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

BB 3/24

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

SEC FILE NUMBER
8- 48294

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 1-1-04 AND ENDING 12-31-04
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

NEXUS FINANCIAL, INC.

OFFICIAL USE ONLY
FIRM ID. NO.

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

2910 NORTH ARCADIA STREET, #200

COLORADO SPRINGS COLORADO 80907-6335

(City) (State) (Zip Code)

PROCESSED
APR 04 2005
THOMSON FINANCIAL

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

ROBERT A. FORBES 719-630-7204

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

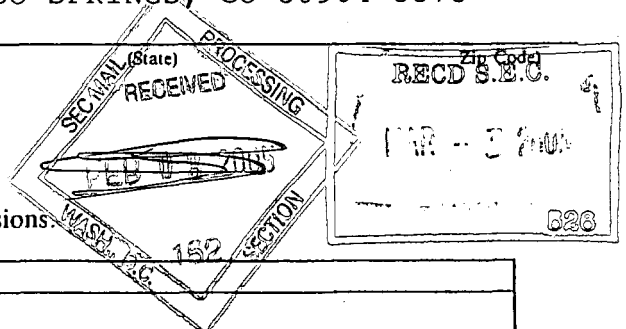
RICKORDS & ASSOCIATES, P.C.

617 NORTH 17TH STREET, SUITE 100, COLORADO SPRINGS, CO 80904-3578

(Address) (City)

CHECK ONE:

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



FOR OFFICIAL USE ONLY

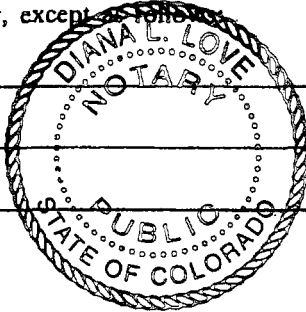
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

Handwritten signature/initials

OATH OR AFFIRMATION

I, ROBERT A. FORBES, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of NEXUS FINANCIAL, INC., as of

DECEMBER 31, 2004, 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:



My Commission Expires 11/10/2007

[Handwritten signature of Robert A. Forbes]

Signature

PRESIDENT

Title

[Handwritten signature of Diana L. Love]

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 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).



RICKORDS & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

617 North 17th Street
Colorado Springs, CO 80904
(719) 444-0770 (800) 480-0770 Toll Free
(719) 444-0909 Fax (877) 457-2232 Toll Free Fax

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nexus Financial, Inc.

We have audited the accompanying balance sheet of Nexus Financial, Inc. as of December 31, 2004, and the related statements of income, retained earnings, 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 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 Nexus Financial, Inc. as of December 31, 2004, 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 accompanying supplementary information 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 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.

Rickords & Associates, P.C.
Rickords & Associates, P.C.

Rickords & Associates, P.C.
Colorado Springs, CO 80904
February 18, 2005

FINANCIAL STATEMENTS

NEXUS FINANCIAL, INC.
Statement of Financial Condition
December 31, 2004 and 2003

	<u>Assets</u>	<u>2004</u>	<u>2003</u>
<u>Current assets:</u>			
Cash		\$ 7,342	\$ 1,194
Accounts receivable		<u>45,885</u>	<u>00</u>
Total current assets		<u>53,227</u>	<u>1,194</u>
<u>Investments:</u>			
Marketable securities		8,208	7,468
NASD Investment		<u>3,300</u>	<u>3,300</u>
Total investments		<u>11,508</u>	<u>10,768</u>
Total assets		<u>\$64,735</u>	<u>\$11,962</u>
 <u>Liabilities and Stockholders' Equity</u> 			
<u>Current liabilities:</u>			
Accounts payable		\$ 6,231	\$ 00
Income taxes payable		<u>7,540</u>	<u>00</u>
Total current liabilities		<u>13,771</u>	<u>00</u>
<u>Stockholders' equity</u>			
Common stock, (\$1 par, 50,000 shares authorized, 1,500 issued)		1,500	1,500
Paid-in capital		10,050	10,050
Unrealized gain on marketable securities		1,368	200
Retained earnings		<u>38,046</u>	<u>212</u>
Total stockholders' equity		<u>50,964</u>	<u>11,962</u>
Total liabilities and stockholders' equity		<u>\$64,735</u>	<u>\$11,962</u>

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

NEXUS FINANCIAL, INC.
Statement of Income and Retained Earnings
For the years ended
December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<u>Total Revenue</u>	<u>\$418,263</u>	<u>\$386,164</u>
 <u>Selling expenses:</u>		
Management fees	166,900	217,134
Profit sharing contributions	00	00
Money purchase contributions	00	00
Travel	<u>20,045</u>	<u>20,037</u>
Total selling expenses	<u>186,945</u>	<u>237,171</u>
 <u>General and administrative expenses:</u>		
Salaries	68,400	68,400
Bank charges	145	296
Dues and subscriptions	4,100	6,279
Insurance	48,104	35,641
Professional fees	9,550	4,450
Miscellaneous expense	678	00
Office expense	15,570	9,488
Outside services	2,445	983
Postage	4,330	4,944
Printing	1,774	406
License and fees	4,871	959
Public relations	530	00
Telephone	6,137	10,589
Rent expense	13,750	18,000
Repair and maintenance	296	635
Taxes	7,839	5,725
State income tax	<u>1,106</u>	<u>00</u>
 Total general and administrative expenses	 <u>189,625</u>	 <u>166,795</u>
 Total Expenses	 <u>376,570</u>	 <u>403,966</u>
Net income (loss) before federal income tax	41,693	(17,802)
Federal income tax	<u>(6,434)</u>	<u>00</u>
Net income after federal income tax	35,259	(17,802)
Retained earnings, beginning of year	212	21,359
Income tax refund	2,575	00
Federal income tax prior period	00	(3,345)
Retained earnings, end of year	<u>\$ 38,046</u>	<u>\$ 212</u>
 Earnings (loss) per share	 <u>\$ 25.36</u>	 <u>\$.14</u>

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

NEXUS FINANCIAL, INC.
Statement of Cash Flows
For the years ended
December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<u>Cash flows from operating activities:</u>		
Cash received from clients	\$372,378	\$386,164
Cash paid to employees, suppliers, and for services	<u>(366,230)</u>	<u>(411,085)</u>
Net Cash From Operating Activities	<u>6,148</u>	<u>(24,921)</u>
Cash & cash equivalents at beginning of period	<u>1,194</u>	<u>26,115</u>
Cash & cash equivalents at end of period	<u>\$ 7,342</u>	<u>\$ 1,194</u>

Reconciliation of Net Income to Net Cash
Provided by Operating Activities

	<u>2004</u>	<u>2003</u>
Net income (loss)	\$ 35,259	\$(21,147)
Adjustment to reconcile net income to Net cash provided by operating Activities:		
Federal income tax refund	2,575	00
Changes in:		
Decrease (increase) in accounts receivable	(45,885)	00
Decrease (increase) in marketable securities	(740)	(429)
Unrealized gain on marketable securities	1,168	00
(Decrease) increase in accrued expenses	6,231	00
(Decrease) increase in income tax payable	<u>7,540</u>	<u>(3,345)</u>
Total adjustments	<u>29,111</u>	<u>(3,774)</u>
Net Cash From operating activities	<u>\$ 6,148</u>	<u>\$(24,921)</u>

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

NEXUS FINANCIAL, INC.
Statement of Changes in Stockholders Equity
For the years ended
December 31, 2004 and 2003

	<u>Common Stock</u>	<u>Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Unrealized Gain(Loss)</u>	<u>Total</u>
Balance, December 31, 2002	\$1,500	\$10,050	\$21,359	\$ (904)	\$32,005
Prior period income tax	00	00	(3,345)	00	(3,345)
Marketable securities Adjustment	00	00	00	1,104	1,104
Net loss, December 31, 2003	<u>00</u>	<u>00</u>	<u>(17,802)</u>	<u>00</u>	<u>(17,802)</u>
Balance, December 31, 2003	1,500	10,050	212	200	11,962
Marketable securities Adjustment	00	00	00	1,168	1,168
Income tax refund	00	00	2,575	00	2,575
Net income, December 31, 2004	<u>00</u>	<u>00</u>	<u>35,259</u>	<u>00</u>	<u>35,259</u>
Balance December 31, 2004	<u>\$ 1,500</u>	<u>\$10,050</u>	<u>\$38,046</u>	<u>\$1,368</u>	<u>\$50,964</u>

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

NEXUS FINANCIAL, INC.
Notes to Financial Statements
Years Ended December 31, 2004 and 2003

(1) The Company is owned by four stockholders

500 shares	Robert A. Forbes
500 shares	Stephen R. Dierks
500 shares	Clifford B. Poulton
500 shares	Louis M. Jiminez

In accordance with regulations under the Securities Exchange Act of 1934 the Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of various exchanges and the National Association of Securities Dealers (NASD). This is a self-regulating body formed by the industry to protect its members and the investing public.

(2) Summary of Significant Accounting Policies

a. Basis of Presentation

The financial statements include the accounts of the Company. The Company is engaged in a single line of business as a securities broker-dealer, which comprises several classes of services, including principal transactions, agency transactions, investment banking, investment advisory, and venture capital businesses.

b. Securities Transactions

Proprietary securities transactions in regular-way trades are recorded on the trade date, as if they had settled. Profit and loss arising from all securities and commodities transactions entered into for the account and risk of the Company are recorded on a trade date basis. Customers' securities and commodities transactions are reported on a settlement date basis with related commission income and expenses reported on a trade date basis.

Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net on the statement of financial condition.

c. Commissions

Commissions and related clearing expenses are recorded on trade-date basis as securities transactions occur.

d. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days that are not held for sale in the ordinary course of business.

NEXUS FINANCIAL, INC.
Notes to the Financial Statements
Years Ended December 31, 2004 and 2003

e. Deferred Compensation

No provision is made for holidays and sick leave pay since only those on commission basis would be eligible and there is no agreement. Any amounts determined for deferred compensation would be immaterial. No provisions for salaried personnel.

f. Property and Equipment

Property and equipment are carried at cost. Maintenance and repairs are charged to costs as incurred. Expenditures for major betterments are capitalized. Gain or loss on retirement of property is included in income.

g. Estimates

There are no significant estimates used in preparation of financial statements.

(3) Related party transactions

Four stockholders own the Company. During the period ended December 31, 2004, a management fee in the amount of \$166,900 was paid to Nexus Financial Programs, Inc., which is also owned by Robert A. Forbes, Stephen R. Dierks, Clifford B. Poulton and Louis M. Jiminez. The building is owned by SCR, LLC with the equal partners: Robert A. Forbes, Stephen R. Dierks and Clifford B. Poulton.

(4) Financial Instruments

The Company maintains one bank account at U.S. Bank. The balance at December 31, 2004 was \$7,327.82. The Federal Deposit Insurance Corporation up to \$100,000 insures accounts at the institution. At December 31, 2004, there were no concentrations of credit risk in the cash accounts.

(5) Profit Sharing Plan

A Profit-Sharing Plan was established with the effective date of April 1, 1995. Employees are eligible with 0 years of service when they have attained the age of 21. Credited service is based on actual hours for which an Employee is paid or entitled to payment. Contributions are discretionary pursuant to Employer resolution and if no resolution is adopted then 3% of Participant's compensation. Normal retirement age shall be 55 years. The plan permits hardship withdrawal and loans to Participants. There is 100% vesting immediately after satisfaction of the eligibility requirements.

NEXUS FINANCIAL, INC.
Notes to the Financial Statements
Years Ended December 31, 2004 and 2003

(6) Money Purchase Pension Plan

A money purchase plan was established September 11, 1997. Employees are eligible with 0 years of service when they have attained the age of 21. Compensation is determined by wages paid for purposes of income tax withholding. The employer will contribute 10% of compensation for each participant. Normal retirement age is 55 with no early retirement permitted. Vesting is immediate after eligibility requirements are satisfied.

(7) Management Agreement

An agreement for management services was entered into on November 3, 1995 between Nexus financial Programs, Inc. and Nexus Financial, Inc. to purchase management services on a continuing basis beginning January 1, 1996, to pay a management fee. The fee will be the lesser of 100% of the gross dealer concessions and service fee actually received during the prior month or such amount that when properly recorded will not cause the "Net capital" as defined by the NASD to fall below 120% of the Net Capital requirement.

(8) Earnings (Loss) per Share

Earnings (loss) per share of common stock were computed by dividing net income (loss) by the number of common shares outstanding for the year.

(9) Liabilities Subordinated to Claims of General Creditors

There were no borrowings under subordination agreements at December 31, 2004.

The Company had no other debt at December 31, 2004.

(10) Capital Stock

A summary of the corporation's capital stock at December 31, 2003, is as follows:

Common stock -- \$1.00 per value
Authorized -- 50,000 shares
Issued and outstanding -- 1,500 shares

NEXUS FINANCIAL, INC.
Notes to the Financial Statements
Years Ended December 31, 2004 and 2003

(11) Risk

- a. Cash-Checking account was maintained in one bank with a balance of \$7,341.82 fully covered by FDIC insurance.
- b. The Company is engaged in various trading and brokerage activities in which counter parties primarily include broker-dealers, banks, and other financial institutions. In the event counter parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterpart or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter party.

SUPPLEMENTARY INFORMATION

FOCUS REPORT (5-31-07)

(Financial and Operational Combined Uniform Single Report)

FORM X-17A-5

PART IIA 12

3/91

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) 16

2) Rule 17a-5(b) 17

3) Rule 17a-11 18

4) Special request by designated examining authority 19

5) Other 26

NAME OF BROKER-DEALER

NEXUS FINANCIAL, INC.

SEC FILE NO.

8-48294 14

FIRM ID. NO.

15

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

2910 ARCADIA STREET, #200 20

(No. and Street)

FOR PERIOD BEGINNING (MM/DD/YY)

1-1-04 24

AND ENDING (MM/DD/YY)

COLORADO SPRINGS 21

COLORADO 22

80907-6335 23

12-31-04 25

(City)

(State)

(Zip Code)

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

ROBERT A. FORBES 30

(Area Code)—Telephone No.

719-630-7204 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

32

34

36

30

OFFICIAL USE

33

35

37

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES 40 NO 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT 42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

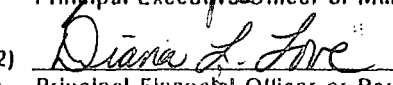
Dated the 25th day of Feb. 15 2005

Manual signatures of:


1)


Principal Executive Officer or Managing Partner

2)


Principal Financial Officer or Partner

3)


Principal Operations Officer or Partner

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 701(a))

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER

NEXUS FINANCIAL, INC.

N 3

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

as of (MM/DD/YY) 12-31-04 99

SEC FILE NO. 8-48294 90

Consolidated 198

Unconsolidated 199

ASSETS

	<u>Allowable</u>		<u>Non-Allowable</u>		<u>Total</u>
1. Cash	\$ 7,342	200			\$ 7,342 750
2. Receivables from brokers or dealers:					
A. Clearance account		295			
B. Other		300		\$ 550	810
3. Receivables from non-customers	3,389	355	42,496	600	\$ 45,885 830
4. Securities and spot commodities owned, at market value:					
A. Exempted securities		418			
B. Debt securities		419			
C. Options		420			
D. Other securities	8,208	424			8,208
E. Spot commodities		430			850
5. Securities and/or other investments not readily marketable:					
A. At cost \$		130			
B. At estimated fair value		440	3,300	610	3,300 860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:					
A. Exempted securities \$		150			
B. Other securities \$		160			
7. Secured demand notes, 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		735	930
12. TOTAL ASSETS	\$ 18,939	540	\$ 45,796	740	\$ 64,735 940

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER

NEXUS FINANCIAL, INC.

as of 12-31-04

**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	\$		1045	\$		1255	\$		1470
14. Payable to brokers or dealers:									
A. Clearance account			1114			1315			1560
B. Other			1115			1305			1540
15. Payable to non-customers			1155			1355			1610
16. Securities sold not yet purchased, at market value						1360			1620
17. Accounts payable, accrued liabilities, expenses and other		13,771	1205			1385	13,771		1685
18. Notes and mortgages payable:									
A. Unsecured			1210						1690
B. Secured			1211			1390			1700
9. Liabilities subordinated to claims of general creditors:									
A. Cash borrowings:						1400			1710
1. from outsiders \$			970						
2. Includes equity subordination (15c3-1 (d)) of \$			980						
B. Securities borrowings, at market value: . . . from outsiders \$			990			1410			1720
C. Pursuant to secured demand note collateral agreements:						1420			1730
1. from outsider: \$			1000						
2. Includes equity subordination (15c3-1 (d)) of \$			1010						
D. Exchange memberships contributed for use of company, at market value						1430			1740
E. Accounts and other borrowings not qualified for net capital purposes			1220			1440			1750
20. TOTAL LIABILITIES	\$	13,771	1230	\$		1450	\$	13,771	1760

Ownership Equity

21. Sole proprietorship									1770
Partnership (limited partners)			1020						1780
Corporation:									
A. Preferred stock									1791
B. Common stock						1,500			1792
C. Additional paid-in capital						10,050			1793
D. Retained earnings						39,414			1794
E. Total									1795
F. Less capital stock in treasury									1796
TOTAL OWNERSHIP EQUITY	\$			\$		50,964			1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY	\$			\$		64,735			1810

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER **NEXUS FINANCIAL, INC.**

For the period (MMDDYY) from 1-1-04 3932 to 12-31-04 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	\$		3935
b. Commissions on listed option transactions	"		3938
c. All other securities commissions			3939
d. Total securities commissions			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			3952
4. Profit (loss) from underwriting and selling groups	"		3955
5. Revenue from sale of investment company shares		418,263	3970
6. Commodities revenue			3990
7. Fees for account supervision, investment advisory and administrative services			3975
8. Other revenue			3995
9. Total revenue	\$	418,263	4030

EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers	\$	120,243	4120
11. Other employee compensation and benefits	"	21,533	4115
12. Commissions paid to other broker-dealers			4140
13. Interest expense			4075
a. Includes interest on accounts subject to subordination agreements		4070	
14. Regulatory fees and expenses		4,863	4195
15. Other expenses		229,931	4100
16. Total expenses	\$	376,570	4200

NET INCOME

Net Income (loss) before Federal income taxes and items below (Item 9 less Item 16)	\$	41,693	4210
Provision for Federal income taxes (for parent only)	"	6,434	4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above			4222
a. After Federal income taxes of		4238	
20. Extraordinary gains (losses)			4224
a. After Federal income taxes of		4239	
21. Cumulative effect of changes in accounting principles			4225
22. Net Income (loss) after Federal income taxes and extraordinary items	\$	35,259	4230

MONTHLY INCOME

Income (current month only) before provision for Federal income taxes and extraordinary items	\$		4211
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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER

NEXUS FINANCIAL, INC.

For the period (MMDDYY) from 1-1-04 to 12-31-04

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

1. Balance, beginning of period			\$ 11,962	4240
A. Net income (loss)			35,259	4250
B. Additions (Includes non-conforming capital of	✓	\$ 4262	2,575	4260
C. Deductions (Includes non-conforming capital of		\$ 4272	1,168	4270
2. Balance, end of period (From item 1000)			\$ 50,964	4290

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

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

OMIT PENNIES

**FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER

NEXUS FINANCIAL, INC.

as of 12-31-04

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition.....	\$	50,964	346
2. Deduct ownership equity not allowable for Net Capital.....	19		349
3. Total ownership equity qualified for Net Capital.....		50,964	350
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital.....			352
B. Other (deductions) or allowable credits (List).....			352
5. Total capital and allowable subordinated liabilities.....	\$		353
6. Deductions and/or charges:			
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) \$		45,796	3540
B. Secured demand note deficiency.....			3590
C. Commodity futures contracts and spot commodities: proprietary capital charges.....			3600
D. Other deductions and/or charges.....			3610
		(45,796)	3620
7. Other additions and/or allowable credits (List).....			3630
8. Net capital before haircuts on securities positions.....	70		\$ 5,168 3640
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.....			3730
4. Other securities.....		1,231	3734
D. Undue Concentration.....			3650
E. Other (List).....			3736
		(1,231)	3740
10. Net Capital.....	\$		3,937 3750

OMIT PENNIE

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER

NEXUS FINANCIAL, INC.

as of 12-31-04

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	\$	918	37
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	5,000	37
13. Net capital requirement (greater of line 11 or 12)	\$	5,000	37
14. Excess net capital (line 10 less 13)	\$	(1,063)	37
15. Excess net capital at 100% (line 10 less 10% of line 19)	\$	2,559	37

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.L. liabilities from Statement of Financial Condition	\$	13,771	37
17. Add:			
A. Drafts for immediate credit	\$	3000	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	3810	
C. Other unrecorded amounts (List)	\$	3020	38
19. Total aggregate indebtedness	\$	13,771	38
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%	350	38
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%		38

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

22. 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	\$		38
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		38
24. Net capital requirement (greater of line 22 or 23)	\$		37
25. Excess net capital (line 10 less 24)	\$		39
26. Net capital in excess of: 5% of combined aggregate debit items or \$120,000	\$		39

OMIT PENNI

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. 6-2/3% of aggregate indebtedness or 2% 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

NEXUS FINANCIAL, INC.

as of 12-31-04

Exemptive Provision Under Rule 15c3-3

25. If an exemption from Rule 15c3-3 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 4335 4570
- D. (k) (3)—Exempted by order of the Commission 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 to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be With- drawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)	
4600		4601	4602	4603	4604	4605
4610		4611	4612	4613	4614	4615
4620		4621	4622	4623	4624	4625
4630		4631	4632	4633	4634	4635
4640		4641	4642	4643	4644	4645
4650		4651	4652	4653	4654	4655
4660		4661	4662	4663	4664	4665
4670		4671	4672	4673	4674	4675
4680		4681	4682	4683	4684	4685
4690		4691	4692	4693	4694	4695
TOTAL \$ NONE				4699		

OMIT PENNIES

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 payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

- WITHDRAWAL CODE: DESCRIPTION**
- 1. Equity Capital
 - 2. Subordinated Liabilities
 - 3. Accruals
 - 4. 15c3-1(c)(2)(iv) Liabilities

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

Name (If individual, state last, first, middle name)

RICKORDS & ASSOCIATES, P.C.

617 N. 17TH STREET, SUITE 100 COLORADO SPRINGS

CO 70

80904

ADDRESS Number and Street City State Zip Code

71

72

73

74

Check One

Certified Public Accountant

75

FOR SEC USE

Public Accountant

76

Accountant not resident in United States or any of its possessions

77

DO NOT WRITE UNDER THIS LINE ... FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

NEXUS FINANCIAL, INC.

Computation for Determination of Reserve
Requirements in accordance with Rule 15c3-3

And

Reconciliation of Computation of Reserve
Requirements pursuant to Rule 17a5(d) (4)

And

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

Under the Securities Exchange Act of 1934

December 31, 2004 and 2003

Under Rule 15c3-3 (k) (2) (B) Nexus Financial, Inc. is exempt from a computation for determination of Reserve Requirements as required under Rule 15c3-3 the respective Reconciliation of Computation for determination of Reserve Requirements as required under Rule 17A5 (d) (4) and information relating to the possession or control required under Rule 15c3-3.

NEXUS FINANCIAL, INC.

Computation of Aggregate Indebtedness and Net Capital in accordance with Rule 15c-1 under the Securities Exchange Act of 1934.

December 31, 2004

Aggregate Indebtedness:

Accrued expenses \$13,771

Total aggregate indebtedness \$13,771

Net Capital:

Credit items:

Retained earnings \$38,046

Unrealized gain on marketable securities 1,368

Additional paid-in capital and common stock 11,550

Total credit items 50,964

Deductions and Charges:

Nonallowable assets 45,796

Haircut 1,231

Total deductions and charges 47,027

Net Capital \$ 3,937

Capital Requirements:

Required capital \$ 5,000

Net capital short of requirements (1,063)

Net Capital \$ 3,937

Percent of aggregate indebtedness to Net Capital 49%

There were no liabilities subordinated to claims of general creditors.

NEXUS FINANCIAL, INC.

Reconciliation of Net Capital Pursuant to Rule 15c3-1
Under the Securities Exchange Act of 1934

December 31, 2004

Computation of Net Capital

Net capital as reported on 17a-Part IIA
(Focus Report) as of December 31, 2004

\$3,937



RICKORDS & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

617 North 17th Street
Colorado Springs, CO 80904
(719) 444-0770 (800) 480-0770 Toll Free
(719) 444-0909 Fax (877) 457-2232 Toll Free Fax

Accountants' Report of Material Inadequacies

Our examination of the basic financial statements presented in the preceding section of this report was made in accordance with Rule 17a-5(j). In our opinion, no material inadequacies were found to exist in the accounting system and procedures or the system for handling and safeguarding customer's securities during the periods ended December 31, 2004 and December 31, 2003.

Rickords & Associates, P.C.
Rickords & Associates, P.C.

Rickords & Associates, P.C.
February 18, 2005



Accountant's Report on Internal Control

Board of Directors
Nexus Financial, Inc.

In planning and performing our audit of the financial statements and supplemental schedules of Nexus Financial, Inc., (the Company) for the year ended December 31, 2004, we considered its internal control structure, including procedure for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control structure.

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(a)(11) and for determining compliance with the exemptive 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 an internal control structure 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 structure 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 SEC's above-mentioned objectives. Two of the objectives of an internal control structure 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 generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities 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 structure would not necessarily disclose all matters in the internal control structure 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 structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 the internal control structure, 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 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 Commission's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, National Association of Securities Dealers, Inc. (NASD), 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 should not be used for any other purposes.

Rickords & Associates, P.C.
Rickords & Associates, P.C.

Rickords & Associates, P.C.
February 18, 2005