

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION



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

SEC FILE NUMBER
8-

REPORT FOR PERIOD BEGINNING 04/01/19 AND ENDING 03/31/20

MM/DD/YYYY

MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: SHASTA PARTNERS, LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPLE PLACE OF BUSINESS: (Do not use P.O. Box No.)  
1 BEACON STREET, 15<sup>TH</sup> FLOOR

FIRM I.D. NO.

(No. and Street)

BOSTON

MA

02018

(City)

(State)

(Zip Code)

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

GREGORY BURKUS

781-890-6212

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

LARRY D. LIBERFARB, P.C.

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

11 VANDERBILT AVENUE SUITE 220

NORWOOD

MA

02062

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirements 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 240.17-a-8(e)(2)

SEC 1410 (05-01) Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

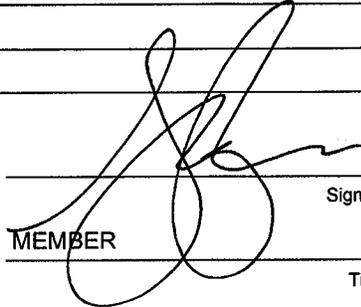
OATH OR AFFIRMATION

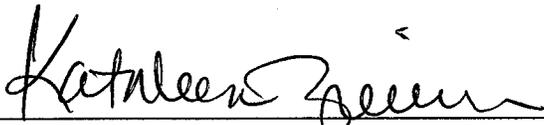
I, GREGORY BURKUS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SHASTA PARTNERS, LLC, as of

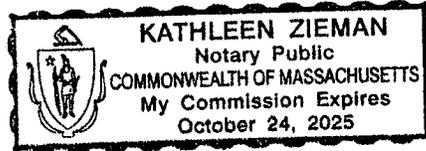
MARCH 31, 20 20, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principle officer or director has any proprietary interest in any account classified solely as that of

A customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
\_\_\_\_\_  
Signature  
MEMBER  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
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 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 15c2-3.
- (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).

**SHASTA PARTNERS, LLC**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

# LARRY D. LIBERFARB, P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
AND FINANCIAL ADVISORS

11 Vanderbilt Avenue, Suite 220, Norwood, Massachusetts 02062  
Tel. (781) 255-8800 Fax (781) 255-9217  
E-Mail: Info@Liberfarb.com

## Report of Independent Registered Public Accounting Firm

To the Members  
of Shasta Partners, LLC

### **Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Shasta Partners, LLC as of March 31, 2020, the related statements of income, changes in members' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of Shasta Partners, LLC as of March 31, 2020, 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 Shasta Partners, LLC's management. Our responsibility is to express an opinion on Shasta Partners, LLC'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 Shasta Partners, LLC in accordance with the 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. 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.

## **Auditor's Report on Supplemental Information**

The computation of aggregate indebtedness and net capital pursuant to SEC Rule 15c3-1, and computation for and information related to possession or control determination of reserve requirements for broker/dealers under SEC Rule 15c3-3 have been subjected to audit procedures performed in conjunction with the audit of Shasta Partners, LLC's financial statements. The supplemental information is the responsibility of Shasta Partners, LLC'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 computation of aggregate indebtedness and net capital under SEC Rule 15c3-1, and computation for and information related to possession or control determination of reserve requirements for broker/dealers under SEC Rule 15c3-3 are fairly stated, in all material respects, in relation to the financial statements as a whole.

  
Larry D. Liberfarb, P.C.

We have served as Shasta Partners, LLC's auditor since 2006.

Norwood, Massachusetts

June 15, 2020

**SHASTA PARTNERS, LLC**  
**STATEMENT OF FINANCIAL CONDITION**

**MARCH 31, 2020**

**ASSETS**

Cash	\$ 18,586
Receivable from non-customers	30,000
Operating lease ROU assets	6,346
Other assets	3,692
	<u>\$ 58,624</u>

**LIABILITIES AND MEMBERS' EQUITY**

Liabilities:	
Accounts payable, accrued expenses, and other liabilities	\$ 2,586
Operating lease liability	6,346
	<u>8,932</u>
Members' Equity:	
Members' capital	49,692
Total Liabilities and Members' Equity	<u>\$ 58,624</u>

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

**SHASTA PARTNERS, LLC**

**STATEMENT OF INCOME**

**FOR THE YEAR ENDED MARCH 31, 2020**

Revenues:	
Investment banking and advisory fees	\$ 619,941
Expenses:	
Communications and data processing	10,540
Occupancy	22,717
Other expenses	71,749
	<u>105,006</u>
Net income	<u>\$ 514,935</u>

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

**SHASTA PARTNERS, LLC**  
**STATEMENT OF CHANGES IN MEMBERS' EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2020**

Balance at April 1, 2019	\$ 69,757
Net income	514,935
Capital contributions	15,000
Capital withdrawals	<u>(550,000)</u>
Balance at March 31, 2020	<u>\$ 49,692</u>

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

SHASTA PARTNERS, LLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

Cash flows from operating activities:	
Net income	\$ 514,935
Adjustments to reconcile net income to net cash flow from operating activities:	
(Increase) Decrease in operating assets:	
Decrease in Receivables from non-customers	10,000
Decrease in Other assets	2,766
Increase in Operating lease ROU assets	(6,346)
Increase (Decrease) in operating liabilities:	
Increase in Operating lease liability	6,346
Decrease in Accounts payable and accrued expenses	<u>(8,459)</u>
Net cash from operating activities	519,242
Cash flows from investing activities:	
None	
Cash flows from financing activities:	
Capital contributions	15,000
Capital withdrawals	<u>(550,000)</u>
Decrease in cash	(15,758)
Cash at beginning of the period	<u>34,344</u>
Cash at end of the period	<u>\$ 18,586</u>
Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Interest	\$ 0
Income taxes	\$ 0

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

**SHASTA PARTNERS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Business:**

The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority, Inc. (FINRA).

**Investment Banking and Advisory Fees:**

Fees are earned from advisory services including merger and acquisition, restructuring, valuation, and capital raising services for clients.

**Revenue Recognition:**

The Company provides advisory services on mergers and acquisitions, restructurings, valuations, and capital raisings. Revenue for advisory arrangements is generally recognized at the point in time that performance under the arrangement is completed (the closing date of the transaction) or the contract is cancelled. However, for certain contracts, revenue is recognized over time for advisory arrangements in which the performance obligations are simultaneously provided by the Company and consumed by the customer. In some circumstances, significant judgement is needed to determine the timing and measure of progress appropriate for revenue recognition under a specific contract. Retainers and other fees received from customers prior to recognizing revenue are reflected as contract liabilities. At March 31, 2020, all amounts were immaterial.

**Receivables from non-customers:**

The Company has not provided an allowance for doubtful accounts, because management believes all amounts are collectible.

**Income Taxes:**

The Company does not record a provision for income taxes because the partners report their share of the partnership's income or loss on their income tax returns. The financial statements reflect the partnership's transactions without adjustment, if any, required for income tax purposes.

**Cash and Cash Equivalents:**

The Company considers all highly liquid securities purchased with maturities of less than three months to be cash equivalents.

**SHASTA PARTNERS, LLC**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**MARCH 31, 2020**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

**NOTE 2 – NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital, and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the “applicable” exchange also provides that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1). At March 31, 2020, the Company had net capital of \$16,000, which was \$11,000 in excess of its required net capital of \$5,000. The Company’s net capital ratio was .16 to 1.

**NOTE 3 – LONG TERM LEASES**

The Company leases office space at the rate of \$1,587 per month. The lease expires July 31, 2020. Rent expense for fiscal year 2020 was \$22,717.

Future minimum lease payments for non-cancelable operating leases at March 31, 2020 are as follows:

Year ended March 31,	
2021	\$ <u>6,346</u>

The Company adopted FASB ASC 842, Leases effective April 1, 2019. As such, the Company recognizes and measures its leases in accordance with FASB ASC 842, Leases. The Company is a lessee in the lease described herein. The Company recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future payments. The discount rate is the implicit rate if it is readily determinable or otherwise the Company uses its incremental borrowing rate.

**SHASTA PARTNERS, LLC**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**MARCH 31, 2020**

**NOTE 3 – LONG TERM LEASES – continued**

Amounts reported in the statement of financial condition as of March 31, 2020, were as follows:

Operating Leases:	
Operating lease ROU assets	\$6,346
Operating lease liability	\$6,346

**NOTE 4 – OFF BALANCE SHEET RISK AND CONCENTRATION OF CREDIT RISK**

The Company at times maintains cash in bank accounts in excess of the established limit insured by the Federal Deposit Insurance Corporation (FDIC).

**NOTE 5 – FAIR VALUE**

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. 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 the asset or transfer the liability occurs in the principal market for the asset or 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, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.

Level 2 inputs are 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 assumption about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

**SHASTA PARTNERS, LLC**

**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**MARCH 31, 2020**

**NOTE 5 – FAIR VALUE - continued**

A qualifying asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. The Company's qualifying assets or liabilities are recorded at fair value using Level 1 inputs.

**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

The Company at March 31, 2020 has no unfulfilled contract, commitments or contingencies.

**NOTE 7 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 15, 2020, the date on which the financial statements were available to be issued. There were no subsequent events that require adjustment or disclosure in the financial statements.

**SHASTA PARTNERS, LLC**  
**SUPPLEMENTARY SCHEDULES**  
**MARCH 31, 2020**

**SCHEDULE I**

**SHASTA PARTNERS, LLC**

**COMPUTATION OF AGGREGATE INDEBTEDNESS AND NET CAPITAL  
PURSUANT TO RULE 15c3-1**

**MARCH 31, 2020**

Aggregate Indebtedness:	
Accounts payable and accrued expenses	\$ 2,586
Net Capital	
Members' capital	\$ 49,692
Adjustments to Net Capital	
Receivable from non-customers	(30,000)
Other assets	<u>(3,692)</u>
Net Capital as defined	16,000
Net Capital Requirement:	<u>5,000</u>
Net Capital in Excess of Requirement:	<u>\$ 11,000</u>
Ratio of Aggregate Indebtedness to Net Capital	.16 to 1

Reconciliation with Company's computation of net capital:

Net capital as reported in the Company's Part IIA (unaudited), Focus Report	\$ 16,000
Net audit adjustments	-
Decrease in non-allowables and haircuts	-
Net capital per above	<u>\$ 16,000</u>

There were no material differences between the above computation of net capital and the corresponding computation submitted by the Company with the unaudited X-17A-5 as of March 31, 2020.

See Report of Independent Registered Public Accounting Firm

**SCHEDULE II**

**SHASTA PARTNERS, LLC**

**COMPUTATION FOR AND INFORMATION RELATED TO POSSESSION  
OR CONTROL DETERMINATION OF RESERVE REQUIREMENTS  
FOR BROKER/DEALERS UNDER RULE 15c3-3 OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**MARCH 31, 2020**

Shasta Partners, LLC is exempt from the reserve requirements of Rule 15c3-3 as its transactions are limited, such that they do not handle customer funds or securities, accordingly, the computation for determination of reserve requirements pursuant to Rule 15c3-3 and information relating to the possession or control requirement pursuant to Rule 15c3-3 are not applicable.

LARRY D. LIBERFARB, P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
AND FINANCIAL ADVISORS

11 Vanderbilt Avenue, Suite 220, Norwood, Massachusetts 02062  
Tel. (781) 255-8800 Fax (781) 255-9217  
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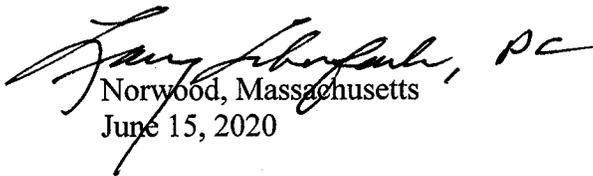
**Report of Independent Registered Public Accounting Firm**

To the Members  
of Shasta Partners, LLC

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Shasta Partners, LLC identified the following provisions of 17 C.F.R. 15c3-3(k) under which Shasta Partners, LLC claimed an exemption from 17 C.F.R. 240.15c3-3(k)(2)(i) (exemption provisions) and (2) Shasta Partners, LLC stated that Shasta Partners, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. Shasta Partners, 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 Shasta Partners, 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)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

  
Norwood, Massachusetts  
June 15, 2020

**SHASTA PARTNERS, LLC**

**EXEMPTION REPORT  
REQUIREMENT FOR BROKER/DEALERS UNDER  
RULE 17A-5 OF THE SECURITIES EXCHANGE ACT OF 1934**

**MARCH 31, 2020**

Shasta Partners, LLC is exempt from the reserve and possession or control requirements under Rule 15c3-3(k)(2)(i) of the Securities Exchange Act of 1934. The Company was compliant with Rule 15c3-3(k)(2)(i) as it did not carry any customer funds or securities throughout the fiscal year ended March 31, 2020.



Gregory J. Burkus  
Managing Member