

BOLTON GLOBAL CAPITAL, INC.

STATEMENT OF FINANCIAL CONDITION
AND REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

DECEMBER 31, 2020

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

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

SEC FILE NUMBER
8-33222

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 01/01/2020 AND ENDING 12/31/2020
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Bolton Global Capital, Inc.**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

579 Main Street

(No. and Street)

Bolton

MA

01740

(City)

(State)

(Zip Code)

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

Eugene Hayes 978-779-5361

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

DeMarco Sciacotta Wilkens & Dunleavy, LLP

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

9501 W. 171st St. H-103

Tinley Park

IL

60487

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

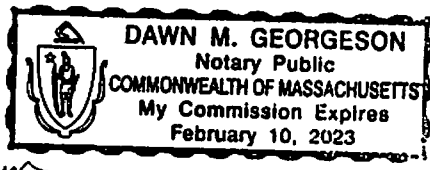
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Eugene Hayes, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Bolton Global Capital, Inc. of December 31, 2020, 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:

Eugene F Hayes
Signature
CFD
Title



Dawn M. Georgeson
Notary Public

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

- (a) Facing Page.
- (b) 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 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).



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
Bolton Global Capital, Inc.

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Bolton Global Capital, Inc. (the "Company") as of December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Bolton Global Capital, Inc. as of December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statement 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 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 statement is 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 statement, 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.

We have served as Bolton Global Capital, Inc.'s auditor since 2014.

DeMarco Sciacotta Wilkens & Dunleavy LLP

Tinley Park, Illinois
February 17, 2021

BOLTON GLOBAL CAPITAL, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 8,678,643
Receivable from clearing broker	71,502
Receivable related party	3,146
Receivable from others	164,813
Prepaid expenses	289,565
Deposits	<u>189,464</u>
Total Current Assets	<u>\$ 9,397,133</u>

NON-CURRENT ASSETS:

Fixed assets (net of accumulated depreciation of \$394,137)	1,078,997
Right-of-use assets (net of accumulated amortization of \$1,212,033)	13,122,104
Cash - clearing deposit	117,549
Deposits	<u>5,005</u>
Total Non-current Assets	<u>\$ 14,323,655</u>

TOTAL ASSETS \$ 23,720,788

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES:

Accounts payable and accrued expenses	\$ 938,522
Accounts payable - related party	990,858
Commissions payable - registered representatives	2,467,905
Commissions payable - related party	84,860
Securities sold, not yet purchased	3,156
Deferred revenue	330,202
Lease liabilities	<u>1,584,580</u>
Total Current Liabilities	<u>\$ 6,400,083</u>

NON-CURRENT LIABILITIES:

Deferred revenue	\$ 57,682
Lease liabilities	<u>11,572,862</u>
Total non-current liabilities	<u>\$ 11,630,544</u>
Total Liabilities	<u>\$ 18,030,627</u>

STOCKHOLDER'S EQUITY

Common stock, no par value; authorized 1,250 shares; issued and outstanding 796 shares	\$ 4,820
Retained earnings	<u>5,685,341</u>
Total Stockholder's Equity	<u>\$ 5,690,161</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 23,720,788</u>

The accompanying notes are an integral part of this financial statement.

BOLTON GLOBAL CAPITAL, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2020

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization - Bolton Global Capital, Inc. (the Company) is located in Bolton, Massachusetts. The Company is a full-service registered broker-dealer in securities, and conducts business on a fully-disclosed basis over a network of independent financial advisors across the United States of America. The Company offers services in stocks, bonds, options, mutual funds, variable annuities, and other securities to its investment clients. The Company is registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA), and the Securities Investors Protection Corporation (SIPC).

Basis of Presentation – The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America (GAAP).

Recognition of Revenue – The Company follows the revenue recognition guidance that requires an entity to follow a five-step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies the performance obligation.

Revenues are recognized in accordance with the accounting guidance when persuasive evidence of an arrangement exists, the performance obligation has been met, the fee is fixed or determinable, and collection is reasonably assured.

Significant Judgments - The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events.

Interest income - The Company earns interest income from cash equivalents. This revenue is not in scope for Topic 606 as it is not generated from contracts with customers.

BOLTON GLOBAL CAPITAL, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2020

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES – *(Continued)*

Commissions - The Company generates two types of commission revenue: sales-based commission revenue that is recognized on the settlement date, an industry standard, and trailing commission revenue that is recognized over time as earned. Sales-based commission revenue varies by investment product and is based on a percentage of an investment product's current market value at the time of purchase. Trailing commission revenue is generally based on a percentage of the current market value of clients' investment holdings in trail-eligible assets, and is recognized over the period during which services, such as on-going support, are performed. As trailing commission revenue is based on the market value of clients' investment holdings, this variable consideration is constrained until the market value is determinable.

Administrative fee revenues – Administrative fee income primarily consist of portfolio service fees that are derived from accounts that charge an annual administrative fee based on net asset value (generally billed quarterly in advance based on prior quarter asset values and recognized over the quarterly period).

Receivables - The Company reviews the receivables for collectability on a regular basis. The allowance for doubtful accounts reflects management's best estimate of probable losses determined principally on the basis of historical experience. The allowance for doubtful accounts was \$0 at December 31, 2020.

Estimates - The preparation of financial statements in conformity with GAAP 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit Risk - The Company is engaged in various brokerage activities in which the counterparties primarily include broker/dealers, banks, other financial institutions and the Company's own customers. In the event the counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

In addition, most of the Company's cash is on deposit at three financial institutions and the balance at times may exceed the federally insured limit. The Company believes it is not exposed to any significant credit risk to cash.

BOLTON GLOBAL CAPITAL, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2020

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - (*Continued*)

Cash Equivalents - For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months that are not held for sale in the ordinary course of business.

Leases - The Company recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Company is a lessee in several noncancellable operating leases, for office space, software, and subscription related services. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. 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 lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise the Company uses its incremental borrowing rate. The implicit rates of our leases are not readily determinable and accordingly, we use our incremental borrowing rate (4.5%) based on the information available at the commencement date for all leases. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Company adopted the practical expedient and made an accounting policy election allowing lessees to not recognize ROU assets and liabilities for leases with a term of 12 months or less. Disclosures related to the amount, timing and uncertainty of cash flows arising from leases are included in Note 6.

Depreciation - Depreciation of equipment and leasehold improvements is computed using the straight-line method over the estimated useful life of the asset, three years, or the term of the lease for leasehold improvements.

Securities Owned and Sold, Not Yet Purchased – Securities are recorded at fair value in accordance with FASB ASC 820, Fair Value Measurements and Disclosures.

BOLTON GLOBAL CAPITAL, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2020

NOTE 2 - FAIR VALUE MEASUREMENT

FASB ASC 820 defines fair value, creates 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 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

Level 1 inputs have been used to value equity securities. These securities consist of the following:

	<u>Securities Owned</u>	<u>Securities Sold, Not Yet Purchased</u>
Equity Securities	\$ <u>-0-</u>	<u>3,156</u>
Total	\$ <u>-0-</u>	<u>\$ 3,156</u>

No valuation techniques have been applied to all other assets and liabilities included in the statement of financial condition. Due to the nature of these items, all have been recorded at their historical values.

BOLTON GLOBAL CAPITAL, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2020

NOTE 3 - NET CAPITAL REQUIREMENTS

As a registered broker/dealer and member of FINRA, the Company is subject to the SEC Uniform Net Capital Rule (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 1500%. At December 31, 2020, the Company's net capital and required net capital were \$3,841,942 and \$327,025, respectively. The ratio of aggregate indebtedness to net capital was 128%.

NOTE 4 - INCOME TAXES

The Company has elected S Corporation status for income tax purposes. Income taxes are therefore the responsibility of the individual stockholder's of the Company. However, state corporate income taxes are required of Massachusetts and New York. The income tax expense consists of these corporate state income taxes.

The Company accounts for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as other expense. The Company is longer subject to examination by tax authorities for federal, state or local income taxes for periods before 2017.

NOTE 5 - RELATED PARTIES

The Company pays monthly management fees to Bolton Capital Group, Inc. (BCG), a related corporation wholly owned by the sole stockholder of the Company, under a management contract. The fees provide compensation for supervisory responsibilities, and for any operational and overhead expenses incurred. These fees, in addition to the expenses incurred by BCG, in connection with the Company's broker-dealer business, shall include 100% of the Company's first \$100,000 in pre-tax profit, 50% of the next pre-tax profits below \$400,000, and 25% of any pre-tax profit over \$400,000. During 2020, supervisory and overhead costs incurred under this arrangement totaled approximately \$6,907,000 of which \$990,858 was payable at December 31, 2020.

BOLTON GLOBAL CAPITAL, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2020

NOTE 5 - RELATED PARTIES – *(Continued)*

The Company receives fee-based revenue and pays the related commission expense. The Company records a book entry to reflect this revenue and expense on Bolton Securities Corporation (BSC), a related dually registered broker-dealer and investment advisor indirectly owned by the sole stockholder of the Company. As of December 31, 2020, the Company was owed \$3,146 from BSC.

The Company incurred approximately \$123,000 in commission expenses during 2020 to its sole stockholder, of which \$84,860 was payable at December 31, 2020.

The Company currently leases office space used as its main headquarters, and certain other property, located in Bolton, MA, as a tenant-at-will from an entity in which its sole shareholder has a beneficial interest. BCG rents this office on behalf of the Company. The Company incurred this expense as part of the management fees noted above.

The Company subleases office space to Bolton Securities Corporation for a monthly fee of \$25,000. The agreement shall renew automatically on an annual basis unless terminated by mutual agreement by both parties. For the year ended December 31, 2020, the Company received \$225,000 for this sublease, which is included in occupancy on the statement of operations.

NOTE 6 – LEASE COMMITMENTS

The Company has obligations as a lessee for office space, software, and subscription related services with initial noncancelable terms in excess of one year. The Company classified these leases as operating leases. These leases generally contain renewal options. The Company is not reasonably certain to exercise these renewal options, the optional periods are not included in determining the lease term, and associated payments under these renewal options are excluded from lease payments. The Company's leases do not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contracts include fixed payments. The Company's office space leases require it to make variable payments for the Company's proportionate share of the building's property taxes, insurance, and common area maintenance. These variable lease payments are not included in lease payments used to determine lease liability and are recognized as variable costs when incurred.

BOLTON GLOBAL CAPITAL, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2020

NOTE 6 – LEASE COMMITMENTS – (Continued)

The Company has two agreements to lease office space in Miami, Florida, used by certain affiliated independent registered representatives. One lease expires in November 2021 and includes an annual rent increase of 3%. The other lease expires in November 2030 and includes an annual rent increase of 3%.

In July 2018, the Company entered into an agreement to lease office space in New York. The lease expires July 2021. The lease calls for annual rent increases of 2.5%.

In December 2017, the Company entered into a three-year software licensing agreement. The agreement was amended on September 1, 2019 and expires in September 2021.

The Company entered into agreements for various software subscription and equipment related services. These agreements expire on various dates through July 2023.

Effective February 1, 2020, the Company entered into a sublease for one of its Miami office spaces. The sublease ended August 31, 2020. The Company received \$16,142 per month during this period.

The components of lease cost for the year ended December 31, 2020 are as follows:

Operating lease cost	\$1,093,882
Variable lease cost	<u>93,138</u>
Total lease cost	1,187,020
Less: sublease income	<u>(339,885)</u>
Net lease cost	<u>\$ 847,135</u>

Other information related to leases at December 31, 2020:

Supplemental cash flow information:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flow from operating leases \$1,184,078

ROU assets obtained in exchange for lease obligations:

Operating leases \$12,723,713

Reductions to ROU assets resulting from reductions to lease obligations:

Operating leases \$ (1,212,033)

Weighted average remaining lease term for operating leases is 2.3 years.

BOLTON GLOBAL CAPITAL, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2020

NOTE 6 – LEASE COMMITMENTS – (Continued)

Amounts disclosed for ROU assets obtained in exchange for lease obligations and reductions to ROU assets resulting from reductions to lease obligations include amounts added to or reduced from the carrying amount of ROU assets resulting from new leases, lease modifications or reassessments.

Maturities of lease liabilities under noncancellable operating leases as of December 31, 2020 are as follows:

Year Ending December 31,

2021	\$ 1,462,165
2022	965,306
2023	1,139,418
2024	1,276,587
2025	1,314,946
Thereafter	<u>7,058,121</u>
Total undiscounted payments	13,216,543
Less: Imputed interest	<u>(59,101)</u>
Total Lease Liability	<u>\$ 13,157,442</u>

NOTE 7 - OFF-BALANCE SHEET RISK AND CLEARING AGREEMENTS

In order to facilitate securities transactions, the Company has agreements with a broker/dealer (Clearing Broker/dealer) whereby the Company forwards (introduces) customer securities transactions to the Clearing Broker/dealer, fully disclosing the customer name and other information. The processing and, if applicable, any financing pertaining to the introduced transactions are performed by the Clearing Broker/dealer. The customers' accounts are therefore maintained and recorded in the books and records of the Clearing Broker/dealer on the Company's behalf.

The Company is required to maintain a \$100,000 deposit in another firm account with the Clearing broker/dealer. This amount is included in cash-clearing deposit, on the statement of financial condition. Termination fees will be imposed if the Company terminates without cause or under other circumstances in the first five years of the agreement

The Company is contingently liable to indemnify Pershing, LLC for any failure by customers to maintain an adequate margin, to deliver securities sold, to pay for securities purchased, or for any other breach of obligation by customers.

BOLTON GLOBAL CAPITAL, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION

YEAR ENDED DECEMBER 31, 2020

NOTE 8 – BUSINESS CONCENTRATIONS

The Company had approximately 115 registered investment advisor affiliations during 2020. Two of those advisors were responsible for approximately 25% of the Company's commissions and mutual fund revenue volume during the year ending December 31, 2020.

NOTE 9 – EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Equipment and leasehold improvements at December 31, 2020 consists of:

Furniture and office equipment	\$ 745,892
Leasehold improvements	<u>727,242</u>
Total	1,473,134
Less: accumulated depreciation	<u>394,137</u>
Net	<u>\$ 1,078,997</u>

NOTE 10 – CONTINGENCIES

During 2020, the Company was involved in various claims and lawsuits, arising in the normal course of business. Management believes that any financial responsibilities that may be incurred in the ultimate resolution of these matters will not have a material adverse effect on the Company's financial position or results of operations.

NOTE 11 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events for potential recognition and/or disclosure through the date the financial statements were issued, noting none.