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

SEC FILE NUMBER
 8- 40323

**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 1/1/05 AND ENDING 12/31/05
 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Treece Financial Services Corp.
 ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
6800 West Central Avenue

OFFICIAL USE ONLY
 FIRM I.D. NO.

Toledo (No. and Street) OH 43617
 (City) (State) (Zip Code)

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*

Mira + Kolena, Ltd.

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

4841 Monroe Street, Suite 350 Toledo OH 43623
 (Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED
 APR 03 2006
 THOMSON
 FINANCIAL

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)

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 CA 3/31/06

OATH OR AFFIRMATION

I, Dock D. Treece, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Treece Financial Services Corp., as of December 31, 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:

Dock D. Treece
Dock D. Treece Signature

President
Title

Grace L. Shessler
Notary Public



GRACE L. SHELSSLER
NOTARY PUBLIC - STATE OF OHIO
MY COMMISSION EXPIRES OCT. 9, 2009

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~~ Cash Flows.
- (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 15c3-1 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).

Treece Financial Services Corp.

Financial Statements

Year Ended December 31, 2005

Table of Contents

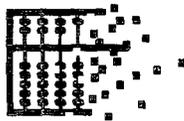
Independent Auditors' Report..... 1

Audited Financial Statements

Statement of Financial Condition.....2
Statement of Income.....3
Statement of Changes in Shareholder's Equity.....4
Statement of Cash Flows.....5
Notes to Financial Statements.....6

Supplemental Information

Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission10
Computation For Determination of Reserve Requirements under Rule 15c3-3 of the Securities and
Exchange Commission.....11
Independent Auditors' Report on Internal Control Structure.....12



MIRA+KOLENA

Certified Public Accountants & Consultants

Charles J. Mira, J.D., CPA
Thomas E. Kolena, CPA/ABV

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Member of:
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of Certified Public
Accountants

Ohio Society of
Certified Public
Accountants

INDEPENDENT AUDITORS' REPORT



Shareholder
Treece Financial Services Corp.

We have audited the accompanying statement of financial condition of Treece Financial Services Corp. as of December 31, 2005, and the related statements of income, cash flows and changes in shareholder's equity for the year 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 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 Treece Financial Services Corp. at December 31, 2005, 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 supplemental information as listed in the accompanying table of contents 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 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.

Mira + Kolena, Ltd.

Toledo, Ohio
January 11, 2006

Treece Financial Services Corp.

Statement of Financial Condition

December 31, 2005

Assets

Current assets:

Cash and cash equivalents	\$ 92,765
Marketable equity securities	65,961
Commissions receivable	2,586
Notes receivable - affiliated entity	35,900
Total current assets	<u>\$ 197,212</u>

Liabilities and Shareholder's Equity

Current liabilities:

Commissions payable	\$ 1,565
Accrued income taxes	3,800
Total current liabilities	<u>5,365</u>

Shareholder's equity:

Common stock - no par value; 750 shares authorized; 100 shares issued and outstanding	10,000
Retained earnings	157,442
Accumulated other comprehensive income	24,405
Total shareholder's equity	<u>191,847</u>
Total liabilities and shareholder's equity	<u>\$ 197,212</u>

See accompanying notes to financial statements.

Treece Financial Services Corp.

Statement of Income

Year Ended December 31, 2005

Revenues:	
Commissions	\$ 120,989
Interest and dividends	4,032
Realized gain on sale of investments	8,738
	<u>133,759</u>
Expenses:	
Commissions	72,595
Administrative fees	29,925
Professional services	9,597
Regulatory fees	4,384
Investment management fees	1,080
	<u>117,581</u>
Income before income taxes	16,178
Provision for income taxes:	
Federal - current	2,445
State	1,775
	<u>4,220</u>
Net income	<u><u>\$ 11,958</u></u>

See accompanying notes to financial statements.

Trece Financial Services Corp.

Statement of Changes in Shareholder's Equity

Year Ended December 31, 2005

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total Shareholder's Equity</u>
Balance at December 31, 2004	\$ 10,000	\$ 145,484	\$ -	\$ 155,484
Comprehensive income:				
Net income		11,958		11,958
Other comprehensive income - unrealized gain on marketable securities			24,405	<u>24,405</u>
Total comprehensive income				<u>36,363</u>
Balance at December 31, 2005	<u>\$ 10,000</u>	<u>\$ 157,442</u>	<u>\$ 24,405</u>	<u>\$ 191,847</u>

See accompanying notes to financial statements.

Treece Financial Services Corp.

Statement of Cash Flows

Year Ended December 31, 2005

Cash flows from operating activities:

Net income	\$ 11,958
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	
Realized gain on sale of investments	(8,738)
Changes in assets and liabilities:	
Commissions receivable	(2,034)
Commissions payable	1,234
Accrued income taxes	<u>(8,040)</u>
Net cash used in operating activities	(5,620)

Cash flows from investing activities:

Proceeds from sale of investments	29,431
Purchase of investments	<u>(62,249)</u>
Net cash used in investing activities	<u>(32,818)</u>
Decrease in cash and cash equivalents	(38,438)
Cash and cash equivalents at beginning of year	<u>131,203</u>
Cash and cash equivalents at end of year	<u><u>\$ 92,765</u></u>

See accompanying notes to financial statements.

Treece Financial Services Corp.

Notes to Financial Statements

December 31, 2005

1. Summary of Significant Accounting Policies

Basis of Presentation

The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) which does not hold customer securities. The Company clears all stock exchange transactions for customers on a fully disclosed basis with a clearing broker. The Company's customer base is located primarily in Ohio.

Cash Equivalents

The Company includes money market funds as cash equivalents in the accompanying financial statements.

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.

Concentration of Credit Risk

The Company maintains cash deposits in financial institutions which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation. The maximum loss that would have resulted from that risk is the excess of the deposits reported by the banks over the amounts that would have been covered by federal insurance. The Company has not experienced any losses and believes it is not exposed to any significant credit risk related to cash deposits.

Marketable Securities

Marketable securities are classified as available-for-sale and are recorded at fair market value based on quoted market prices in the accompanying financial statements. Unrealized gains and losses are included in the equity section of the balance sheet. Realized gains and losses on marketable securities are recorded on an average cost basis.

Commission Revenue and Expense

Commission revenue and expense is recorded on a trade date basis.

Treace Financial Services Corp.

Notes to Financial Statements

December 31, 2005

2. Marketable Equity Securities

Marketable equity securities at December 31, 2005 are as follows:

	Market	Unrealized	
	Cost	Value	Gains
Equity mutual funds	\$ 41,555	\$ 65,960	\$ 24,405
	<u>\$ 41,555</u>	<u>\$ 65,960</u>	<u>\$ 24,405</u>

Gross unrealized gains at December 31, 2005 were \$24,405.

3. Clearing Agreement

The Company has entered into a fully disclosed clearing arrangement with Synergy Investment Group, LLC (SIG), a broker registered with the Securities and Exchange Commission, whereby customer accounts are cleared and carried under a subclearing arrangement by Pershing LLC. The agreement remains in effect for successive one year periods, unless written notice of termination is provided by either party.

The Company has agreed to indemnify SIG from damages or losses resulting from customer transactions. The Company is exposed to off balance sheet risk of loss in the event that customers are unable to fulfill contractual obligations.

4. Income Taxes

The Company is a member of a brother-sister controlled group for federal income tax purposes. The Company's effective tax rate differs from the statutory tax rate in 2005 due to the allocation of the lower tax rate brackets to another member of the controlled group. Deferred federal income taxes are recognized for differences between the basis of assets and liabilities for financial reporting and income tax purposes. There were no deferred federal income taxes at December 31, 2005.

5. Related Parties

The Company makes advances to an entity affiliated through common ownership. These notes receivable amounted to \$35,900 at December 31, 2005 including interest at 9% and are due in 2006. Interest income on these notes of \$3,150 was recognized in 2005.

The Company paid investment management fees of \$1,080 to a company affiliated through common ownership. The Company shares office personnel and its office facility with an entity affiliated through common ownership. An administrative charge is billed at an amount agreed to by both parties for personnel, facility and office expenses. Administrative fees of \$29,925 were incurred in 2005.

Treece Financial Services Corp.

Notes to Financial Statements

December 31, 2005

6. Net Capital Requirements

The Company is subject to the Uniform Net Capital Rule (Rule 15c3-1) of the SEC, which requires the maintenance of minimum net capital of \$5,000 at December 31, 2005 and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2005, the Company had net capital of \$145,464 and an aggregate indebtedness ratio of .04 to 1.

SUPPLEMENTAL INFORMATION

Treece Financial Services Corp.

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

Year Ended December 31, 2005

Net capital:	
Total shareholder's equity	\$191,847
Deductions of nonallowable assets:	
Notes receivable	35,900
Haircut on money market fund	589
Haircut on mutual fund	9,894
	<u>46,383</u>
Net capital	<u>\$145,464</u>
Aggregate indebtedness	<u>\$ 5,365</u>
Computation of basic net capital - minimum net capital required	<u>\$ 5,000</u>
Excess net capital	<u>\$140,464</u>
Ratio - aggregate indebtedness to net capital	<u>.04 to 1</u>

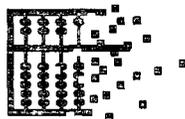
Treece Financial Services Corp. net capital reported in Part II of Form X-17A-5 as of December 31, 2005 agrees to the net capital of \$145,464 reported above.

Treece Financial Services Corp.

**Computation For Determination of
Reserve Requirements under Rule 15c3-3 of the Securities and Exchange Commission**

Year Ended December 31, 2005

Treece Financial Services Corp. claims exemption from Rule 15c3-3 pursuant to subparagraph (k)(2)(ii) because the Company does not carry customer accounts as the Company clears all transactions for customers on a fully disclosed basis with a clearing broker.



MIRA+KOLENA

Charles J. Mira, J.D., CPA
Thomas E. Kolena, CPA/ABV

Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE

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Shareholder
Treece Financial Services Corp.

In planning and performing our audit of the financial statements of Treece Financial Services Corp. for the year ended December 31, 2005, we considered its internal control structure, 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 the internal control.

Also, as required by rule 17a-5(g)(1) of the Securities Exchange Commission (SEC), we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Treece Financial Services Corp. 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. We did not review the practices and procedures followed by the Company in making quarterly securities examinations, counts, verifications and comparisons and the recordation of differences required by rule 17a-13 or in complying with the requirements for prompt payment of securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry securities accounts for customers or perform custodian functions related to customer securities.

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 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 preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. 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, errors 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.

Shareholder
Treece Financial Services Corp.

Page 2

Our consideration of the internal control structure would not necessarily disclose all matters in internal control that might be a material weakness 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, 2005 to meet the SEC's objectives.

The report is intended solely for the information and use of management, the Securities Exchange Commission, the New York Stock Exchange and other regulatory agencies which 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.

Mira & Kolena, Ltd.

Toledo, Ohio
January 11, 2006

DESIGNATION OF ACCOUNTANT
(Notice Pursuant to Rule 17a-5(f)(2))

(i) Broker or Dealer

Name: Treece Financial Services Corp.

Address: 6800 W. Central Ave., Unit G-1
Toledo, OH 43617-1112

Telephone: 419-843-7744

SEC Registration Number: 008-40323

NASD Registration Number: 23296

(ii) Accounting Firm

Name: Mira + Kolena, Ltd.

Address: 4841 Monroe St., Suite 350
Toledo, OH 43623

Telephone: 419-474-5020

Accountant's State Registration Number: 43623-037

(iii) Audit date covered by the Agreement:

(Month)	(Day)	(Year)
December	31	2005

(iv) The contractual commitment to conduct the broker's or dealer's annual audit - - (check one)

is for the annual audit only for the fiscal year ending 2____

is of a continuing nature providing for successive annual audits.

* if this commitment is not of a continuing nature, it will be necessary to file this form each successive year.

Pursuant to Rule 17a-5(f)(2), the above person has been designated as the independent public accountant for the above-mentioned broker or dealer. I understand that, pursuant to SEC Rule 17a-5(f)(1) the Securities and Exchange Commission will not recognize: (a) any person as a certified public accountant who is not duly registered in good standing as such under the laws of his place of residence or principal office; or (b) any person as a public accountant who is not in good standing and entitled to practice as such under the laws of his place of residence or principal office. Lastly, I understand that should the above-mentioned broker-dealer submit an audit by someone not recognized by the SEC as set forth in Rule 17a-5(f)(1), NASD may deem the audit of the broker-dealer to not have been filed.

Signature: *Dock D. Treese*

Name: *Dock D. Treese*

(By Firm's FINOP or President)

Title: *President*

Date: *2/6/2006*