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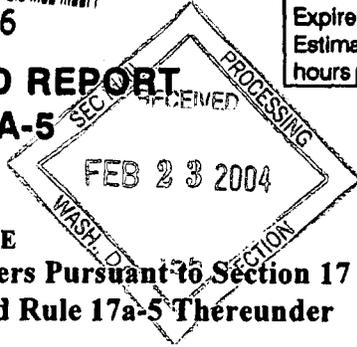


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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2004
Estimated average burden hours per response.....	12.00

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



SEC FILE NUMBER
8- 51043

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 01/01/03 AND ENDING 12/31/03  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Artisan Distributors LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

875 East Wisconsin Avenue, Suite 800

(No. and Street)

Milwaukee

Wisconsin

53202

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Lawrence A. Totsky (414) 390-6100

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

PricewaterhouseCoopers LLC

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

100 East Wisconsin Avenue Milwaukee, Wisconsin 53202

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

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<b>FOR OFFICIAL USE ONLY</b>	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.

SEC 1410 (06-02)

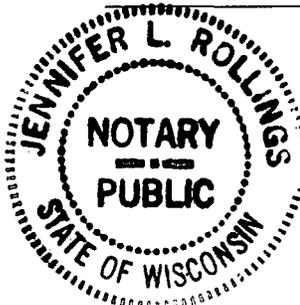
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OATH OR AFFIRMATION

I, Lawrence A. Totsky, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Artisan Distributors LLC, as of December 31, 2003, 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:

*Lawrence A. Totsky*  
Signature

Chief Financial Officer  
Title



*Jennifer L. Rollings exp 11/07/04*  
Notary Public

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).

# **Artisan Distributors LLC**

**Financial Statements and Schedules  
December 31, 2003 and 2002**

**Artisan Distributors LLC  
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December 31, 2003 and 2002**

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**Report of Independent Auditors**

To the Board of Directors and  
Member of Artisan Distributors LLC

In our opinion, the accompanying statements of financial condition and the related statements of operations, of changes in member's equity and of cash flows present fairly, in all material respects, the financial position of Artisan Distributors LLC (the "Company"), a wholly-owned subsidiary of Artisan Partners Limited Partnership, at December 31, 2003 and 2002, 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 of America. 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 of these statements in accordance with auditing standards generally accepted in the United States of America, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Notes 3 and 5, the Company transacts business with an affiliated entity. Because of this relationship, it is possible that the terms of these transactions are not the same as those that would result from transactions among wholly-unrelated parties.

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 and III 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.



Milwaukee, Wisconsin  
February 5, 2004

**Artisan Distributors LLC**  
**Statements of Financial Condition**

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ASSETS	December 31,	
	2003	2002
Cash and cash equivalents	\$ 114,355	\$ 114,057
Prepaid expenses	80,185	77,685
Funds on deposit	12,712	6,147
Total assets	<u>\$ 207,252</u>	<u>\$ 197,889</u>

**LIABILITIES AND MEMBER'S EQUITY**

Liabilities:		
Accounts payable	\$ 6,600	\$ 6,000
Member's equity:		
Paid-in capital	984,363	803,554
Accumulated deficit	(783,711)	(611,665)
Total member's equity	<u>200,652</u>	<u>191,889</u>
Total liabilities and member's equity	<u>\$ 207,252</u>	<u>\$ 197,889</u>

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

**Artisan Distributors LLC**  
**Statements of Operations**

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	<b>For the Year Ended</b>	
	<b>December 31,</b>	
	<b>2003</b>	<b>2002</b>
Expenses:		
Registration expenses	\$ 103,233	\$ 83,904
Marketing and advertising expenses	49,000	37,200
Professional fees	17,608	8,092
Other	2,205	2,611
Total expenses	<u>172,046</u>	<u>131,807</u>
Net loss	<u>\$ (172,046)</u>	<u>\$ (131,807)</u>

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

**Artisan Distributors LLC**  
**Statements of Changes in Member's Equity**

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	For the Year Ended December 31,	
	2003	2002
Paid-in capital:		
Balance at beginning of period	\$ 803,554	\$ 661,043
Capital contributions from Artisan Partners Limited Partnership	180,809	142,511
Balance at end of period	<u>984,363</u>	<u>803,554</u>
Accumulated deficit:		
Balance at beginning of period	(611,665)	(479,858)
Net loss	(172,046)	(131,807)
Balance at end of period	<u>(783,711)</u>	<u>(611,665)</u>
Total member's equity	<u>\$ 200,652</u>	<u>\$ 191,889</u>

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

**Artisan Distributors LLC**  
**Statements of Cash Flows**

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	For the Year Ended December 31,	
	2003	2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (172,046)	\$ (131,807)
Adjustments to reconcile net loss to net cash used by operating activities:		
Change in:		
Prepaid expenses	(9,065)	(10,285)
Accounts payable	600	(200)
Net cash used by operating activities	<u>(180,511)</u>	<u>(142,292)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Capital contributions from Artisan Partners Limited Partnership	<u>180,809</u>	<u>142,511</u>
Net cash provided by financing activities	<u>180,809</u>	<u>142,511</u>
Net increase in cash and cash equivalents	298	219
Cash and cash equivalents, beginning of year	<u>114,057</u>	<u>113,838</u>
Cash and cash equivalents, end of year	<u>\$ 114,355</u>	<u>\$ 114,057</u>

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

**Artisan Distributors LLC**  
**Notes to Financial Statements**  
**December 31, 2003 and 2002**

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**1. Nature of Operations**

Artisan Distributors LLC (the "Company") was formed as a limited liability company in the State of Wisconsin on December 11, 1997. The Company's exclusive activity is to act as principal distributor of Artisan Funds, Inc., a registered open-end, diversified, management investment company, presently consisting of seven no-load mutual funds. The Company's sole member is Artisan Partners Limited Partnership ("Artisan Partners"), a registered investment adviser, which acts as the adviser to Artisan Funds, Inc.

The Company commenced operations on October 29, 1998 and is a registered broker-dealer under the Securities Exchange Act of 1934.

**2. Summary of Significant Accounting Policies**

**Cash and cash equivalents**

The Company defines cash and cash equivalents as all highly liquid investments subject to insignificant interest rate and market risk with maturities of 90 days or less. Cash and cash equivalents are stated at cost which approximates value.

**Prepaid expenses and funds on deposit**

Prepaid expenses represent registration expenses paid to the National Association of Securities Dealers (NASD) for 2004. Funds on deposit represent deposits with NASD for future registration and advertising filings. Registration expenses are calculated on a per agent basis. All agents of the Company are officers or employees of Artisan Partners.

**Revenue**

It is anticipated that the Company will not generate any revenues as distributor of Artisan Funds, Inc. If any revenues are generated by the Company from any sources, such revenues will be recorded in the financial statements of the Company.

**Use of estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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 the reported amounts of revenue and expense during the reporting period. Actual results may differ from those estimates.

**3. Related Party Transactions**

All direct expenses attributable to the Company, such as registration, licensing, professional fees and marketing fees are accrued and recorded in the Company's financial statements. Other expenses which are not identified as direct expenses, such as rent, utilities and administrative expenses, or which are not specifically attributable to the Company, are paid directly by Artisan Partners and recorded on the books and records of Artisan Partners.

**Artisan Distributors LLC**  
**Notes to Financial Statements**  
**December 31, 2003 and 2002**

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**4. Income Taxes**

The Company is considered a division of Artisan Partners for federal and state income tax purposes. Artisan Partners is a limited partnership and is not subject to federal or state income tax. Accordingly, the Company is not subject to federal or state income tax and no provision for income taxes is required.

**5. Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission's (the "SEC") Uniform Net Capital Rule ("Rule 15c3-1") which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined by the SEC, shall not exceed 15 to 1. On December 31, 2003, the Company's ratio of aggregate indebtedness to net capital was .06 to 1 and net capital was \$107,755, which was \$82,755 in excess of the minimum capital required of \$25,000. Artisan Partners has agreed to make sufficient capital contributions to the Company to keep the Company's net capital from falling below its required minimum net capital requirements.

# Artisan Distributors LLC

## Schedule I – Computation of Net Capital Pursuant to Rule 15c3-1

December 31, 2003

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### Net capital

Total member's equity	\$ 200,652
Total member's equity qualified for net capital	\$ 200,652
Total capital and allowable subordinated liabilities	\$ 200,652
Deduction of total nonallowable assets	92,897
Net capital before haircuts on securities	107,755
Haircuts on securities	-
Net capital	\$ 107,755

### Aggregate Indebtedness

Total aggregate indebtedness liabilities	\$ 6,600
Total aggregate indebtedness	\$ 6,600

### Computation of Basic Net Capital Requirements

Minimum net capital required (greater of \$25,000 or 6 2/3% of total aggregate indebtedness)	\$ 25,000
Excess capital	\$ 82,755
Percentage of aggregate indebtedness to net capital	6%

**Artisan Distributors LLC**  
**Additional Information Required by Rule 17a-5**  
**December 31, 2003**

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**SCHEDULE II**

Computation for Determination of Reserve Requirements  
Pursuant to Rule 15c3-3

Artisan Distributors LLC is exempt from Rule 15c3-3 under the provisions of Rule 15c3-3(k)(1) which exempts broker-dealers whose transactions are limited to the sale and redemption of redeemable securities of registered investment companies.

**SCHEDULE III**

Reconciliation Pursuant to Rule 17a-5(d)(4)

No differences exist between the audited financial statements of Artisan Distributors LLC and the unaudited Focus Report IIA – Form X-17a-5 as of December 31, 2003.

**Report of Independent Auditors on Internal  
Control Required by SEC Rule 17a-5**

To the Board of Directors and Member of  
Artisan Distributors LLC

In planning and performing our audit of the financial statements and supplemental schedules of Artisan Distributors LLC (the "Company") for the year ended December 31, 2003, we considered its internal control, 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.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (the "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) including the following:

1. Making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11); and
2. 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 the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13;
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System; and
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

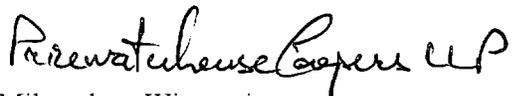
The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control 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 accordance with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of internal control to future periods is subject to the risk that controls 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 one or more 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 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, 2003 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the National Association of Securities Dealers, Inc., 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.



Milwaukee, Wisconsin  
February 5, 2004