

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

BP/6/03
OMB APPROVAL
OMB Number: 3235-0123
Expires: September 30, 1998
Estimated average burden
hours per response . . . 12.00



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

SEC FILE NUMBER
8-50389

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 1-1-02 AND ENDING 12-31-02
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

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

2454 McMULLEN BOOTH RD., #D-607
(No. and Street)

CLEARWATER FLORIDA 33759
(City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM ID. NO.

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THOMSON
FINANCIAL

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

ROBERT J. BOVA 813-870-3055
(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

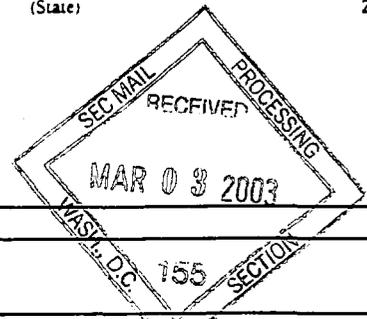
INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

ROBERT J. BOVA, PA
(Name — if individual, state last, first, middle name)

PO BOX 20526 TAMPA FLORIDA 33622
(Address) (City) (State) (Zip Code)

CHECK ONE:

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



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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, STANLEY J. FISHMAN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of RETIREMENT SECURITIES, INC.

12-31-02, 19, 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:

Three horizontal lines for listing exceptions.

Handwritten signature of Stanley J. Fishman and the title 'PRES' written below it.

Handwritten signature of Nancy L. Bova and the title 'Notary Public' written below it.



This report** contains (check all applicable boxes):

- Checkboxes for various financial statement components: (a) Facing page, (b) Statement of Financial Condition, (c) Statement of Income (Loss), (d) Statement of Changes in Financial Condition CASH FLOWS, (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.

SEE NOTE 4 OF NOTES TO FINANCIAL STATEMENTS.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

RETIREMENT SECURITIES, INC.

REPORT ON EXAMINATION OF ACCOUNTS

DECEMBER 31, 2002

ROBERT J. BOVA, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 20526
Tampa, Florida 33622

To the Board of Directors
Retirement Securities, Inc.
Clearwater, Florida

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying balance sheet of Retirement Securities, Inc. as of December 31, 2002, and the related statements of income and expense, changes in stockholder's equity and cash flows for the year then ended. 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 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.

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

In our opinion, subject to the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Retirement Securities, Inc. at December 31, 2002, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

A handwritten signature in black ink that reads "Robert J. Bova" followed by a stylized "R" or "H" mark.

February 20, 2003
Tampa, Florida

RETIREMENT SECURITIES, INC.

BALANCE SHEET - DECEMBER 31, 2002

ASSETS:

ALLOWABLE ASSETS:

Cash	\$115,638
Receivables - trade	15,000
Securities	<u>50,000</u>
Total allowable assets	180,638

NON-ALLOWABLE ASSETS:

Receivables - other	<u>101,245</u>
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TOTAL \$281,883

ACCOUNTS PAYABLE & ACCRUED EXPENSE \$ 113

STOCKHOLDER'S EQUITY:

Capital stock, common	\$ 86,300	
Paid-in capital	15,000	
Retained earnings	<u>180,470</u>	281,770

TOTAL \$281,883

The notes which follow all the financial statements must be read for a more informed use, understanding and interpretation of this financial statement.

RETIREMENT SECURITIES, INC.

STATEMENT OF INCOME AND EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2002

OPERATIONAL REVENUES	<u>\$1,045,929</u>
OPERATING EXPENSES:	
Management fees	993,666
Payroll - officer	10,000
Commission	4,578
Regulatory fee	1,643
Other expenses	<u>11,792</u>
Total operating expenses	<u>1,021,679</u>
NET INCOME	<u>\$ 24,250</u>

The notes which follow all the financial statements must be read for a more informed use, understanding and interpretation of this financial statement.

RETIREMENT SECURITIES, INC.

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2002

STOCKHOLDER'S EQUITY 12-31-01	\$257,520
Capital stock	86,300
Paid-in capital	15,000
Retained earnings	<u>180,470</u>
STOCKHOLDER'S EQUITY 12-31-02	<u>\$281,770</u>

The notes which follow all the financial statements must be read for a more informed use, understanding and interpretation of this financial statement.

RETIREMENT SECURITIES, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2002

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from commissions & other income	\$1,063,976
Cash paid on overhead expenses & costs	<u>1,023,455</u>
Net cash provided - operating activities	<u>40,521</u>
INCREASE IN CASH	40,521
CASH BALANCE 12-31-01	<u>75,117</u>
CASH BALANCE 12-31-02	<u>\$ 115,638</u>

The notes which follow all the financial statements must be read for a more informed use, understanding and interpretation of this financial statement.

RETIREMENT SECURITIES, INC.

COMPUTATION OF NET CAPITAL
DECEMBER 31, 2002

TOTAL OWNERSHIP EQUITY	\$281,770
Less - Non-allowable assets	<u>101,245</u>
NET CAPITAL	<u>\$180,525</u>

NOTE: The net capital presented hereon concurs with the year-end company prepared Focus Report (Part IIA) net capital.

RETIREMENT SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

1) BASIS OF ACCOUNTING

The Company's policy is to prepare financial statements on the basis of generally accepted accounting principles. This basis of accounting involves the application of accrual accounting, consequently revenues and gains are recognized when earned and expenses and losses are recognized when incurred. Financial statement items are recorded at historical costs and they therefor do not necessarily represent current values.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Security transactions are recorded on a trade date as prescribed by generally accepted accounting principles, the SEC and NASD.

3) TRADE RECEIVABLES

These represent amounts due from Fiserv Correspondent Services, Inc. applicable to commissions. Fiserv Correspondent Services, Inc. is the Company's clearing facility.

4) REGULATORY MATTERS

There were no material inadequacies at December 31, 2002 in the Company accounting system, or in procedures regarding computations, examinations, counts, verifications, comparisons and recordations under Rule 17A-13(a), 15c3-3(c), 17a-13 and 15c3-3. Please note the internal control opinion letter included herein.

5) CONTINGENCIES

There were no material contingent assets or liabilities brought to our attention during the course of our audit at December 31, 2002 or for the year then ended.

ROBERT J. BOVA, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 20526
Tampa, Florida 33622

RETIREMENT SECURITIES, INC.
INDEPENDENT AUDITOR'S REPORT ON INTERNAL
ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5

In planning and performing my audit of the financial statements of Retirement Securities, Inc. for the year ended December 31, 2002, I considered its internal control structure, including procedures for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing an 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) that I considered relevant to the four objectives if applicable stated in rule 17a-5(g)(1) in making the periodic computations of aggregate indebtedness (or aggregate debts) and net capital under rule 17a-3(a)(11) and the reserve required by 15c3-3(e); (2) in making the quarterly securities examinations, counts, and verifications and comparisons and the recordation of differences required by rule 17a-13; (3) 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; and (4) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3.

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 judgments 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. 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 generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures in the preceding paragraph.

Because of inherent limitations in any control structure or the practices and procedures referenced 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 effectiveness of their design and operation 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, that I consider to be material weaknesses as defined above.

I understand that the practices that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purpose in accordance with the Securities Exchange Act of 1934 and the 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 December 31, 2002 to meet the Commission's objectives.

Robert D. Bova RA