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

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

SEC FILE NUMBER

**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 January 1, 2008 AND ENDING December 31, 2008
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: <u>Capital Analysts Incorporated</u>		OFFICIAL USE ONLY
ADDRESS OF PRINCIPAL PLACE OF BUSINESS (DO NOT USE P.O. Box No.) <u>303 Broadway—Suite 1500</u>		Firm I.D. NO.
<u>Cincinnati</u> (City)	<u>OH</u> (State)	<u>45202</u> (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT:
Matthew Lynch 513-361-8700
(Area Code - Telephone Number)

B. ACCOUNT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNT whose opinion is contained in this Report*
Ernst & Young LLP
(Name - if individual, state last, first, middle name)

<u>1900 Scripps Center—312 Walnut Street</u> (Address)	<u>Cincinnati</u> (City)	<u>OH</u> (State)	<u>45202</u> (Zip Code)
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CHECK ONE:

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

SEC Mail Processing
Section
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Washington, DC
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public account 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, Matthew Lynch, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Capital Analysts Incorporated, as of December 31, 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:

Matthew E. Lynch
Signature
President
Title

[Signature]
Notary Public

This report ** contains (check all applicable boxes):

KENNETH J. RYAN
Notary Public, State of Ohio
My Commission Expires June 28, 2011

- (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 of 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).

Report of Independent Registered Public Accounting Firm

The Board of Directors
Capital Analysts Incorporated

We have audited the accompanying statement of financial condition of Capital Analysts Incorporated, an indirect wholly-owned subsidiary of The Western and Southern Life Insurance Company, as of December 31, 2008, and the related statements of operations, changes in stockholder's equity and cash flows for the year 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 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 statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included 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, and 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 Capital Analysts Incorporated at December 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

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 our 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.

Ernst & Young LLP

February 24, 2009

Capital Analysts Incorporated

Statement of Financial Condition

December 31, 2008

Assets

Cash and cash equivalents	\$ 4,106,764
Commissions and concessions receivable	124,085
Receivable from affiliates	188,881
Accounts receivable, general	14,514
Due from clearing firm	329,472
Furniture and fixtures (net of accumulated depreciation of \$156,479)	451,012
Computer hardware (net of accumulated depreciation of \$102,361)	105,808
Computer software (net of accumulated depreciation of \$580,950)	1,696,828
Leasehold improvements (net of accumulated depreciation of \$39,924)	101,252
Deferred income tax asset	223,780
Deposits with brokers	72,925
Prepaid expenses	332,978
Investments held under deferred compensation plan, at fair value	1,252,549
Total assets	<u>\$ 9,000,848</u>

Liabilities and stockholder's equity

Liabilities:

Commissions and concessions payable	\$ 668,626
Accrued expenses and other payables	1,404,796
Payable to affiliates	152,634
Deferred compensation plan liability	1,252,548
Total liabilities	<u>3,478,604</u>

Stockholder's equity:

Common stock, \$50 par value, 1,000 shares authorized; 500 shares issued and outstanding	25,000
Additional paid-in capital	5,214,157
Accumulated surplus	283,087
Total stockholder's equity	<u>5,522,244</u>
Total liabilities and stockholder's equity	<u>\$ 9,000,848</u>

See accompanying notes.