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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

AB 3/29/06

OMB APPROVAL  
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hours per response..... 12.00

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

SEC FILE NUMBER  
8-06406

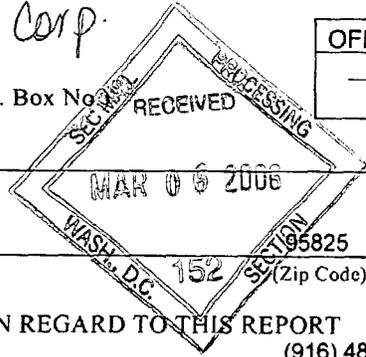
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**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/05 AND ENDING 12/31/05  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Investment Planning Corp.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
2701 Cottage Way, Suite 5  
(No. and Street)  
Sacramento CA  
(City) (State)  
95825  
(Zip Code)  
NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
William B. Rudd (916) 484-7244  
(Area Code - Telephone Number)



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FIRM I.D. NO.

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Blackstock, Carley Jon  
(Name - if individual, state last, first, middle name)  
1435 New England Drive Roseville CA 95661  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED  
JUN 15 2006  
THOMSON  
FINANCIAL

**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)

12/15/05

OATH OR AFFIRMATION

I, William B. Rudd, 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 Planning Corporation, as of December 31, 2005, 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:

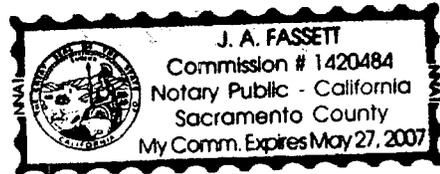
William B. Rudd

Signature

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 15c3-1 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 240.17a-5(e)(3).

**Investment Planning Corporation  
Financial Statements**

**December 31, 2005**

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**Carley Blackstock, Certified Public Accountant**

1435 New England Drive  
Roseville, CA 95661  
Phone: (916) 276-1501  
Email: carley@cpawork.com

## Independent Auditors' Report

The Board of Directors  
Investment Planning Corporation  
2701 Cottage Way, Suite 5  
Sacramento, CA 95824

I have audited the accompanying balance sheet of Investment Planning Corporation as of December 31, 2005, and the related statements of income and retained earnings, stockholder's equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

My examinations were made in accordance with auditing standards generally accepted in the United States of America and the applicable requirements of the Securities and Exchange Commission, and accordingly, include such tests of the accounting records and other auditing procedures as I considered necessary in the circumstances. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe my audits provide a reasonable basis for my opinion.

In my opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Investment Planning Corporation as of December 31, 2005, and the results of its operations and changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Carley Blackstock, CPA*

Roseville, California  
February 22, 2006

Investment Planning Corporation  
BALANCE SHEET  
as of December 31, 2005

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	171,169
Investments	4,200
Commissions Receivable	891
Other Assets	<u>985</u>
Total current assets	177,245
Total assets	<u>\$ 177,245</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accrued Payroll Taxes	1,125
Accrued Income Taxes	<u>4,139</u>
Total current liabilities	5,264

STOCKHOLDERS' EQUITY

Common stock, \$10 Par Value, Authorized 1,500 Shares, Outstanding 513 Shares	5,130
Capital in Excesss of Par	727
Retained earnings	<u>166,124</u>
Total stockholders' equity	171,981
Total liabilities and stockholders' equity	<u>\$ 177,245</u>

The accompanying notes are an integral part of this statement.

Investment Planning Corporation  
STATEMENT OF INCOME & RETAINED EARNINGS  
For the year ended December 31, 2005

REVENUES	
Commissions	\$ 144,675
Interest	<u>3,552</u>
Total revenue	148,227
OPERATING EXPENSES	
Salaries	56,276
NASD Assessment	780
General and Administration	<u>30,485</u>
	<u>87,541</u>
Earnings from operations	60,686
Other Income (Expense)	
Other Income	<u>1,007</u>
	1,007
NET INCOME before tax	61,693
Income Tax (expense)	<u>(15,081)</u>
NET EARNINGS	\$ <u><u>46,612</u></u>
Retained Earnings, January 01, 2005	119,512
Retained Earnings December 31, 2005	\$ <u><u>166,124</u></u>

The accompanying notes are an integral part of this statement.

Investment Planning Corporation  
STATEMENT OF STOCKHOLDER'S EQUITY  
Year ended December 31, 2005

Balance at beginning of year	\$ 125,369
Net Earnings	<u>46,612</u>
Balance at end of year	\$ 171,981

The accompanying notes are an integral part of this statement.

Investment Planning Corporation  
STATEMENT OF CASH FLOWS  
Year ended December 31, 2005

Cash flows from operating activities:	
Net earnings (Loss)	\$ 46,612
Adjustments to reconcile net earnings to net cash used in operating activities:	
Decrease in accounts receivable	31
Decrease in other assets	1,558
Increase in accrued expenses	<u>3,981</u>
Net cash from operating activities	<u>52,182</u>
Cash flows from investing activities:	
Net cash from investing activities	<u>0</u>
Cash flows from financing activities:	
Net cash from financing activities	<u>0</u>
Net change in cash	52,182
Cash at beginning of year	<u>118,987</u>
Cash at end of year	\$ 171,169
<u>Cash paid during the year for:</u>	
Income Taxes	\$ 9,330

The accompanying notes are an integral part of this statement.

Investment Planning Corporation  
NOTES TO FINANCIAL STATEMENT  
December 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Customer Funds

Investment Planning Corporation limits its activities to the sale of shares of regulated investment companies, term life insurance and annuities. The corporation handles no customer funds.

Transactions with related parties

Commissions earned and paid during the year result from efforts of the sole shareholder.

NOTE 2: INCOME TAXES

Historically there have been only insignificant variances between book income and taxable income so there is no deferred tax calculation and the estimated actual liability is used as follows:

Federal Income Tax due	\$ 9,835
State Income Tax due	<u>5,246</u>
Total	15,081
Less: Estimates paid	<u>(10,942)</u>
Total Tax Accrual	\$ 4,139

NOTE 3: CONTINGENT LIABILITIES

The Corporation is contingently liable for rent due on leased office space. The lease renewal commenced on April 1, 2005 and ends on March 31, 2007. The following is the future minimum rental payments required:

<u>Period ended</u>	<u>Amount due</u>
12/31/06	\$9,663
12/31/07	\$2,433

Investment Planning Corporation  
NOTES TO FINANCIAL STATEMENT  
December 31, 2005

NOTE 4: NET CAPITAL

Regulatory provisions require Investment Planning Corporation to maintain a minimum net capital as defined in such provisions. Net capital of Investment Planning Corporation fluctuated within a narrow range last year. At December 31, 2005, computed in accordance with applicable provisions of Rule 15c 3-1 of the Securities and Exchange Act of 1934, as amended, Investment Planning Corporation has a Net Capital requirement of \$5,000. Net Capital of Investment Planning Corporation at December 31, 2005 as computed below was actually \$162,638. Investment Planning has no liabilities as of December 31, 2005 other than ordinary expense accruals.

Computation of Net Capital December 31, 2005

Total stockholder's equity	\$171,981
Adjustments:	
Non-allowable assets	(1,876)
Net Capital	<u>\$170,105</u>

Reconciliation of Net Capital to computation on page 10 of this form X-17A-5.

Net Capital Per Form X-17A-5 before Haircuts	\$170,105
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Computation of Net Capital

Total Ownership Equity	\$171,981
Adjustments	
Non-allowable Assets	(1,876)
Haircuts on Securities	<u>(7,467)</u>
Revised Net Capital	\$162,638

SUPPLEMENTARY REPORT ON INTERNAL CONTROL

Investment Planning Corporation  
270 Cottage Way Ste 5  
Sacramento CA 95825

I have examined the financial statements of Investment Planning Corporation for the year ended December 31, 2005. As part of my examination, I made a study and evaluation of the internal control accounting system to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards and Rule 17A-5 of the Security and Exchange Commission. The scope of the review and tests should be sufficient to provide reasonable assurance that any material weakness existing at the date of my examination would be disclosed. Under these standards, the purposes of such evaluations are to establish a basis of reliance thereon in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to provide a basis of reporting material weaknesses in internal control.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgement, carelessness, or other personal factors. Control procedures whose effectiveness depends on segregation of duties can be circumvented intentionally by management with respect to the estimates and judgements required in the preparation of the financial statements. Further, projections of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with such procedures may deteriorate.

Investment Planning Corporation is not engaged in a general securities business. The registrant limits its activities to the sale of shares of regulated investment companies, life insurance and annuities. In consummating these sales, the customers make their checks payable to the distributors or custodian of the fund or insurance company. Annuities, when received by the registrant are immediately delivered to the consumers in person or by mail. In mutual fund plan

Investment Planning Corporation

February 22, 2006

Page 2

accounts, the distributor or custodian holds the shares and accounts directly to the customer on a periodic basis.

My study and evaluation of the system of internal accounting control for the year ended December 31, 2005, which was made for the purposes set forth above, and would not necessarily disclose all weaknesses in the system which may have existed during the period under review, disclosed no weaknesses that I believe to be material for the size of the operation.

THE COMMISSIONER OF CORPORATIONS OF  
THE STATE OF CALIFORNIA

VERIFICATION FORM PURSUANT TO

RULES 260.241.2(b) AND 350.535.1(b)

(Executed Within the State of California)

I, William B. Rudd, certify under penalty of perjury,  
that I have read the foregoing and annexed financial report  
and supporting schedules and know the contents thereof;  
that the same are true and correct to the best of my  
knowledge and belief; and that neither the licensee nor  
any partner, officer, or director thereof have any  
proprietary interest in any account classified solely as  
that of a customer.

Executed this 22<sup>nd</sup> day of February, 2006 at Sacramento,  
California.

*William B. Rudd*

(Signature of person signing report)

President

(Title of person signing report)

Investment Planning Corporation  
(Name of Licensee)

272-7721-9  
(File Number)