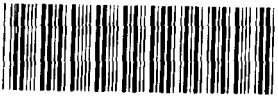


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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

SEC FILE NUMBER  
8-8-65836

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 7/01/04 AND ENDING 6/30/05  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Kenai Investments Inc  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
5706 W 45th Ave  
(No. and Street)  
Amarillo Tx 79109  
(City) (State) (Zip Code)

OFFICIAL USE ONLY  
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Roger Remley 806-359-3100  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Doshier, Pickens & Francis PC  
(Name - if individual, state last, first, middle name)  
PO Box 9938 Amarillo Tx 79105  
(Address) (City) (State) (Zip Code)

PROCESSED  
NOV 18 2005

THOMSON  
FINANCIAL

SECURITIES AND EXCHANGE COMMISSION  
RECEIVED  
OCT 12 2005  
BRANCH OF REGISTRATIONS  
AND  
EXAMINATIONS

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)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

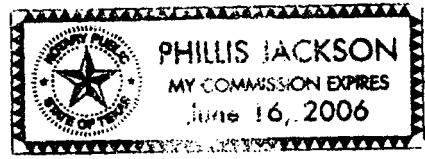
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OATH OR AFFIRMATION

I, Roger Remling, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Kena Investments, as of 6-30, 2005, 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

Phillis Jackson  
Notary Public



This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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



# Kenai Investments Inc.

Member NASD, SIPC

July 25, 2005

Doshier, Pickens & Francis, P.C.  
Certified Public Accountants  
P. O. Box 9938  
Amarillo, Texas 79105

We are providing this letter in connection with your audit of the balance sheet of Kenai Investments, Inc. as of June 30, 2005, and the related statements of income, retained earnings and cash flows for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Kenai Investments, Inc. in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

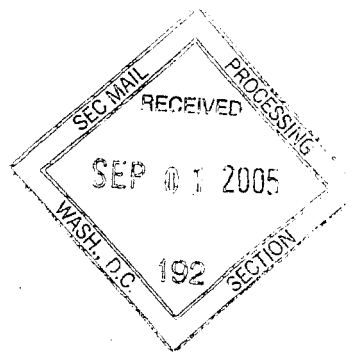
We confirm, to the best of our knowledge and belief, as of July 25, 2005, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles.
2. We have made available to you all -
  - a. Financial records and related data.
  - b. Minutes of the meetings of stockholders, directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
6. We have no knowledge of any fraud or suspected fraud affecting the company involving-
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.

**KENAI INVESTMENTS, INC.**

**Financial Statements**

**For Year Ended June 30, 2005 and for the  
Period from Inception to June 30, 2004**



**KENAI INVESTMENTS, INC.**

**Financial Statements**

**For Year Ended June 30, 2005 and for the  
Period from Inception to June 30, 2004**

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DOSHIER, PICKENS & FRANCIS, PC

CERTIFIED PUBLIC ACCOUNTANTS

301 S. Polk, Suite 800  
Amarillo, TX 79105-5938  
Fax: 806.376.8126

P.O. Box 9938  
806.373.3011  
www.dpfcpa.com

Kenai Investments, Inc.  
Amarillo, Texas

- INDEPENDENT AUDITORS' REPORT -

We have audited the accompanying balance sheets of Kenai Investments, Inc. at June 30, 2005 and 2004, and the related statements of income and retained earnings, stockholder's equity and cash flows for the year and initial period 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 audits.

We conducted our audits 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 audits provide 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 Kenai Investments, Inc. at June 30, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Doshier, Pickens & Francis, P.C.*

Doshier, Pickens & Francis, P.C.  
July 25, 2005

**KENAI INVESTMENTS, INC.**  
**BALANCE SHEETS**  
**June 30, 2005 and 2004**

	2005	2004
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 16,847	\$ 9,037
Clearing deposit	10,000	10,000
Total Current Assets	26,847	19,037
<b>OTHER ASSETS</b>		
Other (net of accumulated amortization of \$1,545 and \$885, respectively)	2,105	2,565
Total Other Assets	2,105	2,565
Total Assets	\$ 28,952	\$ 21,602
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>STOCKHOLDER'S EQUITY</b>		
Common stock, \$.003 par value, 10,000,000 shares authorized, 10,000,000 shares issued and outstanding	\$ 30,000	\$ 30,000
Retained earnings (deficit)	(1,048)	(8,398)
Total Stockholder's Equity	\$ 28,952	\$ 21,602

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

**KENAI INVESTMENTS, INC.**  
**STATEMENTS OF INCOME AND RETAINED EARNINGS**  
**For Year Ended June 30, 2005 and for the**  
**Period from Inception to June 30, 2004**

	2005	2004
<b>REVENUE</b>		
Brokerage and other fees	\$ 118,932	\$ 84,049
Interest income	-	3
	118,932	84,052
 <b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
General and administrative	111,582	92,450
	111,582	92,450
 <b>NET INCOME (LOSS)</b>	 7,350	 (8,398)
 <b>RETAINED EARNINGS (DEFICIT)</b>		
Beginning balance	(8,398)	-
End of the year	\$ (1,048)	\$ (8,398)

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



**KENAI INVESTMENTS, INC.**  
**STATEMENTS OF STOCKHOLDER'S EQUITY**  
**For Year Ended June 30, 2005 and for the**  
**Period from Inception to June 30, 2004**

	Common Stock		Accumulated Deficit	Total
	Shares	Amount		
Contribution	10,000,000	\$ 30,000	\$ -	\$ 30,000
Net loss for period from inception to June 30, 2004	-	-	(8,398)	(8,398)
Balance at June 30, 2004	10,000,000	30,000	(8,398)	21,602
Net income for year ended June 30, 2005	-	-	7,350	7,350
Balance at June 30, 2005	<u>10,000,000</u>	<u>\$ 30,000</u>	<u>\$ (1,048)</u>	<u>\$ 28,952</u>

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

**KENAI INVESTMENTS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For Year Ended June 30, 2005 and for the**  
**Period from Inception to June 30, 2004**

	<u>2005</u>	<u>2004</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ 7,350	\$ (8,398)
Adjustment to reconcile net income (loss) to net cash used by operating activities:		
Amortization expense	<u>660</u>	<u>885</u>
Cash Provided (Used) by Operating Activities	<u>8,010</u>	<u>(7,513)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of other assets	(200)	(3,450)
Clearing deposit	<u>-</u>	<u>(10,000)</u>
Cash Used by Investing Activities	<u>(200)</u>	<u>(13,450)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Common stock contribution	<u>-</u>	<u>30,000</u>
Cash Provided by Financing Activities	<u>-</u>	<u>30,000</u>
<b>NET INCREASE IN CASH</b>	7,810	9,037
<b>CASH BALANCE AT BEGINNING OF YEAR</b>	<u>9,037</u>	<u>-</u>
<b>CASH BALANCE AT END OF YEAR</b>	<u><u>\$ 16,847</u></u>	<u><u>\$ 9,037</u></u>

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

**KENAI INVESTMENTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005 and 2004**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***General***

Kenai Investments, Inc. was incorporated on February 3, 2003. The Company primarily provides broker-dealer services in connection with securities transactions. The Company's application for license and membership with the National Association of Securities Dealers, Inc. was approved on June 6, 2003. The Company has not held securities or maintained accounts for customers and has not incurred any liabilities subordinated to the claims of general creditors during the year ended June 30, 2005.

The financial statements do not include a statement of changes in liabilities subordinated to claims of general creditors as required under Rule 17a-5 of the Act, since no such liabilities existed during the year ended June 30, 2005 and during the period from inception to June 30, 2004.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Cash and Cash Equivalents***

For purposes of the Statements of Cash Flows, the Company considers deposits in banks and money market accounts as cash and cash equivalents.

***Amortization Expense***

The Company amortizes organization start-up costs using the straight-line method over five years.

***Advertising Costs***

Advertising costs are expensed when incurred. Advertising expense for the year ended June 30, 2005 was \$1,286, and from inception to June 30, 2004 was \$2,485.

**NOTE 2 – NET CAPITAL**

Pursuant to the net capital requirements of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. At June 30, 2005, the Company had net capital of \$26,847, and a minimum net capital requirement of \$5,000.

**NOTE 3 – LEASES**

In August 2004, the Company entered into a lease for office facilities. The lease is on a yearly basis. Total rental expense for the year ended June 30, 2005 was \$3,850, and from inception to June 30, 2004 was \$4,975.

The future minimum lease payments for non-cancelable operating leases, which have a remaining term at June 30, 2005, are \$350.

**SUPPLEMENTARY INFORMATION**



DOSHIER, PICKENS & FRANCIS, PC

CERTIFIED PUBLIC ACCOUNTANTS

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www.dpfcpa.com

Kenai Investments, Inc.  
Amarillo, Texas

- INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION -

Our report on our audits of the basic financial statements of Kenai Investments, Inc. for the year ended June 30, 2005 and for the period from inception to June 30, 2004 appears on page 1. Those audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information is presented for additional analysis and is not a required part of the basic financial statements. 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.

*Doshier, Pickens & Francis, P.C.*

Doshier, Pickens & Francis, P.C.  
July 25, 2005

**KENAI INVESTMENTS, INC.**  
**SUPPLEMENTARY SCHEDULE OF COMPUTATION OF NET CAPITAL**  
**PURSUANT TO RULE 15c3-1 OF THE SECURITIES EXCHANGE ACT OF 1934**  
**June 30, 2005 and 2004**

	<b>Schedule 1</b>	
	<u>2005</u>	<u>2004</u>
Stockholder's equity from balance sheet	\$ 28,952	\$ 21,602
Less non-allowable assets from balance sheet	<u>(2,105)</u>	<u>(2,565)</u>
Net capital	26,847	19,037
Less minimum net capital requirements	<u>(5,000)</u>	<u>(5,000)</u>
Net Capital in Excess of Requirement	<u>\$ 21,847</u>	<u>\$ 14,037</u>

**KENAI INVESTMENTS, INC.**  
**DETERMINATION OF RESERVE REQUIREMENTS PURSUANT TO**  
**RULE 15c3-1 OF THE SECURITIES EXCHANGE ACT OF 1934**  
**June 30, 2005 and 2004**

**Schedule 2**

Kenai Investments, Inc. carries no margin or customer accounts and has not had any activities as a broker and dealer during the periods covered by the accompanying financial statements. Accordingly, the computation of special reserve requirements and information for possession or control requirements under Exhibit a of Rule 15c3-3 is not applicable.

**KENAI INVESTMENTS, INC.**  
**RECONCILIATION OF SUPPLEMENTARY SCHEDULE 1 OF**  
**COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1**  
**WITH COMPANY'S COMPUTATION**  
**June 30, 2005 and 2004**

	<u>2005</u>	<u>Schedule 3</u> <u>2004</u>
Balance per Company's computation	\$ 21,847	\$ 14,037
Effect of adjustments to Company's books and accounts	<u>-</u>	<u>-</u>
Balance per Schedule 1	<u>\$ 21,847</u>	<u>\$ 14,037</u>