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

SEC FILE NUMBER  
B-40024

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

FEB 26 2004

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: Slavic Investment Corporation

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

5400 Broken Sound Blvd., N.W. Suite 500

(No. and Street)

Boca Raton

Florida

33487

(City)

(State)

(Zip Code)

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

John Slavic and/or Dan Carlen

561-241-9244

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Goldstein, Zugman, Weinstein & Poole, LLC

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

4875 North Federal Highway, Fourth Floor, Fort Lauderdale, Florida

33308-4610

(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 25 2004

THOMSON  
FINANCIAL

**FOR OFFICIAL USE ONLY**

\*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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SEC 1410 (06-02)

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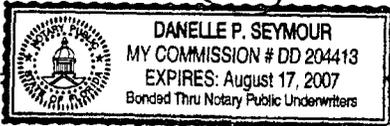
OATH OR AFFIRMATION

I, John J. Slavic, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Slavic Investment Corporation 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature  
**JOHN J. SLAVIC**  
**PRESIDENT**

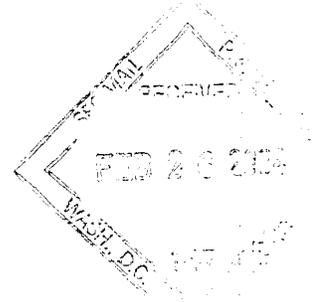
*Danelle P. Seymour*  
Notary Public



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.
- (o) Independent auditors' report on internal accounting control.

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



SLAVIC INVESTMENT CORPORATION  
FINANCIAL STATEMENTS  
DECEMBER 31, 2003  
AND INDEPENDENT AUDITORS' REPORT

SLAVIC INVESTMENT CORPORATION  
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AND FOR THE YEAR THEN ENDED

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February 6, 2004

Board of Directors  
Slavic Investment Corporation  
Boca Raton, Florida

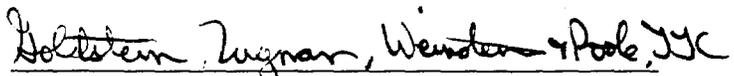
### INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of financial condition of Slavic Investment Corporation as of December 31, 2003 and the related statements of income, changes in stockholders' equity, and cash flows for the year 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 auditing standards generally accepted in the United States of America. 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 Slavic Investment Corporation as of December 31, 2003, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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.

  
GOLDSTEIN, ZUGMAN,  
WEINSTEIN & POOLE, LLC

SLAVIC INVESTMENT CORPORATION  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2003

ASSETS

Cash	\$ 35,632
Concessions receivable	79,230
Prepaid expenses	<u>706</u>
TOTAL ASSETS	<u>\$115,568</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	
Commissions payable	\$ 3,700
Income taxes payable	<u>6,057</u>
Total Liabilities	<u>9,757</u>
STOCKHOLDERS' EQUITY	
Common stock, \$.01 par value; 300,000 shares authorized, 273,000 issued and outstanding	2,730
Additional paid-in capital	870
Retained earnings	<u>102,211</u>
Total Stockholders' Equity	<u>105,811</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$115,568</u>

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

SLAVIC INVESTMENT CORPORATION  
STATEMENT OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2003

REVENUES		
Concessions	\$ 868,682	
Other income	<u>940</u>	
Total Revenues		\$869,622
EXPENSES		
Commissions	66,535	
Consulting fees	180,333	
Office services – Related party	560,743	
Licenses, taxes and registration fees	23,585	
Professional fees	6,900	
Dues and subscription	<u>295</u>	
Total Expenses		<u>838,391</u>
Income Before Income Taxes		31,231
Income tax expense		<u>7,032</u>
NET INCOME		<u>\$ 24,199</u>

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

SLAVIC INVESTMENT CORPORATION  
 STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Common <u>Stock</u>	Additional Paid-In <u>Capital</u>	Retained <u>Earnings</u>	<u>Total</u>
BALANCES - January 1, 2003	\$2,730	\$870	\$ 78,012	\$ 81,612
Net Income	—	—	<u>24,199</u>	<u>24,199</u>
BALANCES - DECEMBER 31, 2003	<u>\$2,730</u>	<u>\$870</u>	<u>\$102,211</u>	<u>\$105,811</u>

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

SLAVIC INVESTMENT CORPORATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES

Net income		\$24,199
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease in deposits with clearing broker	\$ 15,000	
Increase in concessions receivable	(7,386)	
Increase in prepaid expenses	(519)	
Decrease in accounts payable	(4,515)	
Decrease in commissions payable	(1,055)	
Increase in income tax payable	<u>(775)</u>	
Total Adjustments		<u>750</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES AND NET INCREASE IN CASH		24,949
Cash - Beginning of Year		<u>10,683</u>
CASH - End of Year		<u>\$35,632</u>

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

SLAVIC INVESTMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

**NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES**

Slavic Investment Corporation (the "Company") is a registered general securities broker/dealer. The Company's business consists of executing mutual fund transactions, life insurance annuities and cash net lease limited partnerships on an application way method for its customers. In addition, for certain customers, the Company is a fully disclosed introducing broker/dealer. The Company does not hold funds or securities for customers and does not carry accounts of, or for, customers.

**REVENUE RECOGNITION**

Revenues and the related commission expense generated from customers purchasing of mutual funds, life insurance contracts and cash net lease limited partnerships are recorded on the settlement date.

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - RELATED PARTY TRANSACTIONS**

The stockholders of the Company are also stockholders of Slavic Mutual Funds Management Corporation ("SMF"), a registered investment advisor. Principal stockholders of the Company are also stockholders of Slavic Numismatic Corporation. Substantially all concession revenues result from the purchase of mutual funds on behalf of the clients of SMF.

The Company has an agreement with SMF to pay them for various overhead expenses including rent which totaled \$560,743 in 2003.

The stockholders of the Company are also stockholders of Slavic Integrated Administration, Inc. ("SIA"), a retirement plan administrator. The clients of SIA utilize the services of the Company to purchase mutual funds for their participants and also at times utilize the investment advisor services of SMF.

Consulting fees in the amount of \$180,333 were paid to certain stockholders in 2003.

SIA has a bank Line of Credit Commitment and Agreement for short-term working capital in the amount of \$550,000, due on demand. As of December 31, 2003, there was a \$130,000 outstanding balance on the line of credit. On January 16, 2004, the Company repaid the line of credit in the amount of \$130,000.

SLAVIC INVESTMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

NOTE 2 - RELATED PARTY TRANSACTIONS (Continued)

The line of credit of SIA was secured by a general business security agreement covering substantially all assets of SIA, SMF and the Company, and was guaranteed by certain stockholders.

NOTE 3 - NET CAPITAL REQUIREMENT

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital as defined in such Rule. At December 31, 2003, the Company's net capital was \$28,784, compared with the required minimum net capital of \$5,000. Under the Rule, aggregate indebtedness may not exceed 1500% of net capital. At December 31, 2003, the Company's ratio of aggregate indebtedness amounted to 33.9% of net capital.

NOTE 4 - CLEARING ARRANGEMENTS

The Company clears on a fully-disclosed basis with SunGard Investment Products, Inc. and Mid-Atlantic Capital Corporation who clear trades for the Company and certain customers who are participants in employee benefit plans. Clearing deposits are not required.

NOTE 5 - CONCENTRATION OF CREDIT RISK

The Company maintains its cash balances in a financial institution in Boca Raton, Florida. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000 in each institution. At December 31, 2003, the Company had no uninsured cash balances in financial institutions.

NOTE 6 - LEASE COMMITMENT

The Company, SIA and SMF lease office space under a lease that expires February 28, 2006. Office services expense includes rent.

Future minimum rent payments for the remaining term of the lease are as follows:

2004	\$209,534
2005	204,186
2006	<u>34,197</u>
Total	<u>\$447,917</u>

SLAVIC INVESTMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

NOTE 7 - RETIREMENT PLAN

The Company adopted the Slavic Mutual Funds Management Corporation 401(k) Savings Plan. Participants may contribute 1% to 15% of their compensation. The Company, at its discretion, may make contributions to the plan based on a percentage of the employee's salary contribution.

**SUPPLEMENTARY INFORMATION**

SLAVIC INVESTMENT CORPORATION  
SCHEDULE I  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE  
SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2003

NET CAPITAL

Total stockholders' equity qualified for net capital	\$105,811
Allowable liabilities subordinated to claims of general creditors	<u>0</u>
<b>TOTAL EQUITY CAPITAL AND ALLOWABLE SUBORDINATED LIABILITIES</b>	<b><u>105,811</u></b>
DEDUCTIONS AND/OR CHARGES	
Non-allowable assets	
Concessions receivable	76,321
Prepaid expenses	<u>706</u>
Total Non-Allowable Assets	<u>77,027</u>
NET CAPITAL BEFORE HAIRCUTS ON SECURITIES POSITION	28,784
HAIRCUTS ON SECURITIES	<u>0</u>
NET CAPITAL	28,784
COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS:	
Minimum dollar net capital requirement of reporting broker or dealer	<u>5,000</u>
EXCESS NET CAPITAL	<u>\$ 23,784</u>
AGGREGATE INDEBTEDNESS:	
Accounts payable	\$ 0
Commissions payable	3,700
Income taxes payable	<u>6,057</u>
Total Aggregate Indebtedness	<u>\$ 9,757</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL	<u>.339 to 1</u>
RECONCILIATION WITH COMPANY'S COMPUTATION (INCLUDED IN PART II OF FORM X-17A-5 AS OF DECEMBER 31, 2003)	
Net capital, as reported in Company's Part II (unaudited) FOCUS report	\$27,212
Audit adjustments	<u>1,572</u>
NET CAPITAL PER ABOVE	<u>\$28,784</u>

SLAVIC INVESTMENT CORPORATION  
SCHEDULE II  
STATEMENT PURSUANT TO RULE 17a-5(d)(2)  
OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2003

The Company had no liability subordinated to claims of general creditors as of January 1, 2003. In addition, there were none in existence during the year ended December 31, 2003 and, accordingly, there are no changes to report.

SLAVIC INVESTMENT CORPORATION  
SCHEDULE III  
STATEMENT PURSUANT TO INFORMATION RELATING TO THE  
POSSESSION AND CONTROL REQUIREMENTS UNDER RULE 15c3-3  
OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2003

Slavic Investment Corporation is exempt from Rule 15c3-3 under (k)(2)(ii) because all customer transactions are cleared through another broker/dealer on a fully disclosed basis. During the year, the Company did not hold customers' funds or securities. Slavic Investment Corporation was in compliance with the conditions of exemption.

SLAVIC INVESTMENT CORPORATION  
SCHEDULE IV  
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2003

As of December 31, 2003, Slavic Investment Corporation had no credit items that would result in a reserve requirement.

February 6, 2004

Board of Directors  
Slavic Investment Corporation

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
REQUIRED BY SEC RULE 17a-5 FOR A BROKER - DEALER  
CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3**

In planning and performing our audit of the financial statements and supplemental schedules of Slavic Investment Corporation for the year ended December 31, 2003, 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 (the "Commission"), we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by the Company that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in 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, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

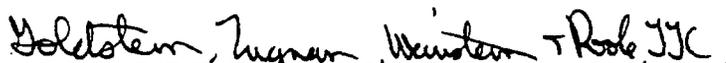
The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control 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 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 preparation of financial statements in conformity 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 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 the 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 component does not reduce to a relatively low level the risk that errors 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 procedures 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 Commission 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 Commission's objectives.

This report is intended solely for the use of the Board of Directors, management, the Securities and Exchange Commission and the National Association of Securities Dealers and other regulatory agencies which 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.

  
GOLDSTEIN, ZUGMAN,  
WEINSTEIN & POOLE, LLC