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

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: September 30, 1998  
Estimated average burden  
hours per response . . . 12.00



03051911

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

RECEIVED  
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WASH. D.C. 100  
SECTION

SEC FILE NUMBER  
8-45070

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 July 1, 2002 AND ENDING June 30, 2003  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

VUKOVICH SECURITIES, INC.

OFFICIAL USE ONLY  
FIRM ID. NO.

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

2 West Dry Creek Circle, #200

(No. and Street)

Littleton, Colorado 80120

(City)

(State)

(Zip Code)

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

Boris B. Vukovich

(303) 730-2000

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

McGough Accounting & Consulting Services, Inc.

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

31105 Skokie Lane

Evergreen

Colorado

80439

(Address)

(City)

(State)

Zip Code

CHECK ONE:

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

PROCESSED

SEP 12 2003

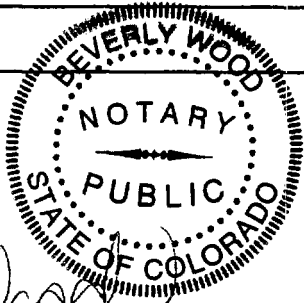
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THOMSON  
FINANCIAL

\*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).

OATH OR AFFIRMATION

I, Boris B. Vukovich, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Vukovich Securities, Inc., as of June 30, ~~19~~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]  
Signature  
President  
Title

Beverly Wood  
Notary Public  
my commission expires 2-18-06

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 Proprietor's 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).

VUKOVICH SECURITIES, INC.

FINANCIAL STATEMENTS

June 30, 2003

McGough Accounting &  
Consulting Services, Inc.  
Evergreen, Colorado USA

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**McGough & Associates, CPA's**  
**McGough Accounting & Consulting Services, Inc.**

31105 Skokie Lane  
Evergreen, CO 80439

Telephone: 303-674-5244  
Facsimile: 303-670-4611  
E-Mail: gibcpa@earthlink.net

July 24, 2003

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
VUKOVICH SECURITIES, INC.  
Littleton, Colorado

We have audited the accompanying statement of financial condition of Vukovich Securities, Inc. (a Colorado corporation) as of June 30, 2003, and the related statements of income, changes in stockholders' 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 our audit in accordance with generally accepted 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 Vukovich Securities, Inc. as of June 30, 2003, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles 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 of the Securities and Exchange Commission. 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.

*McGough Accounting & Consulting Services, Inc.*

VUKOVICH SECURITIES, INC.

Statement of Financial Condition

June 30, 2003

ASSETS

CURRENT ASSETS:

Cash	\$7,775
Prepaid Expenses	<u>558</u>

Total Current Assets	<u>\$8,333</u>
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STOCKHOLDERS' EQUITY

CURRENT LIABILITY:

Account Payable	<u>312</u>
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STOCKHOLDERS' EQUITY (Note 1):

Common Stock, 100,000 shares authorized, 100 shares issued and outstanding, no par value	8,000
Retained Earnings	<u>21</u>

8,021

\$8,333

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

VUKOVICH SECURITIES, INC.

Statement of Changes in Stockholders' Equity

For the Year Ended June 30, 2003

	<u>Common Stock</u>	<u>Retained Earnings</u>
Balance at June 30, 2001	\$8,000	\$ ( 581)
Net Income	<u>-0-</u>	<u>602</u>
Balance at June 30, 2002	<u>\$8,000</u>	<u>\$ 21</u>

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



VUKOVICH SECURITIES, INC.

Statement of Income

For the Year Ended June 30, 2003

REVENUE	\$ <u>9,490</u>
EXPENSES:	
Consulting	3,304
Professional Fees	2,500
NASD Membership Fee	2,053
Insurance	366
SIPC Fees	150
California Registration Fees	300
Bank Charges	96
Supplies	105
Licenses and Fees	<u>25</u>
	8,899
	591
INTEREST INCOME	<u>11</u>
INCOME BEFORE INCOME TAXES	602
FEDERAL AND STATE INCOME TAXES	<u>-</u>
NET INCOME	\$ <u><u>602</u></u>

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

VUKOVICH SECURITIES, INC.

Statement of Cash Flows

For the Year Ended June 30, 2003

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income	\$ 602
Adjustments to reconcile net income to net cash provided by operating activities - - -	
Increase in prepaid expenses	( 63)
Increase in account payable	<u>312</u>
NET CASH USED BY OPERATING ACTIVITIES	851
NET CASH PROVIDED BY INVESTMENT ACTIVITIES	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	-
NON-CASH INVESTING AND FINANCING ACTIVITIES	<u>-</u>
NET INCREASE IN CASH	851
CASH AT BEGINNING OF YEAR	<u>6,924</u>
CASH AT END OF YEAR	\$ <u>7,775</u>

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

VUKOVICH SECURITIES, INC.

Notes to Financial Statements

For the Year Ended June 30, 2003

1. Significant Accounting Policies

The Company, a Colorado corporation, was formed for the express purpose of functioning as a broker/dealer for real estate limited partnership investment ventures identified by Colorado Real Estate & Investment Co. (CREICO).

Pursuant to a management agreement with CREICO, the Company receives amounts sufficient to cover operating expenses in lieu of commissions.

CREICO pays its own syndication and sales costs associated with any public offering.

2. Related Party

The shareholders of the Company are also officers of Colorado Real Estate & Investment Co. (CREICO).

3. Customer Securities and Segregated Funds

The Company does not hold any customer securities, nor does it have any segregated funds.

4. NASD Examination

A routine examination of the Company is being conducted by the NASD. An on-the-record ("OTR") interview is scheduled on September 4, 2003.

Schedule I

VUKOVICH SECURITIES, INC.

Computation of Net Capital Under Rule 15c3-1 of the  
Securities and Exchange Commission

as of June 30, 2003

Total stockholders' equity qualified for net capital	\$ 8,021
Additions and deductions - Prepaid Expenses	( <u>558</u> )
Net capital before haircuts on securities positions	7,463
Haircuts on securities (computed, where applicable, pursuant to rule 15c3-1(f))	<u>-0-</u>
Net Capital	<u>\$7,463</u>

Total Aggregate Indebtedness	\$ <u>-0-</u>
------------------------------	---------------

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required per SEC Rule 17a-11	\$6,000
Required net capital	<u>\$5,000</u>

Ratio: Aggregate indebtedness to net capital	<u>4.187%</u>
----------------------------------------------	---------------

There is no material difference from the Company's computation of basic net capital requirement from that included in the Company's unaudited Form X-17A-5 Part II filing as of June 30, 2003.

Schedule II

VUKOVICH SECURITIES, INC.

Computation for Determination of Reserve Requirements  
Under Rule 15c3-3 of the Securities and Exchange Commission

As of June 30, 2003

Credit Balances	\$ -0-
Debit Balances	<u>-0-</u>
Difference	\$ <u>-0-</u>
Required Deposit	\$ <u>-0-</u>

There is no material difference from the Company's computation of reserve requirements as of June 30, 2003.

Schedule III

VUKOVICH SECURITIES, INC.

Information Relating to Possession or Control Requirements Under  
Rule 15c3-3 of the Securities and Exchange Commission

As of June 30, 2003

- |    |                                                                                                                                                                                                                                                                                                                                                       |               |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1. | Customer's fully paid securities and excess margin securities not in the respondent's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date) but for which the required action was not taken by respondent within the time frames specified under rule 15c3-3. | \$ <u>-0-</u> |
| A. | Number of items                                                                                                                                                                                                                                                                                                                                       | <u>-0-</u>    |
| 2. | Customer's fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under rule 15c3-3.                                                         | \$ <u>-0-</u> |
| A. | Number of items                                                                                                                                                                                                                                                                                                                                       | <u>-0-</u>    |

Schedule IV

VUKOVICH SECURITIES, INC.

Schedule of Segregation Requirements and Funds in Segregation for  
Customers' Regulated Commodities Futures and Options Account

As of June 30, 2003

SEGREGATION REQUIREMENTS	\$ -0-
FUNDS ON DEPOSIT IN SEGREGATION	<u>-0-</u>
EXCESS FUNDS (Insufficiency) IN SEGREGATION	\$ <u><u>-0-</u></u>