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

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

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**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, 2001 AND ENDING December 31, 2001  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:  
Wallstreet Associates, Inc.

OFFICIAL USE ONLY  
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
6704 Grasselli Rd., Rivers Plaza Suite-E

Fairfield (City) Al (State) 35064 (Zip Code)  
(No. and Street)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Jerry Hall (205) 785-9888  
(Area Code -- Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Sheppard-Harris & Associates, P.C.  
(Name -- if individual, state last, first, middle name)  
3499 Independence Dr. Suite-A Birmingham AL 35209  
(Address) (City) (State) Zip Code

CHECK ONE:

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

PROCESSED

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THOMSON  
FINANCIAL

FOR OFFICIAL USE ONLY

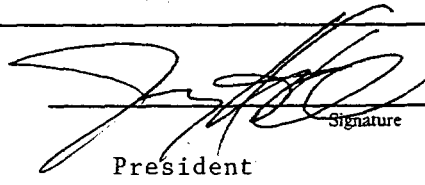
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

Handwritten initials and date: 3/21

**OATH OR AFFIRMATION**

I, Jerry Hall, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Wallstreet Associates, Inc., as of December 31, 2001, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
\_\_\_\_\_  
Signature  
President  
\_\_\_\_\_  
Title

Elaine Engle  
\_\_\_\_\_  
Notary Public

My commission expires: 2/24/2004

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 Proprietor's 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).

**WALLSTREET ASSOCIATES, INC.**

**AUDIT REPORT**

**DECEMBER 31, 2001**

WALLSTREET ASSOCIATES, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report . . . . .	1
Statement of Financial Position . . . . .	2
Statement of Activities . . . . .	3
Statement of Changes in Stockholder's Equity . . . . .	4
Statement of Cash Flows . . . . .	5
Notes to the Financial Statements . . . . .	6
Other Notes . . . . .	7
Net Capital Computation . . . . .	8

**SHEPPARD-HARRIS & ASSOCIATES, P.C.**

*Certified Public Accountants*

3499 Independence Drive, Suite A • Birmingham, Alabama 35209 • (205) 871-0313

**REPORT OF INDEPENDENT ACCOUNTANTS**

To the Board of Directors  
Wallstreet Associates, Inc.  
Birmingham, Alabama

We have audited the statement of financial position of **Wallstreet Associates, Inc.** as of December 31, 2001, and the related statements of activities, changes in stockholder's equity and statement of cash flows for the year then ended. These financial statements are the responsibility of the **Wallstreet Associates, Inc.**'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 audit provides 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 **Wallstreet Associates, Inc.** as of December 31, 2001 and the result of its operations, changes in stockholder's equity and cash flows in financial positions for the year then ended in conformity with generally accepted accounting principles.

*Sheppard Harris & Associates*

Sheppard-Harris & Associates, P.C.

Birmingham, Alabama

January 25, 2002

**WALLSTREET ASSOCIATES, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2001**

ASSETS

ASSETS

Cash and Cash Equivalents	\$	3,619
Investments		6,988
Accounts Receivable		<u>38</u>
<b>Total Current Assets</b>		<u>10,645</u>

PROPERTY AND EQUIPMENT

Furniture and Equipment		7,000
Less: Accumulated Depreciation		<u>(2,800)</u>
<b>Total Fixed Assets</b>		<u>4,200</u>

<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>14,845</u></b>
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LIABILITIES AND NET ASSETS

LIABILITIES AND STOCKHOLDER'S EQUITY

**LIABILITIES**

Liabilities		<u>-</u>
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STOCKHOLDER'S EQUITY

Capital Stock		13,171
Additional Paid-In-Capital		1,630
Retained Earnings		1,110
Current Earnings		<u>(1,066)</u>

<b>Total Stockholder's Equity</b>		<u>14,845</u>
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<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$</b>	<b><u>14,845</u></b>
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**WALLSTREET ASSOCIATES, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**REVENUES**

Revenue	\$ 29,340
<b>Total Revenue</b>	<u>29,340</u>

**EXPENSES**

General and Administrative	9,015
Marketing	20,200
Depreciation	<u>1,400</u>
<b>Total Expenses</b>	<u>30,615</u>
<b>Net Income From Operation</b>	<u>(1,275)</u>

**OTHER INCOME AND EXPENSES**

Financial Revenue	353
Financial Expenses	<u>(144)</u>
<b>Net Other Income and Expenses</b>	<u>209</u>
<b>Net Income Before Taxes</b>	<u>\$ (1,066)</u>

**WALLSTREET ASSOCIATES, INC.**  
**STATEMENT OF CHANGES IN**  
**STOCKHOLDER'S EQUITY**  
**DECEMBER 31, 2001**

Stockholder's Equity Beginning of Year	\$ 16,206
Add: Net Income (Loss)	(1,066)
Unrealized Profits	<u>(295)</u>
Stockholder's Equity End of Year	<u>\$ 14,845</u>



**WALLSTREET ASSOCIATES, INC.  
STATEMENT OF CASH FLOWS  
DECEMBER 31, 2001**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income	\$ (1,066)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	1,400
Increase in Investments	(351)
Decrease in Accounts Receivable	1,012
Decrease in Capital	<u>(295)</u>

**NET CASH PROVIDED BY OPERATING ACTIVITIES** 700

**NET CASH INCREASE (DECREASE)** 700

**CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD** 2,919

**CASH AND CASH EQUIVALENTS AT END OF PERIOD** \$ 3,619

**WALLSTREET & ASSOCIATES, INC.  
NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2001**

**NOTE 1 - ORGANIZATION**

Wallstreet Associates, Inc., primary objective is to sell only cash account mutual funds on an application basis to retail clientele. Wallstreet Associates, Inc. operates pursuant to the (k)(1) provisions of SEC Rule 15c3-3 and does not hold customer funds or securities. The company was incorporated on October 7, 1999.

**NOTE 2 - BASIS OF PRESENTATION**

The financial statements of Wallstreet Associates, Inc., have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities.

**NOTE 3 - USE OF ESTIMATE**

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 4 - CASH AND CASH EQUIVALENTS**

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three (3) months or less to be cash equivalents. At December 31, 2001, the carrying amount of the Company's deposits was \$3,619. The Company's deposits at year end were entirely covered by Federal depository insurance.

**NOTE 5 - PROPERTY AND EQUIPMENT**

The method for determining the estimated reduction for usage was based on standard depreciation guidelines. Consequently, the value of property is recorded at cost less an allowance for usage. A summary of net property is presented below:

<u>Item</u>	<u>Cost</u>	<u>Usage Allowance</u>	<u>Net</u>
Furniture & Equipment	<u>\$ 7,000</u>	<u>2,800</u>	<u>\$ 4,200</u>
Total	<u>\$ 7,000</u>	<u>2,800</u>	<u>\$ 4,200</u>

**WALLSTREET & ASSOCIATES, INC.**  
**OTHER NOTES**  
**DECEMBER 31, 2001**

There was no material difference between audited Computation of Net Capital and the maker-dealer corresponding unaudited Part II A Computation.

There was no material inadequacies found for the audit period.

The audit covered the period January 1, 2001 to December 31, 2001.

**WALLSTREET ASSOCIATES, INC.  
NET CAPITAL COMPUTATION  
FOR THE MONTH ENDING  
DECEMBER 31, 2001**

ASSETS

<u>ALLOWABLE ASSETS</u>	\$ 3,619
Cash	38
Accounts Receivable - Trade	<u>5,888</u>
Investments Securities	<u>9,545</u>

**Total Current Assets**

NON- ALLOWABLE ASSETS

Furniture and Equipment	4,200
Investments Securities	<u>1,100</u>

**Total Non-Allowable Assets** 5,300

**TOTAL ASSETS** 14,845

LIABILITIES

LIABILITIES

Liabilities	<u>-</u>
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EQUITY

Stockholder's Equity	13,171
Additional Paid-In-Capital	1,900
Profit and Loss (YTD)	(1,066)
Retained Earnings	1,110
Unrealized Profit and Loss (YTD)	<u>(270)</u>

**Total Equity** 14,845

TOTAL LIABILITIES AND EQUITY

Total Assets:	14,845
Less Liabilities:	<u>-</u>

Net Worth	14,845
Less: Non-Allowable Assets	<u>(5,300)</u>

Tentative Net Capital	9,545
Securities Haircuts: Applies 4/30/00	<u>(880)</u>

Net Capital 8,665

Less: Net Capital Equipment	<u>(5,000)</u>
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**Excess Net Capital** \$ 3,665