expense for the year ended April 30, 2020. Expenditures for maintenance and repairs was 0.

#### **Note4**

### **Commitments, Contingencies, and Related Party Transactions**

The officer and sole shareholder of the Company is also a principal in other entities, exercising common control, which could affect the operating results or financial position of the Company. These results could be significantly different from those that would have been obtained if the Company was unrelated. Morris Wealth Management Group, LLC ("MWMG, LLC") charged management fees of \$140,000 for the year ended April 30, 2020.

The Company pays annually \$18,000 in rent for its office location to owner, Clifton Morris, Jr. through a lease agreement which is on a year to year basis. Additionally, certain common resources, equipment and personnel without separate fees being charged. There are no other commitments or contingencies for the year ending 2020.

#### **Note5**

### **Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (15c3-1)("Rule"), which requires the maintenance of minimum net capital. The Rule prohibits the Company from engaging in securities transactions at any time the Company's net capital, as defined by the Rule, is less than \$5,000, or if the ratio of aggregate indebtedness to net capital, both as defined, exceed 15 to 1 (and the rule of "applicable" exchange provides that equity capital may not be withdrawn, or cash dividends paid, if the resulting net capital ratio exceeds 12 to 1).At April 30, 2020, the Company has net capital and net capital requirements of \$8,144 and \$5,000 respectively. The Company's net capital ratio (aggregate indebtedness to net capital) was .38 to 1.

#### **Note6**

### **Regulatory Requirements**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 as the Company does not hold customers' cash or securities.

#### **Note7**

### **Subsequent Events**

The Company has performed an evaluation of subsequent events through the date the financial statements were issued. The evaluation did not result in any subsequent events that required disclosures and/or adjustments.

**McDUFFIE MORRIS FINANCIAL GROUP, INC**  
**SCHEDULE I**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1**  
**AND RECONCILIATION OF NET CAPITAL PURSUANT TO**  
**SEC RULE 17A-5(D)(4) AS OF APRIL 30, 2020**

COMPUTATION OF NET CAP

Total member's equity from Statement of Financial Condition	\$23,144
Total capital and allowable subordinated liabilities	23,144
Deductions and/or charges:	
Non-allowable assets:	
Accounts Receivable	(7,000)
Officer Advance	(8,000)
	<u>(15,000)</u>
Net capital before haircuts on securities	8,144
Haircuts on securities:	
Other:	
Net capital:	<b>8,144</b>

COMPUTATION OF BASIC NET CAPITAL

Minimum net capital required	
Minimum dollar net capital required	<u>5,000</u>
Excess net capital	<u>\$3,144</u>

RECONCILIATION WITH COMPANY'S COMPUTATION

Net Cap as reported in company Part II Focus report	\$11,615
Non-Allowable assets reported as allowable:	( 8,000)
Increase in allowable commission receivables:	4,529
Net Capital:	<u>\$8,144</u>

**McDUFFIE MORRIS FINANCIAL GROUP, INC**  
**SCHEDULE II**  
**COMPUTATION OF AGGREGATE INDEBTEDNESS UNDER**  
**RULE 17a-5**  
**OF THE SECURITIES EXCHANGE COMMISSION**  
**AS OF APRIL 30, 2020**

**AGGREGATE INDEBTEDNESS**

Total aggregated indebtedness liabilities from Statement of Financial Condition	\$3,132
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**McDUFFIE MORRIS FINANCIAL GROUP, INC**  
**SCHEDULE III**  
**INFORMATION RELATING TO EXEMPTIVE PROVISION**  
**REQUIREMENTS UNDER SEC RULE 15c3-3**  
**AS OF APRIL 30, 2020**

With respect to the Computation for Determination of Reserve Requirements under Rule 15C3-3 the Company qualifies for exemption under subparagraph (k)(1) of the rule

With respect to the Information Relating to Possession and Control Requirements under Rule 15c3-3, the Company qualifies for exemption under subparagraph (K)(1) of the rule



# **hab and Company, P.A.**

100 E. Sybelia Ave. Suite 130  
Maitland, FL 32751

*Certified Public Accountants*  
Email: [pam@ohabco.com](mailto:pam@ohabco.com)

Telephone 407-740-7311  
Fax 407-740-6441

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholder's  
of McDuffie Morris Financial Group, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) McDuffie Morris Financial Group, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which McDuffie Morris Financial Group, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: (1) (exemption provisions) and (2) McDuffie Morris Financial Group, Inc. stated that McDuffie Morris Financial Group, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. McDuffie Morris Financial Group, 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 McDuffie Morris Financial Group, 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 provisions set forth in paragraph (k)(1) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*O'hab and Company, P.A.*

Maitland, Florida

June 23, 2020



**McDUFFIE/MORRIS FINANCIAL GROUP, INC.**  
**Clifton Morris Jr, CLU, ChFC**  
**President**

**3 BROADRIVER ROAD \* ORMOND BEACH, FLORIDA 32174-8744**  
**PHONE\*(386)677-9557\* FAX: (386)275-1075 \* MOBIL (386)506-9925**  
**EMAIL:CLIFF@MYMMFG.COM**

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June 04, 2020

Ohab and Company, PA  
100 E. Sybelia Avenue, Suite 130  
Maitland, FL 32751

Re: Exemption Report claimed under Rule 15c3-3(k)(1)

Dear Mr. Pantuso

In connection with your engagement to perform a review of McDuffie-Morris Financial Group, Inc. Exemption Report under Rule 15c3-3(k)(1) for the year ended April 30, 2020, which has been filed by management pursuant to Rule 17a-5 of the Securities and Exchange Act of 1934, we confirm to the best knowledge and belief, McDuffie-Morris Financial Group, Inc. has met the exemption provision of Rule 15c3-3(k)(1) without exception throughout for the year ended April 30, 2020. The Firm is exempt from Rule 15c3-3(k)(1) of the Securities Exchange Act of 1934 because the Firm's transactions are limited to the sale and redemption of redeemable securities of registered investment companies or interests or participations in an insurance company separate account and the Firm promptly transmits all funds. Accordingly, the Firm is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers" customarily referred to as the Reserve Bank Account.

We have made available to you all information that we believe is relevant to determine that we have met the exemption provision of Rule 15c3-3(k)(1). We have responded fully to all inquiries made to us by you during the engagement.

No events have occurred subsequent to April 30, 2020 that McDuffie-Morris Financial Group, Inc. would not have met the exemption provisions of Rule 15c3-3(k)(1).

Your report is intended solely for the information and use of McDuffie-Morris Financial Group, Inc, the Securities and Exchange Commission and Financial Industry Regulatory Authority, Inc. and is not intended to be and should not be used by anyone other than those specified parties.

McDuffie-Morris Financial Group, Inc.



Clifton Morris, Jr., CLU, ChFC  
President

**SECURITIES: Through McDuffie / Morris Financial Group, Inc., A Registered Broker / Dealer, and Member FINRA, Investment Advisory Affiliate: First National Financial Planning Corp.**