

8/14/14



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

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

SEC FILE NUMBER  
8-05727

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 01/01/2013 AND ENDING 12/31/2013  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Planned Financial Programs, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

734 Walt Whitman Road

Melville (No. and Street) NY 11747  
(City) (State) (Zip Code)

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

Mark Brody 631-423-8800

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Michael R. Sullivan & Company, Certified Public Accountants, P.C.

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

1140 Franklin Avenue Garden City NY 11530

(Address) (City) (State) (Zip Code)

SECURITIES AND EXCHANGE COMMISSION  
RECEIVED  
JUL 22 2014  
REGISTRATION & MARKETS

**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)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

8/14/14

OATH OR AFFIRMATION

I, Mark Brody, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Planned Financial Programs, Inc., as of December 31, 2013, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Colleen Kovacs  
Notary Public

Mark S Brody  
Signature  
V.P.  
Title  
COLLEEN KOVACS  
Notary Public, State of New York  
No. 01KO5036849, Suffolk County  
Commission Expires Dec. 12, 2014

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.
- (o) Independent auditors' reports on internal control & applying agreed-upon procedures.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

Planned Financial Programs Inc.  
December 31, 2013

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**Planned Financial Programs Inc.**  
**Statement of Financial Condition**  
**As of December 31, 2013**

ASSETS

Current Assets	
Cash and equivalents	\$ 11,909
Commissions receivable	48,324
Pre-Paid Rent	<u>1,795</u>
Total Current Assets	62,028
Other Assets	1,792
Property and Equipment	<u>-</u>
Total Assets	<u>\$ 63,820</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities	
Accrued expenses	\$ <u>6,540</u>
Stockholders' Equity	
Common stock no par value, xxxx shares authorized, 100 shares issued and outstanding	5,000
Retained earnings	<u>52,280</u>
Total Stockholders' Equity	<u>57,280</u>
Total Liabilities and Stockholders' Equity	<u>\$ 63,820</u>

See accompanying notes to financial statements.

**Planned Financial Programs Inc.**  
**Statement of Income**  
For the Year Ended December 31, 2013

Revenue:	
Commissions	\$ 310,055
Interest income	<u>14</u>
Total revenue	<u>310,069</u>
Expenses:	
Officers' salaries	150,811
Other salary	50,065
Commission expense	30,196
Payroll taxes and benefits	16,097
Rent	21,540
Professional fees	13,485
Postage and office	7,120
Telephone and utilities	4,769
Subscriptions and dues	3,517
Insurance	2,100
Computer expenses	3,533
Miscellaneous	<u>6,688</u>
Total expense	<u>309,921</u>
Income before income taxes	148
Income taxes	<u>150</u>
Net income	<u>\$ (2)</u>

See accompanying notes to financial statements.

**Planned Financial Programs Inc.**  
**Statement of Changes in Stockholders' Equity**  
**For the Year Ended December 31, 2013**

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Additional Paid in Capital</u>	<u>Total Stockholders' Equity</u>
Balance, January 1, 2013	\$ 5,000	\$ 52,282	\$ -	\$ 57,282
Distributions to stockholders	-	-	-	-
Additional paid in capital	-			
Net income	-	(2)		
Balance, December 31, 2013	<u>\$ 5,000</u>	<u>\$ 52,280</u>	<u>\$ -</u>	<u>\$ 52,280</u>

See accompanying notes to financial statements.

**Planned Financial Programs Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2013**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net income	\$ (2)
Adjustments to reconcile net income to net cash provided by operating activities:	
Increase (Decrease) in Cash Flows as a result of changes in asset and liability account balances:	
Commissions receivable	(9,417)
Other assets	(1,792)
Accrued expenses	<u>1,380</u>
<b>NET CASH (USED) BY OPERATING ACTIVITIES</b>	<u>(9,831)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Increase in Equity (if applicable)	-
Additional paid in capital (if applicable)	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Distributions to stockholders (if applicable)	<u>-</u>
<b>NET INCREASE IN CASH</b>	(9,831)
Cash at January 1, 2013	<u>21,740</u>
Cash at December 31, 2013	<u>\$ 11,909</u>
<b>Supplemental disclosures of cash flow information:</b>	
Cash paid during the year for:	
Income taxes	<u>\$ 150</u>

See accompanying notes to financial statements.

**Planned Financial Programs Inc.**  
**Notes to Financial Statements**  
**December 31, 2013**

**NOTE 1. ORGANIZATION AND NATURE OF BUSINESS**

PF, Inc. (the "Company") was incorporated in 1991 in the state of NY. The Company is registered with the Securities and Exchange Commission (the "SEC") and is also a member of the Financial Industry Regulatory Authority, Inc. (the "FINRA").

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cash and cash equivalents

For financial reporting purposes, management considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Revenue recognition

Commission income and securities transactions are recorded on a trade-date basis. Revenue mutual fund commissions, which are recognized as earned.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") 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.

Income taxes

The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 740, *Income Taxes*. Under that guidance, the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

With few exceptions, the Company's is no longer subject to local income tax examinations by taxing authorities for years before 2010.

The Company has elected to be treated as a Subchapter S Corporation under the Internal Revenue Code. As an S corporation, the Company is not liable for federal income taxes for operating income. Instead the shareholders are liable for individual taxes on their respective shares of the Company's taxable income.

**Planned Financial Programs Inc.**  
**Notes to Financial Statements**  
**December 31, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Fair value measurements

The Company follows the guidance in FASB ASC 820, *Fair Value Measurement*. Using that guidance, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

In May 2011, the FASB issued Accounting Standards Update (“ASU”) 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. ASU 2011-04 amends FASB ASC 820, providing a consistent definition and measurement of fair value, as well as similar disclosure requirements between U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 changes certain fair value measurement principles, clarifies the application of existing fair value measurement and expands the FASB ASC 820 disclosure requirements, particularly for Level 3 fair value measurements. ASU 2011-04 was effective for fiscal years beginning after December 1, 2011. The adoption of ASU 2011-04 did not have a material effect on the Company’s financial statements, but did require certain additional disclosures.

Using the provisions within FASB ASC 820, the Company has characterized its investments in securities, based on the order of liquidity of the inputs used to value the investments, into a three-level fair value hierarchy. The fair value hierarchy gives the highest order of liquidity to quoted prices in active markets for identical assets or liabilities [Level 1], and the lowest order of liquidity to unobservable inputs [Level 3]. If the inputs used to measure the investments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the investment.

Investments recorded in the statement of financial position are categorized based on the inputs to valuation techniques as follows:

*Level 1.* These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Company has the ability to access. These investments are exchange-traded equity securities.

*Level 2.* Level 2 inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and, inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**Planned Financial Programs Inc.**  
**Notes to Financial Statements**  
**December 31, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

Fair value measurements (continued)

*Level 3.* These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about the assumptions that market participants would use in pricing the investments. These investments would be comprised of certain private equity investments.

Subsequent events

The Company evaluates events occurring after the date of the statement of financial condition for potential recognition or disclosure in its financial statements. The Company did not identify any material subsequent events requiring adjustment to or disclosure in its financial statements.

**NOTE 3. NET CAPITAL REQUIREMENTS**

The Company is subject to the SEC's Uniform Net Capital Rule ("SEC 15c3-1"), which requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, not exceed 15 to 1. Net capital and aggregate indebtedness change from day to day. At December 31, 2013, the Company's net capital was approximately \$13,759, which was in excess of its minimum net capital requirement of \$5,000. The Company's percentage of aggregate indebtedness to net capital was 10.01% at December 31, 2013.

**NOTE 4. CONCENTRATION OF CREDIT RISK**

The Company receives approximately 54% of its commissions from Oppenheimer Funds.

The Company maintains its cash and cash equivalents at a commercial bank and at its clearing broker. From time to time, the amount held at its commercial bank will exceed the federal insurance limit.

**NOTE 5. LEASE AGREEMENT**

The company's lease agreement is due to expire on February 28, 2104. The lease agreement is currently under negotiations.

**Planned Financial Programs Inc.**  
**Computation of Net Capital Pursuant to Uniform**  
**Net Capital Rule 15c3-1**  
**As of December 31, 2013**

Equity	\$	57,280
Less: Non Allowable Assets Haircut		<u>43,521</u>
Tentative Net Capital		<u>13,759</u>
Net Capital		<u>13,759</u>
Net Capital Minimum Requirement		<u>5,000</u>
Excess Capital	\$	<u><u>8,759</u></u>

Computation of Minimum Net Capital

Aggregate Indebtedness	\$	<u>50,061</u>
Multiply Aggregate Indebtedness by One-Fifteenth	\$	<u>3,334</u>
Statutory Minimum	\$	<u>5,000</u>
Greater of the Statutory Minimum or One-Fifteenth (6.67%) of Aggregate Indebtedness	\$	<u>5,000</u>
Ratio of Aggregate Indebtedness to Net Capital		3.64 : 1

Note: No material differences exist between this statement and the year-end FOCUS Report.

See independent auditors' report.

**Planned Financial Programs Inc.**  
**Statement Pursuant to SEC Rule 17a-5(d)(4)**  
**As of December 31, 2013**

Reconciliation with Company's Computation included  
in Part II of Form X-17A-5 as of December 31, 2013

Net Capital, as Reported in Company's Part II (unaudited) FOCUS Report	\$	13,759
Audit Adjustments		
Other Audit Adjustments		<u>-</u>
Net Capital, as Audited	\$	<u>13,759</u>

See independent auditors' report.

**Planned Financial Programs Inc.**

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR  
BROKERS AND DALERS PURSUANT TO SEC RULE 15C3-3.**

As of December 31, 2013

**The Company is exempt from Securities Exchange Commission ("SEC") Rule 15c3-3 pursuant to the exemption provision of such paragraph (k)(2)(i) and, therefore, is not required to maintain a "Special Reserve Bank Account" for the Exclusive Benefit of Customers"**

See independent auditors' report.

**Michael R. Sullivan & Company**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

1140 Franklin Avenue, Garden City, NY 11530 - 516-742-2324 - Fax: 516-742-0530

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY  
SEC RULE 17a-5(g)(1) FOR A BROKER-DEALER CLAIMING AN EXEMPTION  
FROM SEC RULE 15c3-3**

To the Shareholder  
Planned Financial Programs Inc.

In planning and performing our audit of the financial statements of Planned Financial Programs (the "Company") as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures can be expected to achieve the SEC's previously mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use of disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2013, to meet the SEC's objectives.

This report is intended solely for the information and use of the member, the SEC, the Financial Industry Regulatory Authority, Inc., and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

February 27, 2014

Michael R. Sullivan & Company  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

1140 Franklin Avenue, Garden City, NY 11530 - 516-742-2324 - Fax: 516-742-0530

**INDEPENDENT AUDITORS' REPORT**

To the Shareholder  
Planned Financial Programs Inc.

***Report on the Financial Statements***

We have audited the accompanying statement of financial condition of Planned Financial Programs Inc. (the "Company") as of December 31, 2013, and the related statements of operations, changes in shareholder's equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Planned Financial Programs Inc. as of December 31, 2013, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

Our Audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

  
CERTIFIED PUBLIC ACCOUNTANTS

February 27, 2014