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

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 04/01/2004 AND ENDING 03/31/2005
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Ridgewood Securities Corporation

OFFICIAL USE ONLY

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

FIRM I.D. NO.

947 Linwood Avenue

(No. and Street)

Ridgewood

(City)

New Jersey

(State)

07450

(Zip Code)

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

Jeffrey Strasberg

201-447-9000

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Perelson Weiner LLP

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

One Dag Hammaraskjold Plaza, NY, New York 1001

(Address)

(City)

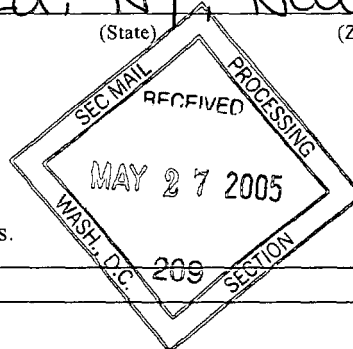
(State)

(Zip Code)

CHECK ONE:

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

PROCESSED
JUL 21 2005
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, Robert E. Swanson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Bidgewood Securities Corporation, as of March 31, 2004, 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

JEANNE THOMPSON
A Notary Public of New Jersey
My Commission Expires May 3, 2007

Jeanne Thompson
Notary Public

Robert E. Swanson
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 15c3-3 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).

Ridgewood Securities Corporation

Financial Statements and Additional Information

March 31, 2005 and 2004

**PERELSON
WEINER_{LLP}**

CERTIFIED PUBLIC ACCOUNTANTS

ONE DAG HAMMARSKJOLD PLAZA
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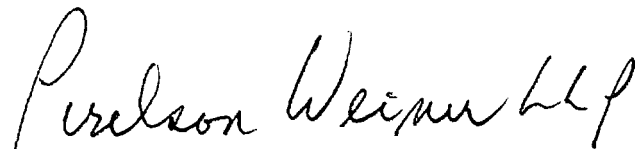
INDEPENDENT AUDITORS' REPORT

Board of Directors
Ridgewood Securities Corporation

We have audited the accompanying statement of financial condition of Ridgewood Securities Corporation as of March 31, 2005 and 2004 and the related statements of operations, changes in stockholder's equity and cash flows for the years then ended. 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 condition of Ridgewood Securities Corporation as of March 31, 2005 and 2004 and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.



May 20, 2005

Ridgewood Securities Corporation
Statements of Financial Condition

	March 31,	
	2005	2004
Assets		
Cash and cash equivalents	\$ 249,229	\$ 247,932
Certificate of deposit	50,729	50,503
Commissions receivable from affiliate	48,000	37,800
Income taxes receivable	21,724	-
Other assets	10,602	10,390
Total assets	\$ 380,284	\$ 346,625
 Liabilities and Stockholder's Equity		
Accounts and accrued expenses payable	\$ 25,800	\$ 26,200
Income taxes payable	-	10,702
Total liabilities	25,800	36,902
 Commitments and contingencies		
 Stockholder's equity:		
Common stock, \$1 par value; 1,000 shares authorized, issued and outstanding	1,000	1,000
Additional paid-in capital	9,000	9,000
Retained earnings	344,484	376,307
Stockholder loan	-	(76,584)
Total stockholder's equity	354,484	309,723
Total liabilities and stockholder's equity	\$ 380,284	\$ 346,625

See accompanying notes to financial statements

Ridgewood Securities Corporation
Statements of Operations

	Year Ended March 31,	
	2005	2004
Revenue		
Placement fees	\$ 2,907,802	\$ 1,304,529
Selling commissions	933,172	563,800
Interest income	10,865	1,943
	<u>3,851,839</u>	<u>1,870,272</u>
Expenses		
Officer-stockholder payroll	3,819,260	1,738,686
Selling, general and administrative	71,815	77,651
	<u>3,891,075</u>	<u>1,816,337</u>
(Loss) income before income taxes	(39,236)	53,935
Income (benefit) tax	(7,413)	12,210
Net (loss) income	<u>\$ (31,823)</u>	<u>\$ 41,725</u>

See accompanying notes to financial statements

Ridgewood Securities Corporation
Statements of Changes in Stockholder's Equity

	<u>Common stock</u>	<u>Additional paid-in capital</u>	<u>Retained earnings</u>	<u>Stockholder loan</u>	<u>Total</u>
Balance, April 1, 2003	\$ 1,000	\$ 9,000	\$ 334,582	\$ (193,684)	\$ 150,898
Repayment of loan by stockholder	-	-	-	117,100	117,100
Net income	-	-	41,725	-	41,725
Balance, March 31, 2004	1,000	9,000	376,307	(76,584)	309,723
Repayment of loan by stockholder	-	-	-	76,584	76,584
Net (loss)	-	-	(31,823)	-	(31,823)
Balance, March 31, 2005	<u>\$ 1,000</u>	<u>\$ 9,000</u>	<u>\$ 344,484</u>	<u>\$ -</u>	<u>\$ 354,484</u>

See accompanying notes to financial statements

Ridgewood Securities Corporation
Statements of Cash Flows

	Year Ended March 31,	
	2005	2004
Cash flows from operating activities		
Cash received from broker-dealer services	\$ 3,830,774	\$ 1,833,279
Cash paid for services	(3,891,666)	(1,748,786)
Interest received	10,844	1,910
Income taxes paid	(25,013)	(3,801)
Net cash (used in) provided by operating activities	(75,061)	82,602
Cash flows from investing activities		
Increase in certificate of deposit	(226)	(945)
Cash flows from financing activities		
Repayment of loan by stockholder	76,584	117,100
Net increase in cash and cash equivalents	1,297	198,757
Cash and cash equivalents, beginning of year	247,932	49,175
Cash and cash equivalents, end of year	\$ 249,229	\$ 247,932
Reconciliation of net (loss) income to net cash (used in) provided by operating activities		
Net (loss) income	\$ (31,823)	\$ 41,725
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities		
(Increase) Decrease in assets:		
Commissions receivable from affiliate	(10,200)	(35,050)
Income taxes receivable	(21,724)	50,812
Other assets	(212)	(861)
(Decrease) Increase in liabilities:		
- Accounts and accrued expenses payable	(400)	16,100
Income taxes payable	(10,702)	9,876
	(43,238)	40,877
Net cash (used in) provided by operating activities	\$ (75,061)	\$ 82,602

See accompanying notes to financial statements

Ridgewood Securities Corporation
Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies

Ridgewood Securities Corporation ("Company") was incorporated in September 1983 under the laws of the State of Delaware. The Company acts as a broker-dealer in connection with the private placement of limited liability company shares for which Ridgewood Capital Management LLC, Ridgewood Renewable Power LLC ("RPC") and Ridgewood Energy Corporation (companies affiliated through common ownership) act as Managers.

The Company does not have custody of customer securities, does not maintain customer accounts, and does not have the use, or custody, of customer funds.

Revenue Recognition

Revenue is recognized from services rendered, which include placement fees and selling commissions, in connection with broker-dealer activities. Placement fees and selling commissions, after meeting the minimum offering amount of the fund, are recognized when the subscription is complete.

Income Taxes

The assets and liability method of accounting for income taxes is used. There are no differences between the tax and financial reporting bases of the assets and liabilities.

Cash and Cash Equivalents

Monies invested in money market funds and certificates of deposit with maturities of three months or less when purchased are considered to be cash equivalents. At times, bank deposits may be in excess of federal insured limits.

Use of Estimates

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 as of the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

2. Related Party Transactions

All placement fees and selling commissions are earned from limited liability companies whose Managers are affiliates of the Company.

RPC provides certain office space and other services without charge. The value of such rent and services for each of the years ended March 31, 2005 and 2004 is estimated to be approximately \$20,000 per annum.

Stockholder loan represents a non-interest bearing loan to the sole stockholder and is repayable upon demand. The loan outstanding of \$76,584 as of March 31, 2004 and reflected as a reduction of stockholder's equity was repaid as of March 31, 2005.

3. Regulatory Requirements

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (SEC Rule 15c 3-1). The rule prohibits a broker-dealer from engaging in securities transactions at a time when its "aggregate indebtedness" exceeds 15 times its "net capital" as these terms are defined by the rule, subject to minimum "net capital" requirements. As of March 31, 2005, the Company had net capital of \$274,033 which was \$269,033 in excess of its required net capital of \$5,000. The Company's net capital ratio was 0.09 to 1 as of March 31, 2005.

4. Fair Value of Financial Instruments

As of March 31, 2005 and 2004, the carrying value of the assets and liabilities approximate fair value.

**PERELSON
WEINER_{LLP}**


CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON ACCOMPANYING INFORMATION

Board of Directors
Ridgewood Securities Corporation

Our report on our audit of the financial statements of Ridgewood Securities Corporation for the year ended March 31, 2005 appears on page 1. That audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying information is presented only for purposes of additional analysis and is not a required part of the financial statements. The Schedule of Net Capital and Aggregate Indebtedness, however, is required by Rule 17a-5 of the Securities and Exchange Commission. Such accompanying information has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, such information is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in black ink that reads "Perelson Weiner LLP". The signature is written in a cursive, flowing style.

May 20, 2005

Ridgewood Securities Corporation
Supplemental Information
Computation of Net Capital Pursuant to
Rule 15c 3-1 of the Securities and Exchange Commission

Additional Information
- Schedule I - March 31, 2005

Net Capital	
Common stock	\$ 1,000
Additional paid-in capital	9,000
Retained earnings	<u>344,484</u>
Total capital	<u>354,484</u>
Non-allowable assets	
Commissions receivable from affiliate	48,000
Income taxes receivable	21,724
Other assets	10,602
Penalty on hypothetical early withdrawal of certificate of deposit	<u>125</u>
Total non-allowable assets	<u>80,451</u>
Net capital	<u>\$ 274,033</u>
Aggregate indebtedness	
Accounts and accrued expenses payable	<u>\$ 25,800</u>
Total aggregate indebtedness	<u>\$ 25,800</u>
Capital requirements	
Minimum net capital required (6-2/3% of aggregate indebtedness or \$5,000, whichever is greater)	\$ 5,000
Net capital	<u>274,033</u>
Excess net capital	<u>\$ 269,033</u>
Ratio of aggregate indebtedness to net capital	<u>0.09 to 1</u>

There are no material differences between the above computation and that filed with the Company's unaudited FOCUS report as of March 31, 2005, as amended.

Statement Pursuant to Rule 15c 3-3

The schedules entitled "Computation for Determination of Reserve Requirements Under Rule 15c 3-3" and "Information for Possession or Control Requirements Under Rule 15c 3-3" are not applicable in accordance with the Company's exemption under paragraph (k)(2)(i) of Rule 15c 3-3 of the SEC.

**REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL
STRUCTURE REQUIRED BY SEC RULE 17A-5**

**Board of Directors
Ridgewood Securities Corporation**

In planning and performing our audit of Ridgewood Securities Corporation ("Company") for the year ended March 31, 2005, we considered its internal control structure, including procedures 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 structure.

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 such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate debits and net capital under Rule 17a-3(a)11 and for determining compliance with the exemptive provisions of Rule 15c 3-3. 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
- (2) Recordation of differences required by Rule 17a-13
- (3) Complying with 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 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 SEC'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 the 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 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 as of March 31, 2005, to meet the SEC's objectives.

Our opinion recognizes that it is not practicable in a company the size of Ridgewood Securities Corporation to achieve all the divisions of duties and cross-checks generally included in a system of internal accounting control, and alternatively, greater reliance must be placed on surveillance by management.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the National Association of Securities Dealers, 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 by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Perelson Weiner LLP". The signature is written in black ink and is positioned above the date.

May 20, 2005