

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

ANNUAL REPORTS
FORM X-17A-5
PART III

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Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/21 AND ENDING 12/31/21
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Sierra Pacific Securities, LLC

TYPE OF REGISTRANT (check all applicable boxes):

- ☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

10100 W. Charleston Blvd, STE 214

(No. and Street)

Las Vegas

NV

89135

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Erin Lankowsky

702-998-0600

elankowsky@sierrapacificsecurities.com

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

Elliott Davis, LLC

(Name – if individual, state last, first, and middle name)

355 Sount Main Street

Greenville

SC

29601

(Address)

(City)

(State)

(Zip Code)

October 16, 2003

149

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

FOR OFFICIAL USE ONLY

* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

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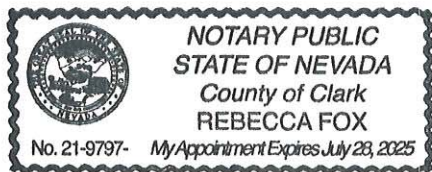
State of Nevada
County of Clark

OATH OR AFFIRMATION

I, Erin Lankowsky, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Sierra Pacific Securities, LLC, as of 12/31, 2021, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

Rebecca

Notary Public



Signature: [Signature]

Title: [Signature]

Co-President / CFO

This filing contains (check all applicable boxes):**

- ☒ (a) Statement of financial condition.
- ☒ (b) Notes to consolidated statement of financial condition.
- ☒ (c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income (as defined in § 210.1-02 of Regulation S-X).
- ☒ (d) Statement of cash flows.
- ☒ (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☒ (g) Notes to consolidated financial statements.
- ☒ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☐ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☒ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☐ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☒ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: _____

****To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.**

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Report of Independent Registered Public Accounting Firm

To the Members of
Sierra Pacific Securities, LLC
Las Vegas, Nevada

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Sierra Pacific Securities (the Company) as of December 31, 2021, the related statements of income, members' equity, and cash flows for the year then ended, and the related notes to the financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, 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.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Supplemental Information

The supplemental information contained in the Computation of Net Capital Pursuant To Rule 15c3-1 (the Supplemental Information) has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The Supplemental Information is the responsibility of the Company's management. Our audit procedures included determining whether the Supplemental Information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the Supplemental Information. In forming our opinion on the Supplemental Information, we evaluated whether the Supplemental Information, including its form and content, is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, the supplemental information contained in the Computation of Net Capital Pursuant To Rule 15c3-1 of the Securities and Exchange Commission is fairly stated, in all material respects, in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

We have served as the Company's auditor since 2018.

Greenville, South Carolina
March 24, 2022

SIERRA PACIFIC SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2021

ASSETS

| | |
|---|-----------------------|
| Current assets: | |
| Cash in bank | \$ 1,854,327 |
| Deposits with/receivables from clearing organization | 48,291,637 |
| Receivable from other brokers | 8,229 |
| Securities owned, at market value | 207,538,218 |
| Income taxes receivable | 1,207,379 |
| Prepaid expense and other assets | <u>13,842</u> |
| Total current assets | 258,913,632 |
| Long term assets: | |
| Property and equipment, net of accumulated depreciation | 23,509 |
| Right of Use asset | <u>252,238</u> |
| Total long term assets | 275,747 |
| Total assets | \$ <u>259,189,379</u> |

LIABILITIES AND MEMBERS' EQUITY

| | |
|---|-----------------------|
| Current Liabilities: | |
| Accounts payable and accrued expenses | \$ 816,396 |
| Payable to clearing organization – | |
| Inventory financing payable | \$ 144,923,089 |
| Securities sold short – not yet purchased | <u>67,572,877</u> |
| Total payable to clearing organization | 212,495,966 |
| Accrued interest payable | <u>286,250</u> |
| Total current liabilities | 213,598,612 |
| Long term Liabilities: | |
| Lease liability | 284,478 |
| Subordinated debt | <u>12,000,000</u> |
| Total long term liabilities | <u>12,284,478</u> |
| Total liabilities | 225,883,090 |
| Members' equity | <u>33,306,289</u> |
| Total liabilities and members' equity | \$ <u>259,189,379</u> |

The accompanying notes are an integral part of these financial statements.

SIERRA PACIFIC SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

(1) NATURE OF BUSINESS

The Company is a registered broker-dealer formed under the laws of the State of Nevada maintaining its principal office in Las Vegas, Nevada and operates branch offices in multiple locations throughout the US. The Company is subject to a minimum net capital requirement pursuant to SEC Rule 15c3-1. The Company operates pursuant to the (k)(2)(ii) exemptive provision of SEC Rule 15c3-3 and does not hold customer funds or securities. Therefore, the Company is exempt from the computation for the determination of reserve requirements pursuant to Rule 15c3-3. The Company's activities are primarily comprised of purchasing and selling government, municipal and agency securities, corporate obligations, collateralized mortgage obligations, and bank Certificates of Deposit, and holding these types of securities for the Company's own account.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of the financial statements is in conformity with GAAP which requires management to make estimates and assumptions that affect certain 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 revenue and expenses during the reported period. Although these assumptions are based on the best available information, actual results may be different from these estimates.

Cash and Cash Equivalents

Cash consists of cash in banks. The recorded value of cash (and any other financial instruments) approximates fair value at December 31, 2021. For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Fixed Assets and Leasehold Improvements

Fixed assets and leasehold improvements are carried at cost, net of accumulated depreciation and amortization. Property and equipment are depreciated on a straight-line basis over the estimated useful life of the assets of two or five years. Leasehold improvements are amortized on a straight-line basis over the lesser of the estimated useful life of the assets or the remaining term of the related leases. The Company had \$276,099 of accumulated depreciation recognized as of December 31, 2021 and \$15,101 of depreciation expense for the year ended December 31, 2021 which is included in office expense on the statement of income.

Clearing Organizations

The Company has an agreement with another securities broker and dealer to act as a clearing organization for the Company. The clearing organization clears all security transactions.

SIERRA PACIFIC SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The Company is required to maintain certain deposit levels with the clearing organization. The amount of the deposit depends on the agreement with the clearing organization and the exchange market requirements. As of December 31, 2021, the Company had deposit levels with clearing organizations exceeding the required amount of \$100,000.

Revenue Recognition

Revenue associated with the Company's securities' transactions is recognized on a settlement date basis. Securities owned and contracts to purchase securities in the future are recorded at market value and, accordingly, any changes in market value are recognized in the statement of income. Market value is determined based on active exchanges (established exchanges and "over-the-counter" exchanges) in the United States. Underwriting revenue is recognized on the day funds are received by the lead underwriter.

Income Taxes

The Company evaluates its tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions will more likely than not be sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are not recorded as a tax benefit or expense in the current year. Interest and penalties, if applicable, are recorded in the period assessed as a component of income tax expense.

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") amended the Leases topic of the Accounting Standards Codification to revise certain aspects of recognition, measurement, presentation, and disclosure of leasing transactions. The Company adopted this guidance on January 1, 2019 using the modified retrospective method and practical expedients for transition. We determined if an arrangement is a lease at inception. Right of assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Rent expense for lease payments is recognized on a straight-lined basis over the lease term.

(3) SECURITIES OWNED

Securities owned consist of trading securities, recorded at market value, and include accrued interest of \$1,109,426. These securities had a cost of \$208,210,914 and are comprised of corporate obligations, bank Certificates of Deposit, municipal and agency securities, collateralized mortgage obligations, and federal obligations.

SIERRA PACIFIC SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

(4) FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Measurement

The guidance for fair value measurements defines fair value, establishes a framework for measuring fair value and establishes a hierarchy based on the quality of inputs used to measure fair value and enhances disclosure requirements for fair value measurements. The Company's securities owned, at fair value, and securities sold, not yet purchased, at fair value, are reflected in the Statement of Financial Condition on a trade date basis. 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 an asset or transfer a liability occurs in the principal market for the asset and 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 are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three broad levels of the fair value hierarchy are described below:

| | |
|---------|---|
| Level 1 | Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. |
| Level 2 | Inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly. |
| Level 3 | Are unobservable inputs for the asset or liability and rely on management's own judgments about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs are developed based upon the best information available and may include the Company's own data. |

The following table presents the investments carried on the Statement of Financial Condition by level within the hierarchy as of December 31, 2021.

| | Level 1 | Level 2 | Level 3 | Total |
|---|-------------|-----------------------|-------------|-----------------------|
| Trading securities | \$ <u>-</u> | \$ <u>207,538,218</u> | \$ <u>-</u> | \$ <u>207,538,218</u> |
| Securities sold short, not yet purchased | \$ <u>-</u> | \$ <u>67,572,877</u> | \$ <u>-</u> | \$ <u>67,572,877</u> |

SIERRA PACIFIC SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

(4) FAIR VALUE OF FINANCIAL INSTRUMENTS, Continued

Trading securities values are readily determined based on other data values or market prices.

The securities are purchased on margin with the clearing organization and the liability related to such purchases is included under the caption "Payable to Clearing organization" on the Statement of Financial Condition. The liability includes inventory financed and the value of certain securities sold short – not yet purchased.

Determination of Fair Value

The following is a description of the Company's valuation methodologies for assets and liabilities measured at fair value.

Where quoted prices for identical securities are available in an active market, instruments are classified in Level 1 of the valuation hierarchy. Level 1 instruments include highly-liquid government bonds, for which there are quoted prices in active markets.

If quoted market prices are not available for the specific position, the Company may estimate the value of such instruments using a combination of observed transaction prices, independent pricing services and relevant broker quotes. These transactions are classified within Level 2 of the valuation hierarchy. Level 2 instruments primarily include agency mortgage backed securities, corporate debt securities, bank certificates of deposit and municipal securities. Transactions are classified within Level 3 if there are no observable transaction prices or independent pricing sources available or a component of the price is derived from a model with an observable input.

(5) TRADING ACTIVITIES AND RELATED RISKS

The Company actively trades government, corporate, municipal and agency securities and bank certificates of deposit. Positions in these securities are subject to varying degrees of market and credit risk.

Market prices are subject to fluctuation and, as such, the Company is exposed to market risk. The fair value of the Company's investments will fluctuate in response to changes in market interest rates. Increases and decreases in prevailing interest rates generally translate into decreases and increases in fair values of those instruments. Additionally, fair values of interest-rate sensitive instruments may be affected by the credit worthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument, and other general market conditions. Market risk is directly impacted by the volatility and liquidity in the markets in which financial instruments are traded. The Company monitors its exposure to market risk, or its market risk profile, on a daily basis through a variety of financial, security position, and control procedures.

Credit risk is the possibility of debt securities being downgraded by the rating agencies or going into default due to non-performance by issuers.

SIERRA PACIFIC SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

(5) TRADING ACTIVITIES AND RELATED RISKS, Continued

Securities sold short, not yet purchased (short sales) represent obligations of the Company to make a future delivery of a specific security at a specified price and, correspondingly, create an obligation to purchase the security at the prevailing market price (or deliver the security if owned by the Company) at the later delivery date. As a result, short sales create the risk that the Company's ultimate obligation to satisfy the delivery requirement may exceed the amount of the proceeds initially received.

The Company's counter-party risk is minimized by trading only with institutional parties and by clearing trades via the Federal Wire and the Deposit Trust Company ("DTC"), which ensure settlements occur simultaneously for both sides of the trade.

The Company engages in selling of contracts to deliver at a future date or to repurchase at a future date (futures contracts). These contracts are used to hedge the risk associated with owning debt securities.

(6) SUBORDINATED DEBT

During 2018, the Company converted \$15,000,000 of members' equity to subordinated term notes assumed by The Members of the Company. During 2021, the Company paid down the notes by \$2,000,000. Interest on the subordinated term notes accrues at the stated interest rate per the agreements of 3.75%. Interest and principal are payable at maturity in June 2025. Interest expense on the note totaled \$522,500 for the year ended December 31, 2021.

(7) RENTAL OF OFFICE FACILITIES

The Company occupies two office facilities with initial noncancelable lease terms in excess of one year. The lease agreements terminate in February 2024 and May 2024. One of the leases has an optional extension of two additional five-year periods; however, the use of this extension is not considered probable and therefore has not been included in determination of amounts recorded on the financial statements. Both lease agreements include fixed rental payments that increase at pre-determined rates. The Company records the operating lease right of use asset and lease liabilities based on the present value of lease payments, discounted using the current commercial lending rate. The discount rate associated with the operating leases as of December 31, 2021 is 4.00%.

Rent expense for the year ended December 31, 2021 was \$186,573. Future lease obligations under the operating leases are shown in the table below:

Twelve Months Ended December 31,

| | |
|------|-------------------|
| 2022 | \$ 159,018 |
| 2023 | 148,055 |
| 2024 | <u>47,662</u> |
| | <u>\$ 354,735</u> |

SIERRA PACIFIC SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

(8) CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANKS

The Company maintains cash accounts at Bank of America which had bank balances totaling \$331,119 on December 31, 2021. Accounts at this institution are insured up to \$250,000 by the Federal Deposit Insurance Corporation.

(9) LEGAL CONTINGENCIES

The Company is not currently a defendant in litigation incidental to its securities business. The Company accounts for litigation losses in accordance with FASB Accounting Standards Codification Topic 450, "Contingencies: ("ASC 450"). Under ASC 450, loss contingency provisions are recorded for probable losses at management's best estimate of a loss, or when a best estimate cannot be made, a minimum loss contingency amount is recorded.

These estimates are often initially developed substantially earlier than the ultimate loss is known, and the estimates are refined each accounting period as additional information becomes available. Accordingly, the initial amount estimated and recorded could be as low as zero. As information becomes known, the initial estimate may be increased, resulting in additional loss provisions. Also, a best estimate amount is changed to a lower amount when events result in an expectation of a more favorable outcome than previously estimated.

(10) NET CAPITAL

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1). Accordingly, the Company is required to maintain a minimum level of net capital of \$100,000 at December 31, 2021. At December 31, 2021, the Company had computed net capital of \$25,190,415, which was in excess of the required net capital level by \$25,090,415. In addition, the Company is not allowed to have a ratio of aggregate indebtedness to net capital in excess of 15 to 1. At December 31, 2021, the Company's ratio of aggregate indebtedness to net capital was .0455 to 1.

(11) INCOME TAXES

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax liabilities and assets are determined based on the differences between the financial statements and tax basis of assets and liabilities using the enacted tax rates in effect for the year in which the differences are expected to reverse. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that are not expected to be realized based on available evidence.

SIERRA PACIFIC SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

The temporary differences giving rise to the deferred tax items are as follows as of December 31, 2021:

| | |
|---------------------------|---------------|
| Assets: | |
| Lease liability | <u>61,668</u> |
| Total | 61,668 |
| Liabilities: | |
| Fixed Assets | 5,096 |
| Right of Use Asset | <u>54,679</u> |
| Total | <u>59,776</u> |
| Ending deferred tax asset | \$ 1,893 |

Deferred tax assets of \$1,893 are included in Prepaid expense and other assets on the Statement of Financial Condition. Components of the income tax expense (benefit) reflected in the statement of income during the period from January 1, 2021 to December 31, 2021 are as follows:

| | |
|--------------------|--------------|
| Current – Federal | \$ 9,762 |
| Current – State | 19,060 |
| Deferred – Federal | 254,959 |
| Deferred – State | <u>4,845</u> |
| Total | \$ 288,626 |

The Company files tax returns in the U.S. and various state jurisdictions. At December 31, 2021 the tax years 2018 through 2021 remain open to examination under the statute of limitations.

(12) COVID-19

The 2019 novel coronavirus (or “COVID-19”) has adversely affected, and may continue to adversely affect economic activity globally, nationally, and locally. Following the COVID-19 outbreak in December 2019 and January 2020, market interest rates declined significantly. The spread of COVID-19 has caused us to modify our business practices, including employee travel, employee work locations, and the cancellation of physical participation in meetings, events, and conferences. The rapid development and fluidity of this situation precludes any predication as to the ultimate impact of the COVID-19 outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Company, its performance, and its financial results.

(13) SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions occurring after year-end through the date that the financial statements were available for issuance. No transactions or events were found that were material enough to require recognition in the financial statements.

SIERRA PACIFIC SECURITIES, LLC
COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1

DECEMBER 31, 2021

| | | |
|--|-----------------|----------------------|
| Total members' equity | | \$ 33,306,289 |
| Adjustments – subordinated debt | \$12,000,000 | |
| Adjustments – non-allowable assets: | | |
| Deferred tax asset | (1,209,272) | |
| Prepaid expenses and other assets | (11,949) | |
| Property and equipment, net | <u>(34,624)</u> | |
| Total adjustments | | <u>10,744,155</u> |
| Net capital before haircuts | | 44,050,444 |
| Haircuts on security positions – United States | | |
| Agency obligations and obligations of organizations established by the United States: | | |
| Exempted securities | 8,720,502 | |
| Debt securities | 9,709,078 | |
| Other Securities | <u>430,449</u> | |
| Net haircuts | | <u>(18,860,029)</u> |
| Net capital | | 25,190,415 |
| Minimum net capital required (6-2/3% of total aggregate indebtedness or \$100,000, whichever is greater) | | <u>(100,000)</u> |
| Excess net capital | | \$ <u>25,090,415</u> |

COMPUTATION OF RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL

| | |
|--|---------------------|
| Total aggregate indebtedness | \$ <u>1,146,000</u> |
| Ratio of aggregate indebtedness to net capital | <u>.0455 to 1</u> |

The computation of net capital as reported in the unaudited Part IIA filing agrees with the audited net capital above.

SIERRA PACIFIC SECURITIES, LLC
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
PURSUANT TO RULE 15c3-3

DECEMBER 31, 2021

Not Applicable – The Company is exempt pursuant to the (k)(2)(ii) exemptive provision of SEC Rule 15c3-3 and does not hold customer funds or securities.

SIERRA PACIFIC SECURITIES, LLC
INFORMATION RELATING TO THE POSSESSION
OR CONTROL REQUIREMENTS PURSUANT TO RULE 15c3-3

DECEMBER 31, 2021

Not Applicable – The Company is exempt pursuant to the (k)(2)(ii) exemptive provision of SEC Rule 15c3-3 and does not hold customer funds or securities.



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM –
EXEMPTION REPORT**

To the Members of
Sierra Pacific Securities, LLC
Las Vegas, Nevada

We have reviewed management's statements, included in the accompanying Exemption Report, in which (a) Sierra Pacific Securities, LLC identified the following provisions of 17 C.F.R. § 240.15c3-3(k) under which Sierra Pacific Securities, LLC claimed an exemption from 17 C.F.R. § 240.15c3-3: Paragraph (k)(2)(ii) (the exemption provisions) and (b) Sierra Pacific Securities, LLC stated that Sierra Pacific Securities, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. Sierra Pacific Securities, 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 Sierra Pacific Securities, 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 17 C.F.R. § 240.15c3-3.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Greenville, South Carolina
March 24, 2022

SIERRA PACIFIC SECURITIES LLC
EXEMPTION REPORT
PURSUANT TO RULE 15c3-3

December 31, 2021

SIERRA PACIFIC SECURITIES, LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- 1) The Company claimed an exemption from 17 C.F.R. §240.15c3-3 ("Customer protection - reserves and custody of securities") under the provisions of 17 C.F.R. §240.15c3-3(k)(2)(ii) as the Company is an introducing broker dealer who clears all transactions with and for customers on a fully disclosed basis with another clearing broker.
- 2) The Company met the exemption provision in 17 C.F.R. §240.15c3-3(k)(2)(ii) during the period of January 1, 2021 through December 31, 2021 without exception.

SIERRA PACIFIC SECURITIES, LLC

I, ERIN LANKOWSKY, affirm that, to the best of my knowledge and belief, this Exemption Report is true and correct.



Erin Lankowsky, Co-President & CFO

3/24/22

Date

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON
APPLYING AGREED UPON PROCEDURES**

The Members
Sierra Pacific Securities, LLC

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation (SIPC) Series 600 Rules, which are enumerated below on the accompanying General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2021. Management of Sierra Pacific Securities, LLC (the Company) is responsible for its Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7.

Management of the Company has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting you and SIPC in evaluating the Company's compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2021. Additionally, SIPC has agreed to and acknowledged that the procedures performed are appropriate for their intended purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The appropriateness of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the appropriateness 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 record entries, noting no differences.
2. Compared the Total Revenue amounts reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2021, with the Total Revenue amounts reported in Form SIPC-7 for the year ended December 31, 2021, noting no differences.
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences.
4. Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences.

We were engaged by the Company to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and in accordance with the standards of the Public Company Accounting Oversight Board (United States). We were not engaged to, and did not, conduct an examination or a review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.



We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Elliott Davis, LLC

Greenville, South Carolina
March 24, 2022