

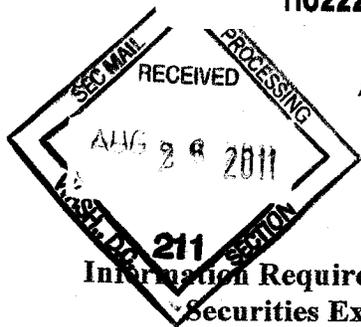


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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

09/17

OMB APPROVAL
OMB Number: 3235-0128
Expires: April 30, 2013
Estimated average burden
hours per response..... 12.00



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

SEC FILE NUMBER

8-21979

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 07/01/10 AND ENDING 06/30/11
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: DFP Equities, Inc.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

501 Pennsylvania Parkway, Suite 155

(No. and Street)

Indianapolis, IN 46280

(City)

(State)

(Zip Code)

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

Garry B. Lindboe, CEO

317-573-5257

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Somerset CPAs, P.C.

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

3925 River Crossing Parkway, Third Floor Indianapolis IN 46240

(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)

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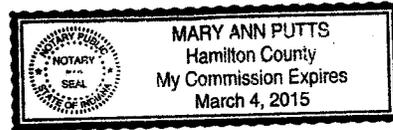
OATH OR AFFIRMATION

I, Garry B. Lindboe, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of DFP Equities, Inc. of June 30, 20 11, 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:

Garry B. Lindboe
Signature
CEO

Title

Mary Ann Putts 8/24/11
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).

DFP EQUITIES, INC.
Financial Statements
Year Ended June 30, 2011

DFP EQUITIES, INC.

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Independent Auditors' Report

**To the Board of Directors
DFP EQUITIES, INC.
Indianapolis, Indiana**

We have audited the accompanying balance sheet of DFP EQUITIES, INC., as of June 30, 2011, and the related statements of operations, shareholders' equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under 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 audit.

We conducted our audit 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 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, 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 aspects, the financial condition of DFP EQUITIES, INC., as of June 30, 2011, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Somerset CPAs PC

August 22, 2011

Assurance
Business Advisory
Construction & A/E
Dealerships
Dental

Employee Benefits
Entrepreneurial
Health Care
Information Solutions
Litigation, Valuation & Forensic

Manufacturing & Distribution
Not-for-Profit
Real Estate
Small Business
Tax
Wealth Management

DFP EQUITIES, INC.
Balance Sheet
June 30, 2011

Assets

Current Assets

Cash and cash equivalents	\$ 10,046
Commissions receivable	<u>7,000</u>
Total Current Assets	17,046

Other Assets

Deferred tax asset	<u>100</u>
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Total Assets	<u><u>\$ 17,146</u></u>
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Liabilities and Shareholders' Equity

Current Liabilities

Commissions payable	<u>\$ 7,000</u>
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Shareholders' Equity

Common stock	6,000
Paid-in capital	5,982
Retained deficit	<u>(1,836)</u>

Total Shareholders' Equity	<u>10,146</u>
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Total Liabilities and Shareholders' Equity	<u><u>\$ 17,146</u></u>
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See accompanying notes.

DFP EQUITIES, INC.
Statement of Operations
For the Year Ended June 30, 2011

Revenues	<u>\$ 96,390</u>
Operating Expenses	
Sales commissions	90,899
Professional services	3,841
Fees and insurance	<u>1,304</u>
Total Operating Expenses	<u>96,044</u>
Income before Provision for Income Taxes	346
Provision for Income Taxes	<u>875</u>
Net Loss	<u><u>\$ (529)</u></u>

See accompanying notes.

DFP EQUITIES, INC.
Statement of Shareholders' Equity
For the Year Ended June 30, 2011

	<u>Common Stock</u>	<u>Paid-in Capital</u>	<u>Retained Deficit</u>	<u>Total Shareholders' Equity</u>
Balance at June 30, 2010	\$ 6,000	\$ 5,982	\$ (1,307)	\$ 10,675
Net Loss	<u>0</u>	<u>0</u>	<u>(529)</u>	<u>(529)</u>
Balance at June 30, 2011	<u>\$ 6,000</u>	<u>\$ 5,982</u>	<u>\$ (1,836)</u>	<u>\$ 10,146</u>

See accompanying notes.

DFP EQUITIES, INC.
Statement of Cash Flows
For the Year Ended June 30, 2011

Cash Flows from Operating Activities

Net Loss	\$ (529)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Decrease in deferred tax asset	875
Decrease in commissions receivable	2,000
Decrease in commissions payable	<u>(2,000)</u>
Net cash provided by operating activities	<u>346</u>
Net Increase in Cash and Cash Equivalents	346
Cash and Cash Equivalents, Beginning of Year	<u>9,700</u>
Cash and Cash Equivalents, End of Year	<u>\$ 10,046</u>

See accompanying notes.

DFP EQUITIES, INC.
Notes to Financial Statements
June 30, 2011

Note A - Nature of Operations and Summary of Significant Accounting Policies:

Nature of Operations

DFP Equities, Inc. (the Company), is a limited broker-dealer and sells variable annuities and mutual funds on behalf of various vendors. The Company markets its products primarily in Indianapolis, Indiana.

The Company became registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority, Inc. (formally known as the National Association of Securities Dealers, Inc.), in June, 1977.

Revenue Recognition

The Company recognizes revenue on its variable annuity and mutual funds program products when the necessary policy documents have been completed by the customer as well as the premiums associated with the related products have been received by the carrier.

Method of Accounting

The Company's financial statements are presented on the accrual basis method of accounting. The Company reports its operations on the accrual basis method of accounting for income tax reporting purposes.

Commissions Receivable

The Company carries its commission's receivable at invoiced amounts less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its commission's receivable and establishes an allowance for doubtful accounts, based on history of past write-offs and collections and current credit conditions. The Company considers commissions receivable to be fully collectible; accordingly, no allowance for doubtful accounts currently is provided. The Company's policy is not to accrue interest on past due receivables.

Cash Flows

For purposes of the Statement of Cash Flows, the Company considers all highly liquid instruments purchased within three months or less of an instrument's original maturity date to be cash equivalents.

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 and disclosure 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.

DFP EQUITIES, INC.
Notes to Financial Statements
June 30, 2011

Note A - Nature of Operations and Summary of Significant Accounting Policies (Continued):

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are recognized for the differences between the basis of assets and liabilities for financial statement and income tax purposes. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred taxes are also recognized for any operating loss carryforwards, charitable contribution carryforwards, and tax credit carryforwards that are available to offset future income taxes.

Authoritative accounting standards require the Company to examine its tax positions for uncertain positions. Management is not aware of any tax positions that are more likely than not to change in the next twelve months or that would not sustain an examination by applicable taxing authorities.

The Company's policy is to recognize penalties and interest as incurred in its Statement of Operations.

The Company's federal and various state income tax returns for 2007 through 2010 are subject to examination by the applicable tax authorities, generally for three years after the later of the original or extended due date.

Note B - Common Stock:

The Company has one class of common stock that has equal rights, preferences, qualifications, limitations and restrictions. All of the stock is no par value.

The following summarizes the Company's shares of common stock at June 30, 2011:

Authorized	1,000
Issued	120
Outstanding	120

Note C - Income Taxes:

Federal and state income tax expense was \$875 for the year ended June 30, 2011. The Company's deferred tax asset as of June 30, 2011, was \$100. The deferred tax asset is comprised of net operating loss carry-forwards of approximately \$600 which will be used to reduce future federal and state taxable income. These carry-forwards expire at various dates through June 30, 2028.

DFP EQUITIES, INC.
Notes to Financial Statements
June 30, 2011

Note D - Related Party Transactions:

The Company has an expense sharing agreement with an affiliated company, which is related by common ownership. Under terms of the agreement, the affiliated company has agreed to make available certain facilities and provide for performance of certain administrative and clerical services as well as pay for certain general and administrative expenses that are incurred by the Company. The amount of expenses paid by the affiliated company during the year was approximately \$6,500.

Note E - Concentration of Credit Risk:

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivables. The Company places its cash and cash equivalents with primarily one financial institution. At times, such amounts may be in excess of the FDIC insured limit. The Company has never experienced any losses related to these balances. All non-interest bearing cash balances were fully insured at June 30, 2011 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there is no limit to the amount of insurance for eligible accounts. Beginning January 1, 2013, insurance coverage will revert to \$250,000 per depositor at each financial institution, and non-interest bearing cash balances may again exceed federally insured limits. The Company routinely assesses the financial strength of its customers and, as a consequence, believes that its commissions receivable credit risk exposure is limited.

Note F - Statement of Changes in Liabilities Subordinated to Claims of General Creditors:

For the year ended June 30, 2011, the Company did not have any subordinated liabilities subject to claims of general creditors. Therefore, no statement has been prepared.

Note G - Net Capital Requirements:

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of a minimum net capital balance. The minimum dollar amount for the Company is \$5,000. At June 30, 2011, the Company's net capital was \$10,046 which was \$5,046 in excess of its minimum net capital requirement.

Note H - Management Evaluation of Subsequent Events:

The Company has evaluated subsequent events through August 22, 2011, the date on which the financial statements were available to be issued.



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**Independent Auditors' Report
on the Supplementary Information Required by Rule 17a-5
of the Securities and Exchange Commission**

**To the Board of Directors
DFP EQUITIES, INC.
Indianapolis, Indiana**

Our report on our audit of the 2011 basic financial statements of DFP EQUITIES, INC., appears on page 1. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplementary information 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 the 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.

Somerset CPAs PC

August 22, 2011

Assurance
Business Advisory
Construction & A/E
Dealerships
Dental

Employee Benefits
Entrepreneurial
Health Care
Information Solutions
Litigation, Valuation & Forensic

Manufacturing & Distribution
Not-for-Profit
Real Estate
Small Business
Tax
Wealth Management

DFP EQUITIES, INC.
Computation of Net Capital Under Rule 15c3-1 of
the Securities and Exchange Commission
For the Year Ended June 30, 2011

Net Capital

Total Shareholders' Equity	\$ 10,146
Deduct Shareholders' Equity Not Allowable for Net Capital	<u>(100)</u>
Total Shareholders' Equity Qualified for Net Capital	10,046
Other Additions	0
Other Deductions	<u>0</u>
Net Capital	<u><u>\$ 10,046</u></u>

Aggregate Indebtedness

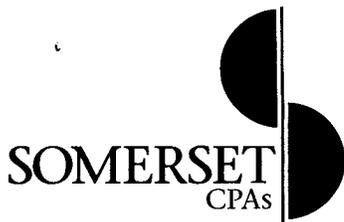
Items Included in Statement of Financial Condition	
Commissions Payable	<u>\$ 7,000</u>
Total Aggregate Indebtedness	<u><u>\$ 7,000</u></u>

Computation of Basic Net Capital Requirement

Minimum Net Capital Required	<u>\$ 5,000</u>
Excess Net Capital	<u>\$ 5,046</u>
Excess Net Capital at 1000%	<u>\$ 9,346</u>
Ratio: Aggregate Indebtedness to Net Capital	<u>0.6968 to 1</u>

Reconciliation with Company's Computation (Included in Part II of
Form X-17A-5 as of June 30, 2011)

Net Capital, as Reported in Company's Part II (Unaudited) FOCUS Report	<u>\$ 10,046</u>
--	------------------



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Independent Auditors' Report

**To the Board of Directors
DFP EQUITIES, INC.
Indianapolis, Indiana**

In planning and performing our audit of the financial statements of DFP EQUITIES, INC. (the Company), as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, 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 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(e). 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 the 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 previously 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.

Assurance
Business Advisory
Construction & A/E
Dealerships
Dental

Employee Benefits
Entrepreneurial
Health Care
Information Solutions
Litigation, Valuation & Forensic

Manufacturing & Distribution
Not-for-Profit
Real Estate
Small Business
Tax
Wealth Management

**To the Board of Directors
DFP EQUITIES, INC.
Page 2**

Because of inherent limitations in internal control or 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 deficiency, or a combination of 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, in internal control, 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 previously.

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 paragraph of this report, were adequate at June 30, 2011, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., 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.

Somant CPAs PC

August 22, 2011