



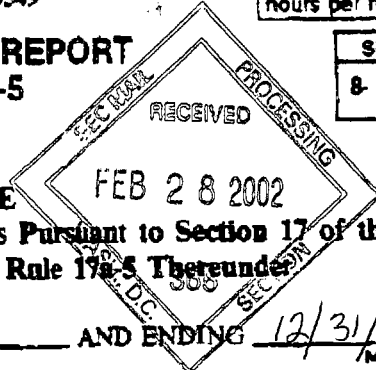
02006981

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

OMB APPROVAL
OMB Number: 3235-0123
Expires: September 30, 1998
Estimated average burden
hours per response ... 12.00

SEC FILE NUMBER
8 51213

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Westchester Capital Planning Inc.

OFFICIAL USE ONLY
FIRM ID NO.

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

50 Main Street (Suite 1000)

(No. and Street)

White Plains

NY

10606

(City)

(State)

(Zip Code)

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

Michael Ross

(914) 682-6809

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Jeffrey Melegano, CPA, PC

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

Harwood Building (310)

Scarsdale, N.Y.

10583

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 21 2002

FOR OFFICIAL USE ONLY

THOMSON FINANCIAL

*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 signature and date: 3/21/02

OATH OR AFFIRMATION

I, Michael Ross, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Westchester Capital Planning, Inc., as of December 31, 2001, 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:

ASTRID M. ROGERS
Notary Public, State of New York
No. 01RO5069587
Qualified in Westchester County
Commission Expires 11/26/02

Michael Ross

Signature
President

Title

Astrid M. Rogers 2/26/02
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 Proprietor's 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 240.17u-5(e)(3).

WESTCHESTER CAPITAL PLANNING, INC.

AUDITED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2001 and 2000

JEFFREY D. MELAGRANO, C.P.A., P.C.
HARWOOD BUILDING
SCARSDALE, NEW YORK 10583

Member
NY State Society of CPAs

Telephone (914) 723-3400
Facsimile (914) 723-8317

Independent Auditor's Report

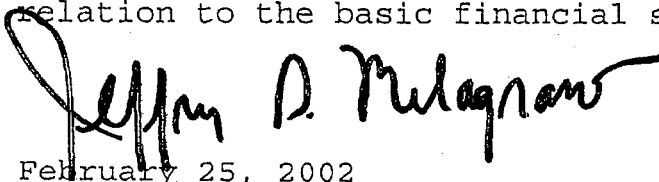
Board of Directors and Shareholders
Westchester Capital Planning, Inc.

We have audited the accompanying balance sheets of Westchester Capital Planning, Inc. as of December 31, 2001 and 2000 and the related statements of income, accumulated deficit, and cash flows for the years 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 audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 Westchester Capital Planning, Inc. as of December 31, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the accompanying schedule 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 of the Securities and Exchange Commission. 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.


February 25, 2002

Westchester Capital Planning, Inc.

Balance Sheet

| | December 31, | |
|--|-----------------|-----------------|
| | <u>2001</u> | <u>2000</u> |
| ASSETS | | |
| Current Assets | | |
| Cash | \$2,114 | \$4,716 |
| Commissions receivable | 839 | 1,144 |
| Total Current Assets | 2,953 | 5,860 |
| Fixed Assets | | |
| Computer equipment | 2,183 | |
| Accumulated depreciation | (250) | |
| | 1,933 | |
| Other Assets | | |
| Investments | 7,969 | 5,544 |
| Security deposits | 540 | 540 |
| Total other assets | 8,509 | 6,084 |
| TOTAL ASSETS | \$13,395 | \$11,944 |
| LIABILITIES AND STOCKHOLDER'S EQUITY | | |
| Current Liabilities | | |
| Accrued expenses | \$1,981 | \$2,000 |
| Stockholder's Equity | | |
| Common stock | | |
| no par value, 200 shares authorized, issued, and outstanding | 2,000 | 2,000 |
| Additional paid in capital | 18,422 | 18,422 |
| Retained deficit | (9,008) | (10,478) |
| Total Stockholder's Equity | 11,414 | 9,944 |
| TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY | \$13,395 | \$11,944 |

See notes to financial statements

Westchester Capital Planning, Inc.
Statement of Income and Retained Deficit

| | Years Ended December 31, | |
|-------------------------------------|-----------------------------|-------------------|
| | <u>2001</u> | <u>2000</u> |
| Revenues | | |
| Commission income | \$60,027 | \$38,966 |
| Fee based income | 2,000 | 300 |
| Interest and dividends | 191 | 186 |
| Total Revenue | 62,218 | 39,452 |
| Expenses | | |
| Officer compensation | 2,000 | 2,000 |
| Payroll taxes | 169 | 233 |
| Advertising | 1,953 | |
| Auto expense | 1,924 | |
| Bank charges | 115 | 135 |
| Depreciation expense | 250 | |
| Dues and subscriptions | 135 | 380 |
| Taxes and fees | 150 | 150 |
| Licenses & registration | 761 | 1,409 |
| Medical insurance | 3,059 | 4,814 |
| Insurance | 315 | 410 |
| Supplies | 728 | 71 |
| Office expense | 1,096 | 30 |
| Estate planning costs | 375 | 335 |
| Legal and accounting | 6,690 | 6,686 |
| Rent and office services | 5,494 | 4,848 |
| Professional education | | 326 |
| NYS Franchise tax | 100 | 100 |
| Postage | 2,001 | 200 |
| Telephone | 5,765 | 4,914 |
| Total operating expenses | 33,080 | 27,041 |
| Net Income | 29,138 | 12,411 |
| Retained deficit beginning of year | (10,478) | (11,296) |
| Shareholder distributions | (27,668) | (11,593) |
| Retained deficit end of year | (\$9,008) | (\$10,478) |

See notes to financial statements

Westchester Capital Planning, Inc.
Statement of Cash Flows

| | Years Ended December 31, | |
|---|-----------------------------|-----------------|
| | <u>2001</u> | <u>2000</u> |
| Cash flows from operating activities: | | |
| Net income | \$29,138 | \$12,411 |
| Adjustment to reconcile net income to cash provided by operating activities: | | |
| Depreciation | 250 | |
| Receivables | 305 | 1,115 |
| Accounts payable | (19) | 1,833 |
| Security deposit | | (240) |
| Cash provided by operating activities | <u>29,674</u> | <u>15,119</u> |
| Cash flows from investing activities: | | |
| Fixed asset purchase | (2,183) | |
| Purchase of securities | (2,425) | (5,544) |
| Cash (used) for investing activities | <u>(4,608)</u> | <u>(5,544)</u> |
| Cash flows from financing activities: | | |
| Shareholder distribution | (27,668) | (11,593) |
| Cash (used) for financing activities | <u>(27,668)</u> | <u>(11,593)</u> |
| (Decrease) Increase in cash for period | (2,602) | (2,018) |
| Cash - beginning of period | 4,716 | 6,734 |
| Cash - end of period | <u>\$2,114</u> | <u>\$4,716</u> |

See notes to financial statements

WESTCHESTER CAPITAL PLANNING, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2001 and 2000

1 - Organization and Description of the Business

Westchester Capital Planning, Inc. (the "Company"), is a New York company, which provides financial services to investors.

2 - Summary of Significant Accounting Policies

The Company is on the accrual basis of accounting whereby income is recognized when earned and expenses are recognized when incurred.

3 - Investments

Investments are stated at cost. The fair market value of investments as of December 31, 2001 and 2000 was \$7,407 and \$4,554 respectively.

4 - Income Taxes

There is no provision for federal income taxes because the Company is organized as an S-corporation under federal tax law.

5 - Net Capital Requirements

As a registered broker-dealer, the Company is subject to the SEC's Uniform Net Capital Rule, which requires the maintenance of minimum net capital. At December 31, 2001 and 2000 the company was in compliance with its capital requirements and had excess net capital of \$2,226 and \$2,638 respectively as detailed on page 5.

Westchester Capital Planning, Inc.
Statement of Net Capital

| | Years Ended December 31, | |
|--|-----------------------------|-------------|
| | <u>2001</u> | <u>2000</u> |
| Total assets | \$13,395 | \$11,944 |
| Less: adjustment to market for investments | 562 | 989 |
| Less: total liabilities | 1,981 | 2,000 |
| <hr/> | | |
| Net worth | 10,852 | 8,955 |
| Less: non allowable assets | 2,473 | 540 |
| <hr/> | | |
| Current capital | 8,379 | 8,415 |
| Less: haircuts | 1,153 | 777 |
| <hr/> | | |
| Net capital | 7,226 | 7,638 |
| Required net capital | 5,000 | 5,000 |
| <hr/> | | |
| Excess net capital | \$2,226 | \$2,638 |
| <hr/> | | |
| Aggregate indebtedness | \$1,981 | \$2,000 |
| Aggregate indebtedness to net capital | 27.41% | 26.18% |

See notes to financial statements