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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: January 31, 2007  
Estimated average burden  
hours per response..... 12.00

3/15

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

SEC FILE NUMBER  
8-46626

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 01/01/05 AND ENDING 01/31/05 \*  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: W.F.C. G. SECURITIES, INC.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

2700 S. SOUTHEAST BLVD. Ste 205

(No. and Street)

SPOKANE

(City)

WA

(State)

99223

(Zip Code)

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

JAMES K. WILLSON

509 456 2526

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

PROCESSED

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

MAY 08 2005

MCDERMID, MIKKELSEN & SECREST

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

THOMSON  
FINANCIAL

926 W. SPRAGUE AVE Ste. 300 SPOKANE WA

(Address)

(City)

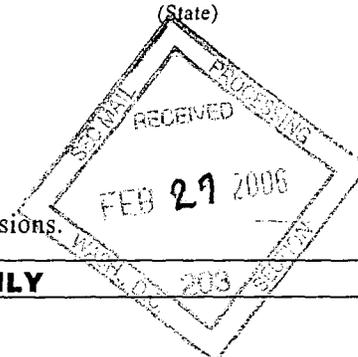
(State)

99201

(Zip Code)

CHECK ONE:

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

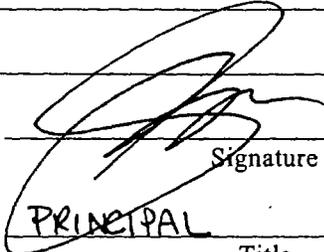


**FOR OFFICIAL USE ONLY**

\*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)

OATH OR AFFIRMATION

I, JAMES K. WILSON, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of W.F.C. & SECURITIES, INC., as of 12/31, 20 05, 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:

  
Signature  
PRINCIPAL  
Title

Michelle L. Lorio  
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).

## W.F.C.G. SECURITIES, INC.

### NOTES TO FINANCIAL STATEMENT

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#### 1. **The Company and Significant Accounting Policies:**

The Company was incorporated under the laws of the State of Washington on September 14, 1993 to operate as a broker/dealer engaging in mutual fund transactions. The Company does not carry security accounts for customers or perform custodial functions relating to customer securities. The Company's office is located in Spokane, Washington.

The Company is engaged in various trading and brokerage activities with counterparties that primarily include broker/dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures 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.

Marketable securities that are owned by the Company are stated at market value. The resulting difference between cost and market value (or fair value) is included in income.

Property and equipment are recorded at cost. Depreciation is computed using the straight line and accelerated methods over estimated useful lives of the assets.

Commission revenue on mutual fund transactions is recorded on a trade date basis.

#### 2. **Segregated Cash:**

The Company maintains a central registration depository (CRD) account which is used for fees charged to the Company by the NASD. At December 31, 2005 there was \$91 in the segregated cash account. The amount is included in cash on the financial statements. There is no minimum balance required in this reserve account at December 31, 2005.

*Continued*

**W.F.C.G. SECURITIES, INC.**

NOTES TO FINANCIAL STATEMENT, *Continued*

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**3. Property and Equipment:**

Property and equipment as of December 31, 2005 is summarized as follows:

Office equipment	\$18,361
Less accumulated depreciation	<u>18,355</u>
	<u>\$ 6</u>

**4. Net Capital Requirements:**

The Company is subject to the Securities and Exchange Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital of \$5,000 and requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. Net capital and the related net capital ratio will fluctuate on a daily basis. The Company had net capital of \$59,926 at December 31, 2005. The Company's net capital ratio was .06 to 1 at December 31, 2005.

**5. Related Party Transactions:**

The Company has shared payroll expenses with Northern Capital Management, Inc., which is owned 100% by the stockholder of W.F.C.G. Securities, Inc. At December 31, 2005 the Company had a receivable due from Northern Capital Management, Inc. in the amount of \$12,237.

**6. Financial Information:**

The statement of financial condition of the annual audit report as of December 31, 2005, is available for examination at the offices of W.F.C.G. Securities, Inc. and at the Seattle Regional office of the Securities and Exchange Commission.

**7. Outstanding Warrants:**

At December 31, 2005, the Company had an outstanding warrant for the purchase of 10% of the Company's shares at \$50. The warrant became exercisable July 31, 2002 and has no expiration date.

**McDIRMID, MIKKELSEN & SECREST, P.S.**

Certified Public Accountants

James K. McDirmid  
Chris D. Mikkelsen  
Kenneth E. Secrest  
William A. Simer  
Andrew J. McDirmid  
Marcie M. Harper

926 W. Sprague, Suite 300  
Spokane, WA 99201-4000  
509.747.6154  
FAX 509.838.0508  
www.mmsps.com

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
W.F.C.G. Securities, Inc.  
Spokane, Washington

We have audited the accompanying statement of financial condition of W.F.C.G. Securities, Inc. as of December 31, 2005. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 audit provides reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of W.F.C.G. Securities, Inc. as of December 31, 2005, in conformity with accounting principles generally accepted in the United States.

*McDirmid, Mikkelsen, & Secrest, P.S.*

February 3, 2006  
Spokane, Washington

W.F.C.G. SECURITIES, INC.

STATEMENT OF FINANCIAL CONDITION

December 31, 2005

ASSETS

Cash	\$ 91	
Commissions receivable	13,692	
Federal income tax receivable	4,500	
Officer advance	44,084	
Receivable from related party	12,237	
Marketable securities owned	74,539	
Property and equipment	<u>6</u>	
		<u>\$ 149,149</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Bank overdraft	\$ 2,758	
Business taxes payable	<u>812</u>	
		3,570
Stockholder's equity		
Common stock, \$1 par value:		
Authorized, 100 shares;		
Issued and outstanding, 80 shares	80	
Additional paid-in capital	6,280	
Retained earnings	<u>139,219</u>	
		<u>145,579</u>
		<u>\$ 149,149</u>

*The accompanying notes are an integral  
part of the financial statements.*