



10026433

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

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 ThereunderREPORT FOR THE PERIOD BEGINNING January 1, 2009 AND ENDING December 31, 2009
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: WHAFS Equities Corporation

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

5510 Research Park Drive

(No. and Street)

Madison

Wisconsin

53725

(City)

(State)

(Zip Code)

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

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Wipfli LLP

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

2501 West Beltline Highway Ste 401 Madison

Wisconsin

53713

Washington, DC

110

(Address)

(City)

(State)

(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)

SEC 1410 (06-02)

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.

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
8-49293

109
3/6109
3/11

OATH OR AFFIRMATION

I, Forrest Ross, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of WHAFS Equities Corporation, as of December 31, 2009, 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:

Forrest Ross
Signature

Director Retirement Services
Title

[Signature]
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).**

WHAFS Equities Corporation

(A Wholly Owned Subsidiary of WHA Financial Solutions, Inc.)

Madison, Wisconsin

Financial Statements and Additional Information

Years Ended December 31, 2009 and 2008

WHAFS Equities Corporation

(A Wholly Owned Subsidiary of WHA Financial Solutions, Inc.)

Financial Statements and Additional Information

Years Ended December 31, 2009 and 2008

Table of Contents

Independent Auditor's Report	1
Financial Statements	
Balance Sheets.....	2
Statements of Income.....	3
Statements of Stockholder's Equity	4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6
Additional Information	
Computation of Net Capital and Aggregate Indebtedness Under Rule 15c3-1 of the Securities and Exchange Commission	10
Independent Auditor's Report on Internal Controls.....	11



Independent Auditor's Report

Board of Directors
WHAFS Equities Corporation
Madison, Wisconsin

We have audited the accompanying balance sheets of WHAFS Equities Corporation as of December 31, 2009 and 2008, and the related statements of income, stockholder's equity and cash flows for the years then ended that you are filing pursuant to Rule 17a-5 of 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 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. 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 position of WHAFS Equities Corporation as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information on page 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but supplementary information required by Rule 17a-5 of the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audits 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.

A handwritten signature in cursive script that reads 'Wipfli LLP'.

Wipfli LLP

February 19, 2010
Madison, Wisconsin

WHAFS Equities Corporation

(A Wholly Owned Subsidiary of WHA Financial Solutions, Inc.)

Balance Sheets

December 31, 2009 and 2008

<i>Assets</i>	2009	2008
Assets:		
Cash and cash equivalents	\$ 608,541	\$ 971,980
Commissions receivable	125,267	143,864
Accounts receivable - Affiliate	103,699	99,367
Other	-	18,096
TOTAL ASSETS	\$ 837,507	\$ 1,233,307
<i>Liabilities and Stockholder's Equity</i>		
Stockholder's equity:		
Common stock - \$.01 par value:		
Authorized - 9,000 shares		
Issued and outstanding - 3 shares	-	-
Additional paid-in capital	40,022	40,022
Retained earnings	797,485	1,193,285
Total stockholder's equity	837,507	1,233,307
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 837,507	\$ 1,233,307

WHAFS Equities Corporation

(A Wholly Owned Subsidiary of WHA Financial Solutions, Inc.)

Statements of Income

Years Ended December 31, 2009 and 2008

	2009	2008
Revenue:		
Commissions	\$ 762,433	\$ 1,076,603
Other income	54,558	167,788
Interest	14,346	19,286
Total revenue	831,337	1,263,677
Operating expenses:		
Management and administration fees	1,212,516	1,212,516
General and administrative	14,621	25,541
Total operating expenses	1,227,137	1,238,057
Income before provision for income taxes	(395,800)	25,620
Provision for income taxes		5,867
Net income (loss)	\$ (395,800)	\$ 19,753

WHAFS Equities Corporation

(A Wholly Owned Subsidiary of WHA Financial Solutions, Inc.)

Statements of Stockholder's Equity

Years Ended December 31, 2009 and 2008

	Common Stock		Additional Paid-In Capital -		Retained Earnings	Total Stockholder's Equity
	Shares	Amount	Common Stock			
Balances at January 1, 2008	3	\$ -	\$ 40,022	\$	1,173,532	\$ 1,213,554
Net income	-	-	-		19,753	19,753
Balances at December 31, 2008	3	-	40,022		1,193,285	1,233,307
Net income (loss)					(395,800)	(395,800)
Balances at December 31, 2009	3	\$ -	\$ 40,022	\$	797,485	\$ 837,507

See accompanying notes to financial statements.

WHAFS Equities Corporation

(A Wholly Owned Subsidiary of WHA Financial Solutions, Inc.)

Statements of Cash Flows

Years Ended December 31, 2009 and 2008

	2009	2008
Increase (decrease) in cash:		
Cash flows from operating activities		
Net income (loss)	\$ (395,800)	\$ 19,753
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Changes in operating assets and liabilities:		
Commissions receivable	18,597	21,406
Other assets	18,096	756
Accounts receivable - Affiliate	(4,332)	(5,396)
Taxes payable - Affiliate	-	(74,610)
Total adjustments	32,361	(57,844)
Net cash used in operating activities	(363,439)	(38,091)
Net change in cash	(363,439)	(38,091)
Cash at beginning	971,980	1,010,071
Cash at end	\$ 608,541	\$ 971,980
Supplemental cash flow information:		
Cash paid (received) during the year for:		
Income taxes	\$ (18,096)	\$ 80,477

WHAFS Equities Corporation

(A Wholly Owned Subsidiary of WHA Financial Solutions, Inc.)

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Principal Business Activity

WHAFS Equities Corporation (the "Company"), a wholly owned subsidiary of WHA Financial Solutions, Inc. (the "Parent Company"), is a registered broker-dealer with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA). The Company's business purpose is to market tax deferred annuities and mutual funds for employer-sponsored retirement plans and provide consulting and brokerage services to the health care industry. The Company is exempt from Securities and Exchange Commission Rule 15c3-3.

Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenue, and expenses. Actual results may differ from these estimates.

Cash Equivalents

The Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Revenue Recognition

The Company recognizes commissions revenue when earned.

WHAFS Equities Corporation

(A Wholly Owned Subsidiary of WHA Financial Solutions, Inc.)

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies (Continued)**

Income Taxes

The Company files a consolidated federal income tax return with its Parent Company. Federal and state income taxes are determined based on separate earnings or loss of the companies, and the amount of current tax payable or receivable is remitted to or received from the Parent Company. Deferred tax expenses and benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years. At December 31, 2009, the Company had recognized a deferred tax asset of approximately \$165,000 related to a net operating loss generated in 2009. However, as discussed in footnote 8, the Company does not expect to continue operations in 2010 and thus a valuation allowance equal to the deferred tax asset was recorded to reduce the deferred tax asset to \$0. There were no deferred taxes or current taxes payable or refundable at December 31, 2008.

Note 2 **Commissions Receivable**

Commissions receivable represent fees due from insurance and mutual fund companies for investment products sold and maintained.

The Company considers commissions receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Note 3 **Net Capital Requirements**

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum regulatory net capital, as defined under such provisions. Regulatory net capital and related net capital ratio may fluctuate on a daily basis. At December 31, 2009 and 2008, the Company had regulatory net capital of \$730,161 and \$1,097,658, respectively. Minimum net capital requirements at December 31, 2009 and 2008 were \$5,000. The Company had no aggregate indebtedness at December 31, 2009 and 2008.

WHAFS Equities Corporation

(A Wholly Owned Subsidiary of WHA Financial Solutions, Inc.)

Notes to Financial Statements

Note 4 Concentration of Credit Risk

The Company has several cash accounts at one financial institution. The Federal Deposit Insurance Corporation (FDIC) currently insures deposits up to \$250,000. The Company's bank cash balances at December 31, 2009, in excess of the insured amount totaled approximately \$355,000.

Note 5 Possession or Control Requirements

The Company does not have any possession or control of customer funds or securities. There were no material inadequacies in the procedures followed in adhering to the exceptive provisions of SEC Rule 15c3-3 by promptly transmitting all customer funds and securities to the clearing broker who carries the customer accounts.

Note 6 Management Contract/Related-Party Transactions

The Company has a management contract with its Parent Company. The agreement requires the Parent Company to provide certain day-to-day operational support and to assist it with compliance and other matters, when deemed appropriate, and requires the Company to pay the Parent Company a management fee and reimburse them for expenses. Fees are based on substantially all costs incurred by the Parent Company related to Company expenses. For the years ended December 31, 2009 and 2008, the Company paid \$1,212,516 annually, to the Parent Company as reimbursement for services performed on behalf of the Company. The Company paid certain expenses on behalf of the Parent Company and made advances to the Parent Company. At December 31, 2009 and 2008, \$103,699 and \$99,367, respectively, remained outstanding and is reported as accounts receivable - affiliate.

WHAFS Equities Corporation

(A Wholly Owned Subsidiary of WHA Financial Solutions, Inc.)

Notes to Financial Statements

Note 7 Liabilities Subordinated to Claims of General Creditors

The Company had no subordinated liabilities during 2009 and 2008. Therefore, the statement of changes in liabilities subordinated to claims of general creditors has not been presented.

Note 8 Subsequent Events

Subsequent events have been evaluated through February 19, 2010, which is the date the financial statements were available to be issued.

Effective January 1, 2010, WHAFS Equities Corporation plans to surrender its broker-dealer registration with the Securities and Exchange Commission and Financial Industry Regulatory Authority (FINRA). As of February 19, 2010, the Company was waiting for approval from FINRA to surrender its registration. Once approval is received from FINRA, the Company will function as a representative of a non-affiliated third party broker-dealer. Upon regulatory approval, all assets and liabilities are expected to be dissolved in the first quarter of 2010. Management has determined that its assets at December 31, 2009 are consistent with expected liquidation valuations as of December 31, 2009.

Additional Information

WHAFS Equities Corporation

(A Wholly Owned Subsidiary of WHA Financial Solutions, Inc.)

Computation of Net Capital and Aggregate Indebtedness Under Rule 15c3-1 of the Securities and Exchange Commission

December 31, 2009 and 2008

	2009	2008
Net capital:		
Total stockholder's equity	\$ 837,507	\$ 1,233,307
Deductions and/or charges:		
Nonallowable assets:		
Accounts receivable - Affiliate	103,699	108,793
Other nonallowed accounts receivable and other assets	3,647	26,856
Net capital	\$ 730,161	\$ 1,097,658
Aggregate indebtedness:		
Items included in balance sheet	\$ -	\$ -
Total aggregate indebtedness	\$ -	\$ -
Computation of basic net capital requirement:		
Minimum net capital required, <i>greater of</i> :		
6.67% of aggregate indebtedness	\$ -	\$ -
Minimum dollar requirement	5,000	5,000
Net capital requirement	\$ 5,000	\$ 5,000
Excess net capital at required minimum dollar amount	\$ 725,161	\$ 1,092,658
Ratio: Aggregate indebtedness to net capital	N/A	N/A

There were no material differences between the audited Computaiton of Net Capital included in this report and the corresponding schedule including in the Company's unaudited December 31, 2009, Part IIA FOCUS filed in January 2010.



Internal Auditor's Report on Internal Controls

Board of Directors
WHAFS Equities Corporation
Madison, Wisconsin

In planning and performing our audit of the financial statements of WHAFS Equities Corporation as of and for the year ended December 31, 2009, in accordance with auditing standards generally accepted in the United States, we considered the Company's internal control over financial reporting 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 compliance with 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 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 control deficiency, or combination of control deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected and corrected 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 purpose 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 and third paragraphs of this report, were adequate at December 31, 2009, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, 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.

Wipfli LLP

Wipfli LLP

February 19, 2010
Madison, Wisconsin