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

UF 8-26-04

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

SEC FILE NUMBER
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 02-03-03 AND ENDING 06-30-04
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Kena Investments INC.
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
5706 SW 45th
Amarillo (No. and Street) Texas 79109
(City) (State) (Zip Code)

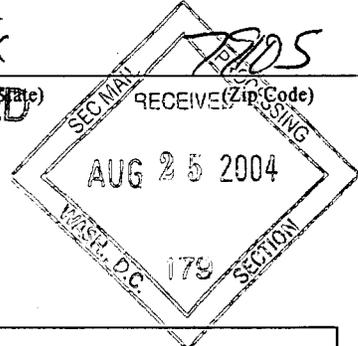
OFFICIAL USE ONLY
FIRM I.D. NO.

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

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Doshier, Pickens, & Francis P.C.
(Name - if individual, state last, first, middle name)
301 S. Polk Amarillo TX
(Address) (City) (State) (Zip Code)

PROCESSED
SEP 01 2004
THOMSON
FINANCIAL



- 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)

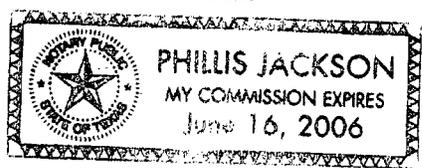
Handwritten initials/signature

OATH OR AFFIRMATION

I, Roger Renuh, 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 Inc, as of June 30, 20 04, 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

[Signature]
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.

Financial Statements

**From Inception to
June 30, 2004**



KENAI INVESTMENTS, INC.

Financial Statements

From Inception to
June 30, 2004

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Income and Retained Earnings	3
Statement of Stockholder's Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION.	7
SUPPLEMENTARY INFORMATION	
Supplementary Schedule of Computation of Net Capital Pursuant to Rule 15c3-1 of the Securities Exchange Act of 1934.	8
Determination of Reserve Requirements Pursuant to Rule 15c3-1 of the Securities Exchange Act of 1934	9
Reconciliation of Supplementary Schedule 1 of Computation of Net Capital Pursuant to Rule 15c3-1 with Company's Computation.	10



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 sheet of Kenai Investments, Inc. at June 30, 2004, and the related statement of income and retained earnings, stockholder's equity and cash flows from February 3, 2003 to June 30, 2004. 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 Kenai Investments, Inc. at June 30, 2004, and the results of its operations and its cash flows from February 3, 2003 to June 30, 2004 in conformity with accounting principles generally accepted in the United States of America.

Doshier, Pickens & Francis, P.C.

Doshier, Pickens & Francis, P.C.
July 13, 2004

KENAI INVESTMENTS, INC.
BALANCE SHEET
June 30, 2004

ASSETS

CURRENT ASSETS

Cash	\$ 9,037
Clearing deposit	<u>10,000</u>
Total Current Assets	<u>19,037</u>

OTHER ASSETS

Other (net of accumulated amortization of \$885)	<u>2,565</u>
Total Other Assets	<u>2,565</u>
Total Assets	<u><u>\$ 21,602</u></u>

LIABILITIES AND STOCKHOLDER'S EQUITY

STOCKHOLDER'S EQUITY

Common stock, \$.003 par value, 10,000,000 shares authorized, 10,000,000 shares issued and outstanding	\$ 30,000
Retained earnings (deficit)	<u>(8,398)</u>
Total Stockholder's Equity	<u><u>\$ 21,602</u></u>

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

KENAI INVESTMENTS, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
From Inception to June 30, 2004

REVENUE

Brokerage and other fees	\$ 84,049
Interest income	<u>3</u>
Total Revenue	<u>84,052</u>

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative	<u>92,450</u>
Total Expenses	<u>92,450</u>

NET LOSS

(8,398)

RETAINED EARNINGS (DEFICIT)

Beginning balance	<u>-</u>
End of the year	<u><u>\$ (8,398)</u></u>

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

KENAI INVESTMENTS, INC.
STATEMENT OF STOCKHOLDER'S EQUITY
From Inception to June 30, 2004

	<u>Common Stock</u>		<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Deficit</u>	
Contribution	10,000,000	\$ 30,000	\$ -	\$ 30,000
Net Loss	-	-	(8,398)	(8,398)
Balance at June 30, 2004	<u>10,000,000</u>	<u>\$ 30,000</u>	<u>\$ (8,398)</u>	<u>\$ 21,602</u>

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

KENAI INVESTMENTS, INC.
STATEMENT OF CASH FLOWS
From Inception to June 30, 2004

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

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

KENAI INVESTMENTS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 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 from inception to June 30, 2004.

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 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 Statement 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 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, 2004, the Company had net capital of \$21,452, and a minimum net capital requirement of \$5,000.

NOTE 3 - LEASES

In June 2003, the Company entered into a lease for office facilities. The lease is on a month-to-month basis. Total rental expense from inception to June 30, 2004 was \$4,975.

SUPPLEMENTARY INFORMATION



DOSHIER, PICKENS & FRANCIS, PC

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www.dpfcpa.com

Kenai Investments, Inc.
Amarillo, Texas

- INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION -

Our report on our audit of the basic financial statements of Kenai Investments, Inc. from inception to June 30, 2004 appears on page 1. That audit was 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 13, 2004

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

Schedule 1

Stockholder's equity from balance sheet	\$ 21,602
Less non-allowable assets from balance sheet	<u>(150)</u>
Net capital	21,452
Less minimum net capital requirements	<u>(5,000)</u>
Net Capital in Excess of Requirement	<u><u>\$ 16,452</u></u>

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

Schedule 3

Balance per Company's computation	\$ 16,452
Effect of adjustments to Company's books and accounts	<u>-</u>
Balance per Schedule 1	<u>\$ 16,452</u>