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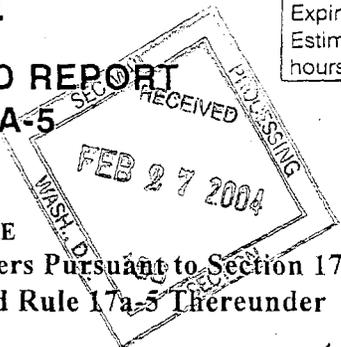


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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**



SEC FILE NUMBER
8-51513

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 07/01/03 AND ENDING 12/31/03  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: SUPPORT SERVICES FINANCIAL ADVISORS, INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

7335 E. Orchard Rd. Ste 200

(No. and Street)

Greenwood Village

(City)

CO

(State)

8011

(Zip Code)

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

Patty DeLucas

(720) 489-1630

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

JDS Professional Group

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

5655 S. Yosemite Street Ste 100 Englewood CO

(Address)

(City)

(State)

8011

(Zip Code)

CHECK ONE:

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

**PROCESSED**

<b>FOR OFFICIAL USE ONLY</b>	<b>APR 28 2004</b>
	<b>THOMSON FINANCIAL</b>

\*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.

2004

OATH OR AFFIRMATION

I, H. Allen Sharkey, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Support Services Financial Advisors, Inc., as of December 31, 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:

\_\_\_\_\_  
\_\_\_\_\_

Andra Claire Merrill  
Notary Public  
STATE OF COLORADO

H. Allen Sharkey  
Signature  
President  
Title

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).

**SUPPORT SERVICES FINANCIAL**  
**ADVISORS, INC.**

Financial Statements As Of December 31, 2003

Together With Independent Auditors' Report

**JDS** professional  
group  
certified public accountants, consultants and advisors

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
of Support Services Financial Advisors, Inc.:

We have audited the accompanying statements of financial condition of Support Services Financial Advisors, Inc. ("SSFA") as of December 31, 2003, and the related statements of income, changes in stockholders' equity and cash flows for the six months then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of SSI'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 Support Services Financial Advisors, Inc. as of December 31, 2003, and the results of its operations and its cash flows for the six months 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 information contained in Schedules 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 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audits 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.

*JDS Professional Group*

Englewood, Colorado  
February 9, 2004

*Members:*

*American Institute of Certified Public Accountants • Colorado Society of Certified Public Accountants*  
5655 S. Yosemite Street, Suite 100 • Englewood, CO 80111-3218 • 303 771 0123 • 303 771 0078 fax

www.jdscpagroup.com

**SUPPORT SERVICES FINANCIAL ADVISORS, INC.**

Statement Of Financial Condition  
As Of December 31, 2003

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**ASSETS**

Cash	\$ 20,494
Receivables from non-customers	91,376
Other Assets:	
Other prepaid expenses	9,250
Deferred tax asset	<u>3,307</u>
	<u>\$ 124,427</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Liabilities:	
Accounts payable	\$ 5,500
Payable to SSI	30,722
Accrued expenses	<u>18,216</u>
Total Liabilities	<u>54,438</u>
Stockholder's Equity:	
Common Stock	5,000
Paid in capital	48,210
Retained earnings	<u>16,779</u>
Total Stockholder's Equity	<u>69,989</u>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<u><u>\$ 124,427</u></u>

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

**SUPPORT SERVICES FINANCIAL ADVISORS, INC.**

Statement Of Income  
For The Six Months Ended December 31, 2003

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Revenue:	
Commission and related revenue	<u>\$ 187,641</u>
Total Revenue	<u>187,641</u>
Expenses:	
SSI services	136,160
Office expenses	9,855
Professional fees	14,760
Travel and meetings	3,241
Occupancy	<u>2,748</u>
Total Expenses	<u>166,764</u>
Net income before income taxes	20,877
Income tax expense	<u>4,098</u>
<b>NET INCOME</b>	<u><u>\$ 16,779</u></u>

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

**SUPPORT SERVICES FINANCIAL ADVISORS, INC.**

Statement Of Changes In Stockholders' Equity  
For The Six Months Ended December 31, 2003

	<u>Common Stock</u>		<u>Paid In Capital</u>	<u>Retained Earnings</u>	<u>Total Stockholder Equity</u>
	<u>Shares</u>	<u>Amount</u>			
Opening balance, July 1, 2003		\$ 0	\$ 0	\$ 0	\$ 0
July 1, common stock issuance	1,000	5,000	45,000		50,000
July 1, SSI transferred net Liabilities			(1,790)		(1,790)
November 26, additional Paid in capital			5,000		5,000
Net income				16,779	16,779
<b>Balance, December 31, 2003</b>	<u>1,000</u>	<u>\$ 5,000</u>	<u>\$ 48,210</u>	<u>\$ 16,779</u>	<u>\$ 69,989</u>

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

# SUPPORT SERVICES FINANCIAL ADVISORS, INC.

Statement Of Cash Flows  
For Six Months Ended December 31, 2003

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Cash flows from operating activities:	
Net income	\$ 16,779
Adjustments to reconcile net income to cash used in operating activities:	
SSI transfer of prepaid expenses	4,147
SSI transfer of accrued expenses	(8,065)
SSI transfer of expense	2,128
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(91,376)
(Increase) decrease in prepaid expenses	(9,250)
(Increase) decrease in deferred tax asset	(3,307)
Increase (decrease) in accounts payable	5,500
Increase (decrease) in payable to SSI	30,722
Increase (decrease) in accrued expenses	18,216
	<u>(34,506)</u>
Net cash used in operating activities	
Cash flows from financing activities:	
Common stock issuance	50,000
Additional paid in capital	5,000
	<u>55,000</u>
Net cash provided by financing activities	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>20,494</b>
Cash and cash equivalents, Beginning Of Period	<u>0</u>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b><u><u>\$ 20,494</u></u></b>
Supplemental cash flow disclosure:	
Income tax payments	<u><u>\$ 2,850</u></u>

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

(1) **Nature Of Company**

Support Services Financial Advisors, Inc. ("SSFA") is a Colorado Corporation that primarily markets and services retirement programs to health care providers. SSFA is registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD). SSFA operates pursuant to SEC Rule 15c3-3(k)(1) limiting its broker-dealer business to the distribution of variable life insurance or annuities, including the sub-accounts thereof, as well as, mutual funds sold within 401(a), 403(b), 401(k), and 457 retirement plans. SSFA is a wholly-owned subsidiary of the Support Services, Inc. (SSI) which is a subsidiary of Colorado Health & Hospital Association, a non-profit organization.

(2) **Summary Of Significant Accounting Policies**

**Basis Of Accounting**

The financial statements of SSFA have been prepared on the accrual basis.

**Cash And Cash Equivalents**

For purposes of the Statement of Cash Flows, SSFA considers demand deposits and short-term investments with original maturities of 3 months or less as cash and cash equivalents.

**Accrued Expenses**

Accrued expenses include bonuses, and vacation and sick leave that SSI's personnel have earned but not yet taken as of year end.

**Allowance For Doubtful Accounts**

SSFA believes that its accounts receivable, recorded at fair value, are fully collectible. Its policy for charging off accounts receivable is when future payments thereon are determined to be improbable.

Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Income Taxes

SSFA's parent company SSI uses the asset and liability method as identified in Statements of Financial Accounting Standards No. 109, Accounting For Income Taxes. SSI allocates current and deferred taxes by applying the same method to SSFA as if it was a separate taxpayer.

(3) Concentrations

During the six months ended December 31, 2003, SSFA primarily received its commissions from two companies. As of December 31, 2003, the receivables were primarily from one of those companies.

(4) Common Stock

Of its 100,000 authorized shares of \$5 par, common stock, 1,000 shares are issued, outstanding and owned by SSI.

(5) Net Capital Requirements

SSFA is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). As of December 31, 2003, SSFA had net capital of \$30,310, which was \$25,310 in excess of its required net capital of \$5,000. SSFA's net capital ratio was 1.8 to 1.

**(6) Deferred Tax Asset**

Deferred income taxes for the six months ended December 31, 2003, reflect the impact of temporary differences between the amounts of assets and liabilities recorded for financial reporting purposes, as well as such amounts as measured in accordance with tax laws. The items which comprise the deferred income tax asset for the six months ended December 31, 2003, are accrued compensated absences and bonuses, and unamortized organizational costs.

Significant components of the provision for income taxes, computed at statutory rates, are as follows:

Current taxes:	
Federal	\$ 5,594
State	<u>1,811</u>
Total current taxes	<u>7,405</u>
Deferred benefits:	
Federal	(2,513)
State	<u>(794)</u>
Total deferred benefits	<u>(3,307)</u>
Total income tax expense	<u>\$ 4,098</u>

As of December 31, 2003, the balance of \$4,555 in current taxes is recorded in the payable to SSI because SSI will be filing a consolidated return which includes SSFA.

**(7) Related Party Transactions**

SSFA is a wholly owned subsidiary of SSI. On July 1, 2003, SSFA and SSI entered into an Assumption and Assignment Agreement under which SSI agreed to contribute all of the assets and SSFA agreed to assume all liabilities and obligations in continuing the broker-dealer and regulated insurance business (business.) The business is operated by SSFA in substantially the same manner as was conducted by SSI. In order to realize economies of scale, on July 1, 2003, SSFA and SSI entered into an Expense Sharing Agreement whereby SSI is to provide SSFA administrative, marketing, management and technical services as well as office space and equipment. SSFA does not have personnel but reimburses SSI as a contractor for actual personnel costs incurred by SSI on behalf of SSFA. Direct costs are either paid directly by SSFA or by reimbursement through SSI.

**SUPPORT SERVICES FINANCIAL ADVISORS, INC.**

Computation Of Net Capital Under Rule 15c3-1  
Of The Securities and Exchange Commission  
As Of December 31, 2003

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**SCHEDULE I**

Net capital

Total stockholders' equity qualified for net capital	<u>\$ 69,989</u>
Total capital	69,989

Deductions and/or charges

Nonallowable assets:

Receivables from non-customers	27,122
Other prepaid expenses	9,250
Deferred tax asset	<u>3,307</u>
Net capital	<u><u>\$ 30,310</u></u>

Aggregate indebtedness

Items included in statement of financial condition:

Accounts payable	\$ 5,500
Payable to SSI	30,722
Accrued expenses	<u>18,216</u>
Total aggregate indebtedness	<u><u>\$ 54,438</u></u>

Computation of basic net capital requirement

Minimum net capital required	<u><u>\$ 5,000</u></u>
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Excess net capital at 1,000 percent	<u><u>\$ 24,866</u></u>
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Ratio: Aggregate indebtedness to net capital	<u><u>1.8 to 1</u></u>
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Reconciliation with SSFA's computation:

There is no material difference between audited net capital and SSFA's computation as reflected in Part II of Form X-17A-5 as of December 31, 2003, and therefore no reconciliation is necessary.

**SUPPORT SERVICES FINANCIAL ADVISORS, INC.**

Reference To Other Supplemental Information Required By Rule  
17a-5 Under The Securities Exchange Act  
As Of December 31, 2003

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**SCHEDULE II**

Statement of Changes in Liabilities Subordinated  
to Claims of Creditors

Not  
applicable

Computation for Determination of Reserve  
Requirements Pursuant to Rule 15c3-3

Exemption from rule 15c3-3  
is claimed (limited basis)

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

Exemption from rule 15c3-3  
is claimed (limited basis)

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

Exemption from rule 15c3-3  
is claimed (limited basis)

A Reconciliation between the audited and unaudited Statements  
of Financial Condition with respect to methods of  
consolidation

Not  
applicable

**REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17A-5 FOR A  
BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15C3-3**

To the Board of Directors  
of Support Services Financial Advisors, Inc.:

In planning and performing our audit of the financial statements and supplemental schedules of Support Services Financial Advisors, Inc. (the Company), for the six months ended December 31, 2003, 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(a)(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 of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has

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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 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 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 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 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 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 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 SEC'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 (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 is not intended to be and should not be used by anyone other than these specified parties.

*JDS Professional Group*

Englewood, Colorado  
February 9, 2004