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

SEC FILE NUMBER  
 8- 68498

FACING PAGE  
**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
 Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/14 AND ENDING 12/31/14  
 MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Quetico Partners LLC**  
 ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**33 South Sixth Street, Suite 4190**

OFFICIAL USE ONLY  
 FIRM I.D. NO.

(No. and Street)  
**Minneapolis** **MN** **55402**  
 (City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
**Gary O'Brien** **612-259-4993**  
 (Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
**Baker Tilly Virchow Krause, LLP**

(Name - if individual, state last, first, middle name)  
**225 South Sixth Street, Suite 2300** **Minneapolis** **MN** **55402**  
 (Address) (City) (State) (Zip Code)

**CHECK ONE:**

- Certified Public Accountant -
- Public Accountant
- Accountant not resident in United States or any of its possessions.

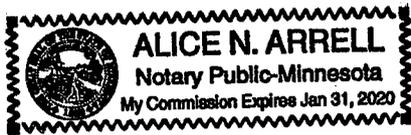
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

*Handwritten notes:*  
 3/10/15  
 3/10/15

OATH OR AFFIRMATION

I, Gary O'Brien, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Quetico Partners LLC, as of December 31, 20 14, 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:



Alice N Arrell  
Notary Public

[Signature]  
Signature

Managing Director

Title

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).

**Quetico Partners, LLC**  
**Report Pursuant to Rule 17a-5 of**  
**The Securities and Exchange Commission**  
**Including Report of Independent Registered Public Accounting Firm**  
**As of December 31, 2014**

**Quetico Partners, LLC**

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**BAKER TILLY**

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Minneapolis, MN 55402-4661  
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bakertilly.com

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Governors  
Quetico Partners LLC  
Minneapolis, Minnesota

We have audited the accompanying statement of financial condition of Quetico Partners LLC as of December 31, 2014. The statement of financial condition is the responsibility of Quetico Partners LLC's management. Our responsibility is to express an opinion on the statement of financial condition based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above present fairly, in all material respects, the financial condition of Quetico Partners LLC as of December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.

*Baker Tilly Virchow Krause, LLP*

Minneapolis, Minnesota  
February 26, 2015

QUETICO PARTNERS, LLC  
STATEMENT OF FINANCIAL CONDITION  
As of December 31, 2014

<b>ASSETS</b>	
Cash	\$ 215,398
Accounts receivable	9,673
Security deposit	20,800
Prepaid expenses	6,900
Property and equipment, net	<u>82,470</u>
TOTAL ASSETS	<u>\$ 335,241</u>
 <b>LIABILITIES AND MEMBER'S EQUITY</b>	
Accounts payable and accrued expenses	\$ 37,181
Member's equity	<u>298,060</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 335,241</u>

See accompanying notes to statement of financial condition.

QUETICO PARTNERS, LLC  
NOTES TO FINANCIAL STATEMENTS  
As of December 31, 2014

**(1) Nature of business and significant accounting policies**

**Nature of business** – Quetico Partners, LLC (the Company) provides investment banking and financial advisory services to corporate clients. The member experiences limited liability to the extent of its capital balance.

A summary of the Company's significant accounting policies follows:

**Cash** – The Company maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Company has not experienced any losses on such accounts. The Company believes it is not exposed to any significant credit risk on cash.

**Accounts receivable** – Accounts receivable are customer obligations due under normal trade terms requiring payment within 30 days of the invoice date. Unpaid accounts receivable which are past due are not charged a monthly service fee.

Accounts receivable are stated at the amount billed to the customer. Customer account balances with invoices dated over 90 days old are considered delinquent. The Company's accounts receivable are generally unsecured. No allowance for doubtful accounts was considered necessary at December 31, 2014. If accounts receivable are determined uncollectible, they are charged to expense in the year that determination is made. Management reviews all accounts receivable balances and determines the appropriate course of action on a delinquent account.

**Depreciation and amortization** – Depreciation and amortization are computed by using straight-line methods over estimated useful lives of five to seven years.

**Income taxes** – The Company is not a taxpaying entity for federal and state income tax purposes. The Company's taxable income or loss is taxed on the member's income tax returns. No provision or liability for federal or state income taxes has been included in the financial statements.

QUETICO PARTNERS, LLC  
NOTES TO FINANCIAL STATEMENTS  
As of December 31, 2014

With few exceptions, the Company is no longer subject to U.S. federal, state or local income tax examinations by tax authorities for the years before 2011. The Company is not currently under examination by any taxing jurisdiction. In the event of any future tax assessments, the Company has elected to record the income taxes and any related interest and penalties as income tax expense on the Company's statement of operations.

**Use of estimates** – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues during the reporting period. Actual results could differ from those estimates.

**(2) Property and equipment**

Property and equipment consisted of the following as of December 31, 2014:

Computers and equipment	89,453
Leasehold improvements	38,392
<b>Total cost</b>	<b>127,845</b>
Accumulated depreciation	(45,375)
<b>Property and equipment, net</b>	<b>82,470</b>

**(3) Leases**

The Company leases its office facility under an operating lease. The lease expires on December 31, 2017 and provides for base annual payments of \$62,400 over the term of the lease. The future minimum rental payments required under the operating lease are as follows:

Years Ending December 31,	
2015	\$ 62,400
2016	62,400
2017	62,400
<b>Total</b>	<b>\$187,200</b>

**(4) Net Capital requirements**

The Company is required to maintain a minimum net capital, as defined in Rule 15c3-1 under the Securities Exchange Act of 1934 (as amended), equivalent to the greater of \$5,000 or 1/15 of aggregate indebtedness. Net capital and aggregate indebtedness may vary from day to day. As of December 31, 2014, the Company had net capital of \$178,217 which was \$173,217 in excess of its required net capital of \$5,000. The Company's net capital ratio was 0.21 to 1 as of December 31, 2014.

No material differences exist between the net capital calculated above and the net capital computed and reported in the Company's December 31, 2014 FOCUS filing. Per Rule 15c3-3 of the Securities and Exchange Commission Uniform Net Capital Rule, the Company is exempt under the (k)(2)(i) exemption.

**(5) Concentrations**

The Company has several contracts with clients that generate more than 10% of total annual revenues, while there are two clients that represent 82% of total revenue for 2014.

**(6) Subsequent Events**

The Company has evaluated subsequent events occurring through February 26, 2015, the date that the statement of financial condition was available to be issued, for events requiring recording or disclosure in the Company's statement of financial condition.