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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC FILE NUMBER
8-53592

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:

Woodmen Financial Services, Inc.

OFFICIAL USE ONLY

FIRM ID. NO.

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

1700 Farnam Street

(No. and Street)

Omaha, Nebraska 68102

(City)

(State)

(Zip Code)

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

Vesta Pudenz

402-997-7990

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ernst & Young LLP

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

801 Grand Avenue, Suite 3000, Des Moines, Iowa 50309

(Address)

(City)

(State)

SEC Mail Processing

Section (Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

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

FEB 23 2009

**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 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).*

SEC 1410 (06-02)

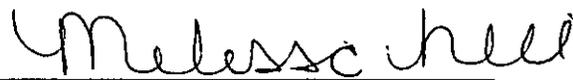
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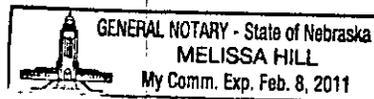
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Oath or Affirmation

I, Vesta Pudenz, affirm that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of Woodmen Financial Services, Inc. as of December 31, 2008, are true and correct. I further 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.


Vesta Pudenz,
Financial Operations
FinOp, CFO & Treasurer


Notary Public



This report contains:

- (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 Stockholder's 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.

FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION

Woodmen Financial Services, Inc.
Years Ended December 31, 2008 and 2007
With Report and Supplementary Report
of Independent Registered Public Accounting Firm

Woodmen Financial Services, Inc.

Financial Statements and
Supplemental Information

Years Ended December 31, 2008 and 2007

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Report of Independent Registered Public Accounting Firm

The Board of Directors
Woodmen Financial Services, Inc.

We have audited the accompanying statements of financial condition of Woodmen Financial Services, Inc. (indirectly wholly owned by Woodmen of the World Life Insurance Society/Omaha Woodmen Life Insurance Society) as of December 31, 2008 and 2007, 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. 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 audits 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 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 position of Woodmen Financial Services, Inc. at December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements, but are supplemental 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 5, 2009

Woodmen Financial Services, Inc.

Statements of Financial Condition

	December 31	
	2008	2007
Assets		
Cash and cash equivalents	\$ 592,228	\$ 639,492
Receivables from brokers, dealers, and others	11,605	74,721
Other receivables	5,203	7,240
Other assets	62,869	58,015
Total assets	\$ 671,905	\$ 779,468
Liabilities and stockholder's equity		
Liabilities:		
Commissions payable	\$ 6,551	\$ 80,601
Due to affiliate	8,705	6,859
Accounts payable and accrued expenses	18,697	42,096
Total liabilities	33,953	129,556
Stockholder's equity:		
Common stock, \$1 stated value:		
Authorized shares – 50,000;		
Issued and outstanding shares – 50,000	50,000	50,000
Additional paid-in capital	10,198,875	8,948,875
Accumulated deficit	(9,610,923)	(8,348,963)
Total stockholder's equity	637,952	649,912
Total liabilities and stockholder's equity	\$ 671,905	\$ 779,468

See accompanying notes.

Woodmen Financial Services, Inc.

Statements of Operations

	Year Ended December 31	
	2008	2007
Revenues:		
Concession income	\$ 1,639,248	\$ 2,272,718
Interest income	7,691	24,736
Legal settlement	—	313,000
Other income	109,971	37,639
Total revenues	<u>1,756,910</u>	<u>2,648,093</u>
Expenses:		
Commission expense	1,227,574	1,774,128
Licenses and fees	78,666	91,409
Professional fees	51,099	290,310
Salaries and related expenses	1,099,060	1,155,086
Other operating expenses	562,471	541,673
Total expenses	<u>3,018,870</u>	<u>3,852,606</u>
Net loss	<u>\$ (1,261,960)</u>	<u>\$ (1,204,513)</u>

See accompanying notes.

Woodmen Financial Services, Inc.

Statements of Changes in Stockholder's Equity

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total
Balances at January 1, 2007	\$ 50,000	\$ 7,948,875	\$ (7,144,450)	\$ 854,425
Capital contributed by parent	-	1,000,000	-	1,000,000
Net loss	-	-	(1,204,513)	(1,204,513)
Balances at December 31, 2007	50,000	8,948,875	(8,348,963)	649,912
Capital contributed by parent	-	1,250,000	-	1,250,000
Net loss	-	-	(1,261,960)	(1,261,960)
Balances at December 31, 2008	<u>\$ 50,000</u>	<u>\$ 10,198,875</u>	<u>\$ (9,610,923)</u>	<u>\$ 637,952</u>

See accompanying notes.

Woodmen Financial Services, Inc.

Statements of Cash Flows

	Year Ended December 31	
	2008	2007
Cash flows from operating activities		
Net loss	\$ (1,261,960)	\$ (1,204,513)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Receivables from brokers, dealers, and others	63,116	(18,696)
Other receivables	2,037	(2,400)
Other assets	(4,854)	16,709
Commissions payable	(74,050)	35,539
Due to affiliate	1,846	453
Accounts payable and accrued expenses	(23,399)	8,283
Net cash used in operating activities	<u>(1,297,264)</u>	<u>(1,164,625)</u>
Cash flows from financing activities		
Capital contributions from parent	1,250,000	1,000,000
Net cash provided by financing activities	<u>1,250,000</u>	<u>1,000,000</u>
Decrease in cash during year	(47,264)	(164,625)
Cash and cash equivalents at beginning of year	639,492	804,117
Cash and cash equivalents at end of year	<u>\$ 592,228</u>	<u>\$ 639,492</u>

See accompanying notes.

Woodmen Financial Services, Inc.

Notes to Financial Statements

December 31, 2008

1. Summary of Significant Accounting Policies

Organization and Basis of Presentation

Woodmen Financial Services, Inc. (the Company) was incorporated on July 9, 2001, and is a wholly owned subsidiary of WFS Holdings, Inc., a wholly owned subsidiary of Woodmen of the World Life Insurance Society/Omaha Woodmen Life Insurance Society (Woodmen of the World). The Company began operating as a broker-dealer on July 1, 2002. The Company is registered with the Financial Industry Regulatory Authority (FINRA). The Company is an introducing broker-dealer, which conducts business on an "Application Way" basis. The Company is dependent upon capital contributions from Woodmen of the World to fund operations for the foreseeable future.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. It is possible that actual experience could differ from the estimates and assumptions utilized.

Cash and Cash Equivalents

Cash and cash equivalents include interest-bearing commercial checking accounts and a money market account.

Revenue Recognition

The majority of the Company's revenues are derived from dealer concessions for the sales of nonproprietary mutual funds by registered representatives and variable products offered by Woodmen of the World. Revenues are recognized on an accrual basis upon remittance of investor funds to the mutual fund company or Woodmen of the World. Related commissions due to registered representatives are concurrently recognized based on agreed-upon rates.

Woodmen Financial Services, Inc.

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Deferred Income Taxes

Deferred income tax assets or liabilities are computed based on the difference between the financial statement and income tax bases of assets and liabilities using the enacted marginal tax rate. Deferred income tax expenses or credits are based on the changes in the asset or liability from period to period.

2. Income Taxes

The Company is included in the consolidated income tax return of WFS Holdings, Inc. Woodmen of the World is a tax-exempt fraternal benefit society.

The Company has accumulated net operating losses of \$9,569,000 that can be carried forward to offset future taxable income until 2022 through 2028. This represents the only significant temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. Management has established a valuation allowance for the full amount of the resultant net deferred tax asset of \$3,254,000 at December 31, 2008, and \$2,827,000 at December 31, 2007, because of the uncertainty regarding whether the Company will generate sufficient future taxable income to realize the operating loss carryforward. The net change in the valuation allowance at December 31, 2008, is \$427,000. The effective tax rate is the expected future tax benefit of the current and prior year losses and, therefore, differs from the federal rate.

3. Net Capital

The Company is subject to the Securities and Exchange Commission (the SEC) Uniform Net Capital Rule (Rule 15c3-1 under the Securities Exchange Act of 1934), which requires the maintenance of minimum net capital, as defined.

Advances to affiliates, dividend payments, and other equity withdrawals are subject to certain notification and other provisions of the SEC Uniform Net Capital Rule or other regulatory bodies.

Woodmen Financial Services, Inc.

Notes to Financial Statements (continued)

3. Net Capital (continued)

At December 31, 2008, the Company had net capital of \$569,880 which was \$564,880 in excess of the required net capital of \$5,000. At December 31, 2008, the Company's ratio of aggregate indebtedness to net capital was 0.0596 to 1. Various other regulatory agencies may impose additional capital requirements.

The Company is exempt from maintaining a special reserve bank account under Rule 15c3-3(k)(1).

4. Related Party Transactions

A portion of the Company's revenue is received from Woodmen of the World. The revenue is in the form of dealer concessions for the sales of variable products offered by Woodmen of the World, of which the majority is paid back to Woodmen of the World as commissions. Dealer concessions received from Woodmen of the World in 2008 and 2007 were \$473,730 and \$1,231,074, respectively. Commissions paid to Woodmen of the World in 2008 and 2007 were \$439,172 and \$1,137,967, respectively.

Substantially all of the Company's operating expenses represent allocations from or payments by Woodmen of the World, which are then reimbursed by the Company.

5. Legal Settlement

In 2007, the Company received a settlement of \$313,000 for compensatory damages related to a dispute with former field representatives. In 2008, the Company received an insurance settlement of \$109,915 for legal expenses associated with this dispute.

Supplemental Information

Woodmen Financial Services, Inc.

Computation of Net Capital – Pursuant to Rule 15c3-1

December 31, 2008

Computation of net capital

Total stockholder's equity	\$ 637,952
Ownership equity not allowable	—
Total regulatory capital	<u>637,952</u>

Deductions and/or charges:

Nonallowable assets:

Other receivables	\$ 5,203
Other assets	62,869
Total deductions and/or charges	<u>68,072</u>

Net capital before haircuts on securities positions	<u>569,880</u>
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Haircuts on securities	—
Net capital	<u>\$ 569,880</u>

Computation of basic net capital requirement

Minimum net capital required Note (A)	\$ 5,000
Net capital requirement (minimum)	<u>5,000</u>
Net capital requirement	<u>5,000</u>
Excess net capital	<u>564,880</u>
Excess net capital at 1000%	<u>566,485</u>

Computation of aggregate indebtedness

Total A.I. liabilities from statement of financial condition:

Commissions payable	6,551
Due to affiliate	8,705
Accounts payable and accrued expenses	<u>18,697</u>
Total aggregate indebtedness	<u>\$ 33,953</u>
Percentage of aggregate indebtedness to net capital	<u>5.96%</u>
Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	<u>—%</u>

Woodmen Financial Services, Inc.

Computation of Net Capital – Pursuant to Rule 15c3-1 (continued)

Notes

(A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker-dealer and, for each subsidiary to be consolidated, the greater of:

1. Minimum dollar net capital requirement, or
2. 6 2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.

There were no material differences between the audited computation of net capital included in this report and the corresponding schedule included in the Company's unaudited December 31, 2008, Part IIA Focus filing.

Woodmen Financial Services, Inc.

Statement Relating to Certain Determinations Required Under Rule 15c3-3

December 31, 2008

The Company is exempt from Rule 15c3-3 of the Securities and Exchange Commission under paragraph (k)(1) limited business (mutual funds and/or variable annuities) only of that Rule.

Supplementary Report of Independent Registered Public Accounting Firm on Internal Control Required by SEC Rule 17a-5(g)(1)

The Board of Directors
Woodmen Financial Services, Inc.

In planning and performing our audit of the financial statements of Woodmen Financial Services, Inc. (the Company) as of and for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States, we considered its 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 (the SEC), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities. The 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 and (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 U.S. 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 control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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 December 31, 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, the 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 it is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

February 5, 2009

END