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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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SEC FILE NUMBER 8-25520

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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 July 1, 2002 AND ENDING December 31, 2002

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Pension Fund Evaluations Inc.

OFFICIAL USE ONLY FIRM ID. NO.

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

2450 Middle Country Road

(No. and Street)

Centereach,

NY

11720

(City)

(State)

(Zip Code)

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

Charles Pulcano

(631) 585-8282

(Area Code -- Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

TODMAN & CO., CPAs, P.C., Certified Public Accountants and Business Consultants

(Name -- If individual, state last, first, middle name)

120 Broadway

New York,

NY

10271

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

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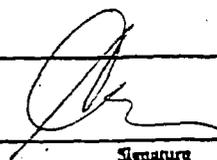
THOMSON FINANCIAL

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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).

OATH OR AFFIRMATION

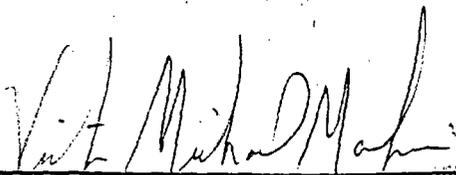
I, Charles Pulcano, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Pension Fund Evaluations, Inc., as of December 31, 2002, are true and correct. I further swear (or affirm) that neither the company 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:



Signature

C.O.O.

Title



Notary Public

NOTARY MICHAEL MARCIONE
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 11/19/2004

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).

PENSION FUND EVALUATIONS, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2002

Member AICPA Division for CPA Firms
Private Companies Practice Section
SEC Practice Section

Representation in Principal
Cities Worldwide

TODMAN & Co., CPAs, P.C.

Certified Public Accountants and Business Consultants
An Affiliate of TRIEN ROSENBERG

120 Broadway
New York, NY 10271
TEL. (212) 962-5930
FAX (212) 385-0215

INDEPENDENT AUDITORS' REPORT

To the Officers and Directors of
Pension Fund Evaluations, Inc.
2450 Middle Country Road
Centereach, New York 11720

We have audited the accompanying statement of financial condition of Pension Fund Evaluations, Inc. as of December 31, 2002. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Pension Fund Evaluations, Inc. as of December 31, 2002, in conformity with U.S. generally accepted accounting principles.

Todman & Co. CPAs P.C.

New York, New York
February 18, 2003

PENSION FUND EVALUATIONS, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2002

ASSETS

Cash	\$ 127,373
Receivable from brokers	44,784
Securities owned, at market value: equities	554
Other receivables	30,928
Furniture, fixtures and equipment - net of accumulated depreciation of \$56,954	397
Due from stockholder	15,000
Deferred tax assets	3,300
Other assets	<u>24,936</u>
 Total assets	 <u>\$ 247,272</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities	
Accounts payable and accrued expenses	\$ 117,196
 Total liabilities	 <u>117,196</u>
 Commitments and contingencies	
 Stockholder's equity	
Common stock, par value \$.10	
Authorized: 1,000,000 shares	
Issued and outstanding: 100,000 shares	10,000
Distributions	(35,700)
Retained earnings	<u>155,776</u>
 Total stockholder's equity	 <u>130,076</u>
 Total liabilities and stockholder's equity	 <u>\$ 247,272</u>

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

PENSION FUND EVALUATIONS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002

Note 1 - Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Pension Fund Evaluations, Inc. (the "Company"), is a New York State corporation formed for the purpose of conducting business as a broker-dealer in securities.

The Company operates under the provisions of Paragraph (k)(2)(ii) of rule 15c3-3 of the Securities and Exchange Commission ("SEC") and, accordingly, is exempt from the remaining provisions of that rule. Essentially, the requirements of Paragraph (k)(2)(ii) provide that the Company clears all transactions on behalf of customers on a fully-disclosed basis with a clearing broker-dealer, and promptly transmits all customer funds and securities to the clearing broker-dealer. The clearing broker-dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a clearing broker-dealer.

(b) Revenue Recognition

Securities transactions are recorded on the settlement date, which is generally three business days after the trade date, and one day after the trade date for options. There is no material difference between the trade and settlement dates.

(c) Depreciation

Furniture, fixtures and equipment are recorded at cost. Depreciation is provided for on certain fixed assets pursuant to the accelerated method over the estimated useful lives of the assets. Other fixed assets are depreciated on the straight-line method over the estimated useful lives of the assets.

(d) Use of Estimates

The preparation of financial statements in conformity with U.S. 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(e) Cash

The Company held cash in accounts with a bank in excess of federally insured amounts.

(f) 401(k) Plan

The Company has a plan which qualifies under 401(k) of the Internal Revenue Service Code and covers employees who have completed one-half year of service and have reached the age of 18.

Note 2 - Capital Ratio

The capital ratio, as computed, was 213%, versus an allowable maximum of 1500% under the rules of the SEC. The Company's net capital requirement was \$7,813. The net capital, as computed, was \$54,898 leaving excess capital in the amount of \$47,085.

PENSION FUND EVALUATIONS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002

Note 3 - Lease Commitment

The Company has an operating lease for the rental of office space that expires March 31, 2006. Future minimum rental payments under the lease are as follows:

<u>Fiscal Year Ending December 31</u>	<u>Amount</u>
2003	\$ 34,950
2004	36,728
2005	38,559
2006	9,756

Note 4 - Income Taxes

The Company provides for income taxes under the provision of Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes* ("SFAS No. 109") which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

Income taxes have been provided for in the accompanying financial statements based upon financial accounting income. The difference between the tax provision provided for and the amount that would be arrived at by multiplying the statutory rate times the income before taxes is primarily due to non-deductible meals and entertainment expenses. Temporary differences that give rise to deferred tax assets of approximately \$3,300 are unpaid settlement claims

Effective July 1, 2002, the Company has elected to be taxed as an S Corporation. Federal and state taxes will therefore be the responsibility of the stockholder, not the Company.

Note 5 - Stockholder's Equity

During the year, the sole stockholder resigned as an officer and employee of the Company. The Company was then sold privately by the former stockholder to a relative.

Note 6 - Legal Matters

In the ordinary course, the Company is a defendant in other lawsuits incidental to its securities business. Management of the Company, after consultation with outside legal counsel, believes that the resolution of these lawsuits will not result in any material adverse effect on the Company's financial position. Nevertheless, due to the uncertainties, it is reasonably possible that management's view of the outcome could change in the next year.

The NASD has made certain inquiries concerning a change in ownership as well as an inquiry concerning a former officer. The Company cannot predict when the NASD will complete their inquiries.

PENSION FUND EVALUATIONS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002

Note 7 - Financial Instruments With Off-Balance-Sheet Credit Risk

As a securities broker, the Company is engaged in buying and selling securities for a diverse group of institutional and individual investors. The Company's transactions are collateralized and are executed with and on behalf of banks, brokers and dealers, and other financial institutions. The Company introduces these transactions for clearance to other broker-dealers on a fully-disclosed basis.

The Company's exposure to credit risk associated with nonperformance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may impair customers' abilities to satisfy their obligations to the Company and the Company's ability to liquidate the collateral at an amount equal to the original contracted amount. The agreement between the Company and its clearing brokers provides that the Company is obligated to assume any exposure related to such nonperformance by its customers. The Company seeks to control the aforementioned risks by requiring customers to maintain margin collateral in compliance with various regulatory requirements and the clearing brokers' internal guidelines. The Company monitors its customer activity by reviewing information it receives from its clearing brokers on a daily basis, and requiring customers to deposit additional collateral, or reduce positions, when necessary.

A copy of the Company's Statement of Financial Condition as at December 31, 2002, pursuant to SEC rule 17a-5, is available for inspection at the Company's office and at the regional office of the SEC.