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SECURITIES AND EXCHANGE COMMISSION
RECEIVED
AUG 05 2004
DIVISION OF MARKET REGULATION

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

SEC FILE NUMBER
8-36943

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: FNB Brokerage Services, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

815 Colorado Avenue

(No. and Street)

Stuart

(City)

Florida

(State)

34994

(Zip Code)

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

Leonard J. Hoag

561-288-6084

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PricewaterhouseCoopers LLP

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

200 East Las Olas Blvd., Suite 1700, Fort Lauderdale, Florida

(Address)

(City)

(State)

33301

(Zip Code)

CHECK ONE:

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

PROCESSED
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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-3(e)(2)

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FNB Brokerage Services, Inc.

**(A Wholly Owned Subsidiary of
First National Bank and Trust Company of the
Treasure Coast)**

Statement of Financial Condition

December 31, 2003

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C.

STATEMENT OF FINANCIAL CONDITION

DATE – December 31, 2003

FNB Brokerage Services, Inc.

(Name of Respondent)

815 Colorado Avenue, Stuart, Florida 34994

(Address of principal executive office)

**Leonard J. Hoag, President
FNB Brokerage Services, Inc.
815 Colorado Avenue
Stuart, Florida 34994**

(Name and address of person authorized to receive notices and communications from the Securities and Exchange Commission)

PricewaterhouseCoopers LLP
200 East Las Olas Boulevard
Suite 1700
Fort Lauderdale FL 33301
Telephone (954) 764 7111
Facsimile (954) 525 4453

Report of Independent Certified Public Accountants

To the Shareholder and Board of Directors
of FNB Brokerage Services, Inc.:

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of FNB Brokerage Services, Inc. (the "Company"), a wholly owned subsidiary of First National Bank and Trust Company of the Treasure Coast, at December 31, 2003, in conformity with accounting principles generally accepted in the United States of America. This financial statement is the responsibility of the Company's management; our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this statement in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.



February 25, 2004

FNB Brokerage Services, Inc.
(A Wholly Owned Subsidiary of
First National Bank and Trust Company of the Treasure Coast)
Statement of Financial Condition
December 31, 2003

ASSETS

Cash and cash equivalents	\$ 244,819
Commissions receivable	101,236
Investment in money market funds, at fair value	1,877,198
Investments - other, at fair value	66,100
Furniture and equipment, net	6,641
Deposits	50,000
Due from Parent	21,046
Other assets	<u>6,560</u>
Total assets	<u>\$ 2,373,600</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Liabilities:	
Accounts payable and accrued expenses	\$ <u>338,016</u>
Total liabilities	<u>338,016</u>
Contingencies (Note 5)	
Shareholder's equity	
Common stock, par value \$1 per share, authorized 10,000 shares, issued and outstanding 6,000 shares	6,000
Additional paid-in capital	61,831
Retained earnings	<u>1,967,753</u>
Total shareholder's equity	<u>2,035,584</u>
Total liabilities and shareholder's equity	<u>\$ 2,373,600</u>

The accompanying notes are an integral part of these financial statements.

FNB Brokerage Services, Inc.
(A Wholly Owned Subsidiary of
First National Bank and Trust Company of the Treasure Coast)
Notes to the Financial Statement
December 31, 2003

1. Summary of Significant Accounting Policies

Organization and Nature of Business

FNB Brokerage Services, Inc. (the "Company") is a wholly owned subsidiary of First National Bank and Trust Company of the Treasure Coast (the "Parent") and was organized on October 31, 1986. The Company began operations on February 27, 1987.

The Company provides introductory brokerage and investment services primarily for customers of the Parent. All securities transactions are settled through a clearing broker or directly with mutual funds or annuity companies on a fully disclosed basis. Custody of securities owned by the customers of the Company are maintained by a third party. Investment products include stocks, mutual funds, bonds, annuities, options, life and variable life insurance, and long-term care insurance.

During 2003, the Company performed a self assessment of mutual fund breakpoint discounts in accordance with general NASD direction issued to its membership. No significant mutual fund breakpoint issues were discovered by the assessment.

Use of Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America required the use of certain estimates by management in determining the Company's assets, liabilities, revenues and expenses. A specific area, among others, requiring the application of management's estimates includes the valuation of investment securities. Actual results could differ from those estimates.

Securities Transactions

Securities transactions, commission income and related expenses are recorded on a trade date basis. The Company receives commission and fee income directly from the respective mutual fund or annuity companies.

Fair Value of Financial Instruments

The financial instruments of the Company are reported in the statement of financial condition at fair value or at carrying amounts that approximate fair values due to the short-term maturity of these instruments. Cash, commissions receivable, deposits, accounts payable and accrued expenses are reflected in the financial statements at cost, which approximates fair value due to the short term nature of these accounts. Investments are carried at fair value.

Cash and cash equivalents

The Company classifies highly liquid instruments with original maturities of three months or less from the date of purchase as cash equivalents.

FNB Brokerage Services, Inc.
(A Wholly Owned Subsidiary of
First National Bank and Trust Company of the Treasure Coast)
Notes to the Financial Statement
December 31, 2003

Investments

Investments are classified as trading and are reflected at fair value with the resulting unrealized gains or losses reflected in investment income in the statement of operations.

Furniture and Equipment

Furniture and equipment is stated at cost, less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which range from three to seven years.

Income Taxes

The Company's operations are included in the consolidated income tax return of the Parent. The Company provides for income taxes in accordance with a tax allocation agreement with the Parent. Taxes are calculated and allocated to the Company as if it were a separate taxpayer. The Company makes payments to or receives refunds from the Parent for the amount of the income tax provision or benefit recorded.

2. Investments

Investments in money market funds consist of the following as of December 31, 2003:

Goldman Sachs Financial Square Money Market Preferred	\$ 1,543,169
Fidelity Treasury Fund Daily Money Class	334,029
	<u>\$ 1,877,198</u>

At December 31, 2003, the Company held an equity investment in The Nasdaq Stock Market, Inc., and warrants of the National Association of Securities Dealers. The total value of the investment has an estimated fair value of \$66,100.

3. Furniture and Equipment

Furniture and equipment was comprised of the following at December 31, 2003:

Computers and other office equipment	\$ 233,406
Other fixtures	2,573
	<u>235,979</u>
Less: accumulated depreciation	<u>(229,338)</u>
	<u>\$ 6,641</u>

FNB Brokerage Services, Inc.
(A Wholly Owned Subsidiary of
First National Bank and Trust Company of the Treasure Coast)
Notes to the Financial Statement
December 31, 2003

4. Related Party Transactions

In addition to the tax allocation agreement discussed in Note 1, the Company has a contract with the Parent for office space and equipment, utilities, marketing, insurance, employee benefits, payroll and accounting services and are paid monthly. Amounts paid to the Parent for such services during the year amounted to \$122,941. The amount due from the Parent of \$21,046 at December 31, 2003 relates to the current year's income tax benefit. The Company maintains substantially all of its cash in banking accounts with the Parent.

The Company participates in the Parent's profit sharing plans which covers substantially all employees after one year of service including a matching benefit feature for employees electing to defer the elective portion of their profit sharing compensation. In addition, amounts of compensation contributed by employees are matched on a percentage basis under the plan. The profit sharing contribution charged to operations was \$115,452 for the year ended December 31, 2003.

5. Contingencies

In the normal course of business, the Company enters into transactions to buy and sell securities with other broker-dealers in order to fill its customer orders. The risk of customers' failure to settle securities transactions is borne by the Company. As the clearing broker's right to charge the Company for customer failure has no maximum amount and applies to all trades executed on the Company's behalf, the Company believes there is no maximum amount assignable to this right over the term of the guarantee. The Company may be required, in the unlikely event of non-delivery of securities owed by other broker-dealers, to purchase or sell the securities in the open market to correct a failed settlement. It is the Company's policy to charge to the statement of income any losses resulting from failed settlements. At December 31, 2003, the Company had no exposure for failed settlements.

Securities transactions with other broker-dealers and customers can result in concentrations of credit risk. Credit risk is the amount of accounting loss the Company would incur if other broker-dealers or the customer failed to perform its obligations under contractual terms. The Company has established policies and procedures designed to reduce the likelihood that such transactions would have a material effect on the Company's financial position.

During the course of business, the Company is at times subject to legal actions, threatened or filed. Management, based on the advice of legal counsel, does not expect that the final outcome of threatened or filed suits will have a material effect on the results of operations or financial condition.

FNB Brokerage Services, Inc.
(A Wholly Owned Subsidiary of
First National Bank and Trust Company of the Treasure Coast)
Notes to the Financial Statement
December 31, 2003

6. Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital as defined under such rule. At December 31, 2003, the Company had regulatory net capital of \$1,754,687, an excess of \$1,504,687 over the required minimum net capital of \$250,000. At December 31, 2003, the Company's percentage of aggregate indebtedness to net capital was 19%.

A deposit in the amount of \$50,000 is held at the clearing broker and considered an allowable asset in the computation of net capital pursuant to an agreement, dated June 1, 1999, between the Company and the clearing broker.

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