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

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**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 01/01/2005 AND ENDING 12/31/2005
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: C. G. Menk & Associates, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1350 Dorsey Road Suite G

(No. and Street)

Hanover

Maryland

21076

(City)

(State)

(Zip Code)

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

Charles G. Menk III

(410) 859-2462

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Reznick Group, P.C.

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

500 East Pratt Street Suite 200

Baltimore

Maryland

21202-3100

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED
MAR 17 2006
THOMSON
FINANCIAL

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*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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3/16/06

OATH OR AFFIRMATION

I, Charles G. Menk, III, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of C. G. Menk & Associates, Inc. of December 31, 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:

Handwritten signature of Charles G. Menk, III

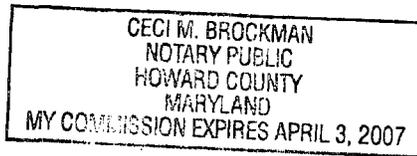
Signature

President & CEO

Title

Handwritten signature of Ceci M. Brockman

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 15c3-3 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 240.17a-5(e)(3).

INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
C.G. Menk & Associates, Inc.

We have audited the accompanying statements of financial condition of C.G. Menk & Associates, Inc. as of December 31, 2005 and 2004, and the related statements of operations, changes in stockholders' equity and cash flows for the years then ended that you are filing pursuant to rule 17a-5 under the Securities and Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 audits provide 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 C.G. Menk & Associates, Inc. as of December 31, 2005 and 2004, and the results of its operations, changes in stockholder's equity and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplemental information required by Rule 17a-5 of the Securities and Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Baltimore, Maryland
February 3, 2006

C.G. Menk & Associates, Inc.

STATEMENTS OF FINANCIAL CONDITION

December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 25,691	\$ 22,608
Certificate of deposit	10,185	10,042
Commissions receivable	2,417	6,020
Deposits	3,329	3,329
Prepaid expenses	27	2,823
Investment securities available for sale	10,554	2,575
	<u>52,203</u>	<u>47,397</u>
PROPERTY AND EQUIPMENT, net of accumulated depreciation of \$23,578 and \$19,153		
	<u>2,512</u>	<u>6,937</u>
Total assets	<u>\$ 54,715</u>	<u>\$ 54,334</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	<u>\$ 746</u>	<u>\$ -</u>
COMMITMENTS AND CONTINGENCIES		
	-	-
STOCKHOLDERS' EQUITY		
Common stock, \$0.001 par value 500,000 authorized; 250,000 and 250,000 shares issued and outstanding	250	250
Additional paid-in capital	315,738	315,738
Accumulated deficit	(267,773)	(264,226)
Accumulated other comprehensive income	5,754	2,572
	<u>53,969</u>	<u>54,334</u>
Total stockholders' equity	<u>53,969</u>	<u>54,334</u>
Total liabilities and stockholders' equity	<u>\$ 54,715</u>	<u>\$ 54,334</u>

See notes to financial statements

C.G. Menk & Associates, Inc.

STATEMENTS OF OPERATIONS

Years ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Revenue		
Commissions	\$ 134,565	\$ 153,529
Interest income	170	50
Other income	-	531
Realized gain on sale of investments available for sale	11,997	-
	<u>146,732</u>	<u>154,110</u>
Total revenue		
Expenses		
Advertising	403	419
Consulting fees	66,575	90,451
Contributions	325	2,143
Depreciation	4,425	4,772
Dues and subscriptions	1,195	1,061
Insurance	932	949
Office expense	13,267	10,691
Postage and delivery	967	653
Professional fees	7,879	6,548
Rent	45,495	38,813
Repairs and maintenance	675	681
Taxes and licenses	3,486	5,467
Telephone	4,065	5,302
Travel and entertainment	590	-
	<u>150,279</u>	<u>167,950</u>
Total expenses		
Net loss	<u>\$ (3,547)</u>	<u>\$ (13,840)</u>
Loss per common share	<u>\$ (0.01)</u>	<u>\$ (0.06)</u>

See notes to financial statements

C.G. Menk & Associates, Inc.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Years ended December 31, 2005 and 2004

	Common stock Shares	Amount	Additional paid-in capital	Accumulated deficit	Comprehensive income (loss)	Accumulated other comprehensive income	Total
Balance, December 31, 2003	211,000	\$ 211	\$ 273,268	\$ (207,877)		\$ -	\$ 65,602
Stock dividend	39,000		42,470	(42,509)		-	-
Comprehensive income							
Net loss							
Other comprehensive income							
Unrealized gain on securities, net							
Total other comprehensive loss							
Balance, December 31, 2004	250,000	250	315,738	(264,226)		2,572	54,334
Comprehensive income							
Net loss							
Other comprehensive income							
Unrealized gain on securities, net							
Total other comprehensive loss							
Balance, December 31, 2005	250,000	\$ 250	\$ 315,738	\$ (267,773)		\$ 5,754	\$ 53,969

See notes to financial statements

C.G. Menk & Associates, Inc.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities		
Net loss	\$ (3,547)	\$ (13,840)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation	4,425	4,772
Changes in assets and liabilities		
Decrease in commissions receivable	3,603	20,928
Decrease in prepaid expenses	2,796	1,530
Increase in accounts payable	746	-
Net cash provided by operating activities	<u>8,023</u>	<u>13,390</u>
Cash flows from investing activities		
Purchase of investments available for sale	(4,800)	(1)
Proceeds from sale of investments available for sale	3	-
Increase in certificate of deposit	(143)	(3,021)
Net cash used in investing activities	<u>(4,940)</u>	<u>(3,022)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,083	10,368
Cash and cash equivalents, beginning of year	<u>22,608</u>	<u>12,240</u>
Cash and cash equivalents, end of year	<u>\$ 25,691</u>	<u>\$ 22,608</u>

See notes to financial statements

C.G. Menk & Associates, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2005 and 2004

NOTE 1 - ORGANIZATION

C. G. Menk & Associates, Inc. (the Company), a Delaware corporation, was formed on January 27, 1995, for the purpose of providing clients with customized financial solutions to their retirement and short-term asset protection needs. The services provided are for individual and institutional customers in the Mid-Atlantic region, and Ohio and related consulting services. The Company operates its broker/dealer business as an introducing firm only.

For the years ended December 31, 2005 and 2004, the broker/dealer business accounted for 92% and 99%, respectively, of total revenue.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 and 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.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting. As such, income is recognized in the period earned and expenses are recognized in the period incurred.

Income Recognition

Commission revenue is recorded on a trade-date basis.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2005 and 2004

Cash Equivalents

All highly liquid debt instruments with an original maturity of three months or less are considered to be cash equivalents. The Company considers interest bearing money market accounts due on demand as cash equivalents.

Commissions Receivable

Commissions receivable represent commissions due from various mutual fund families. Commissions receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. The provision for depreciation is computed by the straight-line method over the estimated useful lives of the assets for financial reporting purposes. Accelerated methods are used for income tax purposes.

Investment Securities

Investments classified as available for sale are those debt securities intended to be held for an indefinite period of time but not necessarily to maturity. Securities available for sale are carried at fair value. Unrealized gains or losses are reported as other comprehensive income. Realized gains or losses, determined on the basis of the cost or specific securities sold, are included in earnings.

Income Taxes

The stockholders of the Company have elected to be taxed in accordance with the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, in lieu of corporate income taxes, the individual stockholders are taxed on their proportionate share of the taxable

C.G. Menk & Associates, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2005 and 2004

income of the Company. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

Advertising

All costs associated with advertising are expensed in the year incurred.

Loss per Common Share

Loss per common share is based on net loss divided by the weighted average number shares outstanding. Weighted average common shares outstanding as of December 31, 2005 and 2004 were 250,000 and 240,250 shares, respectively.

Reclassifications

Certain items from the prior year financial statements have been reclassified to conform to current year presentation.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2005 and 2004, are as follows:

	<u>2005</u>	<u>2004</u>
Furniture and fixtures	\$ 4,731	\$ 4,731
Computer equipment	<u>21,359</u>	<u>21,359</u>
	26,090	26,090
Less accumulated depreciation	<u>23,578</u>	<u>19,153</u>
	<u>\$ 2,512</u>	<u>\$ 6,937</u>

NOTE 4 - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule, Rule 15c3-1, which requires the maintenance of a minimum amount of net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not

C.G. Menk & Associates, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2005 and 2004

exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Under Rule 15c3-1, the Company is required to maintain net capital of not less than \$5,000. The Company had net capital of \$44,101 and \$34,837 at December 31, 2005 and 2004, respectively, which satisfied the net capital requirements. The Company's ratio of aggregate indebtedness to net capital was 0.02 to 1 and 0.00 to 1 at December 31, 2005 and 2004, respectively.

NOTE 5 - INVESTMENT SECURITIES

The amortized costs, gross unrealized gains and fair value of securities available for sale are as follows:

	Amortized cost	Gross unrealized gains	Fair Value
	<u> </u>	<u> </u>	<u> </u>
December 31, 2005			
Corporate Securities - shares	\$ 4,800	\$ 5,754	\$ 10,554
	<u> </u>	<u> </u>	<u> </u>
December 31, 2004			
Corporate Securities - warrants	\$ 1	\$ -	\$ 1
Corporate Securities - shares	2	2,572	2,574
	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 3</u>	<u>\$ 2,572</u>	<u>\$ 2,575</u>

Realized gains from the sale of securities available for sale were \$11,997 for the year ended December 31, 2005. There were no gross realized gains or losses from sales of securities for the year ended December 31, 2004.

NOTE 6 - RELATED PARTY TRANSACTIONS

Consulting Fees

The owners and members of the Board of Directors of the Company received commissions in the amounts of \$66,575 and \$90,451 for the years ended December 31, 2005 and 2004, respectively. The amounts are included in consulting fees in the accompanying financial statements.

C.G. Menk & Associates, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2005 and 2004

NOTE 7 - CONCENTRATION OF RISK

The Company has agreements with numerous independent mutual fund families to originate the purchase and sales of mutual funds for the Company's clients. The owners of the Company are responsible for the majority of the revenue earned by the Company.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The Company executed a lease for a copier/printer on November 27, 2001, which expired in 2005. Total rental expenses under the lease, which were included in office expense, were \$5,490 and \$6,286, respectively, for the years ended December 31, 2005 and 2004.

A new lease for a copier/printer was executed on December 8, 2005 by the Company. The lease calls for thirty-six monthly lease payments of \$289 beginning January 2006 and will expire on December 2008.

The Company executed a lease for postage equipment on July 16, 2002, which expires in 2006. Total rental expense under this lease, which were included in office expense, were \$567 for the years ended December 31, 2005 and 2004.

The Company executed a lease for office space on April 3, 2002, which will expire in 2007. Total rental expenses under the lease was \$45,495 and \$38,813 for the year ended December 31, 2005 and 2004, respectively.

Future minimum lease commitments for the operating lease as of December 31, 2005, are as follows:

	<u>Equipment</u>	<u>Office Space</u>	<u>Total</u>
December 31, 2006	\$ 3,738	\$ 36,294	\$ 40,032
2007	3,468	18,414	21,882
2008	3,468	-	3,468
	<u>\$ 10,674</u>	<u>\$ 54,708</u>	<u>\$ 65,382</u>

SUPPLEMENTAL INFORMATION

C.G. Menk & Associates, Inc.

SCHEDULES OF NET CAPITAL AND AGGREGATE INDEBTEDNESS
 UNDER RULE 15c3-1 OF THE SECURITIES AND
 EXCHANGE COMMISSION

Years ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
COMPUTATION OF AGGREGATE INDEBTEDNESS		
Liabilities included in aggregate indebtedness	<u>\$ 746</u>	<u>\$ -</u>
COMPUTATION OF NET CAPITAL		
Total stockholders' equity from statements of financial condition	\$ 53,969	\$ 54,334
Less: Nonallowable assets		
Corporate securities - warrants	-	(2)
Deposits	(3,329)	(3,329)
Prepaid expenses	(27)	(2,823)
Commissions receivable	(2,417)	(6,020)
Property and equipment	<u>(2,512)</u>	<u>(6,937)</u>
Net capital before haircuts on securities positions	<u>45,684</u>	<u>35,223</u>
Haircuts on securities		
Corporate securities - shares	<u>(1,583)</u>	<u>(386)</u>
Net haircuts on securities	<u>(1,583)</u>	<u>(386)</u>
Net capital	<u>\$ 44,101</u>	<u>\$ 34,837</u>
CAPITAL REQUIREMENTS		
Net capital required	\$ 5,000	\$ 5,000
Net capital in excess of requirements	<u>39,101</u>	<u>29,837</u>
Net capital, as shown above	<u>\$ 44,101</u>	<u>\$ 34,837</u>
Ratio of aggregated indebtedness to net capital	<u>0.02 to 1</u>	<u>0 to 1</u>

C.G. Menk & Associates, Inc.

RECONCILIATIONS OF AGGREGATE INDEBTEDNESS AND NET CAPITAL

Years ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
RECONCILIATION WITH COMPANY'S COMPUTATION		
Aggregate indebtedness, as reported in Company's Part II (Unaudited) Focus Report	\$ 746	\$ -
Changes as noted during audit		
None noted	<u>-</u>	<u>-</u>
Aggregate indebtedness per schedule of computation of aggregate indebtedness and net capital	<u>\$ 746</u>	<u>\$ -</u>
Net capital, as reported in Company's Part II (Unaudited) Focus Report	\$ 39,930	\$ 35,223
Changes as noted during audit		
Unrealized gain on corporate securities - shares	5,754	-
Haircut on securities - corporate securities - shares	<u>(1,583)</u>	<u>(386)</u>
Net capital per schedule of computation of aggregate indebtedness and net capital	<u>\$ 44,101</u>	<u>\$ 34,837</u>

C.G. Menk & Associates, Inc.

EXEMPTION FROM REQUIREMENTS UNDER SEC RULE 15c3-3

Years ended December 31, 2005 and 2004

The Company claims exemption under provisions of SEC Rule 15c3-3k(2)(i) and was in compliance with the conditions of such exemption.

The Company is not required to furnish information relating to possession or control requirements because it is exempt from SEC Rule 15c3-3.

C.G. Menk & Associates, Inc.

SIPC ASSESSMENT

Years ended December 31, 2005 and 2004

The Company, as a member of the Securities Investor Protection Corporation, has been assessed and has paid their \$150 fee for the years ended December 31, 2005 and 2004.

INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING
CONTROL REQUIRED BY SEC RULE 17a-5

Board of Directors and Stockholders
C.G. Menk & Associates, Inc.

In planning and performing our audits of the financial statements and supplementary schedules of C.G. Menk & Associates, Inc. for the years ended December 31, 2005 and 2004, we considered its internal control, including control activities for safeguarding assets, in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on 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 the Company including 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 and net capital under Rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry security 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:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the regulations 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 the Company 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 internal control policies and procedures 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 above-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 accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of the inherent limitations in internal control or the practices and procedures referred to above, errors or irregularities 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.

Our consideration of internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of the specific internal control elements does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities over safeguarding securities, that we consider to be material weaknesses as defined above.

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 and 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 the Company's practices and procedures were adequate at December 31, 2005 and 2004, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the Securities and Exchange Commission, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities and 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.

Reznick Group, P.C.

Baltimore, Maryland
February 3, 2006