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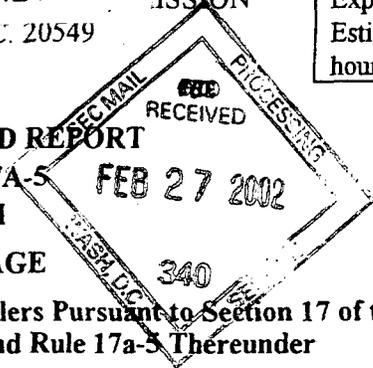
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ANNUAL AUDITED REPORT

FORM X-17A-5

PART III

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 January 1, 2001 AND ENDING December 31, 2001
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER:

American Century Investment Services, Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

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

4500 Main Street

(No. and Street)

Kansas City

(City)

Missouri

(State)

64111

(Zip Code)

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

James F. Jennings

(816) 340-7123

(Area Code - Telephone No.)

Financial Operations Principal

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Deloitte & Touche LLP

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

1010 Grand Boulevard, Suite 400

(Address)

Kansas City

(City)

Missouri

(State)

64106-2232

(Zip Code)

3/11/02

FV

CHECK ONE:

Certified Public Accountant

Public Accountant

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

PROCESSED

MAR 12 2002

THOMSON FINANCIAL

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*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 (3-91)

AMERICAN CENTURY INVESTMENT SERVICES, INC.
(A Wholly Owned Subsidiary of American Century Companies, Inc.)

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AFFIRMATION

I, James F. Jennings, affirm that, to the best of our knowledge and belief, the accompanying financial statements and supplemental schedule pertaining to American Century Investment Services, Inc. (the "Company") for the year ended December 31, 2001, are true and correct. I further affirm that neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.


Signature

2-26-02
Date

Financial Operations Principal

Title



Notary Public

INDEPENDENT AUDITORS' REPORT

The Stockholder and Board of Directors of
American Century Investment Services, Inc.
Kansas City, Missouri

We have audited the accompanying statement of financial condition of American Century Investment Services, Inc. (the "Company") (a wholly owned subsidiary of American Century Companies, Inc.) as of December 31, 2001, and the related statements of operations, changes in stockholder's equity and cash flows 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. Our procedures included a review of the Company's control activities for safeguarding securities. 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, such financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2001, 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 schedule listed in the accompanying table of contents is presented for the purpose 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. This schedule is the responsibility of the Company's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte & Touche LLP

February 19, 2002

AMERICAN CENTURY INVESTMENT SERVICES, INC.

(A Wholly Owned Subsidiary of American Century Companies, Inc.)

STATEMENT OF FINANCIAL CONDITION YEAR ENDED DECEMBER 31, 2001

ASSETS

Cash and cash equivalents	\$ 1,205,076
Prepaid expenses	1,092,561
Other assets	<u>117,700</u>
TOTAL	\$ <u>2,415,337</u>

STOCKHOLDER'S EQUITY

Common stock, \$1 par value; authorized 30,000 shares, issued and outstanding 11,900 shares	\$ 11,900
Additional paid-in-capital	8,974,886
Retained earnings (deficit)	<u>(6,571,449)</u>
TOTAL	\$ <u>2,415,337</u>

See notes to financial statements.

AMERICAN CENTURY INVESTMENT SERVICES, INC.

(A Wholly Owned Subsidiary of American Century Companies, Inc.)

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2001

REVENUES

Dividends and interest \$ 45,426

EXPENSES

Registered representatives licensing fees (1,362,618)

Loss before income tax benefit (1,317,192)

Income tax benefit (480,775)

NET LOSS **\$ (836,417)**

See notes to financial statements.

AMERICAN CENTURY INVESTMENT SERVICES, INC.
(A Wholly Owned Subsidiary of American Century Companies, Inc.)

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
YEAR ENDED DECEMBER 31, 2001

	Common Stock	Additional Paid-In Capital	Retained Earnings (Deficit)	Total Stockholder's Equity
BALANCE, January 1, 2001	\$ 11,900	\$ 8,160,484	\$ (5,735,032)	\$ 2,437,352
Capital contributions		814,402		814,402
Net loss			<u>(836,417)</u>	<u>(836,417)</u>
BALANCE, December 31, 2001	<u>\$ 11,900</u>	<u>\$ 8,974,886</u>	<u>\$ (6,571,449)</u>	<u>\$ 2,415,337</u>

See notes to financial statements.

AMERICAN CENTURY INVESTMENT SERVICES, INC.
(A Wholly Owned Subsidiary of American Century Companies, Inc.)

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2001

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	\$ (836,417)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Contribution of services received from Stockholder included in expenses	814,402
Change in prepaid expenses	<u>66,926</u>
INCREASE IN CASH AND CASH EQUIVALENTS	44,911
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,160,165</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,205,076</u>
SUPPLEMENTAL CASH FLOW INFORMATION -	
Tax benefit received from Stockholder	<u>\$ 480,775</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES -	
Capital contribution of services received from Stockholder	<u>\$ 814,402</u>

See notes to financial statements.

AMERICAN CENTURY INVESTMENT SERVICES, INC.
(A Wholly Owned Subsidiary of American Century Companies, Inc.)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2001

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations - American Century Investment Services, Inc. (the "Company") is a registered broker-dealer and a wholly owned subsidiary of American Century Companies, Inc. ("ACC"). The Company is economically dependent upon ACC. The Company's primary purpose is the marketing and distribution of the American Century family of mutual funds, which are related parties through common management. No customer accounts are carried nor are commissions received on the sale of the aforementioned mutual funds.

The Company is exempt from the computation for determination of reserve requirements under Rule 15c3-3 of the Securities Exchange Act of 1934 under paragraph (k)(1) of the Rule, since its transactions are limited to the purchase, sale and redemption of redeemable securities of registered investment companies. The Company does not receive, directly or indirectly, or hold funds or securities for, or owe money or securities to, customers.

Cash and Cash Equivalents - The Company considers all liquid investments with original maturities of three months or less to be cash equivalents, which consisted of an investment in a money market mutual fund as of December 31, 2001.

Revenues - The Company records interest and dividend income on the accrual basis. Dividend income consists of distributions from an investment in a money market mutual fund that is managed by an affiliate of the Company.

Income Taxes - The Company is included in the consolidated tax return of ACC with other ACC subsidiaries. In accordance with the provisions of the tax sharing agreement between the Company and ACC, ACC allocates income tax expenses or benefits to members of the consolidated group based on each subsidiary's contribution to consolidated taxable income or loss, using the statutory rate applicable to the consolidated group. The amounts are settled through intercompany transactions on a monthly basis and as of December 31, 2001, there was \$21,520 due from ACC. Deferred income tax expense or benefit is recorded similarly and results from differences between the Company's assets and liabilities reported for financial reporting purposes and the tax basis of such assets and liabilities.

Operating Expenses - Operating expenses consist of NASD registration fees for certain employees of other affiliates of ACC. The salaries and other costs related to those employees are borne by the affiliates which employ those individuals. ACC makes periodic capital contributions to the Company to reimburse it for the registration fees and ensure that the Company remains adequately capitalized.

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 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 reporting period. Actual results could differ from those estimates.

2. RELATED PARTIES

ACC, through American Century Services Corporation (also a wholly owned subsidiary of ACC) or through other wholly owned subsidiaries of ACC, incurs operating expenses on behalf of the Company, all of which have been contributed to additional paid-in capital of the Company. ACC, American Century Services Corporation or the other wholly owned subsidiaries have no intention of requiring reimbursement for these services.

3. NET CAPITAL REQUIREMENTS

The Company is subject to the uniform net capital rule (Rule 15c3-1) under the Securities Exchange Act of 1934. Rule 15c3-1 requires the Company to maintain minimum net capital equal to the greater of \$25,000 or 6 2/3% of aggregate indebtedness. The Company had net capital, as defined, of \$1,180,974 as of December 31, 2001, which was \$1,155,974 in excess of its required net capital of \$25,000. The Company's ratio of aggregate indebtedness to net capital was 0 to 1 as of December 31, 2001.

* * * * *

AMERICAN CENTURY INVESTMENT SERVICES, INC.
(A Wholly Owned Subsidiary of American Century Companies, Inc.)

**COMPUTATION OF NET CAPITAL FOR BROKERS AND DEALERS PURSUANT TO RULE
15C3-1 UNDER THE SECURITIES EXCHANGE ACT OF 1934
DECEMBER 31, 2001**

Stockholder's equity	\$ 2,415,337
Less non-allowable assets	
Prepaid expenses and other assets	<u>1,210,261</u>
Net capital before haircuts	1,205,076
Less haircuts of money market mutual fund	<u>24,102</u>
Net capital	<u>\$ 1,180,974</u>
Aggregate indebtedness	<u>\$ 0</u>
Computation of net capital requirement	
Minimum net capital requirement -	
Greater of \$25,000 or 6 2/3% of aggregate indebtedness	<u>\$ 25,000</u>
Excess net capital	<u>\$ 1,155,974</u>
Ratio of aggregate indebtedness to net capital	<u>0:1</u>

There are no material differences between the above computation of net capital under Rule 15c3-1 and that filed by the Company in Part IIA of its unaudited Form X-17A-5 as of December 31, 2001.

SUPPLEMENTAL REPORT ON INTERNAL CONTROL

February 19, 2002

The Stockholder and Board of Directors of
American Century Investment Services, Inc.
Kansas City, Missouri

In planning and performing our audit of the financial statements of American Century Investment Services, Inc. (the "Company") (a wholly owned subsidiary of American Century Companies, Inc.) for the year ended December 31, 2001 (on which we have issued our report dated February 19, 2002), we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the Company's internal control.

Also, as required by Rule 17a-5(g)(1) under the Securities Exchange Act of 1934, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by the Company that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness 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 the 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 for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry securities accounts for customers or perform custodial functions relating 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 internal control and of the practices and procedures and to assess whether those practices and procedures can be expected to achieve the Securities and Exchange Commission's (the "Commission") 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 acquisition, 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 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 any internal control or the practices and procedures referred to above, misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluation of the internal control or of such practices and procedures to future periods are subject to the risk that they may become inadequate because of changes in conditions or that the degree of compliance with the practices or procedures may deteriorate.

Our consideration of the Company's internal control would not necessarily disclose all matters in the Company's 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 one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by 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 the Company's internal control and its operation (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 Commission 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 as of December 31, 2001, to meet the Commission's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the Commission, National Association of Security Dealers Regulation, Inc. 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.

Yours truly,

Deloitte & Touche LLP

American Century Investment Services, Inc.

*(A Wholly Owned Subsidiary of American Century
Companies, Inc.)*

SEC I.D. No. 8-35220

*Financial Statements and Supplemental Schedule
for the Year Ended December 31, 2001, and
Independent Auditors' Report and Supplemental
Report on Internal Control*

*Filed Pursuant to Rule 17a-5(e)(3) as a PUBLIC
DOCUMENT.*