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UNITED STATES Securities and Exchange Commission  
Washington, D.C. 20549  
Washington DC 416

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| OMB APPROVAL                                     |              |
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| Expires:   | May 31, 2017 |
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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

|                 |
|-----------------|
| SEC FILE NUMBER |
| 8- 44779        |

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 January 1, 2016 AND ENDING December 31, 2016  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Hunter Associates Investment Mangement LLC

|                   |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM I.D. NO.     |

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

436 Seventh Avenue, Koppers Building, 5th Floor

(No. and Street)

Pittsburgh

PA

15219

(City)

(State)

(Zip Code)

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

Brad J. Marshall

412-765-8927

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Lally & Co., LLC

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

5700 Corporate Drive, Suite 800

Pittsburgh

PA

15237

(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)

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.

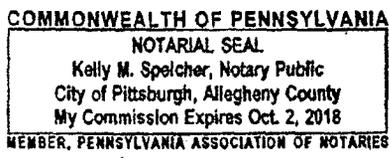
MM  
CM

OATH OR AFFIRMATION

I, Brad J. Marshall, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Hunter Associates Investment Management LLC, as of December 31, 2016, 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:

Signature: [Handwritten Signature]
Chief Financial Officer
Title

[Handwritten 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. (A separate report was issued)
(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).

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HUNTER ASSOCIATES INVESTMENT MANAGEMENT, LLC  
(A Subsidiary of Hunter Associates Holdings, LLC)

REPORT ON APPLYING AGREED-UPON PROCEDURES  
TO  
SIPC GENERAL ASSESSMENT RECONCILIATION

DECEMBER 31, 2016



**Lally & Co.**  
CPAs and Business Advisors

**HUNTER ASSOCIATES INVESTMENT MANAGEMENT, LLC  
REPORT ON APPLYING AGREED-UPON PROCEDURES  
TO  
SIPC GENERAL ASSESSMENT RECONCILIATION  
DECEMBER 31, 2016**

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**Agreed-Upon Procedures Report**

Independent Accountants' Report on Applying Agreed-Upon Procedures Related to an Entity's SIPC General Assessment Reconciliation 1 - 2

Procedures and Findings 1 - 2

**Exhibit**

Schedule I - General Assessment Reconciliation, Form SIPC-7 3 - 4



**Lally & Co.**

CPAs and Business Advisors

Lally & Co., LLC  
5700 Corporate Drive, Suite 800  
Pittsburgh, Pennsylvania 15237-5851

412.367.8190 *office*  
412.366.3111 *fax*  
www.lallycpas.com

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES  
RELATED TO AN ENTITY'S SIPC GENERAL ASSESSMENT RECONCILIATION**

To the Board of Directors  
Hunter Associates Investment Management, LLC  
Pittsburgh, Pennsylvania

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and with the SIPC Series 600 Rules, we have performed the procedures enumerated below, which were agreed to by **Hunter Associates Investment Management, LLC** and the Securities Investor Protection Corporation ("SIPC") with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) of **Hunter Associates Investment Management, LLC** ("Company") for the year ended December 31, 2016, solely to assist you and SIPC in evaluating **Hunter Associates Investment Management, LLC's** compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records (vendor disbursement records) entries, noting no differences;
2. Compared the Total Revenue amounts reported on the annual audited report Form X-17A-5 for the year ended December 31, 2016, as applicable, with the total revenue amounts reported in Form SIPC-7 for the year ended December 31, 2016, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers (SIPC assessment analysis, 2016 interim financial statements, and Company general ledger account analyses), noting no differences; and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers (SIPC assessment analysis, 2016 interim financial statements, and Company general ledger account analyses) supporting the adjustments, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the applicable instructions of the Form SIPC-7. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above, and is not intended to be, and should not be, used by anyone other than these specified parties.

*LARRY E. CO., LLC*

Pittsburgh, Pennsylvania  
February 24, 2017

**SCHEDULE I**

**GENERAL ASSESSMENT RECONCILIATION, FORM SIPC-7**

**SIPC-7**

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300  
General Assessment Reconciliation

**SIPC-7**

(33-REV 7/10)

For the fiscal year ended 12/31/2016

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

14\*14\*\*\*\*\*1623\*\*\*\*\*MIXED AADC 220  
44779 FINRA - DEC  
HUNTER ASSOCIATES INVESTMENT MANAGEMENT LLC  
HUNTER ASSOCIATES LLC  
436 7TH AVE STE 5  
PITTSBURGH PA 15219-1818

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

- 2. A. General Assessment (Item 2e from page 2) \$ 12,260
- B. Less payment made with SIPC-6 filed (exclude Interest) ( 6,241 )  
07/27/2016  
Date Paid
- C. Less prior overpayment applied ( \_\_\_\_\_ )
- D. Assessment balance due or (overpayment) 6,019
- E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum \_\_\_\_\_
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 6,019
- G. PAYMENT:  the box  
Check mailed to P.O. Box  Funds Wired   
Total (must be same as F above) \$ 6,019
- H. Overpayment carried forward \$( \_\_\_\_\_ )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Hunter Associates Investment Management LLC

(Name of Corporation, Partnership or other organization)

*[Signature]*

(Authorized Signature)

Chief Financial Officer

(Title)

Dated the 15 day of February, 2017

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates:                                                                 
Postmarked                      Received                      Reviewed

Calculations:                                           Documentation                                           Forward Copy                     

Exceptions: \_\_\_\_\_

Disposition of exceptions: \_\_\_\_\_

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 1/1/2016  
and ending 12/31/2016

| Item No.  | Eliminate cents        |
|---|------------------------|
| 2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)  | \$ <u>7,223,045</u>    |
| 2b. Additions:  |                        |
| (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.  | -                      |
| (2) Net loss from principal transactions in securities in trading accounts.   | -                      |
| (3) Net loss from principal transactions in commodities in trading accounts.  | -                      |
| (4) Interest and dividend expense deducted in determining Item 2a.  | -                      |
| (5) Net loss from management of or participation in the underwriting or distribution of securities.   | -                      |
| (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.   | -                      |
| (7) Net loss from securities in investment accounts.  | -                      |
| Total additions   | -                      |
| 2c. Deductions:   |                        |
| (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products. | <u>2,181,810</u>       |
| (2) Revenues from commodity transactions.   | -                      |
| (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.   | <u>136,093</u>         |
| (4) Reimbursements for postage in connection with proxy solicitation.   | -                      |
| (5) Net gain from securities in investment accounts.  | -                      |
| (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.  | -                      |
| (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).   | -                      |
| (8) Other revenue not related either directly or indirectly to the securities business.<br>(See Instruction C):   | -                      |
| <hr/>   |                        |
| (Deductions in excess of \$100,000 require documentation)   |                        |
| (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.  | \$ <u>945</u>          |
| (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).   | \$ <u>-</u>            |
| Enter the greater of line (i) or (ii)   | <u>945</u>             |
| Total deductions  | <u>2,318,848</u>       |
| 2d. SIPC Net Operating Revenues   | \$ <u>4,904,197</u>    |
| 2e. General Assessment @ .0025  | \$ <u>12,260</u>       |
|   | (to page 1, line 2.A.) |

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HUNTER ASSOCIATES INVESTMENT MANAGEMENT, LLC  
(A Subsidiary of Hunter Associates Holdings, LLC)

REPORT ON MANAGEMENT'S STATEMENTS IN THE EXEMPTION REPORT

DECEMBER 31, 2016



**Lally & Co.**  
CPAs and Business Advisors

HUNTER ASSOCIATES INVESTMENT MANAGEMENT, LLC  
REPORT ON MANAGEMENT'S STATEMENTS IN THE EXEMPTION REPORT  
DECEMBER 31, 2016

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**Review Report**

Independent Registered Accountants' Report on Management's Statements  
In the Exemption Report 1

**Exhibit**

Schedule I - Exemption Report 2



**Lally & Co.**

CPAs and Business Advisors

Lally & Co., LLC  
5700 Corporate Drive, Suite 800  
Pittsburgh, Pennsylvania 15237-5851

412.367.8190 *office*  
412.366.3111 *fax*  
www.lallycpas.com

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors  
Hunter Associates Investment Management, LLC  
Pittsburgh, Pennsylvania

We have reviewed management's statements included in the accompanying Exemption Report, in which (1) **Hunter Associates Investment Management, LLC** identified the following provisions of 17 C.F.R. §15c3-3(k) under which **Hunter Associates Investment Management, LLC** claimed an exemption from 17 C.F.R. § 240.15c3-3: ("exemption provisions") and (2) **Hunter Associates Investment Management, LLC** stated that **Hunter Associates Investment Management, LLC** met the identified exemption provisions throughout the most recent fiscal year except as described in its exception report. **Hunter Associates Investment Management, LLC'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 **Hunter Associates Investment Management, LLC'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)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Lally & Co., LLC*

Pittsburgh, Pennsylvania  
February 24, 2017

**SCHEDULE I**  
**EXEMPTION REPORT**

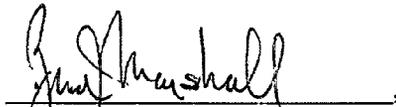


**Hunter Associates Investment Management, LLC**  
EXEMPTION REPORT - SEC Rule 17a-5(d) (4)  
FOR THE PERIOD OF JANUARY 1, 2016 TO DECEMBER 31, 2016

I, Brad J. Marshall, Chief Financial Officer of Hunter Associates Investment Management, LLC hereby state that we met the broker dealer identified exception provisions pursuant to the U.S. security and Exchange Act of 1934 Rule 17a-5, 17 C.F.R. §240.17a-5 of the U.S. Securities and Exchange Commission throughout the fiscal period covering January 1, 2016 throughout December 31, 2016.

Hunter Associates Investment Management, LLC claims exemption from Rule 15c3-3 under provisions (k) (2) (ii) as customer transactions are cleared through another broker-dealer (Pershing, LLC) on a fully disclosed basis.

There were no exceptions noted during the period January 1, 2016 through December 31, 2016.



---

Chief Financial Officer

February 24, 2017