

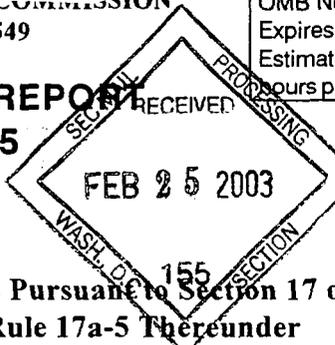


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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0123
Expires: October 31, 2004
Estimated average burden
hours per response... 12.00

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



SEC FILE NUMBER
8- 43400

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 01/01/2002 AND ENDING 12/31/2002
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: BULLARO SECURITIES, CORP.
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY
FIRM I.D. NO.

25-19 Steinway Street
(No. and Street)
Astoria, New York 11103
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Sal Bullaro 718-204-2300
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ballo & Co.
(Name - if individual, state last, first, middle name)

67 Hudson Street, New York, New York 10013

(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED
MAR 11 2003
THOMSON FINANCIAL

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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)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Angelito A. Ballo, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Bullaro Securities, Corp., as of December 31, 2002, 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:

THOMAS BULLARO
Notary Public, State of New York
No. 01BU5516500
Qualified in Queens County
Commission Expires July 31, 2006
STATE OF NEW YORK
COUNTY OF QUEENS

Angelito A. Ballo
Signature

Partner

Title

SWORN TO BEFORE ME
THIS DAY OF
Notary Public

12/31/03

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 240.17a-5(e)(3).

BULLARO SECURITIES, CORP.
FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2002

**BULLARO SECURITIES, CORP.
YEAR ENDED DECEMBER 31, 2002**

TABLE OF CONTENTS

	<u>PAGE NO.</u>
Independent Auditor's Report	1-2
Basic Financial Statements:	
Statement of Financial Condition	3
Statement of Income (Loss) and Changes in Retained Earnings	4
Statement of Cash Flows	5
Supplementary Schedules:	
Supporting Schedules	6
Computation of Net Capital	6
Reconciliation of the Audited Computation of Net Capital and the Broker-Dealer's Unaudited Computation	7
Supplemental Report Describing Any Material Inadequacies	7
Records Availability	7

Ballo & Co.
Certified Public Accountants
67 Hudson Street
New York, NY 10013

Tel no. (212) 406 1640
Fax no. (212) 267 4772

INDEPENDENT AUDITOR'S REPORT

We have conducted the annual audit of Bullaro Securities, Corp. for 2002 and examined the following statements and schedules:

1. Statement of Financial Condition;
2. Statement of Income (Loss) and Change in Retained Earnings;
3. Statement of Cash Flows;
4. Computation of Net Capital;
5. Reconciliation of the Audited Computation of Net Capital and the Broker-Dealer's Unaudited Computation;
6. Supplemental Report Describing Any Material Inadequacies; and
7. Records Availability

Our examination was made in accordance with auditing standards generally accepted in the United States of America and with the audit requirements prescribed by the Securities and Exchange Commission and, accordingly, included such tests of the accounting records and such auditing procedures as we considered necessary in the circumstances.

In our opinion, the attached statements and schedules present fairly the financial position of Bullaro Securities, Corp. on December 31, 2002 in conformity with accounting principles generally accepted in the United States of America applied on a consistent basis.

We have not included a computation for Determination of the Reserve Requirements (Rule 15c 3-3) nor any information relating to possession or control requirements (Rule 15c 3-3). Bullaro Securities, Corp. has an agreement clearing all of its customer transactions through Wexford Clearing Services, Corp. (S.E.C. #8-48636) on a fully disclosed basis. Therefore, it is exempt from the above requirements under paragraph K-2 (ii) of the exemptive provision.

Year-end results for 2002 are prepared on a trade-date basis as were interim monthly and quarterly results.

The management of Bullaro Securities, Corp. is responsible for establishing and maintaining a system of internal accounting control practices and procedures. The objectives of a system and the practices and procedures are to provide management reasonable, but not absolute, assurance that the assets for which Bullaro Securities, Corp. has responsibility for 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 accepted accounting principles.

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 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.

Because of inherent limitations in any internal control structure or 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 changes in conditions or that the effectiveness of their design and operation may deteriorate. Accordingly, we do not express an opinion on the system of internal accounting control of Bullaro Securities, Corp. taken as a whole. However, our study and evaluation disclosed no condition that we believed to be a material weakness. Based on our study, we believe that Bullaro Securities, Corp. practices and procedures were adequate to meet the Securities and Exchange Commission's rules and regulations.



Ballo & Co.

New York, NY
Date: 2/17/2003

Bullaro Securities, Corp.
Statement of Financial Condition
As of December 31, 2002

Assets	
Current assets	
Cash and cash equivalents	\$ 21,604
Subscription receivable	29,300
Marketable securities	<u>400,947</u>
Total current assets	451,851
Non-current assets	
Bonds (\$25,000 face, 12%, due 7/1/2012)	40,234
Other assets	
Due from officer	<u>0</u>
Total assets	<u><u>\$ 492,085</u></u>
Liabilities and owner's equity	
Current liabilities	
Accounts payable	<u>\$ 0</u>
Total liabilities	0
Owner's equity	
Common stock	250,000
Paid in capital	319,536
Retained earnings	<u>(77,451)</u>
Total owner's equity	<u>492,085</u>
Total liabilities and owner's equity	<u><u>\$ 492,085</u></u>

Bullaro Securities, Corp.
Statement of Income (Loss) and Changes in Retained Earnings
For the Year Ended December 31, 2002

Income	
Commission income	\$ 55,845
Gain (loss) from trading account	255,287
Dividend and interest income	514
Total income	<u>311,646</u>
Expenses	
Salary and fringes	6,000
Clearing charges	12,522
Commission and fees	253,991
Telephone	12,255
Travel	91
Dues and fees	5,250
Taxes	4,263
Legal and accounting	2,000
Postage and deliveries	1,149
Interest expense	20
Rental expense	15,431
Data transmission	9,600
Miscellaneous	1,788
Total expenses	<u>324,360</u>
Net income (loss)	(12,714)
Retained earnings, beginning	<u>(64,737)</u>
Retained earnings, ending	<u>\$ (77,451)</u>

Bullaro Securities, Corp.
Statement of Cash Flows
As of December 31, 2002

Cash flows from operating activities	
Net proceed from sales/purchases of securities and inventory	\$ (95,609)
Receipts of interest and dividend	514
Cash paid to employees and vendors	<u>(325,126)</u>
Net cash provided by (used in) operating activities	<u>(420,221)</u>
 Cash flows from investing activities	
Cash received from Officer	238,533
 Cash flows from financing activities	0
 Net increase (decrease) in cash	<u>(181,688)</u>
 Cash, beginning	<u>203,292</u>
 Cash, ending	<u><u>\$ 21,604</u></u>
 Reconciliation of net income to net cash provided by (used in) operating activities	
 Net income (loss)	\$ (12,714)
 Adjustment to reconcile net income to net cash provided by (used in) operating activities	
(Increase) decrease in stock position	(400,947)
(Increase) decrease in receivables	(5,794)
Increase (decrease) in accounts payable	<u>(766)</u>
 Net cash provided by (used in) operating activities	<u><u>\$ (420,221)</u></u>

Bullaro Securities, Corp.
 Supplementary Schedules
 For the Year Ended December 31, 2002

Supporting Schedules

Assets

Cash and cash equivalents	\$ 21,604
Subscription receivable	29,300
Marketable securities	400,947
Bonds	40,234
Due from Officer	-
Total assets	<u>\$ 492,085</u>

Current Liabilities

Accounts payable	<u>\$ 0</u>
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Owner's Equity

Capital stock	\$ 250,000
Paid in capital	319,536
Retained earnings	(77,451)
Total owner's equity	<u>\$ 492,085</u>

Computation of Net Capital

Net worth, December 31, 2002	\$ 492,085
Less: Bonds	40,234
Haircuts	0
Unrealized gain (loss)	0
Exempted securities	17,213
Options	<u>158,174</u>
Net capital, December 31, 2002	<u>\$ 276,464</u>
Minimum required net capital	<u>\$ 100,000</u>

Bullaro Securities, Corp.
Supplementary Schedules
For the Year Ended December 31, 2002

Reconciliation of the Audited Computation of Net
Capital and the Broker-Dealer's Unaudited Computation

No material differences existed between the two computations

Supplemental Report Describing Any Material Inadequacies

No material inadequacies have been found to exist.

Records Availability

The Statement of Financial Condition as of December 31, 2002 of Bullaro Securities, Corp. is available for examination at the office of the corporation (25-19 Steinway Street Astoria, NY 11103) and at the regional office of the Commission (33 Whitehall Street, New York, NY 10004)