

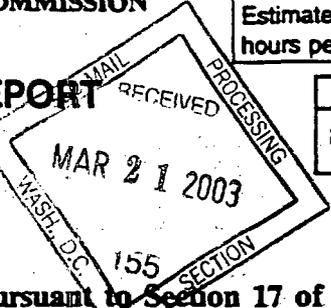
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

VF 4-3-03
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**



SEC FILE NUMBER
8- 27755

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 01/01/02 AND ENDING 12/31/02
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

William C. Slater Co., Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

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

599 Camp Harmony Road

(No. and Street)

Quilcene

(City)

98376

(Zip Code)

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

William G. Coulter

206-937-1116

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Seamnes & Company P.S.

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

4711 44th Avenue SW

(Address)

Seattle

(City)

WA

(State)

98116

(Zip Code)

CHECK ONE:

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

PROCESSED

APR 10 2003

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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).

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SEAMENS & COMPANY, P.S.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
William C. Slater Co., Inc.

We have audited the accompanying statements of financial condition of **William C. Slater Co., Inc.**, as of December 31, 2002, and December 31, 2001 and the related statements of income, changes in stockholders' equity, and statements of 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 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 **William C. Slater Co., Inc.**, at December 31, 2002, and December 31, 2001, and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

Seamens & Company, P.S.

March 12, 2003

WILLIAM C. SLATER CO., INC.

STATEMENT OF FINANCIAL CONDITION

December 31, 2002 and 2001

	December 31,	
	2002	2001
ASSETS		
Current Assets		
Cash	\$14,403	\$14,060
Accounts Receivable	<u>2,264</u>	<u>3,593</u>
Total Current Assets	16,667	17,653
Other Assets		
Prepaid Federal Income Tax	<u>164</u>	<u>-0-</u>
TOTAL ASSETS	\$16,831	\$17,653
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	125	125
Accrued Taxes	<u>1,026</u>	<u>1,053</u>
Total Current Liabilities	<u>1,151</u>	<u>1,178</u>
SHAREHOLDERS' EQUITY		
Common stock \$1 par value, 50,000 shares authorized; 6,000 shares issued	6,000	6,000
Retained Earnings	<u>9,680</u>	<u>10,475</u>
Total Stockholders' Equity	<u>15,680</u>	<u>16,475</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$16,831	\$17,653
	=====	=====

WILLIAM C. SLATER CO., INC.

STATEMENT OF NET INCOME (LOSS)
Years Ended December 31, 2002 and 2001

	Years Ended December 31,	
	2002	2001
Revenues		
Commissions earned - on exchanges	\$35,299	\$20,322
Commissions earned - on other	<u>3,990</u>	<u>19,799</u>
Total Revenues	<u>39,289</u>	<u>40,121</u>
Operating Expenses		
Accounting and Auditing	1,950	1,950
Automobile	642	674
Dues and Subscriptions	701	1,171
Employee Benefits	1,663	1,715
Office and Administration	311	809
Salaries - Officers	30,000	30,000
Taxes - Payroll	2,295	2,295
- Business	827	855
Regulatory Fees	624	735
Telephone	824	800
Travel	<u>544</u>	<u>-0-</u>
Total Operating Expenses	<u>40,381</u>	<u>41,004</u>
Net Income (Loss) Before Provision for Taxes	(1,092)	(883)
Income Tax (Refund)	<u>(297)</u>	<u>-0-</u>
Net Income (Loss)	<u>\$ (795)</u>	<u>\$ (883)</u>

WILLIAM C. SLATER CO., INC.

STATEMENT OF STOCKHOLDERS' EQUITY
For The Period June 21, 1982 through December 31, 2002

	COMMON STOCK SHARES	STOCK AMOUNT	SHAREHOLDERS' EQUITY
Issuance of Common Stock	6,000	6,000	
Net Income(Loss) of			\$
1982			876
1983			1,586
1984			1,135
1985			38
1986			1,326
1987			(1,452)
1988			(1,158)
1989			1,903
1990			475
1991			3,465
1992			1,626
1993			32
1994			(2,176)
1995			(100)
1996			2,259
1997			(899)
1998			219
1999			(947)
2000			3,150
2001			(883)
2002			(795)
Balances December 31, 2002	6,000	6,000	\$ 9,680

WILLIAM C. SLATER CO., INC.

STATEMENT OF CASH FLOWS
Years Ended December 31, 2002 and 2001

	Years Ended December 31,	
	2002	2001
Operations:		
Net Income (Loss)	<u>\$ (795)</u>	<u>\$ (883)</u>
Changes in Current Accounts		
Accounts Receivable	1,329	45
Accrued Taxes and Payables	(27)	(103)
Federal Income Tax	<u>(164)</u>	<u>(349)</u>
	<u>1,138</u>	<u>(407)</u>
Increase (Decrease) in Cash	343	(1,290)
Cash:		
Beginning of Period	<u>14,060</u>	<u>15,350</u>
End of Period	<u>\$14,403</u>	<u>\$14,060</u>
	=====	=====

WILLIAM C. SLATER CO., INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE 1 - NATURE OF OPERATIONS

Effective June 22, 1982, the Company commenced operations as a broker-dealer under the rules and regulations of the Securities and Exchange Commission and the National Association of Securities Dealers. The Company does not carry customer's accounts or inventories of securities. The Company is located in Quilcene, Washington

NOTE 2 - NET CAPITAL REQUIREMENT

The Company is subject to the net capital rule of the Securities and Exchange Commission and the rules of the National Association of Securities Dealers and these bodies prohibit a broker-dealer from engaging in securities transactions when its net capital is below \$5000. At December 31, 2002 the net capital of the Company was in excess of that amount.

NOTE 3 - INCOME TAXES

The Company provides for income taxes on the basis of accounting income determined on the accrual basis.

SEAMENS & COMPANY, P.S.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Supplementary Information
Required by Rule 17a-5 of the Securities and Exchange Commission

Board of Directors
William C. Slater Co., Inc.

We have audited the accompanying financial statements of **William C. Slater Co., Inc.**, for the year ended December 31, 2002, and have issued our report thereon dated March 12, 2003. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, III and IV 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 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.

Seamens & Company, P.S.

March 12, 2003

WILLIAM C. SLATER CO., INC.

COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1

December 31, 2002

Current Assets	\$16,831
Current Liabilities	<u>1,151</u>
Computation of Net Capital	\$15,680
Minimum net capital required (\$5,000 for brokers who do not generally carry customer's accounts)	<u>5,000</u>
Excess Net Capital	\$10,680 =====

WILLIAM C. SLATER CO., INC.

RECONCILIATION OF COMPUTATION OF NET CAPITAL

Under Rule 17a-5(d)(4) and 15c3-1

December 31, 2002

Net Capital as reported by the Corporations' (Unaudited) FOCUS Report part IIA	<u>\$15,680</u>
Net Capital Represented by Independent Auditor	<u>15,680</u>
Reconciled Net Capital	<u>\$15,680</u> =====

SEAMENS & COMPANY, P.S.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

Board of Directors
William C. Slater Co., Inc

In planning and performing our audit of the financial statements of **William C. Slater Co., Inc.**, (the Company), for the years ended December 31, 2002, and December 31, 2001, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

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 17s-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of the Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control 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 controls 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 above-mentioned objectives. Two of the objectives of internal control 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 the preparation of financial statements in conformity with generally accepted accounting principles. Rule 172-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph

SEAMENS & COMPANY, P.S.
CERTIFIED PUBLIC ACCOUNTANTS

Because of inherent limitations in internal control or the practices and procedures referred to on the previous page, error 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 internal control would not necessarily disclose all matters in internal control 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 error 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 internal control, including control activities for 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, 2002, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, (*Designated self-regulatory organization*), and other 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.

March 12, 2003

Seamens & Company P.S.