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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden	
hours per response.....	12.00

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

SEC FILE NUMBER
B- 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 07-01-2006 AND ENDING 06-30-2007 X
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

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

OFFICIAL USE ONLY
FIRM I.D. NO.

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

30 MONTGOMERY STREET, STE 1040

(No. and Street)

JERSEY CITY

NJ

07302

(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*

J. RICHARD CHAPLIN

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

18 CLINTON LANE, SCOTCH PLAINS,

NJ

07078

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

AUG 27 2007

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)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, O. Gene Hurst, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Wolfe & Hurst Bond Brokers, Inc., as of 06-30, 2007, 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:

NONE


Signature O. Gene Hurst

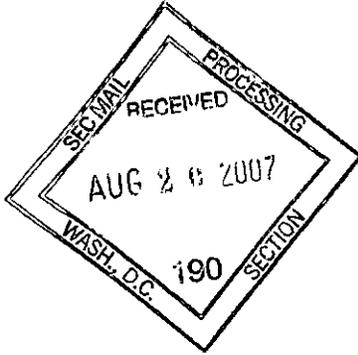
President
Title


Notary Public

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

- This report ** contains (check all that apply)
- (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).



WOLFE & HURST BOND BROKERS, INC.

AUDIT REPORT

JUNE 30, 2007

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, 2007 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, subject to the matter discussed in Footnote 11, 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, 2007, and the results of its 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

J. Richard Chaplin CPA
Scotch Plains, New Jersey
August 6, 2007

WOLFE & HURST BOND BROKERS, INC.

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2007

ASSETS

CURRENT ASSETS

Cash	\$	677,776
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)		331,588
Fails to Deliver (Note 5)		64,607
Collateralized Receivable (Note 8)		550,000
Employee Loan Receivable		3,261
Prepaid Expenses		136,028
Income Tax Receivable		37,542
Intercompany Receivable		<u>245,218</u>
TOTAL CURRENT ASSETS		\$2,441,120

FIXED ASSETS, at cost

Furniture & Fixtures (Note 1)	\$228,357
Accumulated Depreciation Net	<u>(226,968)</u>
TOTAL FIXED ASSETS	1,389

OTHER ASSETS

Mandatory non Marketable Investment (Note 4)	\$10,444
Deposits	<u>49,098</u>
Total Other Assets	<u>59,542</u>
TOTAL ASSETS	<u><u>\$2,502,051</u></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 SUBORDINATED LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2007

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, 2007

Shareholder's Equity at Beginning of Year	\$2,087,585
Net Loss After Taxes	<u>(296,832)</u>
SHAREHOLDER'S EQUITY AT END OF YEAR	<u>\$1,790,753</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, 2007

QUESTIONNAIRE

REFERENCES:

Aggregated Indebtedness:

Payroll Taxes Payable	\$	3,390
Taxes Payable		4,688
Other Current Liabilities		11,917
Accrued Expenses Payable		<u>57,078</u>

TOTAL AGGREGATED INDEBTEDNESS

\$ 77,073

NET CAPITAL

Credit Items:

1792	Common Stock	297,885
1794	Retained Earnings	1,406,358
1794	Current Net Loss After Taxes	(296,832)
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

2,371,708

Debit Items:

720	Petty Cash	569
910	Intercompany Receivable	245,218
920	Furniture & Fixtures - Net	1,389
930	Miscellaneous	188,387
3570	Haircut-Fails to Deliver (Note 5)	<u>6,614</u>

TOTAL DEBIT ITEMS

442,177

NET CAPITAL

1,929,531

Capital Requirements:

3880	Minimum Net Capital	<u>100,000</u>
3910	Net Capital in Excess of Above Requirements	<u>\$1,829,531</u>

RATIO OF AGGREGATED INDEBTEDNESS TO NET CAPITAL .042 TO 1

No material differences exist between the above computation and the computation 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, 2007

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, 2007

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, 2007

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 as of 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.

The Company periodically records the estimated impacts of various conditions, situations, or circumstances involving uncertain outcomes. The accounting for such events is prescribed under Statement of Financial Accounting Standard ("SFAS") No. 5 *Accounting for Contingencies*. SFAS No. 5 defines a contingency as "an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to an enterprise that will ultimately be resolved when one or more future events occur or fail to occur."

J. RICHARD CHAPLIN
CPA

WOLFE & HURST BOND BROKERS, INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 ACCOUNTING POLICIES (Continued)

SFAS No. 5 does not permit the accrual of gain contingencies under any circumstances. For loss contingencies, the loss must be accrued if (1) information is available that indicates it is probable that the loss has been incurred, given the likelihood of uncertain events; and (2) that the amount of the loss can be reasonably estimated.

The accrual of a contingency involves considerable judgement on the part of management. The company uses its internal expertise, and outside experts, as necessary, to help estimate the probability that a loss has been incurred and the amount (or range) of the loss.

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.

NOTE 3 GOOD FAITH DEPOSIT

For the year ended June 30, 2007, Good Faith Deposits are maintained with The National Securities Clearing Corporation, Depository Trust Company, and the 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 the 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.

J. RICHARD CHAPLIN
CPA

WOLFE & HURST BOND BROKERS, INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 5 FAILS

At the close of business on June 30, 2007, 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	\$ 53,270	\$ 10,710	\$ 64,607
Governments	0	0	0
Corporates	0	0	0
Total	<u>\$ 53,270</u>	<u>\$ 10,710</u>	<u>\$ 64,607</u>

The Municipal fails to deliver over 21 days are \$31,699.

The Government fails to deliver over 5 days are \$0.

The Corporate fails to deliver over 5 days are \$0.

NOTE 6 CAPITAL STOCK

There are 90 shares of common stock issued without par value. As of June 30, 2007, the shares are held by Wolfe & Hurst, Inc. Nine Hundred and Ten (910) shares are unissued.

NOTE 7 COMMITMENTS

Minimum rental commitments under all noncancellable operating leases, primarily leases for real estate, in effect at June 30, 2007 were:

<u>Fiscal Year ending June 30,</u>	<u>Amount</u>
2008	\$ 215,047
2009	188,776
2010	159,764
2011	146,504
2012 and beyond	<u>156,373</u>
Total Minimum Payments	\$ <u>866,464</u>

The total rental expense for operating leases for the fiscal year ended June 30, 2007 was \$276,491.

NOTE 8 SECURITIES INVESTMENT PROTECTION CORPORATION (SIPC)

SIPC dues based on trading volume have been suspended. The Company pays an annual flat fee for SIPC dues.

J. RICHARD CHAPLIN
CPA

WOLFE & HURST BOND BROKERS, INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 9 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	07/30/16
O. Gene Hurst	240,477	07/30/16
Wolfe & Hurst, Inc.	<u>100,000</u>	07/30/16
Total	<u>\$580,955</u>	

NOTE 10 SAVINGS PLAN

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

NOTE 11 CONTINGENCIES

During Fiscal 2006, the Company was informed by the staff of the Securities and Exchange Commission (SEC) that the staff was conducting an informal inquiry relating to "bid wanted" practices. "Bid wanted" is an industry practice used by broker dealers and broker's broker to prevent errors and mistakes in pricing in adherence to their fairness and fair pricing obligations. The Company's position is that there have been no regulatory violations. The Company and its traders intend to vigorously defend any and all negative findings.

The outcome of the above mentioned matter is uncertain. The amount of fines and or penalties is also uncertain. Accordingly there has been no accrual of amounts other than attorney fees

J. RICHARD CHAPLIN
CPA

END