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

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Washington, DC

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 07/01/07 AND ENDING 6/30/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
Worth Financial Group Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

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

16660 Dallas Parkway, Suite 1600

(No. and Street)

Dallas
(City)

Texas
(State)

75248
(Zip Code)

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

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Phillip V. George, PLLC

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

2300 Honey Locust Drive
(Address)

Irving
(City)

Texas
(State)

75063
(Zip Code)

CHECK ONE:

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

PROCESSED

SEP 24 2008

THOMSON REUTERS

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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).

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OATH OR AFFIRMATION

I, Jim W. Clark, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Worth Financial Group Inc., as of June 30, 2008, 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

Allison Davidson
Notary Public



Jim W. Clark
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 Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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.
- (o) Independent auditor's report on the internal control as required by SEC rule 17a-5.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

WORTH FINANCIAL GROUP INC.

FINANCIAL REPORT

JUNE 30, 2008

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INDEPENDENT AUDITOR'S REPORT

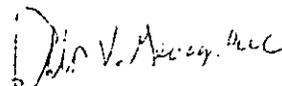
Board of Directors
Worth Financial Group Inc.

We have audited the accompanying statement of financial condition of Worth Financial Group Inc. as of June 30, 2008, and the related statements of income, changes in stockholders' 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 position of Worth Financial Group Inc. as of June 30, 2008, and the results of its operations 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 Schedules I and II 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 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.



PHILLIP V. GEORGE, PLLC

Irving, Texas
September 9, 2008

WORTH FINANCIAL GROUP INC.
Statement of Financial Condition
June 30, 2008

ASSETS

Cash and cash equivalents	\$ 33,383
Commissions receivable	114,340
Clearing deposits	19,713
Property and equipment, net	<u>10,361</u>

TOTAL ASSETS \$ 177,797

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities

Accrued expenses	\$ 3,680
Commissions payable	77,303
Income taxes payable	<u>13,043</u>

Total Liabilities 94,026

Stockholders' Equity

Preferred stock, \$100 par value, 500,000 shares authorized, no shares issued and outstanding	-
Common stock, \$.01 par value, 9,500,000 shares authorized, 300,000 shares issued and outstanding	3,000
Additional paid-in capital	32,500
Retained earnings	<u>48,271</u>

TOTAL STOCKHOLDERS' EQUITY 83,771

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$ 177,797

WORTH FINANCIAL GROUP INC.

Statement of Income
Year Ended June 30, 2008

Revenue

Securities commissions	\$ 547,768
Insurance commissions	169,668
Investment company share commissions	361,440
Investment advisory fees	245,641
Other revenue	<u>45,305</u>
TOTAL REVENUE	<u>1,369,822</u>

Expenses

Compensation and related costs	784,892
Clearing charges	235,561
Service fees	193,400
Communications	21,952
Regulatory fees	3,915
Occupancy and equipment	16,236
Interest	98
Professional fees	30,386
Other expenses	<u>24,199</u>
TOTAL EXPENSES	<u>1,310,639</u>

Net income before provision for income taxes	59,183
Income taxes - current	7,568
Income taxes - state	<u>6,187</u>
Total provision for income taxes	<u>13,755</u>
NET INCOME	<u><u>\$ 45,428</u></u>

WORTH FINANCIAL GROUP INC.
Statement of Changes in Stockholders' Equity
Year Ended June 30, 2008

	<u>Common Shares</u>	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balances at June 30, 2007	300,000	\$ 3,000	\$ 32,500	\$ 2,843	\$ 38,343
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,428</u>	<u>45,428</u>
Balances at June 30, 2008	<u>300,000</u>	<u>\$ 3,000</u>	<u>\$ 32,500</u>	<u>\$ 48,271</u>	<u>\$ 83,771</u>

WORTH FINANCIAL GROUP INC.

**Statement of Cash Flows
Year Ended June 30, 2008**

Cash flows from operating activities:

Net income	\$ 45,428
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	1,911
Changes in assets and liabilities	
Increase in commissions receivable	(58,295)
Increase in clearing deposits	(463)
Decrease in accrued expenses	(244)
Increase in commissions payable	42,358
Decrease in accrued interest payable to shareholder	(711)
Increase in income taxes payable	<u>11,990</u>
Net cash provided by operating activities	<u>41,974</u>

Cash flows from investing activities:

Purchase of property and equipment	<u>(7,205)</u>
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Cash flows from financing activities:

Payment of note payable to shareholder	<u>(10,000)</u>
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Net change in cash and cash equivalents	24,769
Cash and cash equivalents at beginning of year	<u>8,614</u>

Cash and cash equivalents at end of year	<u><u>\$ 33,383</u></u>
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Supplemental Disclosures of Cash Flow Information:

Cash paid during the year for:

Interest	<u>\$ 98</u>
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Income taxes	<u>\$ 1,765</u>
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WORTH FINANCIAL GROUP INC.
Notes to Financial Statements

Note 1 - Nature of Business and Summary of Significant Accounting Policies

Nature of Business:

Worth Financial Group Inc. (the Company) was organized in March 1983 as a Texas corporation. The Company is a broker/dealer in securities registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is also a registered investment advisor with the state of Texas. The majority of the Company's customers are individuals located in the state of Texas.

The Company operates pursuant to section (k)(2)(ii) exemptive provisions of Rule 15c3-3 of the Securities Exchange Act of 1934, and accordingly, is exempt from the remaining provisions of that Rule. The Company does not hold customer funds or securities, but as an introducing broker or dealer, will clear all transactions on behalf of customers on a fully disclosed basis through a clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a clearing broker/dealer. Under these exemptive provisions, the Computation for Determination of Reserve Requirements and Information Relating to the Possession and Control Requirements are not required.

Significant Accounting Policies:

Use of Estimates

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 the 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

Money market funds are reflected as cash equivalents in the accompanying statement of financial condition and for purposes of the statement of cash flows.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over estimated useful lives of five to seven years.

Commission Revenue

General securities commissions and related clearing expenses are recorded on a trade date basis. Insurance commissions are recorded when the policies are funded by the customer. Investment company share commissions are recorded when initial subscriptions are funded or when recurring commissions are payable to the Company.

WORTH FINANCIAL GROUP INC.
Notes to Financial Statements

Note 2 - Transactions with Clearing Broker/Dealers

The agreements with the clearing broker/dealers provide for clearing charges at a fixed rate multiplied by the number of tickets traded by the Company. The agreements also require the Company to maintain a minimum of \$19,000 as deposits in accounts with the clearing broker/dealers.

Note 3 - Net Capital Requirements

The Company is subject to the SEC 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 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. At June 30, 2008, the Company had net capital and net capital requirements of \$69,063 and \$5,000, respectively. The Company's net capital ratio was 1.36 to 1.

Note 4 - Property and Equipment

Property and equipment is carried at cost less accumulated depreciation and consists of the following:

Furniture and fixtures	\$ 2,406
Computer equipment	10,415
Software	<u>993</u>
	13,814
Accumulated depreciation	<u>(3,453)</u>
	<u>\$ 10,361</u>

Depreciation expense for the year was \$1,911 and is reflected in the accompanying statement of income as occupancy and equipment costs.

WORTH FINANCIAL GROUP INC.
Notes to Financial Statements

Note 5 - Office Lease

The Company currently leases office space on a year-to-year basis. The monthly lease payment is \$1,171. Office rent for the year totaled \$10,523 and is reflected in the accompanying statement of income as occupancy and equipment costs.

Note 6 - Concentration of Credit Risk

The Company has a total of \$104,612 or approximately 59% of its total assets, in amounts held at or due from one of its clearing broker/dealers and another broker/dealer.

Note 7 - Related Party Transactions

The Company entered into a consulting agreement (Agreement) effective January 1, 2007 with the president and majority shareholder (Shareholder). The Agreement requires the Shareholder to advise the Company on corporate matters and day-to-day operations for a term of five years expiring December 31, 2011. Fees payable under this Agreement include: 1) consulting fees not to exceed \$150,000 per year, plus 2) commissions and overrides generated by the Shareholder. Fees are invoiced monthly and totaled \$161,471 for the year ended June 30, 2008, and are reflected in the accompanying statement of income as compensation and related costs. The Agreement was not consummated on terms equivalent to arms length transactions.

Note 8 - Services Agreement

The Company entered into a services agreement (Services Agreement) effective July 1, 2007 with an unrelated investment advisor (Advisor). The Services Agreement requires the Advisor to provide the Company with research, portfolio reporting and advisory services. The term of the Services Agreement is for one year and will automatically renew unless notified in writing by either party at least thirty days prior to the renewal date. Fees payable under this Services Agreement are invoiced monthly and totaled \$193,400 for the year ended June 30, 2008.

Note 9 - Off-Balance-Sheet Risk

As discussed in Note 1, the Company's customers' securities transactions are introduced on a fully disclosed basis with its clearing broker/dealers. The clearing broker/dealers carry all of the accounts of the customers of the Company and are responsible for execution, collection and payment of funds, and receipt and delivery of securities relative to customer transactions. Off-balance-sheet risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments wherein the clearing broker/dealers may charge any losses they incur to the Company. The Company seeks to minimize this risk through procedures designed to monitor the credit worthiness of its customers and that customer transactions are executed properly by the clearing broker/dealers.

WORTH FINANCIAL GROUP INC.
Notes to Financial Statements

Note 10 - Subsequent Event

The Company entered into a lease agreement for office space in July 2008. The lease is a noncancellable operating lease through July 2011. Future minimum lease payments due for each of the years ending June 30 are as follows:

2009	\$ 12,887
2010	14,416
2011	14,806
2012	1,237
Thereafter	<u>-</u>
	<u>\$ 43,346</u>

Schedule I

WORTH FINANCIAL GROUP INC. Computation of Net Capital and Aggregate Indebtedness Pursuant to Rule 15c3-1 June 30, 2008

Total stockholders' equity qualified for net capital	\$ 83,771
Deductions and/or charges	
Non-allowable assets:	
Commissions receivable	3,424
Property and equipment, net	<u>10,361</u>
Total deductions and/or charges	<u>13,785</u>
Net capital before haircuts on securities positions	69,986
Haircuts on securities:	
Cash equivalents	<u>923</u>
Net Capital	<u><u>\$ 69,063</u></u>
Aggregate indebtedness	
Accrued expenses	\$ 3,680
Commissions payable	77,303
Income taxes payable	<u>13,043</u>
Total aggregate indebtedness	<u><u>\$ 94,026</u></u>
Computation of basic net capital requirement	
Minimum net capital required (greater of \$5,000 or 6 2/3% of aggregate indebtedness)	<u><u>\$ 5,000</u></u>
Net capital in excess of minimum requirement	<u><u>\$ 64,063</u></u>
Ratio of aggregate indebtedness to net capital	<u><u>1.36 to 1</u></u>

Schedule II

**WORTH FINANCIAL GROUP INC.
Reconciliation of the Computation of Net Capital
with that of the Registrant as
Filed in Part IIA of Form X-17a-5
As of June 30, 2008**

Net capital as reported by Registrant in Part IIA of Form X-17a-5 as of June 30, 2008 (unaudited)	\$ 71,889
Adjustments made by Registrant prior to filing Amended Form X-17a-5:	
Decrease in federal income taxes payable	3,361
Increase in state income taxes payable	<u>(6,187)</u>
Net capital as computed on Schedule I	<u>\$ 69,063</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL REQUIRED BY
SEC RULE 17A-5(G)(1)**

Board of Directors
Worth Financial Group Inc.

In planning and performing our audit of the financial statements of Worth Financial Group Inc. (the Company), as of and for the year ended June 30, 2008 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's 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 consideration of control activities for safeguarding securities. This study included 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 (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 quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13
2. 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 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 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 conformity 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 and 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 may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

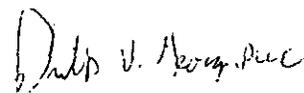
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the Company's financial reporting.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and 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, as described in the second paragraph of this report, were adequate at June 30, 2008, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, Financial Industry Regulatory Authority, 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 is not intended to be and should not be used by anyone other than these specified parties.



PHILLIP V. GEORGE, PLLC

Irving, Texas
September 9, 2008

END