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Washington, D.C. 20549

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

SEC FILE NUMBER
8- 621

**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 01/01/2002 AND ENDING 12/31/2002
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: FAMILY INCOME PLANNING, INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

540 N.W. BROAD STREET

(No. and Street)

SOUTHERN PINES

NORTH CAROLINA

(City)

(State)

28387

(Zip Code)

RECEIVED
FEB 28 2003

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*

MCKNIGHT WOOD & GUY, P.A.

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

211 EAST SIX FORKS RD., SUITE 112, RALEIGH, NORTH CAROLINA 72609-7743

(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 18 2003
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)

3-13

OATH OR AFFIRMATION

I, JACQUELINE M. WESTBROOK, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FAMILY INCOME PLANNING, INC., as of DECEMBER 31, 2002, 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

my commission expires April 3, 2005

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).

FORM X-17A-5	<h1 style="margin: 0;">FOCUS REPORT</h1> <p style="margin: 0;">(Financial and Operational Combined Uniform Single Report)</p> <h2 style="margin: 0;">Part IIA</h2> <p style="margin: 0; font-size: small;">INFORMATION REQUIRED OF BROKERS AND DEALERS PURSUANT TO RULE 17</p>
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COVER

Select a filing method:

Basic Alternate [0011]

Name of Broker Dealer: FAMILY INCOME PLANNING, INC. [0013]

SEC File Number: 8- 621 [0014]

Address of Principal Place of Business: 540 N.W. BROAD STREET [0020]

SOUTHERN PINES NC 28387
[0021] [0022] [0023]

Firm ID: 1783 [0015]

For Period Beginning 01/01/2002 And Ending 12/31/2002
[0024] [0025]

Name and telephone number of person to contact in regard to this report:

Name: JACQUELINE M. WESTBROOK Phone: 910-692-8271
[0030] [0031]

Name(s) of subsidiaries or affiliates consolidated in this report:

Name: _____ Phone: _____
[0032] [0033]

Name: _____ Phone: _____
[0034] [0035]

Name: _____ Phone: _____
[0036] [0037]

Name: _____ Phone: _____
[0038] [0039]

Does respondent carry its own customer accounts? Yes [0040] No [0041]

Check here if respondent is filing an audited report [0042]

ASSETS

Consolidated ^(C) [0198]		Unconsolidated ^(C) [0199]		
		Allowable	Non-Allowable	Total
1.	Cash	<u>37,908</u> [0200]		<u>37,908</u> [0750]
2.	Receivables from brokers or dealers:			
	A. Clearance account	<u>5,506</u> [0295]		
	B. Other	<u>[0300]</u>	<u>[0550]</u>	<u>5,506</u> [0810]
3.	Receivables from non- customers	<u>[0355]</u>	<u>[0600]</u>	<u>0</u> [0830]
4.	Securities and spot commodities owned, at market value:			
	A. Exempted securities	<u>[0418]</u>		
	B. Debt securities	<u>[0419]</u>		
	C. Options	<u>[0420]</u>		
	D. Other securities	<u>[0424]</u>		
	E. Spot commodities	<u>[0430]</u>		<u>0</u> [0850]
5.	Securities and/or other investments not readily marketable:			
	A. At cost			
		<u>[0130]</u>		
	B. At estimated fair value	<u>[0440]</u>	<u>[0610]</u>	<u>0</u> [0860]
6.	Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:	<u>[0460]</u>	<u>[0630]</u>	<u>0</u> [0880]
	A. Exempted securities			
		<u>[0150]</u>		
	B. Other securities			
		<u>[0160]</u>		
7.	Secured demand notes market value of collateral:	<u>[0470]</u>	<u>[0640]</u>	<u>0</u> [0890]
	A. Exempted securities			

		[0170]		
B.	Other securities			
		[0180]		
8.	Memberships in exchanges:			
A.	Owned, at market			
		[0190]		
B.	Owned, at cost		[0650]	
C.	Contributed for use of the company, at market value		[0660]	0 [0900]
9.	Investment in and receivables from affiliates, subsidiaries and associated partnerships	[0480]	[0670]	0 [0910]
10.	Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization	[0490]	[0680]	0 [0920]
11.	Other assets		6,500 [0735]	6,500 [0930]
12.	TOTAL ASSETS	43,414 [0540]	6,500 [0740]	49,914 [0940]

LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
13. Bank loans payable	[1045]	[1255]	<u>0</u> [1470]
14. Payable to brokers or dealers:			
A. Clearance account	<u>1,500</u> [1114]	[1315]	<u>1,500</u> [1560]
B. Other	[1115]	[1305]	<u>0</u> [1540]
15. Payable to non-customers	[1155]	[1355]	<u>0</u> [1610]
16. Securities sold not yet purchased, at market value		[1360]	<u>0</u> [1620]
17. Accounts payable, accrued liabilities, expenses and other	<u>509</u> [1205]	[1385]	<u>509</u> [1685]
18. Notes and mortgages payable:			
A. Unsecured	[1210]		<u>0</u> [1690]
B. Secured	[1211]	[1390]	<u>0</u> [1700]
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			<u>0</u>
1. from outsiders		[1400]	[1710]
	<u>[0970]</u>		
2. Includes equity subordination (15c3-1(d)) of			
	<u>[0980]</u>		
B. Securities borrowings, at market value: from outsiders		[1410]	<u>0</u> [1720]
	<u>[0990]</u>		
C. Pursuant to secured demand note collateral agreements:			<u>0</u>
1. from outsiders		[1420]	[1730]
	<u>[1000]</u>		

	2.	Includes equity subordination (15c3-1(d)) of			
			[1010]		
D.		Exchange memberships contributed for use of company, at market value		[1430]	[1740]
E.		Accounts and other borrowings not qualified for net capital purposes	[1220]	[1440]	[1750]
20.		TOTAL LIABILITIES	<u>2,009</u>	<u>0</u>	<u>2,009</u>
			[1230]	[1450]	[1760]

Ownership Equity

	Total
21. Sole proprietorship	[1770]
22. Partnership (limited partners [1020])	[1780]
23. Corporations:	
A. Preferred stock	[1791]
B. Common stock	200
C. Additional paid-in capital	45,972
D. Retained earnings	1,732
E. Total	47,904
F. Less capital stock in treasury	[1796]
24. TOTAL OWNERSHIP EQUITY	<u>47,904</u>
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY	<u>49,913</u>
	[1810]

17.	Net Income(loss) before Federal Income taxes and items below (Item 9 less Item 16)	-10,675
		[4210]
18.	Provision for Federal Income taxes (for parent only)	[4220]
19.	Equity in earnings (losses) of unconsolidated subsidiaries not included above	[4222]
	a. After Federal income taxes of	[4238]
20.	Extraordinary gains (losses)	[4224]
	a. After Federal income taxes of	[4239]
21.	Cumulative effect of changes in accounting principles	[4225]
22.	Net income (loss) after Federal income taxes and extraordinary items	-10,675
		[4230]
MONTHLY INCOME		
23.	Income (current monthly only) before provision for Federal income taxes and extraordinary items	-5,264
		[4211]

EXEMPTIVE PROVISIONS

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based

- A. (k) (1)--Limited business (mutual funds and/or variable annuities only) [4550]
- B. (k) (2)(i)--"Special Account for the Exclusive Benefit of customers" maintained [4560]
- C. (k) (2)(ii)--All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm(s) [4570]

Clearing Firm SEC#s	Name	Product Code
8- <u>48519</u> [4335A]	<u>ADVANTAGE TRADING GROUP, INC.</u> [4335A2]	<u>All</u> [4335B]
8- _____ [4335C]	_____ [4335C2]	_____ [4335D]
8- _____ [4335E]	_____ [4335E2]	_____ [4335F]
8- _____ [4335G]	_____ [4335G2]	_____ [4335H]
8- _____ [4335I]	_____ [4335I2]	_____ [4335J]

- D. (k) (3)--Exempted by order of the Commission [4580]

D.	Undue Concentration			
			[3650]	
E.	Other (List)			
		[3736A]	[3736B]	
		[3736C]	[3736D]	
		[3736E]	[3736F]	
			0	0
			[3736]	[3740]
10.	Net Capital			41,404
				[3750]

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11.	Minimum net capital required (6-2/3% of line 19)			133
			[3756]	
12.	Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note(A)			25,000
			[3758]	
13.	Net capital requirement (greater of line 11 or 12)			25,000
			[3760]	
14.	Excess net capital (line 10 less 13)			16,404
			[3770]	
15.	Excess net capital at 1000% (line 10 less 10% of line 19)			41,203
			[3780]	

COMPUTATION OF AGGREGATE INDEBTEDNESS

16.	Total A.I. liabilities from Statement of Financial Condition			2,009
			[3790]	
17.	Add:			
A.	Drafts for immediate credit			
			[3800]	
B.	Market value of securities borrowed for which no equivalent value is paid or credited			
			[3810]	
C.	Other unrecorded amounts(List)			
		[3820A]	[3820B]	
		[3820C]	[3820D]	
		[3820E]	[3820F]	
			0	0
			[3820]	[3830]
19.	Total aggregate indebtedness			2,009
				[3840]
20.	Percentage of aggregate indebtedness to net capital (line 19 / line 10)		%	5
				[3850]

OTHER RATIOS

21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)

% 0
[3860]

SCHEDULED WITHDRAWALS

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

<u>Type of Proposed Withdrawal or Accrual</u>	<u>Name of Lender or Contributor</u>	<u>Insider or Outsider</u>	<u>Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)</u>	<u>Withdrawal or Maturity Date (MMDDYYYY)</u>	<u>Expect to Renew</u>
[4600]					
	[4601]	[4602]	[4603]	[4604]	[4605]
[4610]					
	[4611]	[4612]	[4613]	[4614]	[4615]
[4620]					
	[4621]	[4622]	[4623]	[4624]	[4625]
[4630]					
	[4631]	[4632]	[4633]	[4634]	[4635]
[4640]					
	[4641]	[4642]	[4643]	[4644]	[4645]
[4650]					
	[4651]	[4652]	[4653]	[4654]	[4655]
[4660]					
	[4661]	[4662]	[4663]	[4664]	[4665]
[4670]					
	[4671]	[4672]	[4673]	[4674]	[4675]
[4680]					
	[4681]	[4682]	[4683]	[4684]	[4685]
[4690]					
	[4691]	[4692]	[4693]	[4694]	[4695]
		TOTAL	0		
		\$			
			[4699]		
			Omit Pennies		