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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  
B- 5591

03051821

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 4/01/02 AND ENDING 3/31/03  
MM/DD/YY MM/DD/YY

A REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Salyn Securities, Inc.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
61-52 77TH Street

OFFICIAL USE ONLY  
FIRM  NO

Middle Village NY 11379  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Thomas McCarthy 718 478-0878  
(Area Code - Telephone Number)

B ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Rossello, Joseph A.

PROCESSED  
JUL 25 2003  
THOMSON FINANCIAL

4250 Sunrise Highway Room #5 Massapequa, NY 11758  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

SEC MAIL RECEIVED  
JUN 30 2003  
WASH DC 155 SECTION

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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)

OATH OR AFFIRMATION

I, Thomas McCarthy, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Salyn Securities, Inc. as of March 31, 2003 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:

JAMES M. POLLIO  
Notary Public, State of New York  
NO. 01PO5050306  
Qualified in Nassau County  
Commission Expires Oct 10, 2005

*James M. Pollio*  
Notary Public

*Thomas J. McCarthy*  
Signature  
FINANCIAL PRINCIPAL  
Title

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 15c3-3 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(a)(3)

**SALYN SECURITIES, INC.**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED**  
**MARCH 31, 2003**



**SALYN SECURITIES, INC.**

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***J.R. Financial services, Inc.***

Joseph Rossello, CPA

4250 Sunrise Highway, Suite #5  
Massapequa, New York, 11758  
PHONE (516) 798-8262

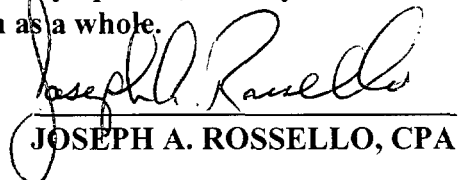
**Board of Directors  
Salyn Securities, Inc.  
New York, New York**

**I have audited the accompanying Financial and Operational Combined Uniform Single Report (FOCUS) Part IIA of Salyn Securities, Inc. as of March 31, 2003, which includes the statements of income, changes in ownership equity, changes in liabilities subordinated to claims of general creditors, computation of net capital, computation of basic net capital requirement, computation of aggregate indebtedness, exemptive provision under Rule 15c3-3, and cash flows for the twelve months then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on the FOCUS Part IIA based on my audit.**

**I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.**

**In my opinion, the Financial and Operational Combined Uniform Single Report Part IIA referred to above presents fairly, in all material respects, the financial position of Salyn Securities, Inc. as of March 31, 2003, and the results of their operations, changes in ownership equity, and their cash flows for the twelve months then ended in conformity with generally accepted accounting principles.**

**My audit was conducted for the purpose of forming an opinion on the FOCUS Part IIA taken as a whole. The reconciliation between the audited and unaudited statements of financial condition on page 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of FOCUS Part IIA, and, in my opinion, is fairly stated in all material respects in relation to the FOCUS Part IIA taken as a whole.**

  
JOSEPH A. ROSSELLO, CPA

**Massapequa, New York  
May 1, 2003**

**SALYN SECURITIES, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**MARCH 31, 2003**

**ASSETS**

	<u>Allowable</u>	Non – <u>Allowable</u>	<u>Total</u>
Cash and cash equivalents	\$ 113,422	\$ -0-	\$ 113,422
Due from other brokers	<u>-0-</u>	<u>17,000</u>	<u>17,000</u>
 Total Assets	 <u>\$ 113,422</u>	 <u>\$ 17,000</u>	 <u>\$ 130,422</u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

	<u>Allowable</u>	Non – <u>Allowable</u>	<u>Total</u>
Accounts payable and accrued expenses	\$ 3,500	\$ -0-	\$ 3,500
 Total Liabilities	 <u>3,500</u>	 <u>-0-</u>	 <u>3,500</u>
 Stockholders' Equity			
Preferred Stock-no par value, 4,500 shares authorized, 450 shares issued and outstanding			450
Common stock-voting \$1 par value 50,000 shares authorized 4,050 shares issued and outstanding			4,050
Paid-in capital			243,604
Retained earnings			( 121,182)
 Total Stockholders' Equity			 <u>126,922</u>
 Total Liabilities and Stockholders' Equity			 <u>\$ 130,422</u>

The accompanying notes are an integral parts of these statements.

**SALYN SECURITIES, INC.  
 COMPUTATION OF NET CAPITAL UNDER  
 S.E.C. RULE 15c3-1  
 AT MARCH 31, 2003**

<b>Credit factors:</b>		
Capital stock		\$ 450
Preferred stock		4,050
Paid-in capital		243,604
Retained earnings		( 121,182)
<b>Total Credit Factors</b>		<b>126,922</b>
<b>Debit factors:</b>		
Advances	<u>17,000</u>	
<b>Total Debit Factors</b>		<u>17,000</u>
<b>Net Capital</b>		<b>109,922</b>
<b>Less: Minimum net capital requirements (Rule 15c3-1)</b>		<u>5,000</u>
<b>Excess Net Capital</b>		<u><u>\$ 104,922</u></u>
<b>Capital Ratio:</b>		
Aggregate Indebtedness	<u>\$ 3,500</u> =	3.18%
Net Capital	109,922	

**SALYN SECURITIES, INC.**  
**STATEMENT OF INCOME**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2003**

<b>Income:</b>	
Commission income	\$ 426,573
Dividend Income	1,590
Gain on sale of assets	<u>29,989</u>
Income From Operations	<u>458,152</u>
 <b>Expenses:</b>	
Advertising	676
Bank charges	32
Commissions	167,295
Depreciation & amortization	1,737
Donations	19
Dues & subscriptions	350
Equipment rental	350
Fees & registrations	2,495
Finance charges	2,973
Insurance	3,211
Legal & Professional	98,213
Miscellaneous other taxes	309
Office & sundry expense	937
Office & broker salaries	51,627
Payroll taxes	1,677
Postage & delivery	512
Professional fees	57,000
Repairs	588
Reimbursed expenses	( 924)
Stock quotes service	247
Telephone	3,206
Utilities	<u>1,552</u>
Total Operating Expenses	<u>394,082</u>
 Net Income	 <u>\$ 64,070</u>

The accompanying notes are an integral part of these statements.



**SALYN SECURITIES, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**FOR THE FISCAL YEAR ENDED**  
**MARCH 31, 2003**

	<u>Common Stock</u>	<u>Preferred Stock</u>	<u>Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total Stockholder's Equity</u>
Balance – 4/1/02	\$ 450	\$ 4,050	\$ 327,149	(\$ 185,252)	\$ 146,397
Net Income				64,070	64,070
Less: Distributions	_____	_____	( 83,545)	-0-	( 15,000)
Balance – 3/31/03	<u>\$ 450</u>	<u>\$ 4,050</u>	<u>\$ 243,604</u>	<u>(\$ 121,182)</u>	<u>\$ 126,922</u>

The accompanying notes are an integral part of these statements.

**SALYN SECURITIES, INC.  
STATEMENT OF CHANGES IN LIABILITIES  
SUBORDINATED TO CLAIMS OF  
GENERAL CREDITORS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2003**

**NONE**

**The accompanying notes are an integral part of these statements.**

**SALYN SECURITIES, INC.  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED  
MARCH 31, 2003**

**Cash Flows From Operating Activities:**

<b>Net Income</b>	<b>\$ 64,070</b>
<b>Adjustments To Reconcile Net (Loss) to Net Used in Operating Activities:</b>	
<b>Depreciation</b>	1,737
<b>Changes in assets (increase) decrease:</b>	
<b>Accounts receivable</b>	49,396
<b>Due from others</b>	( 17,000)
<b>Invesments</b>	143,940
<b>Other assets</b>	51,607
<b>Changes in liabilities increase (decrease):</b>	
<b>Accrued expenses</b>	<u>1,934</u>
<b>Total Adjustments</b>	<u>231,614</u>
<b>Net Cash Provided by Operating Activities</b>	295,684
<b>Capital Distribution</b>	( 83,545)
	<u>212,139</u>
<b>Decrease in long-term debt</b>	( 100,000)
<b>Purchase of fixed assets</b>	( 500)
<b>Net Increase in Cash</b>	111,639
<b>Cash, Beginning of Period</b>	<u>1,783</u>
<b>Cash, End of Period</b>	<u><u>\$ 113,422</u></u>

See accompanying notes to financial statements.

**SALYN SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(SEE INDEPENDENT AUDITOR'S REPORT)**

**Note 1 - Summary of Significant Accounting Policies**

**Business Activity**

**Salyn Securities, Inc. is a broker-dealer in securities registered with the Securities and Exchange Commission (SEC) under Rule 15c 3-3 (k) (2) (b) which provides that all the funds and securities belonging to the Company's customers would be handled by a correspondent broker-dealer.**

**Basis of Accounting**

**The Company reports its activity on the accrual basis of accounting. Under this method customers security transactions are recorded on the settlement date with related commission income and expenses recorded on the trade date. Security transactions of the Company are recorded on the trade date basis. Expenses are recorded when incurred.**

**Market (Fair) Value**

**Marketable securities are valued at their current market value. Securities not readily marketable are valued at their fair value as determined by the Board of Directors. The resulting difference between cost and market (fair value) is included in income in the period incurred.**

**Property and Equipment**

**Property and equipment is stated at cost. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income.**

**Use of Estimates**

**The Preparation of financial statements in conformity with 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.**

**SALYN SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(SEE INDEPENDENT AUDITOR'S REPORT)**

**Note 3 - Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c 3-1, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to the net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 – 1). At March 31, 2003, the Company had net capital of \$109,922, which was \$104,922 in excess of its required net capital of \$5,000. The capital ratio was 3.18%.

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**SUPPLEMENTARY INFORMATION**

**SALYN SECURITIES, INC.**  
**RECONCILIATION BETWEEN THE AUDITED**  
**AND UNAUDITED STATEMENTS OF FINANCIAL CONDITION**  
**AT MARCH 31, 2003**

<b>Total Net Capital, Unaudited</b>	<b>\$ 113,422</b>
<b>Audit Adjustments</b>	<b>( <u>3,500</u> )</b>
<b>Total Net Capital, Audited</b>	<b><u>\$ 109,922</u></b>

***J.R. Financial services, Inc.***

Joseph Rossello, CPA

4250 Sunrise Highway, Suite #5  
Massapequa, New York, 11758  
PHONE (516) 798-8262

**Report on Internal Control**

**Board of Directors  
Salyn Securities, Inc.  
New York, NY**

**In planning and performing my audit of the financial statements of Salyn Securities, Inc. for the fiscal year ended March 31, 2003, I considered its internal control structure, including procedures for safeguarding securities, in order to determine my audit procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.**

**Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, I have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Latinvalley Securities, LLC that I considered relevant to the objectives stated in Rule 17a-5(g)(1) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of Rule 15c-3-3(k)(2)(b). I did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13; (3) or in complying with the requirements for prompt payment for securities under Section 8 of regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.**

**The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures 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 Commission's above mentioned objectives. The objectives of a system and the practices and procedures are to provide management with reasonable, but not absolute, assurance that the 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.**

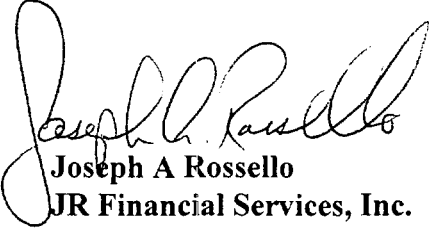


Because of inherent limitations in any internal control structure of the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of the changes in conditions or that the degree of compliance with them may deteriorate.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design, or, operation of the specific internal control structure elements does not reduce, to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I noted no matters involving the internal control structure, including procedures for safeguarding securities, which I consider to be material weaknesses as defined above.

I understand that the practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission 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 my study, I believe that the Company's practices and procedures were adequate at March 31, 2003 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission and other regulatory agencies, which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

  
Joseph A Rossello  
JR Financial Services, Inc.  
Massapequa, NY  
May 1, 2003