

A.C.R. Securities, Inc.
(SEC I.D. No. 8-50370)

Report on Audit of Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2021

OATH OR AFFIRMATION

I, Austin C. Rybstein, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of A.C.R. Securities Inc. dated December 31st, 2021, is true and correct. I further swear (or affirm) that neither the company partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified as that of a customer.

STATE OF NEW YORK
NOTARY PUBLIC
QUALIFIED IN QUEENS COUNTY
Grisel P Manzueta
No. 01MA6400521

Signature: Austin C. Rybstein
Title: President

MY commission expires November 18, 2023
Grisel P Manzueta - 16-22

Notary Public

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.

A.C.R. SECURITIES, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2021

Assets

| | |
|------------------|-------------------------|
| Cash in bank | \$ 26,068 |
| Due from Broker | 3,969 |
| Clearing deposit | 10,464 |
| Prepaid expense | <u>1,555</u> |
| Total Assets | \$ <u><u>42,056</u></u> |

Liabilities and Stockholder's Equity

| | |
|--|-------------------------|
| Accounts payable and accrued expenses | \$ <u>6,354</u> |
| Total Liabilities | <u>6,354</u> |
| Stockholder's Equity | |
| Common stock, no par, 200 shares authorized and outstanding | 15,000 |
| Additional paid-in capital | 7,080 |
| Retained Earnings | <u>13,622</u> |
| Total Stockholder's Equity | <u>35,702</u> |
| Total Liabilities and Stockholder's Equity | \$ <u><u>42,056</u></u> |

See accountants' report and accompanying notes to financial statements.

A.C.R. SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. ORGANIZATION AND NATURE OF BUSINESS

A.C.R. Securities, Inc. (Company) was formed June 1, 1998 in the State of New York as a broker-dealer in securities transactions under the Securities Exchange Act of 1934. The Company is registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company has adopted December 31 as its year end.

The Company clears all of its transactions through security clearing brokers. The Company acts as a broker-dealer and is exempt from Securities and Exchange Commission Rule 15c3-3 under paragraph k(2)(ii) since it uses other security firms for clearing.

Pursuant to agreements between the Company and Hilltop Securities Inc (HSI), all securities transactions of the Company are cleared and its customers are introduced and cleared on a fully disclosed basis. The Company is exempt from provisions of Rule 15c3-3 and is not responsible for compliance with Section 4(c) of Regulation T of the Board of Governors of the Federal Reserve System, as all customers' accounts, as defined by such rules, are carried by HSI.

2. SIGNIFICANT ACCOUNTING POLICIES

Commission Income

The Company buys and sells securities on behalf of its customers. Each time a customer enters into a buy or sell transaction, the Company charges a commission. Commission and related clearing expenses are recorded on the trade date (the date that the Company fills the trade order by finding and contracting with a counterparty and confirms the trade with the customer). The Company receives payments from revenue sources on a settlement date basis. The timing of cash receipts vary by revenue source but are usually within 30 days of the trade date. The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument and counterparty is identified, the pricing is agreed upon and the risk and rewards of ownership have been transferred to/from the customer.

A.C.R. SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
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Cash Equivalents

The Company considers all short term investments with an original maturity of three months or less to be cash equivalents. The cash equivalents balance was \$0 at December 31, 2021

Receivable from Clearing Broker

Receivable from clearing broker of \$3,969 at December 31, 2021 consists of money due from the Company's clearing firm, Hilltop Securities Inc., for income earned on securities transactions. Management has determined that no allowance for doubtful accounts is necessary at December 31, 2021, based upon its assessment of relevant collectability factors, in accordance with ASC 326, Financial Instruments – Current Expected Credit Losses ("CECL"). This standard requires the immediate recognition of estimated credit losses expected over the life of applicable financial assets.

Clearing Deposit

The Company is required to maintain a clearing deposit balance at HSI, which amounted to \$10,464 at December 31, 2021.

Use of Estimates

The financial statements are presented in accordance with generally accepted accounting principles and prevailing industry practices, both of which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at December 31, 2021, as well as the reported amounts of revenues and expenses during the year then ended. Estimates, by their nature, are based on judgment and available information. Management believes that the estimates utilized in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates.

Recently issued Accounting Pronouncements

The Company is subject to ongoing revisions to the GAAP standards in effect applicable to the preparation of its financial statements. The Company has either evaluated or is currently evaluating the impact of pending FASB pronouncements. The Company believes that these future standards will not have a material impact on its financial statements.

A.C.R. SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

3. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission's ("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 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn, or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2021, the Company had net capital of \$34,147 which was \$29,147 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.19 to 1.

4. INCOME TAXES

The Company has elected to be taxed under Subchapter S of the Internal Revenue Code. Accordingly, the Company does not pay federal and New York State income taxes on its corporate income. Instead, the Company's income, deductions, losses and credits are passed through to the sole stockholder, who is responsible to pay the resultant individual income taxes.

The Company's tax returns are subject to examination by taxing authorities in the stated jurisdictions per the normal statutes of limitations, which are generally three years. No tax examinations occurred during the year ended December 31, 2021.

5. CREDIT AND MARKET RISK

A clearing broker-dealer carries the accounts of Company and is responsible for the execution, collection of and payment of funds and, receipt and delivery of securities relative to customer transactions. Off-balance sheet credit risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments wherein the clearing broker may charge any losses it incurs to the Company. The Company seeks to minimize the risk through procedures designed to monitor the credit worthiness of its customers and ensure that customer transaction are executed properly by the clearing broker-dealer.

No such claims have been made against the Company in its history through the date that these financial statements were issued.

6. RELATED PARTIES

The Company's office space was provided at a cost of \$600 by its President and sole stockholder for the year ended December 31, 2021. Compensation, benefits and payroll taxes of \$2,207 related to its President and sole stockholder for the year ended December 31, 2021.

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NOTES TO FINANCIAL STATEMENTS
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7. COVID-19

The COVID-19 pandemic has impacted the United States since the first quarter of 2020. The Company is unable to reasonably estimate COVID-19's effect on its financial results to-date, as well as its future effect.

8. CONTINGENCIES

The Company may be involved in litigation, claims and regulatory actions arising out of the normal course of business as a securities broker-dealer. The Company is not aware of any such matters as of December 31, 2021 and for the year then ended.

9. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date that these financial statements were issued. The Company did not identify any material subsequent events requiring recording or disclosure in its financial statements.