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

AB 4/1/06

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

SEC. FILE NUMBER  
8- 51960

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 1/1/2005 AND ENDING 12/31/2005  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Ceridian Broker Dealer, Inc  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
3201 34th Street South

OFFICIAL USE ONLY  
FIRM I.D. NO.

St. Petersburg, FL 33711  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Thomas Pinou 212-356-0509  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Millward & Co. CPAs

2745 W Cypress Creek Road Ft Lauderdale FL 33309  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED  
JUN 12 2006  
THOMSON  
FINANCIAL

**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)

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OATH OR AFFIRMATION

I, Thomas G. Pinoy, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Ceridian Broker, Dealer, Inc., as 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:

**AGNIESZKA CHROSTOWSKA**  
Notary Public, State of New York  
No. 01CH6077943  
Qualified in Queens County  
Commission Expires July 22, 2006

*Thomas G. Pinoy*  
Signature  
FINOP  
Title

*Agnieszka Chrostowska*  
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).

CERIDIAN BROKER DEALER, INC.

FINANCIAL STATEMENTS

For the Year Ended December 31, 2005

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To the Board of Directors  
Ceridian Broker Dealer, Inc.  
St. Petersburg, Florida

## INDEPENDENT AUDITORS' SUPPLEMENTARY REPORT ON INTERNAL CONTROL STRUCTURE

In planning and performing our audit of the financial statements and supplemental schedule of Ceridian Broker Dealer, Inc. (the "Company") for the year ended December 31, 2005, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the 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 compliance with 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 exemptive provisions of rule 15c3-3. Because the Company 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:

1. Making the quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by rule 17a-13
3. 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 the Company is responsible for establishing and maintaining an internal control structure 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 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 accordance 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 or 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 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 internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error 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 for 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 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, to meet the SEC's objectives.

This report recognizes that it is not practicable in an organization the size of Ceridian Broker Dealer, Inc. to achieve all the divisions of duties and cross-checks generally included in the system of internal control and that, alternatively, greater reliance must be placed on the surveillance by management.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, NASD 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 should not be used for any other purpose.



Millward & Co. CPA's  
Fort Lauderdale, Florida  
February 3, 2006

To the Board of Directors  
Ceridian Broker Dealer, Inc.  
St. Petersburg, Florida

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of financial condition of Ceridian Broker Dealer, Inc., (the "Company") as of December 31, 2005, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities 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 audit.

We conducted our audit 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 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 condition of Ceridian Broker Dealer, Inc. at December 31, 2005, and the results of its operations, changes in stockholder's equity and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is present for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities 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.

*Millward & Co*

Millward & Co. CPAs  
Fort Lauderdale, Florida  
February 3, 2006



CERIDIAN BROKER DEALER, INC.  
STATEMENT OF FINANCIAL CONDITION  
December 31, 2005

ASSETS

Cash and cash equivalents	\$ 217,778
Prepaid expenses	<u>11,896</u>
Total Assets	<u>\$ 229,674</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities	
Accrued expenses	\$ 18,500
Due to parent	<u>71,898</u>
Total Liabilities	<u>90,398</u>
Stockholder's equity:	
Common stock, par value \$ .01 per share; authorized 1,000 shares; issued and outstanding 100 shares	1
Additional paid in capital	194,258
Deficit	<u>(54,983)</u>
Total Stockholder's Equity	<u>139,276</u>
Total Liabilities and Stockholder's Equity	<u>\$ 229,674</u>

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

CERIDIAN BROKER DEALER, INC.  
STATEMENT OF INCOME  
For the Year Ended December 31, 2005

Revenues:		\$	83,037
Expenses:			<u>66,083</u>
Operating expenses			<u>66,083</u>
Income Before Taxes			16,954
Income Tax Provision			<u>-</u>
Net Income		\$	<u>16,954</u>

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

CERIDIAN BROKER DEALER, INC.  
 STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY  
 For the Year Ended December 31, 2005

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Deficit	Total
Balance, December 31, 2004	100	\$ 1	\$ 173,798	\$ (71,937)	\$ 101,862
Additional Contributions	-	-	20,460	-	20,460
Net income	-	-	-	16,954	16,954
Balance, December 31, 2005	<u>100</u>	<u>\$ 1</u>	<u>\$ 194,258</u>	<u>\$ (54,983)</u>	<u>\$ 139,276</u>

The accompanying notes are an integral part of the financial statements

CERIDIAN BROKER DEALER, INC.  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2005

Cash flows from operating activities:	
Net income	\$ 16,954
Adjustments to reconcile net income to net cash provided by operating activities:	
Increase in accrued expenses	6,100
Increase in due to parent	<u>41,475</u>
Total adjustments	<u>47,575</u>
Total cash provided by operating activities	64,529
Cash flows from financing activities:	
Stockholder's contributions	<u>20,460</u>
Total cash provided by financing activities	<u>20,460</u>
Net increase in cash and cash equivalents	84,989
Cash and cash equivalents - Beginning of Year	<u>132,789</u>
Cash and cash equivalents - End of Year	<u>\$ 217,778</u>

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

CERIDIAN BROKER DEALER, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS

Ceridian Broker Dealer, Inc. (the "Company") was incorporated in Delaware on May 25, 1999. The Company is a fully disclosed, introducing NASD broker-dealer transacting business as a mutual fund retailer. Its offices are located in St. Petersburg, Florida. On December 21, 2001, the Company was acquired and is 100% owned by a subsidiary of the Ceridian Corporation. Effective January 2006, the Company ceased operations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Use of Estimates in the Preparation of Financial Statements* - 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.

*Cash and Cash Equivalents* - For purposes of the December 31, 2005 balance sheet and statement of cash flows for the year ended December 31, 2005, the Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

NOTE 3 - INCOME TAXES

On December 21, 2001, the Company was acquired and is 100% owned by a subsidiary of the Ceridian Corporation. The Company's accounts and operations are included in the consolidated income tax returns filed by the Ceridian Corporation. The Company and its parent have a tax sharing policy whereby the provision for taxes or tax benefit based on the Company's income or loss after giving effect to carryforward losses is due to or from Ceridian Corporation calculated at the net current tax rates. The Company has made no allocations for taxes during 2005.

NOTE 4 - RELATED PARTY TRANSACTIONS

The Company has an agreement with its parent whereby the Company pays the parent \$1,750 a month for certain operating expenses.

NOTE 5 - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2005, the Company had net capital \$127,380 which was \$102,380 in excess of its required net capital of \$25,000. The Company's net capital ratio was .71 to 1.

## Schedule I

CERIDIAN BROKER DEALER, INC.  
 COMPUTATION AND RECONCILIATION OF NET CAPITAL  
 UNDER RULE 15c3-1 OF THE  
 SECURITIES AND EXCHANGE COMMISSION  
 For the Year Ended December 31, 2005

**NET CAPITAL COMPUTATION:**

Total stockholder's equity qualified for net capital	\$ 139,276
Deducts and or charges:	
Total nonallowable assets	<u>(11,896)</u>
Net capital before haircuts	127,380
Haircuts on securities	<u>-</u>
Net capital	127,380
Required minimum capital	<u>25,000</u>
Excess net capital	<u>\$ 102,380</u>

**AGGREGATE INDEBTEDNESS:**

Aggregated indebtedness as included in Statement of Financial Condition	<u>\$ 90,398</u>
Ratio of aggregate indebtedness to net capital	<u>0.71</u>

**RECONCILIATION:**

Net capital, per page 10 of the December 31, 2005, unaudited Focus Report, as filed	\$ 131,980
Net audit adjustments	<u>(4,600)</u>
Net capital, per December 31, 2005, audited report, as filed	<u>\$ 127,380</u>