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

SEC FILE NUMBER
B-20734

**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 10-01-05 AND ENDING 09-30-06  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Dart, Papesh & Company, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

Beacon Place 4572 S. Hagadorn Road, Suite 2-C

(No. and Street)

East Lansing,

Michigan

48823-5385

(City)

(State)

(Zip Code)

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

G. Bruce Papesh

(517) 333-4333

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Flegal & Tibbitts, CPAs

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

2750 Old Centre, Suite 150, Portage, Michigan 49024

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

**PROCESSED  
DEC 01 2006  
THOMSON  
FINANCIAL**

SECURITIES AND EXCHANGE COMMISSION	
<b>RECEIVED</b>	
NOV 08 2006	
BRANCH OF REGISTRATIONS AND EXAMINATIONS	
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**FOR OFFICIAL USE ONLY**

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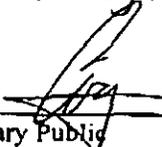
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

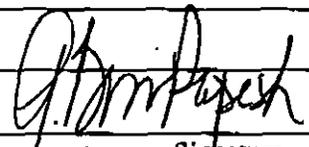
*Handwritten signature and date: Hill 30*

OATH OR AFFIRMATION

I, G. Bruce Papesh, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Dart, Papesh & Company, Inc., as of September 30, 20 06, 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:

WANDA COGBURN  
NOTARY PUBLIC - STATE OF MICHIGAN  
COUNTY OF INGHAM  
My Commission Expires Jan. 20, 2009  
Acting in this capacity of Wanda M

  
  
Notary Public

  
Signature  
President  
Title

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).

DART, PAPESH & COMPANY, INC.  
STATEMENT OF BALANCE SHEET  
SEPTEMBER 30, 2006

ASSETS

Cash	\$	320,218	
Accounts receivable		7,579	
Prepaid expenses		8,525	
Property and equipment at cost - net of depreciation		908	
Deferred income tax benefits		2,130	\$ <u>339,360</u>

LIABILITIES

Accounts payable	\$	6,936	
Other current liabilities		22,517	
	\$	<u>29,453</u>	
Stockholders' equity			
Common stock - \$1 par value- authorized 50,000 shares			
Issued and outstanding 10,000 shares	\$	10,000	
Retained earnings		299,907	
	\$	<u>309,907</u>	\$ <u>339,360</u>

NOTES TO FINANCIAL CONDITION

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Assets, liabilities, revenues and expenses are recognized on the accrual basis of accounting. Fixed assets are recorded at cost less accumulated depreciation which is computerized principally by the double declining balance method.

NET CAPITAL REQUIREMENTS

As a registered broker-dealer the Company is required to maintain sufficient capital to cover current indebtedness as defined in certain "Net Capital Rules". Specifically, "aggregate indebtedness" shall not exceed fifteen times its "net capital" or a net capital ratio of 15 to 1. At September 30, 2006 the Company's net capital ratio was .10 to 1, substantially better than the required 15 to 1. Required "net capital" is \$50,000 while actual computed "net capital" was \$290,132.

ANNUAL AUDIT REPORT REQUIREMENT

The Firm's most recent annual audit report pursuant to Rule X-17A-5 is available for examination and copying at the Firm's office or at the office of Securities and Exchange Commission in Chicago, Illinois.

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To Dart, Papesh & Company, Inc.

We have examined the financial condition of Dart, Papesh & Company, Inc. as of September 30, 2006. Our examination was made in accordance with auditing standards generally accepted in the United States of America, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statement referred to above presents fairly the financial position of Dart, Papesh & Company, Inc. at September 30, 2006 in conformity with accounting principles generally accepted in the United States of America applied on a consistent basis.

Portage, Michigan

*Legal: T. J. T. T.*