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3-1-2004



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

VF 2-26-04

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2004
Estimated average burden hours per response.....	12.00

PROCESSED
MAR 03 2004

THOMSON
FINANCIAL

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

SEC FILE NUMBER
8-35642

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 01/01/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Investment Planners, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

201 North Main Street

(No. and Street)

Decatur

(City)

IL

(State)

62523

(Zip Code)

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

David P. Koshinski

217-425-6340

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Pamela J. Simpson, CPA

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

433 West Pershing Road Decatur

(Address)

(City)

IL

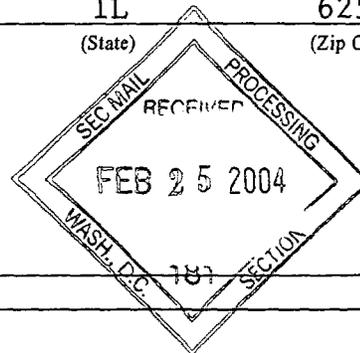
(State)

62526

(Zip Code)

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)

2-26-04

OATH OR AFFIRMATION

I, David P. Koshinski, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Investment Planners, Inc., as of December 31, 2003, 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:

David P. Koshinski
Signature

Executive Vice-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).

FIRM NAME Investment Planners, Inc.

AGGREGATE INDEBTEDNESS/NET CAPITAL COMPUTATION as of December 31, 2003

PART I

TOTAL ASSETS ----- \$ 1,467,952
LESS: TOTAL LIABILITIES ----- (1,033,868)
(Exclusive of Subordinated Debt)

NET WORTH ----- \$ 434,084

DEDUCTIONS FROM AND/OR CHARGES TO NET WORTH:

Total Non-Allowable Assets ----- \$ 182,827

Other deductions or changes ----- \$ _____

TOTAL DEDUCTIONS FROM NET WORTH ----- \$ (182,827)

NET CAPITAL BEFORE HAIRCUTS ----- \$ 251,257

HAIRCUTS:

Certificates of Deposit and Commercial Paper --- \$ _____

U.S. and Canadian government obligations ----- \$ _____

State and Municipal government obligations ----- \$ _____

Corporate obligations ----- \$ _____

Stocks and warrants ----- \$ _____

Options ----- \$ _____

Arbitrage ----- \$ _____

Other Securities ----- \$ 10,269

TOTAL HAIRCUTS ----- \$ (10,269)

NET CAPITAL ----- \$ 240,988

PART II

MINIMUM NET CAPITAL REQUIREMENT ----- \$ 68,925

TOTAL NET CAPITAL ----- \$ 240,988

TOTAL AGGREGATE INDEBTEDNESS ----- \$ 1,033,868

RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL ----- \$ 429 %

NET CAPITAL IN EXCESS OF MINIMUM REQUIREMENT ----- \$ 172,063

Verification

Investment Planners, Inc.
Decatur, Illinois

There was a material difference regarding the net capital computation at 12/31/03 between the unaudited computation in the Focus Report IIA and the net capital computation submitted with this report.

- The receivables decreased by \$ 205,769
- The other receivables - allowed increased by \$ 88,405
- The other receivables – non-allowed decreased by \$ 4,512
- The other securities increased by \$ 7,820
- The non allowed assets of fixed assets decreased by \$ 111
- The prepaid expenses increased by \$ 7,969
- The accounts payable decreased by \$ 41,287
- The retained earnings decreased by \$ 64,921
- The net capital decreased by \$ 68,257

No material inadequacies were found to exist.

Investment Planners, Inc. is exempt from rule 15c3-3 as of 12/31/03 under rule 15c303k(ii). Transactions are cleared through another broker/dealer. No computation for the reserve requirement and no information relating to possession or control requirements is required.

INVESTMENT PLANNERS, INC.

Financial Statements

and

**Report of Independent
Certified Public Accountants**

December 31, 2003 and 2002

PAMELA J. SIMPSON, C.P.A.

433 WEST PERSHING ROAD
DECATUR, ILLINOIS 62526
(217) 872-1908

Report of Independent Certified Public Accountants

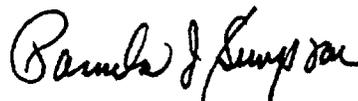
The Board of Directors
Investment Planners, Inc.

We have audited the accompanying balance sheet of Investment Planners, Inc. as of December 31, 2003 and 2002, and the related statement of earnings, stockholders' equity 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 audits.

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 statements 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 Investment Planners, Inc. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Decatur, Illinois
February 17, 2004



Certified Public Accountant

INVESTMENT PLANNERS, INC.

Balance Sheets

December 31, 2003 and 2002

	<u>Assets</u>	
	<u>2003</u>	<u>2002</u>
Current assets:		
Cash and cash equivalents	\$ 319,505	183,731
Mutual funds	56,883	42,362
Mutual funds--designated	45,957	49,023
Commissions receivable	774,375	362,479
Receivable from representative	88,405	-
Prepaid expenses	<u>25,017</u>	<u>26,729</u>
Total current assets	<u>1,310,142</u>	<u>664,324</u>
Fixed assets:		
Leasehold improvements	80,752	80,752
Office furniture and equipment	308,711	299,544
Software	65,310	54,529
Less accumulated amortization	(48,429)	(37,530)
Less accumulated depreciation	<u>(248,534)</u>	<u>(205,638)</u>
Net fixed assets	<u>157,810</u>	<u>191,657</u>
	<u>\$ 1,467,952</u>	<u>855,981</u>

Liabilities and Stockholders' Equity

Current liabilities:		
Accounts payable	\$ 156,272	30,654
Commissions payable	706,620	321,478
Wages and payroll tax payable	29,067	19,839
Deferred compensation payable	45,957	49,023
Income tax payable	8,301	-
Profit sharing payable	<u>67,326</u>	<u>25,000</u>
Total current liabilities	<u>1,013,543</u>	<u>445,994</u>
Deferred income tax	<u>20,325</u>	<u>-</u>
Stockholders' equity:		
Capital stock (no par value)	12,375	12,375
Paid in capital	10,125	10,125
Retained earnings	<u>411,584</u>	<u>387,487</u>
Total stockholders' equity	<u>434,084</u>	<u>409,987</u>
	<u>\$ 1,467,952</u>	<u>855,981</u>

See accompanying notes to financial statements.

INVESTMENT PLANNERS, INC.

Statements of Earnings

Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Revenues:		
Commissions revenue	\$ 7,291,245	7,224,877
Interest and Dividends	2,811	4,132
Other Income	319,747	173,930
(Decrease) increase in market value - trading securities	<u>14,521</u>	<u>(8,072)</u>
	<u>7,628,324</u>	<u>7,394,867</u>
Expenses:		
Agent and employee compensation and benefits	6,805,501	6,639,071
Communications and data processing	33,317	30,872
Occupancy	129,701	171,112
Other expenses	588,665	554,477
Interest expense	<u>195</u>	<u>150</u>
	<u>7,557,379</u>	<u>7,395,682</u>
Income (loss) before income taxes	<u>70,945</u>	<u>(815)</u>
Provision for income taxes		
Current	26,524	554
Deferred	<u>20,325</u>	<u>-</u>
Total provision for income taxes	<u>46,849</u>	<u>554</u>
Net earnings (loss)	<u>\$ 24,096</u>	<u>(1,369)</u>

See accompanying notes to financial statements.

INVESTMENT PLANNERS, INC.

Statements of Changes in Stockholders' Equity

Years Ended December 31, 2003 and 2002

	<u>Capital Stock</u>	<u>Paid In Capital</u>	<u>Retained Earnings</u>
Balance January 1, 2002	\$ 12,375	10,125	388,857
2002 net loss	<u>-</u>	<u>-</u>	<u>(1,369)</u>
Balance December 31, 2002	<u>\$ 12,375</u>	<u>10,125</u>	<u>387,488</u>
Balance January 1, 2003	\$ 12,375	10,125	387,488
2003 net earnings	<u>-</u>	<u>-</u>	<u>24,096</u>
Balance December 31, 2003	<u>\$ 12,375</u>	<u>10,125</u>	<u>411,584</u>

See accompanying notes to financial statements.

INVESTMENT PLANNERS, INC.

Statements of Cash Flows

Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Cash flows from operating activities:		
Net income (loss)	\$ 24,096	(1,369)
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	53,795	52,358
Change in market value	(14,521)	8,072
Change in operating assets and liabilities:		
Decrease (increase) in commissions receivable	(411,896)	129,682
Decrease (increase) in prepaid expenses	1,712	13,214
Decrease (increase) in other receivable	(88,405)	-
(Decrease) increase in accounts payable	125,618	(20,384)
(Decrease) increase in commissions payable	385,142	(51,329)
(Decrease) increase in payroll taxes payable	9,228	2,470
(Decrease) increase in income taxes payable	28,626	-
(Decrease) increase in deferred comp. payable	(3,066)	16,631
(Decrease) increase in profit sharing payable	42,326	(40,750)
Net cash provided by operating activities	<u>152,655</u>	<u>108,595</u>
Cash flows from investing activities:		
Redemption (Purchases) of mutual funds	3,067	(17,744)
Purchase of fixed assets	(19,948)	(82,579)
Net cash provided (used) by investing activities	<u>(16,881)</u>	<u>(100,323)</u>
Net increase (decrease) in cash and cash equivalents	135,774	8,272
Cash and cash equivalents, beginning	<u>183,731</u>	<u>175,459</u>
Cash and cash equivalents, end	<u>\$ 319,505</u>	<u>183,731</u>

Supplemental Disclosures

Income taxes paid were \$ 13,711 in 2003 and \$ 554 in 2002.

See accompanying notes to financial statements.

Investment Planners, Inc.
Notes to Financial Statements
December 31, 2003 and 2002

Note 1 - Significant accounting policies:

Nature of operations:

The company operates as a broker and dealer of various types of investment vehicles throughout the United States. The administrative offices are located in Decatur, Illinois, with branch offices in Indiana and Kentucky. Operations in other states are conducted through commissioned representatives. Such commissioned representatives are responsible for their own offices.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Basis of accounting:

The Company's financial statements are prepared using the accrual method. Commission income and expenses are reported on a trade date basis.

Fixed assets:

Office furniture and equipment is depreciated using the declining balance method over five to seven years. Leasehold improvements are amortized over the life of the lease, plus possible extensions, 15 years. Software is amortized over three years using straight-line amortization.

Cash and Cash equivalents:

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Income taxes:

Income taxes are provided for based upon net earnings as reported in the financial statements. Deferred income taxes are provided for significant differences between financial and tax reporting. Such differences are primarily financial vs tax depreciation.

Note 2 - Capital stock:

Capital stock consists of 100,000 shares authorized, 12,375 shares issued and outstanding, no par value, common stock.

Note 3 - Related party transactions:

The Company rents two vehicles from a shareholder and a corporation related to it through common ownership. Such rent payments were \$ 29,076 in 2003 and \$ 30,158 in 2002.

Investment Planners, Inc.
Notes to Financial Statements
December 31, 2003 and 2002

Note 4 - Deposit with Clearing Organization:

The Company is required to maintain a deposit of \$10,000 with the organization that clears its customers' transactions. The \$10,000 is included in cash and cash equivalents.

Note 5 - Trading Securities:

The Mutual Funds are classified as trading securities. Changes in the fair market value are reported in the statement of earnings.

Note 6 - Net Capital Requirements:

The Company is subject to the Securities and Exchange Commission net capital requirements which require minimum net capital amounts be maintained. At December 31, 2003, and 2002 the Company's minimum net capital requirement was \$ 50,000. The Company was in compliance with the net capital requirement at December 31, 2003 and 2002.

Note 7 - Employee Benefit Plan:

In 1997, the company established a defined contribution plan which covers virtually all employees. The profit sharing plan expense for 2003 and 2002 was \$ 107,326 and \$ 25,000 respectively.

Note 8 - Prepaid Expenses:

Prepaid expenses consists of:

	<u>2003</u>	<u>2002</u>
Expenses	\$ 25,017	17,058
Income tax	<u>-</u>	<u>9,671</u>
	<u>\$ 25,017</u>	<u>26,729</u>

Investment Planners, Inc.
Notes to Financial Statements
December 31, 2003 and 2002

Note 9 – Deferred Compensation Plan:

In 2000, the Company established a nonqualified deferred compensation plan for certain commissioned representatives. The deferred compensation plan payable at December 31, 2003 and 2002 was \$ 45,957 and \$49,023. At December 31, 2003 and 2002, the Company had deposited amounts withheld as deferred compensation in a mutual fund, designated for the deferred compensation plan. Total amounts withheld and paid as deferred compensation during the years ended December 31, 2003 and 2002 were \$ 9,808 and \$ 24,724.

Note 10 – Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits:

The Company maintains its cash balances in one financial institution located in Decatur, Illinois. The balances are insured by the Federal Deposit Insurance Corporation up to \$ 100,000. At December 31, 2003 and 2002, the Company's uninsured cash balances totaled \$ 122,678 and \$ 0.

Note 11 – Operating Leases:

The Company leases its Decatur office space under a lease agreement, on a month-to-month basis, for \$1,750 per month. The lease is classified as an operating lease.

The Company leases an airplane from a company related to it through common ownership, under terms of a lease dated March 1, 2001, for \$ 2,400 per month. The lease required non-refundable payments of \$ 23,042 upon execution of the lease. Lease expense for 2003 and 2002 was \$ 28,800.