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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

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FACING PAGE

FEB 25 2002

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 1-1-2001 AND ENDING 12-31-2001
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: SSI Equity Services, Inc.
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
475 International Dr.
Williamsville (City) NY (State) 14221 (Zip Code)
NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Thomas Long 716-632-7777
(Area Code - Telephone No.)

OFFICIAL USE ONLY
FIRM ID. NO.

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Bonadio + Co LLP
171 Sully's Trail #201 (Address) Pittsford (City) NY (State) 14534 (Zip Code)
(Name - if individual, state last, first, middle name)

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

*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).

3/15/02
S.S

OATH OR AFFIRMATION

I, Thomas Long, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SSI Equity Services, Inc., as of 12-31, ~~is~~ 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:

SANDRA L. OREFICE
Notary Public, State of New York
Qualified in Erie County
My Commission Expires July 3, 2002

Sandra L. Orefice
Notary Public

[Signature]
Signature
President
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 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).

SSI EQUITY SERVICES, INC.

**Financial Statements
as of December 31, 2001 and 2000
Together with
Independent Auditors' Report**

Bonadio & Co., LLP
Certified Public Accountants

SSI EQUITY SERVICES, INC.

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INDEPENDENT AUDITORS' REPORT

January 21, 2002

To the Board of Directors of
SSI Equity Services, Inc.:

We have audited the accompanying balance sheets of SSI Equity Services, Inc. (a New York corporation) as of December 31, 2001 and 2000, and the related statements of operations, changes in stockholders' investment, and cash flows for the years 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 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 SSI Equity Services, Inc. as of December 31, 2001 and 2000, 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 supplementary information contained in Exhibits I and II 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 and 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.

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SSI EQUITY SERVICES, INC.

**BALANCE SHEETS
DECEMBER 31, 2001 AND 2000**

	<u>2001</u>	<u>2000</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 9,477	\$ 10,215
Commissions receivable	<u>1,049</u>	<u>4,746</u>
	<u>\$ 10,526</u>	<u>\$ 14,961</u>
 LIABILITIES AND STOCKHOLDERS' INVESTMENT		
CURRENT LIABILITIES:		
Commissions payable	<u>\$ 287</u>	<u>\$ 3,322</u>
STOCKHOLDERS' INVESTMENT		
Common stock, \$50 par value, 200 shares authorized, issued and outstanding	10,000	10,000
Retained earnings	<u>239</u>	<u>1,639</u>
	<u>10,239</u>	<u>11,639</u>
	<u>\$ 10,526</u>	<u>\$ 14,961</u>

The accompanying notes are an integral part of these statements.

SSI EQUITY SERVICES, INC.

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
COMMISSION REVENUE	\$ 47,204	\$ 35,173
OPERATING EXPENSES:		
Wages	16,000	-
Commissions	13,080	15,316
Agent expense reimbursement	1,293	1,481
Dues subscriptions & licenses	8,921	6,089
Insurance	3,368	4,117
Professional fees	4,662	2,800
Other	1,280	3,673
	<u>48,604</u>	<u>33,476</u>
INCOME (LOSS) BEFORE INCOME TAXES	(1,400)	1,697
INCOME TAXES	<u>-</u>	<u>(286)</u>
NET INCOME (LOSS)	<u>\$ (1,400)</u>	<u>\$ 1,411</u>

The accompanying notes are an integral part of these statements.

SSI EQUITY SERVICES, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' INVESTMENT
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>Common Stock</u>		<u>Retained Earnings</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>		
BALANCE - December 31, 1999	200	\$ 10,000	\$ 228	\$ 10,228
Net income	<u>-</u>	<u>-</u>	<u>1,411</u>	<u>1,411</u>
BALANCE - December 31, 2000	200	10,000	1,639	11,639
Net loss	<u>-</u>	<u>-</u>	<u>(1,400)</u>	<u>(1,400)</u>
BALANCE - December 31, 2001	<u>200</u>	<u>\$ 10,000</u>	<u>\$ 239</u>	<u>\$ 10,239</u>

The accompanying notes are an integral part of these statements.

SSI EQUITY SERVICES, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (1,400)	\$ 1,411
Adjustments to reconcile net income (loss) to net cash flow from operating activities:		
Changes in:		
Commissions receivable	3,697	(4,569)
Commissions payable	<u>(3,035)</u>	<u>3,216</u>
Net cash flow from operating activities	<u>(738)</u>	<u>58</u>
CHANGE IN CASH	(738)	58
CASH - beginning of year	<u>10,215</u>	<u>10,157</u>
CASH - end of year	<u>\$ 9,477</u>	<u>\$ 10,215</u>

The accompanying notes are an integral part of these statements.

SSI EQUITY SERVICES, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. THE COMPANY

SSI Equity Services, Inc. (the Company) is a member of the National Association of Securities Dealers and is a registered broker/dealer. The Company sells securities primarily in the upstate New York area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting -

The Company's financial statements are prepared in accordance with the accrual basis of accounting.

Cash -

Cash consists of deposits in bank checking accounts. The Company believes it is not exposed to any significant credit risk on cash.

Revenue Recognition -

Mutual fund commissions are recognized on an accrual basis as customer funds are submitted for investment.

Income Taxes -

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due. The Company has available a net operating loss carryforward of approximately \$700 at December 31, 2001. This carryforward will begin to expire in 2021.

Estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

SSI EQUITY SERVICES, INC.

EXCESS NET CAPITAL
DECEMBER 31, 2001

Pursuant to Rule 15c3-1 of the Securities and Exchange Commission (the Net Capital Rule), the Company has the following excess net capital at December 31, 2001:

TOTAL ASSETS		\$	10,526
Less: Total liabilities			<u>287</u>
NET WORTH			10,239
Less: Non-allowable assets			<u>-</u>
NET CAPITAL			10,239
NET CAPITAL REQUIREMENTS:			
6-2/3% of aggregate indebtedness	\$	<u>19</u>	
Minimum requirement	\$	<u>5,000</u>	
Greater of above			<u>(5,000)</u>
EXCESS NET CAPITAL	\$		<u>5,239</u>

The accompanying notes are an integral part of this exhibit.

SSI EQUITY SERVICES, INC.

**EXEMPTIVE PROVISION UNDER RULE 15c3-3
OF THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2001**

The Company does not effect transactions for anyone defined as a customer under Rule 15c3-3. Accordingly, there are no items to report under the requirements of this Rule.

The accompanying notes are an integral part of this exhibit.

**INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL STRUCTURE**

January 21, 2002

To the Board of Directors of
SSI Equity Services, Inc. :

In planning and performing our audit of the financial statements of SSI Equity Services, Inc. (a New York Corporation) for the year ended December 31, 2001, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our 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 (SEC), we have made a study of the practices and procedures followed by the Company including 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 and net capital under rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of rule 15c3-3. We 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 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 SEC's objectives as stated in Rule 17a-5(g). Two of the objectives of an internal control structure 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 preparation of financial statements in conformity with accounting principles generally accepted in the United States. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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**INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL STRUCTURE**
(Continued)

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors 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.

Our 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 components does not reduce to a relatively low level the risk that errors or fraud 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, we noted no matters involving the internal control structure, including control activities or 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 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 our study, we believe that the Company's practices and procedures were adequate at December 31, 2001, to meet the SEC's objectives.

This report is intended solely for the use of management, and 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.

Bonadio & Co. LLP