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MISSION



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FORM X-17A-5  
PART-III

SEC File Number

8-29234

**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 July 1, 2007 and ending June 30, 2008

**A. REGISTRANT INFORMATION**

NAME OF BROKER-DEALER:  
Ward's Financial Services, LTD

Official Use Only

Firm ID No.

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

14720 S. Will-Cook Road

(No. and Street)

Homer Glen

(City)

Illinois

(State)

60491

(Zip Code)

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

Richard M. Ward, Principal

(708) 645-1850

(Area Code - Telephone No.)

PROCESSED

SEP 05 2008

THOMSON REUTERS

**B. ACCOUNTANT IDENTIFICATION**

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

Virchow, Krause & Company, LLP

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

205 N. Michigan, Suite 2800

(No. and Street)

Chicago

(City)

Illinois

(State)

60601

(Zip Code)

SEC  
Mail Processing  
Section

AUG 27 2008

Washington, DC

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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 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)

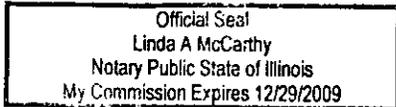
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OATH OR AFFIRMATION

I, Richard M. Ward, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of Ward's Financial Services, LTD as of June 30, 2007, 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:

None.

Richard M Ward  
Signature  
Principal  
Title



Linda A. McCarthy  
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 Proprietor's Capital
- (f) Statement of Changes in Liabilities Subordinated to Claims or Creditors
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c-3-3
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c-3-3
- (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 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' Report on Internal Control

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

**WARD'S FINANCIAL SERVICES, LTD.**

**(A Sole Proprietorship)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2008**

# WARD'S FINANCIAL SERVICES, LTD.

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## INDEPENDENT AUDITORS' REPORT

Ward's Financial Services, Ltd.  
Homer Glen, Illinois

We have audited the accompanying financial statements of Ward's Financial Services, Ltd. (A Sole Proprietorship) as of and for the year ended June 30, 2008, as listed in the table of contents, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Proprietorship's management. 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 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 statement 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 Ward's Financial Services, Ltd. as of June 30, 2008 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Virchow, Krause & Company, LLP*

August 18, 2008  
Chicago, Illinois

**WARD'S FINANCIAL SERVICES, LTD.**

**STATEMENT OF FINANCIAL CONDITION**  
June 30, 2008

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**ASSETS**

Cash and Cash Equivalents	\$ <u>815,818</u>
Total Assets	\$ <u><u>815,818</u></u>

**LIABILITIES AND PROPRIETOR'S EQUITY**

Liabilities	\$ 272
Proprietor's Equity	<u>815,546</u>
Total Liabilities and Proprietor's Equity	\$ <u><u>815,818</u></u>

See accompanying notes to financial statements.

**WARD'S FINANCIAL SERVICES, LTD.**

**STATEMENT OF INCOME**  
For the Year Ended June 30, 2008

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**REVENUES**

Mutual fund commissions	\$ 31,160
Securities commissions	44,390
Interest income	<u>16,208</u>
Total Revenues	<u>91,758</u>

**EXPENSES**

Computer expense	2,445
Telephone/wire costs	3,641
Operating expenses	6,979
Postage	362
Regulatory fee	1,100
Dues and subscriptions	1,355
Audit fees	5,900
Supplies	<u>5,085</u>
Total Expenses	<u>26,867</u>

**NET INCOME**

\$ 64,891

See accompanying notes to financial statements.

**WARD'S FINANCIAL SERVICES, LTD.**

**STATEMENT OF CHANGES IN PROPRIETOR'S EQUITY**  
For the Year Ended June 30, 2008

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BALANCE, JULY 1, 2007	\$	721,655
Net Income		64,891
Proprietor's Draw		(6,000)
Proprietor's Contribution		<u>35,000</u>
<b>BALANCE, JUNE 30, 2008</b>	<b>\$</b>	<b><u>815,546</u></b>

See accompanying notes to financial statements.

**WARD'S FINANCIAL SERVICES, LTD.**

**STATEMENT OF CASH FLOWS**  
For the Year Ended June 30, 2008

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income \$ 64,891

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proprietor's draw (6,000)  
Proprietor's contribution 35,000

**NET CASH FLOWS FROM FINANCING ACTIVITIES**

29,000

**NET INCREASE IN CASH**

93,891

CASH AND CASH EQUIVALENTS, Beginning of Year

721,927

**CASH AND CASH EQUIVALENTS, END OF YEAR**

\$ 815,818

See accompanying notes to financial statements.

# WARD'S FINANCIAL SERVICES, LTD.

## NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2008

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### NOTE 1 – NATURE OF OPERATIONS

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Ward's Financial Services, Ltd. (the "Proprietorship") operates as a sole proprietorship. The Proprietorship collects commissions on sales of mutual funds and other securities. The trades are cleared through Mesirow Financial, Inc., which acts as the clearing agent, on a fully disclosed basis. No monies are received directly by the Proprietorship for these trades. Securities transactions are recorded on a trade date basis. Revenues are recorded when income is earned.

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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#### *Basis of Accounting*

Securities transactions are recorded on a trade date basis. Revenues are recorded when income is earned. Expenses are recorded as incurred. The sole proprietor operates other businesses from the same location as the securities business. Expenses are shared with those other businesses. No payrolls are maintained by the Proprietorship, although the Proprietorship issues draws to the sole proprietor, and only those expenses the proprietor considers related to the securities business are reported in these financial statements.

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the sole proprietor 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*

Federal and state income taxes have not been provided as the sole proprietor is liable for such tax payments.

#### *Concentration of Credit Risk*

The Proprietorship had cash balances in excess of \$100,000 Federal Deposit Insurance Corporation limits as of June 30, 2008. The Proprietorship has not experienced losses on these accounts and the sole proprietor believes the Proprietorship is not exposed to significant risk on such accounts.

#### *Cash and Cash Equivalents*

For the purposes of reporting cash flows, cash and cash equivalents are defined as deposits with banks, money market funds, certificates of deposit, and United States treasury bills purchased with maturities of three months or less, and cash on hand.

# WARD'S FINANCIAL SERVICES, LTD.

## NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2008

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### NOTE 3 – NET CAPITAL REQUIREMENTS

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The Proprietorship is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1) which requires the maintenance of a minimum dollar net capital, as defined, of \$50,000. This is the applicable minimum net capital because \$50,000 is greater than 6-2/3% of total aggregate indebtedness, as defined. At June 30, 2008, the Proprietorship excess net capital was \$758,179.

**SUPPLEMENTAL INFORMATION**

**WARD'S FINANCIAL SERVICES, LTD.**

COMPUTATION OF NET CAPITAL  
PURSUANT TO RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION  
June 30, 2008

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TOTAL PROPRIETOR'S EQUITY	\$	815,546
<b>ADDITIONS</b>		
Subordinated Liabilities		-
<b>DEDUCTIONS</b>		
Haircuts - Other Securities		<u>(7,367)</u>
<b>NET CAPITAL</b>	<b>\$</b>	<b><u>808,179</u></b>
 <b>AGGREGATE INDEBTEDNESS</b>		
Total Liabilities	\$	272
Unrecorded Additions		<u>-</u>
<b>TOTAL AGGREGATE INDEBTEDNESS</b>	<b>\$</b>	<b><u>272</u></b>
 PERCENTAGE OF AGGREGATE INDEBTEDNESS TO NET CAPITAL		0.0336%
 <b>MINIMUM CAPITAL REQUIREMENT</b>		
The greater of		
6 2/3% of Total Aggregate Indebtedness	\$	<u>18</u>
Minimum dollar net capital requirement	\$	<u>50,000</u>
<b>REQUIRED NET CAPITAL</b>	<b>\$</b>	<b><u>50,000</u></b>
<b>TOTAL NET CAPITAL</b>	<b>\$</b>	<b>808,179</b>
<b>MINIMUM NET CAPITAL REQUIREMENT</b>		<u>50,000</u>
<b>EXCESS NET CAPITAL</b>	<b>\$</b>	<b><u>758,179</u></b>

**WARD'S FINANCIAL SERVICES, LTD.**

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
PURSUANT TO RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
June 30, 2008**

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No computation of reserve requirements has been made because Ward's Financial Services, Ltd. is exempt from these requirements pursuant to paragraph (k)(2)(ii). The Proprietorship does not carry customers' accounts on its books, and all customer transactions are cleared through another broker-dealer (Mesirow Financial, Inc.) on a fully-disclosed basis.

**WARD'S FINANCIAL SERVICES, LTD.**

**COMPUTATION FOR POSSESSION OR CONTROL REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
June 30, 2008**

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No computation for possession or control requirements has been made since Ward's Financial Services, Ltd. is exempt from these requirements pursuant to paragraph (k)(2)(ii). The Proprietorship does not carry customers' accounts on its books, and all customer transactions are cleared through another broker-dealer (Mesirow Financial, Inc.) on a fully-disclosed basis.

**WARD'S FINANCIAL SERVICES, LTD.**

RECONCILIATION  
PURSUANT TO RULE 17a-5(d)(4) OF THE SECURITIES AND EXCHANGE COMMISSION  
June 30, 2008

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	<b>RULE 15c3-1</b>	
	<b><u>Net</u></b>	<b><u>Total</u></b>
	<b><u>Capital</u></b>	<b><u>Aggregate</u></b>
		<b><u>Indebtedness</u></b>
<b>AS REPORTED BY WARD'S FINANCIAL SERVICES, LTD.</b>		
<b>IN THE UNAUDITED FINANCIAL AND OPERATIONAL</b>		
<b>COMBINED UNIFORM SINGLE ("FOCUS") REPORT PART II A:</b>		
Net Capital	\$ 808,179	\$ -
Total Aggregated Indebtedness	<u>-</u>	<u>272</u>
Total Audited Balances	<u>\$ 808,179</u>	<u>\$ 272</u>



## REPORT ON INTERNAL CONTROL

Ward's Financial Services, Ltd.  
Homer Glen, Illinois

In planning and performing our audit of the financial statements of Ward's Financial Services, LTD. (the "Sole Proprietor") as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Sole Proprietor's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sole Proprietor's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sole Proprietor's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures followed by the Sole Proprietor 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 Sole Proprietor 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 Sole Proprietor 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 Sole Proprietor 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 referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-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 Sole Proprietor has responsibility are safeguarded against loss from unauthorized use or 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 accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or 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 *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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 above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered 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 that 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 Sole Proprietor's practices and procedures, as described in the second paragraph of the report, were adequate at June 30, 2007 to meet the SEC's objectives.

This report is intended solely for the information and use of the Sole Proprietor, the SEC, the National Association of Securities Dealers, 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.

Vichow, Krause + Company, LLP  
Chicago, Illinois  
August 18, 2008

**END**