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

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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 01/01/2015 AND ENDING 12/31/2015
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: WEALTHSTONE EQUITIES, INC.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

5000 HORIZONS DRIVE

(No. and Street)

COLUMBUS

OHIO

43220

(City)

(State)

(Zip Code)

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

DOUGLAS SHEFFIELD

614-267-2600

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

GBQ PARTNERS LLC

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

230 WEST STREET, SUITE 700

COLUMBUS

OHIO

43215

(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)

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G B Q

• **Financial Statements**
• with Supplemental Information

• **WealthStone**
• **Equities, Inc.**

• December 31, 2015 and 2014
•

OATH OR AFFIRMATION

I, DOUGLAS SHEFFIELD, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of WEALTHSTONE EQUITIES, INC., as of DECEMBER 31, 20 15, 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:

Douglas M. Sheffield
Signature
President
Title

Mercer
Notary Public
JULIE A. MERCER
Notary Public, State of Ohio
My Commission Expires 11-03-2018

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).

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To the Board of Directors
WealthStone Equities, Inc.
Columbus, Ohio

Independent Auditor's Report

We have audited the accompanying financial statements of WealthStone Equities, Inc. (an Ohio corporation), which comprise the statements of financial condition as of December 31, 2015 and 2014, and the related statements of income and changes in shareholders' equity and cash flows for the years then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 of America as established by the Auditing Standards Board (United States) and in accordance with auditing standards of the Public Company Accounting Oversight Board (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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. WealthStone Equities, Inc. is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Board of Directors
WealthStone Equities, Inc.
Page 2

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WealthStone Equities, Inc. as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter – Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Computation and Reconciliation of Net Capital under 15c3-1 of the Securities and Exchange Act of 1934 is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

GBQ Partners LLC

Columbus, Ohio
February 9, 2016

WEALTHSTONE EQUITIES, INC.
Statements of Financial Condition
December 31, 2015 and 2014

	2015	2014
ASSETS		
Cash	\$ 27,019	\$ 35,156
Commissions Receivable	21,538	2,758
Receivable from Affiliate	-	2,300
Prepaid Expenses	<u>8,424</u>	<u>11,295</u>
TOTAL ASSETS	<u>\$ 56,981</u>	<u>\$ 51,509</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Payable to Affiliate	<u>\$ 2,374</u>	<u>\$ 1,000</u>
Common Stock		
No par value		
750 shares authorized		
200 shares issued and outstanding	500	500
Additional Paid-in Capital	27,000	27,000
Retained Earnings	<u>27,107</u>	<u>23,009</u>
Shareholders' Equity	<u>54,607</u>	<u>50,509</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 56,981</u>	<u>\$ 51,509</u>

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

WEALTHSTONE EQUITIES, INC.
Statements of Income and Changes in Shareholders' Equity
For the Years Ended December 31, 2015 and 2014

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	2015	2014
Revenues		
Commissions - insurance	\$ 34,849	\$ 36,735
Commissions - securities	2,856	3,201
Interest and dividend income	-	8
Total revenues	<u>37,705</u>	<u>39,944</u>
Expenses		
Administrative fees	6,000	3,000
Professional fees	11,515	9,300
Regulatory fees	5,340	6,185
Insurance	9,596	9,640
Other expense	1,156	292
Total expenses	<u>33,607</u>	<u>28,417</u>
Net Income	4,098	11,527
Shareholders' Equity - Beginning of the Year	50,509	38,982
Shareholders' Equity - End of the Year	\$ 54,607	\$ 50,509

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

WEALTHSTONE EQUITIES, INC.
Statements of Cash Flows
For the Years Ended December 31, 2015 and 2014

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	2015	2014
Cash Flows from Operating Activities:		
Net income	\$ 4,098	\$ 11,527
Decrease (increase) from operating activities:		
Commissions receivable	(18,780)	(867)
Receivable from affiliate	2,300	(2,300)
Prepaid expenses	2,871	(1,862)
Payable to affiliate	1,374	750
Total adjustments	<u>(12,235)</u>	<u>(4,279)</u>
Net change in cash	(8,137)	7,248
Cash - Beginning of Year	35,156	27,908
Cash - End of Year	<u>\$ 27,019</u>	<u>\$ 35,156</u>

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

WEALTHSTONE EQUITIES, INC.

Notes to Financial Statements

December 31, 2015 and 2014

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Organization

WealthStone Equities, Inc. (the Company) is an affiliate of WealthStone, Inc. (WSI) and is incorporated in the State of Ohio. The source of almost all of the Company's revenue is from relationships WSI has with its clients.

The Company is registered with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA). The Company is registered to do business in the State of Ohio, seven other states and the District of Columbia. The Company engages in private placements, which are not marketable securities, and the sale of annuities and life insurance.

Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted (GAAP) in the United States of America 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 reported period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue from the contingent private offerings it places at the time the contingency is met. Revenue recorded is based on mutually agreed-upon financing fees within private placement memorandums of the syndications.

Commission income, commission expense and related clearing expenses are recorded on a settlement date basis as transactions occur, which approximates trade date.

Receivables and Credit Policies

Receivables are uncollateralized broker obligations due under normal trade terms requiring payments within 30 days from the report date. The Company generally collects receivables within 30 days and does not charge interest on receivables with the invoice dates over 30 days old.

The carrying amount of receivables is reduced by a valuation allowance that reflects management's best estimate of amounts that are not believed to be collectible. In the opinion of management, at December 31, 2015 and 2014, all receivables were considered collectible and no allowance was necessary.

WEALTHSTONE EQUITIES, INC.
Notes to Financial Statements
December 31, 2015 and 2014

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Summary of Significant Accounting Policies (continued)

Income Taxes

The shareholders of the Company have consented to be taxed as a subchapter S corporation. As such, federal and state taxes will be taxed at the shareholder level. The Company remains subject to local income taxes.

The Company accounts for uncertainty in income taxes in its financial statements as required by GAAP. GAAP prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. GAAP also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition accounting. No accrual has been recorded as management believes there are no uncertain tax positions of the Company.

Concentration of Credit Risk

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

Statements of Cash Flows

For purposes of reporting cash flows, cash includes cash on hand and demand deposits held by banks.

Cash

The Company maintains its cash in an account at a financial institution which, at times, may exceed federally insured limits.

Liabilities Subordinated to Claims of General Creditors

The Company did not have any liabilities subordinated to claims of general creditors at any time during the periods ended December 31, 2015 and 2014.

Common Stock

The Company has issued Class A and Class B common stock, each measured at stated value. There are 375 shares authorized for each class and 100 shares of each class are outstanding. Class A shares, which are owned by an individual, have voting rights, but no dividend and liquidation rights. Class B shares, which are owned by WSI, have no voting rights, but do have all dividend and liquidation rights.

WEALTHSTONE EQUITIES, INC.
Notes to Financial Statements
December 31, 2015 and 2014

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Revenue and Receivable Concentrations

During 2015, approximately 60% of total commissions revenue was earned from two customers. At December 31, 2015, one customer accounted for approximately 88% of total commissions receivable.

During 2014, approximately 60% of total commissions revenue was earned from two customers. At December 31, 2014, four customers accounted for approximately 72% of total commissions receivable.

Net Capital Provision of Rule 15c3-1

The Company is subject to the SEC Uniform Net Capital rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15:1. At December 31, 2015, the Company had net capital of \$24,645, which was \$19,645 in excess of its required net capital of \$5,000, and it had aggregate indebtedness of \$2,374. At December 31, 2014, the Company had net capital of \$34,156, which was \$29,156 in excess of its required net capital of \$5,000, and it had aggregate indebtedness of \$1,000. The Company's ratio of aggregate indebtedness to net capital was .0963:1 and .0293:1 at December 31, 2015 and 2014, respectively. Therefore, the Company was in compliance with these requirements as of December 31, 2015 and 2014.

Computation and Information on Possession and Control

The Company acts as a broker or dealer, promptly transmitting all funds and delivering all securities received in connection with its activities as a broker or dealer and does not otherwise hold funds or securities for or owe money or securities to customers. The Company operates under the exemptive provisions of SEC Rule 15c3-3(k)(2)(i); therefore, computations of reserve requirements and information related to possession and control are not applicable.

Related Party Transactions

The Company has an agreement with WSI whereby all management, office rent and utilities are provided by WSI. As such, the Company has no employees, but utilizes the resources of WSI. Administrative fees of \$6,000 and \$3,000 were paid or payable to WSI for the years ended December 31, 2015 and 2014, respectively. The Company owed \$2,374 and \$1,000 to WSI as of December 31, 2015 and 2014, respectively. At times, the Company advances cash to WSI or its affiliates. As of December 31, 2015, there was no outstanding receivable from affiliate. There was a receivable from affiliate of \$2,300 as of December 31, 2014.

Subsequent Events

The Company evaluated subsequent events through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

WEALTHSTONE EQUITIES, INC.
Schedule of Computation and Reconciliation of Net Capital
under 15c3-1 of the Securities and Exchange Act of 1934
For the Years Ended December 31, 2015 and 2014

	2015	2014
Total Assets	\$ 56,981	\$ 51,509
Total Liabilities	<u>2,374</u>	<u>1,000</u>
Calculated net capital	54,607	50,509
Less: Non-allowable assets	(29,962)	(16,353)
Less: Haircut on securities	<u>-</u>	<u>-</u>
Audited net capital	24,645	34,156
Unaudited net capital per FOCUS Report	<u>24,645</u>	<u>34,156</u>
Difference	<u>\$ -</u>	<u>\$ -</u>

There were no differences between this computation and that reflected in the FOCUS Report filed for the quarter ended December 31, 2015.

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

EXEMPTION REPORT DISCLOSURES



Partners

To the Board of Directors
WealthStone Equities, Inc.
Columbus, Ohio

Independent Accountant's Review Report

We have reviewed management's statements, included in the accompanying Exemption Statement, in which (1) WealthStone Equities, Inc. identified the following provisions of 17 C.F.R. 15c3-3(k) under which WealthStone Equities, Inc. claimed an exemption from 17 C.F.R. 240.15c3-3(k)(2)(i) ("the exemption provisions") and (2) WealthStone Equities, Inc. stated that WealthStone Equities, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. WealthStone Equities, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about WealthStone Equities, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

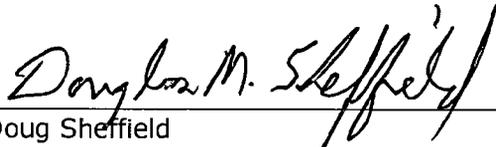
GBQ Partners LLC

Columbus, Ohio
February 9, 2016

EXEMPTION STATEMENT UNDER RULE 15C3-3

I, Doug Sheffield, President of WealthStone Equities, Inc., declare that to my best knowledge and belief, that WealthStone Equities, Inc. meets the provisions in 240.15c3-3 (k)(2)(i). Therefore, WealthStone Equities, Inc. is claiming an exemption from 240.15c3-3. WealthStone Equities, Inc. met the identified exemption provisions throughout the year ended December 31, 2015 without exception.

Executed by:



Doug Sheffield
President, WealthStone Equities, Inc.

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Columbus, OH 43215

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fax 614.227.6999

www.gbq.com

