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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

WF8-29-05
OMB APPROVAL
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8-24924

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 07/01/04 AND ENDING 06/30/05
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
WOLFE & HURST BOND BROKERS, INC.

OFFICIAL USE ONLY
FIRM ID. NO.

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

30 MONTGOMERY STREET

(No. and Street)

JERSEY CITY
(City)

NEW JERSEY
(State)

07302
(Zip Code)

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

JOAN HURST (201)938-0373

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

J. RICHARD CHAPLIN

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

SEP 02 2005

18 CLINTON LANE
(Address)

SCOTCH PLAINS
(City)

NEW JERSEY
(State)

07076
Zip Code

CHECK ONE:

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

SECURITIES AND EXCHANGE COMMISSION
RECEIVED
AUG 29 2005
BRANCH OF REGISTRATIONS
AND
EXAMINATIONS
07

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).

KA 9/1/05

OATH OR AFFIRMATION

I, O. Gene Hurst swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of Wolfe & Hurst Bond Brokers, Inc. as of

June 30 2005 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:

O. Gene Hurst

Signature

President

Barbara G. McDarby

Notary Public

BARBARA G. MCDARBY
A Notary Public Of New Jersey
My Commission Expires 5/31/2008

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 Proprietor's 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 Fulfillment of certain Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-3 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 24.176-3(a)(3).

CONFIDENTIAL
JUN 29 2005
FBI - NEW YORK
COMMUNICATIONS SECTION

SECURITIES AND EXCHANGE COMMISSION
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DIVISION OF MARKET REGULATION

WOLFE & HURST BOND BROKERS, INC.

AUDIT REPORT

JUNE 30, 2005

J. Richard Chaplin, CPA

18 Clinton Lane
Scotch Plains, NJ 07076
908.322.6483
INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF
WOLFE & HURST BOND BROKERS, INC.

I have audited the accompanying Statement of Financial Position of Wolfe & Hurst Bond Brokers, Inc. as of June 30, 2005 and the related Statements of Changes in Shareholder's Equity, and Changes in Subordinated Liabilities for the year then ended. 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 my audit in accordance with generally accepted auditing standards. 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 and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my 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 Wolfe & Hurst Bond Brokers, Inc. as of June 30, 2005, changes in shareholder's equity, and changes in subordinated liabilities for the year then ended in conformity with generally accepted accounting principles.

My examination also included the supporting schedules of Computation of Aggregated Indebtedness and Net Capital, Net Capital Reserve Requirements, and Statements of Possession and Control of Securities, and in my opinion, they present fairly the information required to be included therein in accordance with my interpretation of the applicable rules of the Securities and Exchange Commission.


J. Richard Chaplin, CPA
Scotch Plains, New Jersey

August 9, 2005

WOLFE & HURST BOND BROKERS, INC.

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2005

ASSETS

CURRENT ASSETS

Cash	\$	682,148
Special Bank Account for the Exclusive Benefit of the Customers (Note 2)		100
Good Faith Deposits (Note 3)		395,000
Clearing House Receivable (Note 4)		797,978
Fails to Deliver (Note 5)		848,107
Collateralized Receivable (Note 8)		550,000
Employee Loan Receivable		5,500
Prepaid Expenses		129,891
Intercompany Receivable		<u>245,218</u>
TOTAL CURRENT ASSETS		\$3,653,942

FIXED ASSETS, at cost

Furniture & Fixtures (Note 1)	\$226,797	
Accumulated Depreciation Net	<u>(221,683)</u>	
TOTAL FIXED ASSETS		5,114

OTHER ASSETS

Deposits		<u>49,362</u>
TOTAL ASSETS		<u>\$3,708,418</u>

The accompanying notes are an integral part of these financial statements.

**J. RICHARD CHAPLIN
CPA**

WOLFE & HURST BOND BROKERS, INC.

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2005

LIABILITIES & SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Payroll Tax Payable	\$	5,401
Fails to Receive (Note 5)		847,135
Accrued Expenses Payable		76,321
Federal Income and State Income or Franchise Tax Payable		54,989
Other Current Liabilities		<u>15,037</u>
TOTAL CURRENT LIABILITIES	\$	998,883

LONG TERM LIABILITIES

Loans Payable Subordinated (Note 8)	580,955
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SHAREHOLDER'S EQUITY

Capital Stock (Note 6)	297,885
Additional Paid In Capital	471,637
Treasury Stock	(88,295)
Retained Earnings	<u>1,447,353</u>
TOTAL SHAREHOLDER'S EQUITY	<u>2,128,580</u>

TOTAL LIABILITIES & SHAREHOLDER'S EQUITY	<u>\$3,708,418</u>
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The accompanying notes are an integral part of these financial statements.

J. RICHARD CHAPLIN
CPA

WOLFE & HURST BOND BROKERS, INC.

STATEMENT OF CHANGES IN SUBORDINATED LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2005

Subordinated Loans at Beginning of Year	\$580,955
Increase/(Decrease)	<u>0</u>
SUBORDINATED LOANS AT END OF YEAR	<u>\$580,955</u>

The accompanying notes are an integral part of these financial statements.

J. RICHARD CHAPLIN
CPA

WOLFE & HURST BOND BROKERS, INC.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEAR ENDED JUNE 30, 2005

Shareholder's Equity at Beginning of Year	\$2,036,086
Income After Taxes	<u>92,494</u>
SHAREHOLDER'S EQUITY AT END OF YEAR	<u>\$2,128,580</u>

The accompanying notes are an integral part of these financial statements.

J. RICHARD CHAPLIN
CPA

WOLFE & HURST BOND BROKERS, INC.

COMPUTATION OF AGGREGATED INDEBTEDNESS AND
NET CAPITAL IN ACCORDANCE WITH RULE 15c3-1(a)1(i)
UNDER THE SECURITIES EXCHANGE ACT OF 1934

AS OF JUNE 30, 2005

QUESTIONNAIRE

REFERENCES:

Aggregated Indebtedness:	
Payroll Taxes Payable	\$ 5,401
Taxes Payable	54,989
Other Current Liabilities	15,037
Accrued Expenses Payable	<u>76,321</u>
TOTAL AGGREGATED INDEBTEDNESS	<u>\$151,748</u>
NET CAPITAL	
Credit Items:	
1792 Common Stock	297,885
1794 Retained Earnings	1,354,859
1794 Current Income After Taxes	92,494
1710 Demand Notes Covered by Subordinated Agreements	30,955
1730 Subordinated Loans	550,000
1796 Treasury Stock	(88,295)
1793 Additional Paid In Capital	<u>471,637</u>
TOTAL CREDIT ITEMS	2,709,535
Debit Items:	
720 Petty Cash	513
910 Intercompany Receivable	245,218
920 Furniture & Fixtures - Net	5,114
930 Miscellaneous	184,753
3570 Haircut-Fails to Deliver (Note 5)	<u>19,388</u>
TOTAL DEBIT ITEMS	<u>454,986</u>
NET CAPITAL	<u>2,254,549</u>
Capital Requirements:	
3880 Minimum Net Capital	<u>100,000</u>
3910 Net Capital in Excess of Above Requirements	<u>\$2,154,549</u>

RATIO OF AGGREGATED INDEBTEDNESS TO NET CAPITAL .067 TO 1

No material differences exist between the above computation and the computation corrected for a clerical error in the haircut calculation included in the Company's corresponding unaudited Form X-17A-5.

The accompanying notes are an integral part of these financial statements.

J. RICHARD CHAPLIN
CPA

WOLFE & HURST BOND BROKERS, INC.

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
FOR BROKER-DEALERS UNDER RULE 15c3-3

AS OF JUNE 30, 2005

Wolfe & Hurst Bond Brokers, Inc. has elected the K2A exemption from Rule 15c3-3 computation. Wolfe & Hurst Bond Brokers, Inc., maintains a customer Special Bank Account with Fleet Bank, National Association for such purposes.

See Note 2

No material differences exist between the above computation and the computation in the Company's corresponding unaudited Form X-17A-5 Part II filing.

The accompanying notes are an integral part of these financial statements.

J. RICHARD CHAPLIN
CPA

WOLFE & HURST BOND BROKERS, INC.

INFORMATION RELATING TO POSSESSION OR CONTROL
REQUIREMENTS UNDER RULE 15c3-3

AS OF JUNE 30, 2005

Wolfe & Hurst Bond Brokers, Inc. does not carry customer accounts and does not contemplate carrying same. All transactions are cleared through The National Securities Clearing Corp., Depository Trust Company, or Bank of New York Company, Inc.

See Note 4

The accompanying notes are an integral part of these financial statements.

J. RICHARD CHAPLIN
CPA

WOLFE & HURST BOND BROKERS, INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 ACCOUNTING POLICIES

Security transactions (and related Fail Commission Income and Expense) are recorded on a settlement date basis.

The Company is a registered broker/broker engaged in the execution of bond transactions for other broker dealers as a broker's broker. The Company does not position bonds nor does it have retail customers.

Equipment is depreciated using accelerated methods. The difference between depreciation for financial statement purposes and tax accounting purposes is not material.

Income is charged for Income Taxes currently payable. Wolfe and Hurst Bond Brokers, Inc. files a consolidated income tax return with its parent, Wolfe & Hurst, Inc.

The carrying value of financial instruments is approximately equal to fair value.

The preparation of financial statements in conformity with generally accepted 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.

NOTE 2 SPECIAL BANK ACCOUNT

Wolfe & Hurst Bond Brokers, Inc. maintains a deposit of \$100 to meet Securities and Exchange Commission's regulation 15c3-3. The Company does not have any customer accounts and does not contemplate having any customer accounts.

J. RICHARD CHAPLIN
CPA

WOLFE & HURST BOND BROKERS, INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 3 GOOD FAITH DEPOSIT

For the year ended June 30, 2005, Good Faith Deposits are maintained with The National Securities Clearing Corporation, Depository Trust Company, and Bank of New York Company, Inc. These companies clear all transactions for the Company. The accounts are not subject to restrictions on withdrawal.

NOTE 4 SECURITIES CLEARANCE PROCEDURE

All transactions of Wolfe & Hurst Bond Brokers, Inc. are cleared by Bank of New York Company, Inc. The National Securities Clearing Corp., or Depository Trust Company, in accordance with the regulations of The National Association of Security Dealers, Inc.

NOTE 5 FAILS

At the close of business on June 30, 2005, the Company had the following fail positions:

	<u>FAILS TO</u> <u>RECEIVE</u>	<u>OVERNIGHT</u> <u>LOANS</u>	<u>FAILS TO</u> <u>DELIVER</u>
Municipals	\$ 726,354	\$ 0	\$ 727,326
Governments	52,749	0	52,749
Corporates	<u>68,032</u>	<u>0</u>	<u>68,032</u>
Total	<u>\$ 847,135</u>	<u>\$</u>	<u>\$ 848,107</u>

The Municipal fails to deliver over 21 days are \$108,988.

The Government fails to deliver over 5 days are \$26,200.

The Corporate fails to deliver over 5 days are \$22,818.

NOTE 6 CAPITAL STOCK

There are 90 shares of common stock issued without par value. As of June 30, 2005, the shares are held by Wolfe & Hurst, Inc. Nine Hundred and Ten (910) shares are unissued.

J. RICHARD CHAPLIN
CPA

WOLFE & HURST BOND BROKERS, INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 7 COMMITMENTS

Minimum rental commitments under all noncancellable operating leases, primarily leases for real estate, in effect at June 30, 2005 were:

<u>Fiscal Year ending June 30,</u>	<u>Amount</u>
2006	\$ 272,070
2007	181,875
2008	159,362
2009	137,144
2010 and beyond	<u>411,432</u>
Total Minimum Payments	\$ <u>1,159,883</u>

The total rental expense for operating leases for the fiscal year ended June 30, 2005 was \$262,486.

NOTE 8 LOAN SUBORDINATION

Pursuant to the Securities and Exchange Commission, the following parties have subordinated loan(s) to the Company:

<u>NAME</u>	<u>AMOUNT</u>	<u>EARLIEST MATURITY DATE</u>
Gerard J. Wolfe	\$240,478	07/31/06
O. Gene Hurst	240,477	07/31/06
Wolfe & Hurst, Inc.	<u>100,000</u>	04/30/06
Total	<u>\$580,955</u>	

NOTE 9 SECURITIES INVESTMENT PROTECTION CORPORATION (SIPC)
SIPC dues based on trading volume have been suspended. The Company pays an annual flat fee for SIPC dues.

NOTE 10 SAVINGS PLAN

The Company has a voluntary 401(k) Savings Plan. Investments in the plan are made by the employees.

J. RICHARD CHAPLIN
CPA