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

OMB APPROVAL  
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hours per response..... 12.00

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

RECEIVED

MAR 28 2007

SEC FILE NUMBER  
8-29946

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 01/01/06 AND ENDING 12/31/06  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Westcountry Financial  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
689 RUNNING CEDAR  
(No. and Street)

OFFICIAL USE ONLY  
FIRM I.D. NO.

MARS HILL, NC 28754  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
JAMES S. SCHMITT (828) 689-8335  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
GELLER EPERTHENER & McCONNELL, LLP  
(Name - if individual, state last, first, middle name)  
6700 E. PACIFIC COAST HIGHWAY, SUITE 230, LONG BEACH, CA 90803  
(Address) (City) (State) (Zip Code)

PROCESSED  
APR 17 2007  
THOMSON  
FINANCIAL

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

**FOR OFFICIAL USE ONLY**

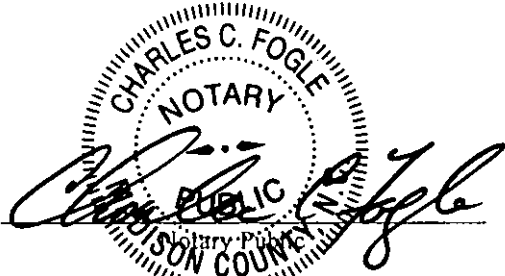
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

4/10/07

4/10/07

OATH OR AFFIRMATION

I, JAMES S. SCHMITT, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of WESTCOUNTRY FINANCIAL, as of DECEMBER 31, 2006, 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:



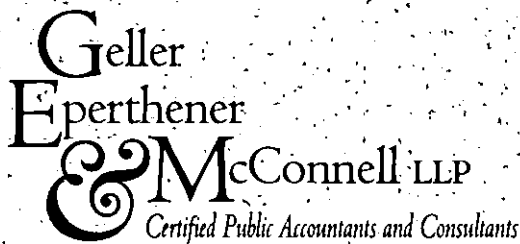
[Signature]  
Signature  
PROPRIETOR/OWNER  
Title

MY COMMISSION EXPIRES 12/01/2007

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 15c3-1 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).



Mitchell R. Geller, C.P.A.  
Steven D. Eperthener, C.P.A.  
William L. McConnell, C.P.A.

To the Principal of Westcountry Financial

Independent Auditor's Report

We have audited the accompanying statement of financial condition of Westcountry Financial as of December 31, 2006 statements of income and changes in financial condition 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 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 Westcountry Financial as of December 31, 2006, and the results of its operations and changes in its financial condition for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In connection with our examination, we have also examined the supplementary schedules on pages 3, 4, 6, and 7 of the Financial and Operation Combined Uniform Single Report, Part IIA, as prescribed in Rule 17a-5 of the General Rules and Regulations of the Securities and Exchange Commission. Further, we have determined that the reconciliation pursuant of Rule 17a-5 (d) (4) is not necessary. We also determined that Westcountry Financial during the period ended December 31, 2006 was in compliance with the exemptive provisions of Rule 15c-3-3, (k) (2) (A) in that it carried no margin accounts, handled no customer funds or securities, and held no funds or securities for, nor owed money or securities to, its customers. In our opinion, the supplementary schedules examined by us at December 31, 2006, present fairly the information included therein in conformity with the rules of the Securities and Exchange Commission.

*Geller, Eperthener & McConnell, LLP*

Certified Public Accountants

February 28, 2007  
Long Beach, California

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER

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## STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) 12/31/06 99  
 SEC FILE NO. 8-29946 98  
 Consolidated   198  
 Unconsolidated  199

	<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
1. Cash .....	\$ 7,500		\$7,500
2. Receivables from brokers or dealers:			
A. Clearance account .....	5,043		
B. Other .....	300		
3. Receivable from non-customers .....	355	652,108	652,108
4. Securities and spot commodities owned at market value:			
A. Exempted securities .....	418		
B. Debt securities .....	419		
C. Options .....	420		
D. Other securities .....	218,063		
E. Spot commodities .....	430		218,063
5. Securities and/or other investments not readily marketable:			
A. At cost $\frac{1}{2}$ \$ .....	130		
B. At estimated fair value .....	440	610	860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:			
A. Exempted securities \$ .....	460	630	880
B. Other securities \$ .....	150		
7. Secured demand notes: .....	470	640	890
Market value of collateral:			
A. Exempted securities \$ .....	170		
B. Other securities \$ .....	180		
8. Memberships in exchanges:			
A. Owned, at market \$ .....	190		
B. Owned, at cost .....		650	
C. Contributed for use of the company, at market value .....		660	900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships .....	480	670	910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization .....	490	680	920
11. Other assets .....	535	10,000	10,000
12. TOTAL ASSETS .....	\$ 230,606	\$ 662,108	\$892,714

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

as of 12/31/06

WESTCOUNTRY FINANCIAL

### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

#### LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
13. Bank loans payable .....	\$ 31,031 <span style="border: 1px solid black; padding: 0 5px;">1045</span>	\$ <span style="border: 1px solid black; padding: 0 5px;">1255</span> <sup>13</sup>	\$ 31,031 <span style="border: 1px solid black; padding: 0 5px;">1470</span>
14. Payable to brokers or dealers:			
A. Clearance account .....	<span style="border: 1px solid black; padding: 0 5px;">1114</span>	<span style="border: 1px solid black; padding: 0 5px;">1315</span>	<span style="border: 1px solid black; padding: 0 5px;">1560</span>
B. Other .....	<span style="border: 1px solid black; padding: 0 5px;">1115</span>	<span style="border: 1px solid black; padding: 0 5px;">1305</span>	<span style="border: 1px solid black; padding: 0 5px;">1540</span>
15. Payable to non-customers .....	<span style="border: 1px solid black; padding: 0 5px;">1155</span>	<span style="border: 1px solid black; padding: 0 5px;">1355</span>	<span style="border: 1px solid black; padding: 0 5px;">1610</span>
16. Securities sold not yet purchased, at market value .....		<span style="border: 1px solid black; padding: 0 5px;">1360</span>	<span style="border: 1px solid black; padding: 0 5px;">1620</span>
17. Accounts payable, accrued liabilities, expenses and other .....	<span style="border: 1px solid black; padding: 0 5px;">1205</span>	<span style="border: 1px solid black; padding: 0 5px;">1385</span>	<span style="border: 1px solid black; padding: 0 5px;">1685</span>
18. Notes and mortgages payable:			
A. Unsecured .....	<span style="border: 1px solid black; padding: 0 5px;">1210</span>		<span style="border: 1px solid black; padding: 0 5px;">1690</span>
B. Secured .....	<span style="border: 1px solid black; padding: 0 5px;">1211</span> <sup>12</sup>	<span style="border: 1px solid black; padding: 0 5px;">1390</span> <sup>14</sup>	<span style="border: 1px solid black; padding: 0 5px;">1700</span>
19. E. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders <sup>7</sup> \$ <span style="border: 1px solid black; padding: 0 5px;">970</span>			
2. includes equity subordination (15c3-1(d)) of ... \$ <span style="border: 1px solid black; padding: 0 5px;">980</span>			
B. Securities borrowings, at market value from outsiders \$ <span style="border: 1px solid black; padding: 0 5px;">990</span>		<span style="border: 1px solid black; padding: 0 5px;">1410</span>	<span style="border: 1px solid black; padding: 0 5px;">1720</span>
C. Pursuant to secured demand note collateral agreements .....		<span style="border: 1px solid black; padding: 0 5px;">1420</span>	<span style="border: 1px solid black; padding: 0 5px;">1730</span>
1. from outsiders \$ <span style="border: 1px solid black; padding: 0 5px;">1000</span>			
2. includes equity subordination (15c3-1(d)) of ... \$ <span style="border: 1px solid black; padding: 0 5px;">1010</span>			
D. Exchange memberships contributed for use of company, at market value .....		<span style="border: 1px solid black; padding: 0 5px;">1430</span>	<span style="border: 1px solid black; padding: 0 5px;">1740</span>
E. Accounts and other borrowings not qualified for net capital purposes .....	<span style="border: 1px solid black; padding: 0 5px;">1220</span>	<span style="border: 1px solid black; padding: 0 5px;">1440</span>	<span style="border: 1px solid black; padding: 0 5px;">1750</span>
20. TOTAL LIABILITIES .....	\$ <span style="border: 1px solid black; padding: 0 5px;">1230</span>	\$ <span style="border: 1px solid black; padding: 0 5px;">1450</span>	\$ 31,031 <span style="border: 1px solid black; padding: 0 5px;">1760</span>
<b>Ownership Equity</b>			
21. Sole Proprietorship .....			<sup>15</sup> \$ 861,683 <span style="border: 1px solid black; padding: 0 5px;">1770</span>
22. Partnership (limited partners) .....	<sup>11</sup> (\$ <span style="border: 1px solid black; padding: 0 5px;">1020</span> )		<span style="border: 1px solid black; padding: 0 5px;">1780</span>
23. Corporation:			
A. Preferred stock .....			<span style="border: 1px solid black; padding: 0 5px;">1791</span>
B. Common stock .....			<span style="border: 1px solid black; padding: 0 5px;">1792</span>
C. Additional paid-in capital .....			<span style="border: 1px solid black; padding: 0 5px;">1793</span>
D. Retained earnings .....			<span style="border: 1px solid black; padding: 0 5px;">1794</span>
E. Total .....			<span style="border: 1px solid black; padding: 0 5px;">1795</span>
F. Less capital stock in treasury .....		<sup>16</sup> ( <span style="border: 1px solid black; padding: 0 5px;">1796</span> )	<span style="border: 1px solid black; padding: 0 5px;">1796</span>
24. TOTAL OWNERSHIP EQUITY .....			\$ 861,683 <span style="border: 1px solid black; padding: 0 5px;">1800</span>
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....			\$ 892,714 <span style="border: 1px solid black; padding: 0 5px;">1810</span>

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER

as of 12/31/06

**WESTCOUNTRY FINANCIAL**

## COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition .....	\$ 861,683		3480
2. Deduct ownership equity not allowable for Net Capital .....		19 (	3490
3. Total ownership equity qualified for Net Capital .....	861,683		3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital .....			3520
B. Other (deductions) or allowable credits (List) .....			3525
5. Total capital and allowable subordinated liabilities .....	\$		3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C) .....	17 \$662,108		3540
B. Secured demand note delinquency .....			3590
C. Commodity futures contracts and spot commodities – proprietary capital charges .....			3600
D. Other deductions and/or charges .....			3610
		( 662,108 )	3620
7. Other additions and/or allowable credits (List) .....			3630
8. Net capital before haircuts on securities positions .....	20 \$		199,575
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments .....	\$		3660
B. Subordinated securities borrowings .....			3670
C. Trading and investment securities:			
1. Exempted securities .....	18		3735
2. Debt securities .....			3733
3. Options .....	32,709		3730
4. Other securities .....	12,108		3734
D. Undue Concentration .....			3650
E. Other (List) .....			3736
		( 44,817 )	3740
10. Net Capital .....	\$		154,758
			3750

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

as of 12/31/06

**WESTCOUNTRY FINANCIAL**

### COMPUTATION OF NET CAPITAL REQUIREMENT

**Part A**

11. Minimum net capital required (6 $\frac{1}{2}$ % of line 19) .....	\$ 2,068	3758
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$ 100,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$ 100,000	3760
14. Excess net capital (line 10 less 13) .....	\$ 54,758	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$ 151,655	3780

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition .....	\$ 31,031	3790
17. Add:		
A. Drafts for immediate credit .....	\$ 3800	3800
B. Market value of securities borrowed for which no equivalent value is paid or credited .....	\$ 3810	3810
C. Other unrecorded amounts (List) .....	\$ 3820	3820
18. Total aggregate indebtedness .....	\$ 31,031	3840
19. Percentage of aggregate indebtedness to net capital (line 18 ÷ by line 10) .....	%	3850
20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) .....	%	3860

### COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

**Part B**

21. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits .....	\$	3970
22. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$ 3880	3880
23. Net capital requirement (greater of line 21 or 22) .....	\$ 3760	3760
24. Excess capital (line 10 less 23) .....	\$ 3910	3910
25. Net capital in excess of the greater of:		
A. 5% of combined aggregate debit items or \$120,000 .....	\$ 3920	3920

**NOTES:**

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
  1. Minimum dollar net capital requirement, or
  2. 6 $\frac{1}{2}$ % of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

WESTCOUNTRY FINANCIAL

For the period (MMDDYY) from 12/01/06 to 12/31/06 3933  
 Number of months included in this statement 12 3931

### STATEMENT OF INCOME (LOSS)

**REVENUE**

1. Commissions:			
a. Commissions on transactions in exchange listed equity securities executed on an exchange .....	\$ 83,976		3935
b. Commissions on listed option transactions .....	14,333		3938
c. All other securities commissions .....			3939
d. Total securities commissions .....	98,309		3940
2. Gains or losses on firm securities trading accounts			
a. From market making in options on a national securities exchange .....			3945
b. From all other trading .....			3949
c. Total gain (loss) .....			3950
3. Gains or losses on firm securities investment accounts .....	63,073		3952
4. Profit (loss) from underwriting and selling groups .....			3955
5. Revenue from sale of investment company shares .....			3970
6. Commodities revenue .....			3990
7. Fees for account supervision, investment advisory and administrative services .....			3975
8. Other revenue .....	2,350		3995
9. Total revenue .....	\$ 163,732		4030

**EXPENSES**

10. Salaries and other employment costs for general partners and voting stockholder officers .....			
11. Other employee compensation and benefits .....			4120
12. Commissions paid to other broker-dealers .....	64,457		4115
13. Interest expense .....	832		4140
a. Includes interest on accounts subject to subordination agreements .....	4070		4075
14. Regulatory fees and expenses .....	5,446		4195
15. Other expenses .....	40,510		4100
16. Total expenses .....	\$ 111,245		4200

**NET INCOME**

17. Income (loss) before Federal income taxes and items below (Item 9 less Item 16) .....			
18. Provision for Federal income taxes (for parent only) .....	\$ 52,487		4210
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above .....			4220
a. After Federal income taxes of .....	4338		4222
20. Extraordinary gains (losses) .....			4224
a. After Federal income taxes of .....	4239		4225
21. Cumulative effect of changes in accounting principles .....			4225
22. Net income (loss) after Federal income taxes and extraordinary items .....	\$ 52,487		4230

**MONTHLY INCOME**

23. Income (current month only) before provision for Federal income taxes and extraordinary items .....			
	\$		4211



# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

WESTCOUNTRY FINANCIAL

For the period (MMDDYY) from 01/01/06 to 12/31/06

### STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period .....	\$819,197	4240
A. Net income (loss) .....	52,487	4250
B. Additions (Includes non-conforming capital of .....	\$ 4262 )	4260
C. Deductions (Includes non-conforming capital of .....	\$ 4272 )	4270
2. Balance, end of period (From item 1800) .....	\$861,683	4290

### STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period .....	\$ 4300	4300
A. Increases .....		4310
B. Decreases .....		4320
4. Balance, end of period (From item 3520) .....	\$ 4330	4330

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER **WESTCOUNTRY FINANCIAL**

as of 12/31/06

### EXEMPTIVE PROVISION UNDER RULE 15c3-3

24. If an exemption from Rule 15c3-1 is claimed, identify below the section upon which such exemption is based (check one only)

A. (k)(1) — \$2,500 capital category as per Rule 15c3-1 .....	4550	
B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained .....	4560	
C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm <sup>30</sup> <u>WEDBUSH MORGAN SECURITIES, INC.</u> <span style="border: 1px solid black; padding: 0 5px;">4335</span>	OTHER	4570
D. (k)(3) — Exempted by order of the Commission (include copy of letter) .....	4580	

### Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

	Type of Proposed Withdrawal or Accrual (See below for code)	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
31	4600	4601	4602	4603	4604	4605
32	4610	4611	4612	4613	4614	4615
33	4620	4621	4622	4623	4624	4625
34	4630	4631	4632	4633	4634	4635
35	4640	4641	4642	4643	4644	4645
Total \$ <sup>36</sup>				4699		

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Instructions: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

<b>WITHDRAWAL CODE:</b>	<b>DESCRIPTIONS</b>
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals

WESTCOUNTRY FINANCIAL  
STATEMENT OF CHANGES IN FINANCIAL CONDITION  
For The Year Ended December 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES

NET INCOME	\$ 52,487
Adjustments to reconcile net income to net cash used by operating activities:	
Gain on Sale of Securities	( 63,073)
Adjustment of securities to market value	( 52,656)
Increase in payables	20,214
Increase in receivables	<u>( 9,794)</u>
Net cash provided by operating activities	( 52,822)

CASH FLOWS FROM INVESTING ACTIVITIES

Sales of securities	343,045
Purchase of securities	<u>(284,433)</u>
Net cash used by investing activities	58,612
Increase in cash	5,790
Cash at beginning of year	<u>1,710</u>
Cash at end of year	<u>\$ 7,500</u>

Westcountry Financial  
Sec. File No., 8-29946

Supplemental Information

December 31, 2006

1. In connection with the examination of Westcountry Financial for the period ended December 31, 2006, no material differences exist between the computation of net capital per the company's most recent unaudited Focus Report Part IIA and the computation of net capital under Rule 15c3-1.

2. Computation of Reserve Requirements Pursuant to Rule 15c3-3:

The Company is a "Fully Disclosed Broker-Dealer" and does not carry customer accounts and does not accept customer funds or securities. As such the Company has claimed exemption from the provisions of Rule 15c3-3 under section (k)(2)(ii) of the Securities Exchange Act of 1934.

3. Information Relating to Possession or Control Requirements under Rule 15c3-3:

The Company is exempt from Rule 15c3-3 under the exemptive provision of section (k)(2)(ii) and, accordingly, has no possession or control requirements.

*Geller, Spenthorpe & McConnell LLP*

Certified Public Accountants

WESTCOUNTRY FINANCIAL  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

1. Summary of significant accounting policies

Nature of Business

Westcountry Financial is doing business as a sole proprietorship.

Basis of Accounting

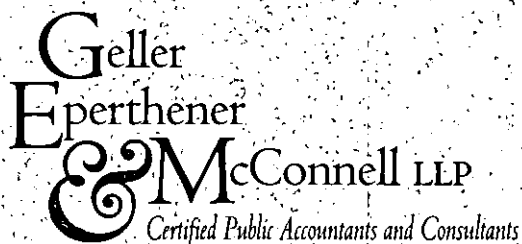
Westcountry Financial's accounting records are maintained on the accrual basis of accounting. Generally, revenues are recognized when earned and measurable and expenses are recognized when incurred, if measurable.

Marketable Securities

Marketable securities are classified as trading securities and are stated at fair market value on the balance sheet. The change in fair market value during the period is included income.

Cash and cash equivalents

For purposes of the balance sheet and statement of cash flows, Westcountry Financial considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.



Mitchell R. Geller, C.P.A.  
Steven D. Eperthener, C.P.A.  
William L. McConnell, C.P.A.

To The Principal of Westcountry Financial

In planning and performing our audit of the financial statements of Westcountry Financial for the year ended December 31, 2006, 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 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(e)(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 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 on 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 of 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 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

To The Principal of Westcountry Financial  
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Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to further 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 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 material respects indicate a material inadequacy for such purposes. Based on the understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2006, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the NASD and other regulatory agencies that rely on rule 17a-5(g) under 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.

*Geller, Epertener & McConnell LLP*

GELLER EPERTENER & McCONNELL, LLP

Long Beach, CA  
February 28, 2007

**END**