

SECURITIES AND COMMISSION



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

SEC FILE NUMBER  
8-51628

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 01/01/06 AND ENDING 12/31/06  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Benchmark Financial Services, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

Ocean Ridge Florida 33435  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Buchbinder Tunick & Company LLP

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

6116 Executive Blvd., Rockville, MD 20852  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED

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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)

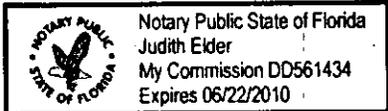
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OATH OR AFFIRMATION

I, Edward Siedle, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Benchmark Financial Services, Inc., as of December 31, 2006, 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



*[Handwritten Signature]*

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).

**BENCHMARK FINANCIAL SERVICES, INC.**

**Financial Statements  
and  
Supplemental Schedule**

**For the Years Ended December 31, 2006 and 2005**



**BENCHMARK FINANCIAL SERVICES, INC.**  
**Financial Statements and Supplemental Schedule**  
**For the Years Ended December 31, 2006 and 2005**

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**BUCHBINDER TUNICK & COMPANY LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

6116 EXECUTIVE BOULEVARD • SUITE 201 • ROCKVILLE, MD 20852-4920  
301-770-9110 • FAX 301-881-3699

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Benchmark Financial Services, Inc.

We have audited the accompanying statements of financial condition of Benchmark Financial Services, Inc. as of December 31, 2006 and 2005, and the related statements of operations, changes in stockholder's equity, and cash flows for the years then ended 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 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 Benchmark Financial Services, Inc. as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

BUCHBINDER TUNICK & COMPANY LLP

Rockville, Maryland  
February 28, 2007



**BENCHMARK FINANCIAL SERVICES, INC.**  
**Statements of Financial Condition**  
**December 31, 2006 and 2005**

**ASSETS**

	2006	2005
Cash equivalents	211,431	\$ 209,329
Receivable from broker-dealers and clearing organizations	-	2,192
Accounts receivable less allowance for doubtful accounts of \$2,498 in 2006 and \$ -0- in 2005	74,162	23,593
Due from shareholder	-	16,363
Prepaid expenses and other assets	1,774	1,632
Property and equipment, net	38,062	46,357
Total assets	\$ 325,429	\$ 299,466

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Liabilities:		
Accounts payable and accrued expenses	\$ 18,093	\$ 15,690
Due to shareholder	651	-
Total liabilities	18,744	15,690
Stockholder's equity:		
Common stock, \$0.001 par value, 100 shares issued, authorized, and outstanding	-	-
Additional paid-in capital	133,400	133,400
Retained earnings	173,285	150,376
Total stockholder's equity	306,685	283,776
Total liabilities and stockholder's equity	\$ 325,429	\$ 299,466

See accompanying notes to financial statements.

**BENCHMARK FINANCIAL SERVICES, INC.**  
**Statements of Operations**  
**For the Years Ended December 31, 2006 and 2005**

	2006	2005
<b>Revenues:</b>		
Consulting fees	\$ 128,165	\$ 48,395
Commissions	7,231	55,985
Interest	6,606	4,682
Total revenue	142,002	109,062
<b>Expenses:</b>		
Salaries - officers	24,360	9,291
Health insurance	17,172	15,403
Professional services	10,884	10,225
Travel	9,949	6,120
Employee medical expenses	9,637	9,080
Depreciation	8,295	9,059
Retirement plan contribution	2,340	2,322
Telephone	5,836	6,890
Entertainment	5,554	5,093
Education and seminars	3,027	1,650
Website maintenance	2,870	1,845
Insurance	2,744	3,238
Bad debt expense	2,498	-
Utilities	2,108	2,232
Payroll taxes	2,021	871
Clearing costs	1,707	9,243
Miscellaneous expense	1,573	1,869
Postage and delivery	1,177	774
Payroll processing fees	1,016	895
Publications	955	826
Office expense	759	2,405
Supplies	711	-
Repairs	590	4,199
Filing fees	493	608
Licenses and registrations	478	1,002
Printing	193	384
Taxes	92	297
Gifts	36	-
Computer hardware & software	18	-
Total operating expenses	119,093	105,821
Net income	\$ 22,909	\$ 3,241

See accompanying notes to financial statements.

**BENCHMARK FINANCIAL SERVICES, INC.**  
**Statements of Changes in Stockholder's Equity**  
**For Years Ended December 31, 2006 and 2005**

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total Stockholder's Equity
	Shares	Amount			
Balance at January 1, 2005	100	\$ -	\$ 133,400	\$ 147,135	\$ 280,535
Net income	-	-	-	3,241	3,241
Balance at December 31, 2005	100	-	133,400	150,376	283,776
Net income	-	-	-	22,909	22,909
Balance at December 31, 2006	100	\$ -	\$ 133,400	\$ 173,285	\$ 306,685

See accompanying notes to financial statements.



**BENCHMARK FINANCIAL SERVICES, INC.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2006 and 2005**

	2006	2005
Cash flows from operating activities:		
Net income	\$ 22,909	\$ 3,241
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	8,295	9,059
Bad debt expense	2,498	-
(Increase) in accounts receivable	(53,067)	(3,922)
Decrease in receivable from broker and clearing organizations	2,192	297
Decrease (increase) in due from stockholder	16,363	(16,363)
(Increase) in prepaid expenses	(142)	(1,207)
Increase (decrease) in accounts payable	2,403	(1,562)
Increase in due to stockholder	651	-
(Decrease) in payable to broker and clearing organizations	-	(805)
Net cash provided by (used in) operating activities	2,102	(11,262)
Cash flows from investing activities:		
Purchase of property and equipment	-	(1,038)
Net cash (used in) investing activities	-	(1,038)
(Decrease) in cash equivalents	2,102	(12,300)
Cash equivalents at beginning of the year	209,329	221,629
Cash equivalents at end of the year	\$ 211,431	\$ 209,329

See accompanying notes to financial statements.



**BENCHMARK FINANCIAL SERVICES, INC.**  
**Notes to Financial Statements**  
**December 31, 2006 and 2005**

**Note 1 - Organization**

Benchmark Financial Services, Inc. (Company) was organized under the laws of the State of Florida as of July 9, 1999. The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and the National Association of Securities Dealers (NASD).

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Presentation**

The Company is engaged in a single line of business as a securities broker-dealer, which comprises several classes of services including principal transactions, agency transactions and investment banking.

**Property and Equipment**

Property and equipment are recorded at cost and depreciated over their estimated useful lives. The cost of maintenance and repairs are expensed as incurred, whereas significant betterments and renewals are capitalized. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of operations.

**Commissions**

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

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

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash Equivalents**

The Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days, that are held for sale in the ordinary course of business.



**BENCHMARK FINANCIAL SERVICES, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2006 and 2005**

**Note 3 - Concentration of Credit Risk**

Financial instruments that subject the Company to concentration of credit risk include cash. The Company had amounts on deposit with financial institutions of \$118,522 in excess of the amounts insured on December 31, 2006.

**Note 4 - Receivable From Broker-Dealers and Clearing Organizations**

Amounts receivable from broker-dealers and clearing organizations of \$-0- and \$2,192 at December 31, 2006 and 2005, respectively consisted of monies due from clearing organizations.

**Note 5 - Property and Equipment**

At December 31, 2006 and 2005 property and equipment consisted of the following:

	2006	2005
Automobile	\$ 38,057	\$ 38,057
Equipment	6,038	6,038
Furniture and fixtures	3,138	3,138
Artwork	15,450	15,450
Total	62,683	62,683
Less: accumulated depreciation	24,621	16,326
Net property and equipment	\$ 38,062	\$ 46,357

**Note 6 - Income Taxes**

The Company has elected, under Subchapter S of the Internal Revenue Code, to have its income taxed directly to its stockholder. The stockholder is responsible for his share of the taxes on the net income of the Company. Accordingly, no provision has been made for federal income taxes.

**Note 7 - Net Capital Requirement**

Pursuant to the net capital provisions of the National Association of Securities Dealers, the Company is required to maintain a minimum net capital, as defined under such provisions. At December 31, 2006, the Company had net capital (as defined) of \$188,458 and had a minimum net capital requirement of \$50,000.

**Note 8 - Pension Plan**

The Company accrued \$6,090 and \$2,322 to a simplified employee pension plan for the years 2006 and 2005, respectively.



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**INDEPENDENT AUDITOR'S REPORT  
ON SUPPLEMENTAL SCHEDULE REQUIRED BY RULE 17a-5  
OF THE SECURITIES AND EXCHANGE COMMISSION**

Board of Directors  
Benchmark Financial Services, Inc.

We have audited the financial statements of Benchmark Financial Services, Inc. as of December 31, 2006 and 2005 and for the years then ended, and have issued our report thereon dated February 28, 2007. Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole.

The accompanying supplemental schedule appearing on page 9 is presented 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 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BUCHBINDER TUNICK & COMPANY LLP

Rockville, Maryland  
February 28, 2007



**BENCHMARK FINANCIAL SERVICES, INC.**  
**(Supplemental Schedule)**  
**Computation of Net Capital under Rule 15c3-1**  
**of the Securities and Exchange Commission**  
**December 31, 2006**

Net capital:		
Total stockholder's equity qualified for net capital	\$	<u>306,685</u>
Net capital before haircuts on securities position		306,685
Less: nonallowable assets from statement of financial condition		113,998
Less: haircuts on securities - marketable securities		<u>4,229</u>
Net capital	\$	<u><u>188,458</u></u>
Aggregate indebtedness:		
Included in statement of financial condition:		
Accrued expenses and due to shareholder	\$	<u><u>18,744</u></u>
Computation of basic net capital requirement:		
Minimum net capital required (6 $\frac{3}{4}$ % of \$18,744)	\$	<u><u>1,250</u></u>
Net capital requirement	\$	<u><u>50,000</u></u>
Excess net capital	\$	<u><u>138,458</u></u>
Reconciliation with Company's computation (included in Part IIA of Form X-17A-5 as of December 31, 2006):		
Net capital, as reported in Company's Part IIA (unaudited)		
Focus report	\$	188,765
Auditor's adjustment to accrued expenses		<u>(307)</u>
Net capital per above	\$	<u><u>188,458</u></u>

See independent auditor's report on supplemental schedule.



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**INDEPENDENT AUDITOR'S REPORT ON  
ON THE INTERNAL CONTROL STRUCTURE REQUIRED BY  
SECURITIES AND EXCHANGE COMMISSION RULE 17a-5(d)**

Board of Directors  
Benchmark Financial Services, Inc.

In planning and performing our audits of the financial statements of Benchmark Financial Services, Inc. for the years ended December 31, 2006 and 2005, we considered its internal control structure 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 structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Benchmark Financial Services, Inc. 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 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 making the quarterly securities examinations, counts, verifications and comparisons, and the recording of differences required by Rule 17a-13, or in complying with the requirements for prompt payment for securities of Section 8 of 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 internal control structure 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 Commission's above mentioned objectives. Two of the objectives of an internal control structure 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 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 inherent limitations in any internal control structure 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 the internal control structure would not necessarily disclose all matters in the internal control structure 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 structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 the internal control structure 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 Commission 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, 2006 and 2005 to meet the Commission's objectives.

At December 31, 2006 and 2005, the Company was in compliance with the conditions of its exemption from SEC Rule 15c3-3, and no facts came to our attention during our audit that indicated that such conditions had not been complied with during the years ended December 31, 2006 and 2005.

This report is intended solely for the use of the Board of Directors and management of Benchmark Financial Services, Inc., the Securities and Exchange Commission and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

*Buchbinder Tunick & Company LLP*  
BUCHBINDER TUNICK & COMPANY LLP

Rockville, Maryland  
February 28, 2007

**END**

