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UNITED STATES  
SANDEXCHANGE COMMISSION  
Washington, D.C. 20549

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

SEC FILE NUMBER  
8- 35609

MAR 10 2009

Washington, DC  
105

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

FACING PAGE

REPORT FOR THE PERIOD BEGINNING 01-01-08 AND ENDING 12-31-08  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Sausley Securities, Inc.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY  
FIRM I.D. NO.

1201 Enterprise #644 (No. and Street)  
League City Texas 77573  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Sandra K. Sausley (Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

MSR, LLP (Thomas G. Richards, CPA)  
(Name - if individual, state last, first, middle name)  
715 Clear Lake Road Clear Lake Shores, Texas 77565  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

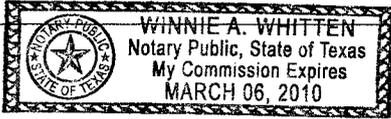
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

JD  
3/25/09

OATH OR AFFIRMATION

I, SANDRA SAUSLEY, PRESIDENT, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SANDRA SAUSLEY, INC, as of DECEMBER 31,, 2008, 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:



Sandra Sausley  
Signature

PRESIDENT  
Title

Winnie A. Whitten  
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 15c3-1 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).

**MSR, LLP, CERTIFIED PUBLIC ACCOUNTANTS**  
**Thomas G. Richards, CPA**

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715 Clear Lake Road ◊ Clear Lake Shores, Texas 77565 ◊ 281 535 0515; Fax 281 334 6215

**Independent Auditor's Report**

Board of Directors  
Sausley Securities, Inc.

We have audited the accompanying statement of financial condition of Sausley Securities, Inc. as of December 31, 2008, and the related statements of income, changes in stockholder's equity and cash flows 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 the 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 from 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 Sausley Securities, Inc., as of December 31, 2008, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I and II 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 of the Securities and Exchange Commission. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all respects in relation to the basic financial statements taken as a whole.

*Thomas G. Richards, CPA*

MSR LLP  
February 24, 2009

**SAUSLEY SECURITIES, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**December 31, 2008**

**ASSETS:**

Cash	11	
Marketable Securities Aim Funds ( at market)	43,921	
Marketable Securities NASDAQ ( at market)	2,471	
Deferred Federal Income Tax Credit	5,820	
<b>TOTAL ASSETS</b>		<b><u>52,223</u></b>

**LIABILITIES & STOCKHOLDER'S EQUITY:**

**Current Liabilities:**

Accounts Payable	1,450	
<b>Total Current Liabilities</b>		<b><u>1,450</u></b>

**STOCKHOLDER'S EQUITY:**

Common Stock, no par value, 10,000 shares authorized, 1,400 shares issued and outstanding	7,000	
Retained Earnings	43,773	
<b>TOTAL STOCKHOLDER'S EQUITY</b>		<b><u>50,773</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>		<b><u>52,223</u></b>

*The accompanying notes are an intergal part of these financial statements*

**SAUSLEY SECURITIES, INC.**  
**STATEMENT OF INCOME**  
**For the Year Ended December 31, 2008**

**REVENUE:**

Commissions	3,572	
Unrealized Loss on Securities	(42,075)	
Sale of Securities	3,500	
Dividends	340	
Long Term Capital Gains	2,303	
Short Term Capital Loss	(300)	
<b>TOTAL REVENUES</b>		<b>(32,660)</b>

**EXPENSES:**

Operating	4,044	
Regulatory Fees & Expenses	650	
Professional Fees	1,450	
<b>TOTAL EXPENSES</b>		<b>6,144</b>

**PROFIT BEFORE INCOME TAXES** **(38,804)**

**PROVISION FOR FEDERAL INCOME TAXES:** **(5,820)**

**NET PROFIT** **(32,984)**

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

SAUSLEY SECURITIES, INC.  
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY  
December 31, 2008

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at January 1, 2008	7,000	76,757	83,757
Net Loss		(32,984)	(32,984)
Balance December 31, 2008	<u>7,000</u>	<u>43,773</u>	<u>50,773</u>

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

**SAUSLEY SECURITIES, INC.**  
**STATEMENT OF CASH FLOWS**  
**December 31, 2008**

**CASH FLOW FROM OPERATING ACTIVITIES**

**Net Loss** (32,984)

**Adjustments to reconcile to net cash provided by operating activities**

Decrease in Deferred Income Taxes 926  
(Decrease) in Income Taxes Payable (6,347)  
(Increase) in Federal Income Tax Receivable (5,820)

**NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** (44,225)

**CASH FLOWS PROVIDED (USED) FROM INVESTING ACTIVITIES**

Reinvested Dividends & Capital Gains (2,643)  
Decrease in Unrealized Gains on Investments 37,285  
Sale of Securities 3,500

**NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES** 38,142

**NET INCREASE IN CASH** (6,083)

**CASH AT BEGINNING OF YEAR** 6,094

**CASH AT END OF YEAR** 11

*The accompanying notes are an intergal part of these financial statements*

**Sausley Securities, Inc.**  
**Notes to Financial Statements**  
**December 31, 2008**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Sausley Securities, Inc. was incorporated December 6, 1985. Since January 1988 the Company has operated as an Introducing Broker/Dealer. As such, the Company solicits sales of mutual fund shares. The Company operates in the Houston, Texas area.

All trades are carried on the books of the mutual fund whose shares are traded on a fully disclosed basis.

**Method of Reporting**

The Company has adopted the method of reporting as set forth by the American Institute of Certified Public Accountants in the Industry Guide Audits of Brokers and Dealers in Securities.

**Revenues and Expenses**

Commission revenues and expense and the related receivable or liability is recorded as of trade date. Investment income is recorded when earned.

**Marketable Securities**

Marketable Securities are valued at market value. The resulting difference between cost and market is included in income. Marketable securities consist of AIM Mutual Fund and NASDAQ shares. Unrealized losses on these investments total \$42,075. Management follows the practice of reinvesting its dividends, and capital gains in the various funds.

**Income Taxes**

Income taxes are accounted for in accordance with the provisions of Statement of Financial Accounting Standards Number 96, which was adopted by the Company on January 1, 1989 and reflects accounting standards under SFAS No. 109, "Accounting for Income Taxes" which superseded APB Opinion No. 11, SFAS No. 96, and numerous related interpretations and amendments and was effective for years beginning after December 15, 1992.

*These notes are an integral part of the financial statements*

**NOTE B – INCOME TAXES**

The Company sustained a loss for tax purposes of \$ 6,356. Generating a tax credit of \$953.00 at December 31, 2008. On a financial reporting basis the Company's loss was \$32,984 after considering the 2008 decrease in marketable value of securities.

**NOTE C – LIABILITIES SUBORDINATED TO THE CLAIMS OF GENERAL CREDITORS**

The Company was not liable on any notes or borrowings that were subordinated to claims of general creditors.

**NOTE D – LOANS FROM STOCKHOLDERS**

There were no loans to or from stockholders at December 31, 2008

*These notes are an integral part of the financial statements.*

**SUPPLEMENTARY INFORMATION**

**SAUSLEY SECURITIES, INC.**  
**Computation of Net Capital Under Rule 15C3-1**  
**Of the Securities and Exchange Commission**  
**Reconciliation to Focus Report**  
**As of December 31, 2008**

	<u>Per Focus Report</u>	<u>Per Audit</u>		<u>Change</u>
Total stockholder's equity qualified for net capital	44,953	50,773	1	5,820
Net capital before haircuts on securities positions	<u>44,953</u>	<u>50,773</u>		<u>5,820</u>
Haircuts on securities positions:				
Other Securities	6,551	6,994	2	443
Net Capital	<u>38,402</u>	<u>43,779</u>		<u>5,377</u>
Net Capital required by Rule 15C3-1(a)(2)	5,000	5,000		0
Excess Net Capital	<u><u>33,402</u></u>	<u><u>38,779</u></u>		<u><u>5,377</u></u>

**Explanations 1.**

1. Accrued Federal Income Taxes Credit	5,820
2. Change in Haircuts	443
<b>Total Net Change</b>	<u><u>5,377</u></u>

**SAUSLEY SECURITIES, INC.**  
**AUDIT REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

SEC  
Mail Processing  
Section  
MAR 10 2009  
Washington, DC  
105

**THOMAS G. RICHARDS, CPA**  
**MSR, LLP**  
**715 Clear Lake Road**  
**Clear Lake Shores, Texas 77565**  
**261 535 0515**

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