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

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ANNUAL AUDITED REPORT

AUG 30 2016

FORM X-17A-5

PART III

Washington DC
409

SEC FILE NUMBER
8- 2612B

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 07/01/15 AND ENDING 06/30/16
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Liberty Investment Counsel, Ltd.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

700 Pilgrim Parkway, Suite 300

(No. and Street)

Elm Grove

WI

53122

(City)

(State)

(Zip Code)

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

Richard C. Peterson

(262) 388-0902

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Walkowicz, Boczkiewicz & Co., S.C.

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

1800 E. Main Street, Suite 100

Waukesha

WI

53186

(Address)

(City)

(State)

(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)

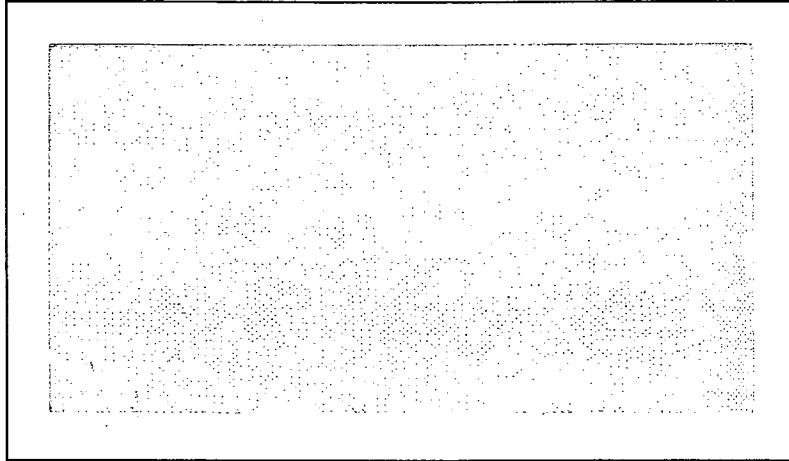
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Washington DC
409



WB WALKOWICZ,
BOCZKIEWICZ & CO., S.C.

CERTIFIED PUBLIC ACCOUNTANTS

1800 East Main Street, Suite 100
Waukesha, Wisconsin 53186-3902

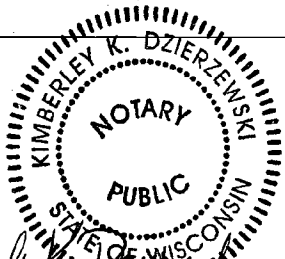
LIBERTY INVESTMENT COUNSEL, LTD.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

OATH OR AFFIRMATION

I, Richard C. Peterson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Liberty Investment Counsel, Ltd., as of June 30, 20 16, 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:



Richard C Peterson
Signature
President
Title

Kimberley K. Dzierzewski
Notary Public
#154909
My Commission Expires: 06/08/19
State of Wisconsin
County of Waukesha

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).

Liberty Investment Counsel, Ltd.
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Liberty Investment Counsel, Ltd.
Statement of Financial Condition
June 30, 2016

Assets

	<u>2016</u>
Current Assets	
Cash	\$ 11,415
Commissions receivable	500
Prepaid expenses	1,091
Refundable income taxes	<u>120</u>
Total Current Assets	13,126
Other Assets	
Deferred tax asset	<u>1,739</u>
Total Assets	<u><u>\$ 14,865</u></u>

Liabilities and Stockholder's Equity

	<u>2016</u>
Current Liabilities	
Accounts payable	\$ 5,125
Commissions payable	<u>50</u>
Total Current Liabilities	5,175
Stockholder's Equity	
Common stock	12,000
Less: Treasury stock	(6,000)
Retained earnings	<u>3,690</u>
Total Stockholder's Equity	<u>9,690</u>
Total Liabilities and Stockholder's Equity	<u><u>\$ 14,865</u></u>

See notes to financial statements.

Liberty Investment Counsel, Ltd.
Statement of Operations
Year Ended June 30, 2016

	<u>2016</u>
Revenue	
Commissions	\$ 24,216
Expenses	
Accounting	4,000
Commissions to brokers	18,490
Registration and license fees	1,280
Other expenses	599
	<u>24,369</u>
Total Expenses	
	<u>24,369</u>
Net Loss	<u>\$ (153)</u>

See notes to financial statements.

Liberty Investment Counsel, Ltd.
Statement of Changes in Stockholder's Equity
Year Ended June 30, 2016

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Treasury Stock</u>	<u>Total Stockholder's Equity</u>
Balance, June 30, 2015	\$ 12,000	\$ 3,843	\$ (6,000)	\$ 9,843
Net Loss	-	(153)	-	(153)
Balance, June 30, 2016	<u>\$ 12,000</u>	<u>\$ 3,690</u>	<u>\$ (6,000)</u>	<u>\$ 9,690</u>

See notes to financial statements.

Liberty Investment Counsel, Ltd.
Statement of Cash Flows
Year Ended June 30, 2016

	<u>2016</u>
Cash Flows from Operating Activities	
Net Loss	\$ (153)
Adjustments to reconcile net loss to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Commissions receivable	1,100
Prepaid expenses	(749)
Accounts payable	1,125
Commissions payable	<u>(1,410)</u>
Net Cash Used in Operating Activities	<u>(87)</u>
Net Decrease in Cash	(87)
Cash - Beginning of year	<u>11,502</u>
Cash - End of year	<u><u>\$ 11,415</u></u>

See notes to financial statements.

Liberty Investment Counsel, Ltd.
Notes to Financial Statements
Year Ended June 30, 2016

Note 1 - Summary of Significant Accounting Policies

This summary of significant accounting policies of Liberty Investment Counsel, Ltd. (the Company) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity.

Business Activity

The Company was incorporated in the State of Wisconsin on April 14, 1981. The Company is registered with the Securities and Exchange Commission and it is a member of the Financial Industry Regulatory Authority, or "FINRA" (created in 2007 through the consolidation of the National Association of Securities Dealers, Inc. ("NASD") and the member regulation, enforcement and arbitration operations of the New York Stock Exchange) and (ii) the Securities Investors Protection Corporation ("SIPC"). The Company's principal business activities consist of the sale of stocks, bonds, options, mutual funds, CD's, annuities and private placements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Bad Debts

The Company uses the direct write-off method to account for bad debts. As such, they are expensed when determined to be bad. There were no accounts written off during the year ended June 30, 2016.

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC 740, *Income Taxes*, which requires the recognition of deferred income taxes for operating losses that are available to offset future taxable income.

The Company follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, which provides guidance on accounting for uncertainty in income taxes recognized in the Company's financial statements. The guidance prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on de-recognition, classification, interest and penalties, disclosure and transition. As of June 30, 2016, the Company had no uncertain tax positions that require either recognition or disclosure in the Company's financial statements.

The Company is no longer subject to U.S. federal income tax examinations for years ending before June 30, 2013. In addition, the Company is no longer subject to Wisconsin income tax examinations for years ending before June 30, 2012.

Liberty Investment Counsel, Ltd.
Notes to Financial Statements
Year Ended June 30, 2016

Note 2 - Net Capital Requirements

As a registered broker/dealer and member of the Financial Industry Regulatory Authority, the Company is subject to the Uniform Net Capital Rule, which required the maintenance of minimum net capital and requires that the ratio of aggregated indebtedness to net capital, both as defined, shall not exceed 15 to 1. At June 30, 2016, the Company's net capital and required net capital were \$6,240 and \$5,000, respectively. The ratio of aggregate indebtedness to net capital was 0.83 to 1.

Note 3 - Common Stock

As of June 30, 2016, common stock consisted of 3,000 authorized, 3,000 issued and outstanding no par value shares.

Note 4 - Filing Requirements

There were no liabilities subordinated to claims of creditors during the year ended June 30, 2016. Accordingly, a statement of changes in liabilities subordinated to claims of creditors is not included in the financial statements as required by rule 17a-5 of the Securities and Exchange Commission.

Note 5 - Treasury Stock

On February 28, 1982, the Company acquired 1,500 of the 3,000 issued and outstanding shares of common stock at a cost of \$6,000.

Note 6 - Income Taxes

The Company has federal and state net operating loss carry forwards as of June 30, 2016 that will expire over the following years:

Year Ending June 30	Amount
2028	\$ 103
2029	1,048
2031	162
2032	294
2033	688
2034	80
2035	850
Total	<u>\$ 3,225</u>

The Company has a deferred tax asset of approximately \$1,739 due to these net operating loss carry forwards.

Liberty Investment Counsel, Ltd.
Notes to Financial Statements
Year Ended June 30, 2016

Note 7 - Related Parties

During the year, the owner of the Company earned \$14,890 in commissions. The commission payable at June 30, 2016 included \$50 of commission due to the owner of the Company.

Note 8 - Subsequent Events

The Company has reviewed the results of operations for the period of time from its year ended June 30, 2016 through August 18, 2016, the date which the financial statements were available to be issued. It has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

Liberty Investment Counsel, Ltd.
Computation of Net Capital and Aggregate Indebtedness
Year Ended June 30, 2016

	2016
Net Capital Computation	
Stockholder's equity at year end	\$ 9,690
Deductions:	
Nonallowable assets:	
Commissions receivable	(500)
Other assets	(1,739)
Prepaid expense	(1,091)
Refundable income taxes	(120)
	\$ 6,240
	\$ 6,240
Computation of Basic Net Capital Requirement	
Minimum net capital required (6 2/3% of aggregate indebtedness)	\$ 345
	\$ 345
Minimum dollar net capital requirement	\$ 5,000
	\$ 5,000
Net capital requirement	\$ 5,000
	\$ 5,000
	\$ 5,000
Computation of Aggregate Indebtedness	
Total liabilities	\$ 5,175
	\$ 5,175
Aggregate Indebtedness	\$ 5,175
	\$ 5,175
	\$ 5,175
Ratio of Aggregate Indebtedness to Net Capital	0.83 to 1
	0.83 to 1
Reconciliation with Company's Computation (included in Part IIA of Form X-17A-5 as of June 30):	
Net capital, as reported in Company's Part IIA (unaudited) FOCUS report	\$ 6,740
Net changes per audit:	
12b(1) fees in commissions receivable	(500)
	(500)
Net Capital	\$ 6,240
	\$ 6,240
	\$ 6,240



*Walkowicz,
Boczkiewicz & Co., S.C.*

CERTIFIED PUBLIC ACCOUNTANTS

Edward J. Walkowicz, CPA
Valorie A. Boczkiewicz, CPA
Roxann V. Cowan, CPA

Shannon M. Roszak, CPA
William A. Silvers, CPA
Michelle A. Schkeryantz, CPA

Kate K. Rasmussen, CPA
Wendy L. Hanson
Kimberley K. Dzierzewski

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders
of Liberty Investment Counsel, Ltd.

We have reviewed management's statements, included in the accompanying Rule 15c3-3 Exemption Report, in which (1) Liberty Investment Counsel, Ltd. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Liberty Investment Counsel, Ltd. claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(i) (the "exemption provisions") and (2) Liberty Investment Counsel, Ltd. stated that Liberty Investment Counsel, Ltd. met the identified exemption provisions throughout the most recent fiscal year without exception. Liberty Investment Counsel, Ltd.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Liberty Investment Counsel, Ltd.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Walkowicz, Boczkiewicz & Co. S.C.

Waukesha, Wisconsin
August 18, 2016

LIBERTY INVESTMENT COUNSEL, LTD.

Member S.I.P.C. & FINRA

700 Pilgrim Parkway

Suite 300

Elm Grove, WI 53129

262-388-0902

lic@wi.rr.com

Rule 15c3-3 Exemption Report

Liberty Investment Counsel, Ltd. (LIC) is exempt from compliance reporting under SEC Rule 15c3-3 since it meets the provision set forth in paragraph (k)section(2)(i) : Special Account for the Exclusive Benefit of customers maintained. This account (#00-255-587) is at Tri-City National Bank. It has never been used since Liberty does not accept client investment checks. Those checks are made payable directly to the mutual fund to be invested in, or insurance company – in the case of variable annuities. There have been no exceptions to this policy during the past fiscal year - 7/1/15- 6/30/16.

 7/28/16

Richard Peterson

President