

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

ANNUAL REPORTS
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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 01/01/2024 AND ENDING 12/31/2024
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Boreal Capital 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.)

1450 Brickell Ave - Suite 2900

(No. and Street)

Miami

FL

33131

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Edgar Penela

305-459-5418

edgar.penela@borealcm.com

(Name)

(Area Code - Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

Assurance Dimensions

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

4920 W. Cypress St - Suite 102 Tampa

FL

33607

(Address)

(City)

(State)

(Zip Code)

04/13/2010

5036

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

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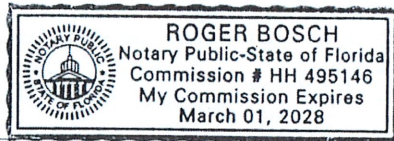
* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Joaquin Frances, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Boreal Capital Securities, LLC, as of 12/31, 2024, 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.

[Handwritten signature]



Notary Public

Signature:

[Handwritten signature]

Title:

Chief Executive Officer

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...
(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.

BOREAL CAPITAL SECURITIES LLC
(A Wholly Owned Subsidiary of
Boreal Capital Holdings USA, LLC)

Financial Statements

Year Ended December 31, 2024

Confidential Treatment Requested



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member
of **Boreal Capital Securities, LLC**

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of **Boreal Capital Securities, LLC** as of December 31, 2024, the related statements of operations, changes in member's equity, and cash flows for the year then ended, and the related notes and schedules (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of **Boreal Capital Securities, LLC** as of December 31, 2024, 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 **Boreal Capital Securities, LLC's** management. Our responsibility is to express an opinion on **Boreal Capital Securities, 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 **Boreal Capital Securities, 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.

Supplementary Information

Schedule I - Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission, Schedule II - Computation for Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission and Schedule III - Information relating to Possession or Control Requirements Under Rule 15c3-3 of the Securities and Exchange Commission has been subjected to audit procedures performed in conjunction with the audit of **Boreal Capital Securities, LLC's** financial statements. The supplementary information is the responsibility of **Boreal Capital Securities, LLC's** management. Our audit procedures included determining whether the supplementary 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 supplementary information. In forming our opinion on the supplementary information, we evaluated whether the supplementary information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, Schedule I - Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission, Schedule II - Computation for Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission and Schedule III - Information relating to Possession or Control Requirements Under Rule 15c3-3 of the Securities and Exchange Commission is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as **Boreal Capital Securities, LLC's** auditor since 2022.
Coral Springs, Florida
March 3, 2025

ASSURANCE DIMENSIONS, LLC**also d/b/a McNAMARA and ASSOCIATES, LLC****TAMPA BAY:** 4920 W Cypress Street, Suite 102 | Tampa, FL 33607 | Office: 813.443.5048 | Fax: 813.443.5053**JACKSONVILLE:** 7800 Belfort Parkway, Suite 290 | Jacksonville, FL 32256 | Office: 888.410.2323 | Fax: 813.443.5053**ORLANDO:** 1800 Pembroke Drive, Suite 300 | Orlando, FL 32810 | Office: 888.410.2323 | Fax: 813.443.5053**SOUTH FLORIDA:** 3111 N. University Drive, Suite 621 | Coral Springs, FL 33065 | Office: 754.800.3400 | Fax: 813.443.5053www.assurancedimensions.com

"Assurance Dimensions" is the brand name under which Assurance Dimensions, LLC including its subsidiary McNamara and Associates, LLC (referred together as "AD LLC") and AD Advisors, LLC ("AD Advisors"), provide professional services. AD LLC and AD Advisors practice as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable laws, regulations, and professional standards. AD LLC is a licensed independent CPA firm that provides attest services to its clients, and AD Advisors provide tax and business consulting services to their clients. AD Advisors, and its subsidiary entities are not licensed CPA firms.

Boreal Capital Securities, LLC
(A Wholly Owned Subsidiary of
Boreal Capital Holdings USA, LLC)

Year Ended December 31, 2024

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BOREAL CAPITAL SECURITIES, LLC

(A WHOLLY OWNED SUBSIDIARY OF
BOREAL CAPITAL HOLDINGS USA, LLC)

STATEMENT OF FINANCIAL CONDITION

As of December 31, 2024

ASSETS

Cash and cash equivalents	\$	5,996,111
Cash segregated under regulatory requirements (Note 8)		11,498
Receivables from clearing broker		356,794
12B1 trailers, and others receivables		510,500
Forgivable loans receivable, net		168,750
Prepaid expenses		176,280
Deposit with clearing broker		295,669
Other assets		<u>123,799</u>

TOTAL ASSETS \$ 7,639,401

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

Commissions	\$	441,057
Accounts payable and accrued expenses		427,357
Payable from affiliate, net		<u>101,881</u>

TOTAL LIABILITIES 970,295

Commitments and Contingencies (Note 10)

Members' Equity 6,669,106

TOTAL LIABILITIES AND MEMBERS' EQUITY \$ 7,639,401

See accompanying notes to the financial statements

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BOREAL CAPITAL SECURITIES, LLC
(A WHOLLY OWNED SUBSIDIARY OF
BOREAL CAPITAL HOLDINGS USA, LLC)

STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

REVENUES:

Gains from riskless principal trading	\$ 7,283,183
Commission revenue	3,575,387
Mutual funds fees	1,659,761
Interest Income	1,195,240
Other	<u>643,162</u>
TOTAL REVENUES	<u>14,356,733</u>

OPERATING EXPENSES:

Commission expense	6,318,309
Salaries and Benefits	3,621,280
Clearing charges	650,132
Occupancy	488,361
Data & Technology	573,200
Professional services	107,901
Business development	209,936
Regulatory	71,472
	<u>12,040,591</u>
TOTAL OPERATING EXPENSES	<u>12,040,591</u>

NET INCOME \$ 2,316,142

See accompanying notes to the financial statements

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BOREAL CAPITAL SECURITIES, LLC

(A WHOLLY OWNED SUBSIDIARY OF
BOREAL CAPITAL HOLDINGS USA, LLC)

**STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024**

BALANCE, JANUARY 1, 2024	\$ 7,202,964
Distributions	(2,850,000)
Net Income	<u>2,316,142</u>
BALANCE, DECEMBER 31, 2024	<u>\$ 6,669,106</u>

See accompanying notes to the financial statements

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BOREAL CAPITAL SECURITIES, LLC

(A WHOLLY OWNED SUBSIDIARY OF
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income \$ 2,316,142

Adjustments to reconcile net income to net cash provided by operating activities:

Amortization of employee advances 171,250

Changes in operating assets and liabilities:

Receivables from clearing broker 545,123

Mutual funds, Money Market, and Other Receivable (106,250)

Prepaid expenses (53,986)

Deposit with clearing fee (14,168)

Other Assets (118,810)

Commissions payable (13,461)

Payable to affiliate, net 111,579

Accounts payable and accrued expenses 149,515

Net cash provided by operating activities: 2,986,934

Net cash used in financing activities

Distributions (2,850,000)

Cash Net Increase 136,934

Cash, Cash Equivalents, and Segregated Cash, Beginning of year 5,870,675

Cash, Cash Equivalents and Segregated Cash, End of year \$ 6,007,609

Reconciliation of the Cash Flow Statement

Cash and Cash equivalents \$ 5,996,111

Cash aggregated under regulatory requirements 11,498

\$ 6,007,609

See accompanying notes to the financial statements

CONFIDENTIAL

BOREAL CAPITAL SECURITIES, LLC

(A WHOLLY OWNED SUBSIDIARY OF
BOREAL CAPITAL HOLDINGS USA, LLC)

NOTES TO FINANCIAL STATEMENTS As of 12/31/2024

1. ORGANIZATION

Boreal Capital Securities, LLC (the “Company”) is a broker-dealer registered with the U.S. Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”). The Company is a wholly owned subsidiary of Boreal Capital Holdings USA, LLC (the “Parent”). The Parent is owned by Mora Banc Group, S.A., an international bank based in Andorra. The majority of the Company’s customers are primarily from Latin America. The Company was formed in 2011 as a limited liability company in accordance with the laws of the state of Delaware.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting policies and reporting practices of the Company conform to the predominant practices in the broker-dealer industry and are in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) in conjunction with the Accounting Standards Codification (ASC) and the Financial Accounting Standards Board.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period and revenues and expenses during the year then ended. Such estimates include accrued expenses and bad debt reserves. The actual outcome could differ from those estimates.

Government and Other Regulation

The Company’s business is subject to significant regulation by various governmental agencies and self-regulatory organizations, including the SEC and FINRA. Such regulation includes, among other things, periodic examinations by these regulatory bodies to determine whether the Company is conducting and reporting on its operations in accordance with the applicable requirements of these organizations. As a registered broker dealer, the Company is subject to the SEC’s Net Capital rules (Rule 15c3-1) which require that the Company maintain a minimum net capital, as defined.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash consists of deposits with banks and all highly liquid investments with maturities of three months or less that are not segregated and deposited for regulatory purposes. Cash and cash equivalents at December 31, 2024 were:

Cash in Bank	\$	372,141
Money Market investment		1,394,965
US Treasury Bill maturing in less than 3 months		<u>4,229,005</u>
	\$	<u>5,996,111</u>

BOREAL CAPITAL SECURITIES, LLC

(A WHOLLY OWNED SUBSIDIARY OF
BOREAL CAPITAL HOLDINGS USA, LLC)

NOTES TO FINANCIAL STATEMENTS
As of 12/31/2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Clearing Arrangement

The Company has a clearing agreement with Pershing LLC (the "Clearing Broker") to provide execution and clearing services on behalf of its customers on a fully disclosed basis. All customer records and accounts are maintained by the Clearing Broker. Pursuant to a clearing agreement, the Company is required to maintain a deposit of \$250,000. Such a deposit is required to be retained by the Clearing Broker for the duration of the clearing arrangement and will be returned to the Company. If the Company does not have obligations to the Clearing firm, it cannot otherwise satisfy within a short period after the termination of the arrangement.

Revenue Recognition

ASC Topic 606, Revenue from Contracts with Customers ("ASC Topic 606") requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance 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 a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved.

The Company's revenues from contracts with customers are recognized when the performance obligations are satisfied at an amount that reflects the consideration expected to be received in exchange for such services. The majority of the Company's performance obligations are satisfied at a point in time and are typically collected from customers by debiting their brokerage account with the Company. The Company typically receives payment shortly after the Company has met the revenue recognition criteria.

With respect to commission income, the performance obligation is satisfied on trade date, and therefore revenue is recognized on trade date.

With respect to mutual fund fees, the Company enters arrangements with managed accounts or other pooled investment vehicles (funds) to distribute shares to investors. The Company may receive mutual fund fees paid by the fund up front, over time, upon the investor's exit from the fund (that is, a contingent deferred sales charge), or as a combination thereof. The Company believes that its performance obligation is the sale of securities to investors and as such this is fulfilled on the trade date. Any fixed amounts are recognized on the trade date and variable amounts are recognized to the extent it is probable that a significant revenue reversal will not occur once the uncertainty is resolved. Specifically, with respect to 12b-1 fees, such fees are recognized when services are provided, and collection can be reasonably assured.

BOREAL CAPITAL SECURITIES, LLC

(A WHOLLY OWNED SUBSIDIARY OF
BOREAL CAPITAL HOLDINGS USA, LLC)

NOTES TO FINANCIAL STATEMENTS
As of 12/31/2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

With respect to riskless principal, the Company engages in riskless principal transactions, wherein securities are purchased and sold nearly simultaneously to fulfill client orders without incurring market risk. Revenue from these transactions is recognized on a trade-date basis, as the earnings are determinable and collectible at the time of execution. The Company acts as principal in these transactions; however, due to their riskless nature, the revenue is recorded as the net trading gain or markup on the transaction rather than as gross sales and cost of sales. This approach aligns with the Company's revenue recognition policy and applicable accounting standards.

The Company earns interest and dividend income from its cash equivalents and securities owned, with less interest expense on related transactions. Interest and dividend income are not within the scope of ASC Topic 606.

With respect to other revenue, it is recognized when a contractual agreement exists, performance obligations are met, the transaction price is measurable, and collection is probable. It includes administrative and service fees, consulting and advisory fees, referral fees, penalty fees, foreign exchange gains, maintenance account fees, account termination fees, and transactional rebates from Pershing. Revenue is measured based on the transaction price, recognized either over time or upon completion, and disclosed separately in financial statements.

Forgivable Loan Receivable, Net

The Company may offer incentive payments to newly hired brokers based on new net assets introduced to the Company. These payments are made at the time of hiring in anticipation of future revenue generated from these assets. To secure these payments, brokers sign promissory notes that require them to remain in good standing with the Company for the duration of the note. If a broker violates the terms, the full outstanding balance becomes immediately due to repayment. However, if all terms are met, the promissory note is forgiven upon expiration. The Company records these promissory notes as assets and amortizes them over their respective terms.

These promissory notes generally amortize over a contractual service period ranging from 3 to 10 years from the initial loan date. Accrued interest is reported in the same balance sheet line item as the loan's amortized cost. The Company evaluates the allowance for credit losses by assessing credit quality indicators and the recoverability of outstanding balances from brokers who have left the Company. A loan is placed on non-accrual status if management determines that it is probable the Company will be unable to collect scheduled principal and interest payments in accordance with the loan agreement. Typically, loans with payments more than 30 days past due are classified as non-accrual. The amortized cost of a loan is written off against the allowance for credit losses when management deems it uncollectible. As of December 31, 2024, management has determined that no allowance for credit losses is necessary. Therefore, none has been recorded.

BOREAL CAPITAL SECURITIES, LLC
(A WHOLLY OWNED SUBSIDIARY OF
BOREAL CAPITAL HOLDINGS USA, LLC)

NOTES TO FINANCIAL STATEMENTS
As of 12/31/2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company is treated as a partnership for Federal income tax purposes and, accordingly, generally would not incur income taxes or have any unrecognized tax benefits. Instead, its earnings and losses are included in the tax return of its member and taxed depending on the Member's tax situation. As a result, the financial statements do not reflect a provision for income taxes.

The Company recognizes and measures tax positions taken or expected to be taken in its tax return based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in expenses. The U.S. Federal jurisdiction and Florida are the major tax jurisdictions where the Company files income tax returns. The Company is generally no longer subject to U.S. Federal or State examinations by tax authorities for years beginning before 2021.

Credit Losses

ASC Topic 326, Financial Instruments - Credit Losses ("ASC Topic 326") impacts the impairment model for certain financial assets by requiring a current expected credit loss ("CECL") methodology to estimate expected credit losses over the entire life of the financial asset. Under the accounting update, the Company could determine there are no expected credit losses in certain circumstances (e.g., based on the credit quality of the customer).

The Company identified receivables from clearing brokers, forgivable loan receivables and other receivables (including, but not limited to, receivables related to securities transactions) as impacted by the new guidance. The allowance for credit losses is based on the Company's expectation of the collectability of financial instruments, including receivables from clearing brokers, forgivable loan receivables and other receivables utilizing the CECL framework. The Company considers factors such as historical experience, credit quality, age of balances and current and future economic conditions that may affect the Company's expectation of the collectability in determining the allowance for credit losses.

The Company's expectation is that the credit risk associated with receivables from clearing brokers, forgivable loan receivables and other receivables is not significant until they are 120 days past due based on the contractual arrangement and expectation of collection in accordance with industry standards. Accordingly, the Company has not provided an allowance for credit losses at December 31, 2024.

Segment reporting

On January 1, 2024, the Company adopted ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires all public entities, including those with a single reportable segment, to disclose additional information about a reportable segment's expenses.

The Company follows Accounting Standards Update 2023-07 - Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which expands

BOREAL CAPITAL SECURITIES, LLC

(A WHOLLY OWNED SUBSIDIARY OF
BOREAL CAPITAL HOLDINGS USA, LLC)

NOTES TO FINANCIAL STATEMENTS
As of 12/31/2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Segment reporting (continued)

reportable segment information by requiring companies to disclose, on an annual and interim basis, significant reportable segment expenses that are regularly provided to the Chief

Operating Decision Maker (“CODM”) and included within each reported measure of a segment’s profit or loss. ASU 2023-07 also requires disclosure of the title and position of the individual identified as the CODM and an explanation of how the CODM makes decisions about allocating resources to segments and evaluating performance.

The Company conducts its business activities and reports financial results as a single reportable brokerage services segment. The CODM makes decisions about allocating resources and assessing performance in a manner consistent with the way the Company operates its business and presents their financial results. The nature of business and accounting policies of the brokerage services segment are the same as described in the description of business and summary of significant accounting policies notes. The CODM is the Chief Executive Officer, Joaquin Frances.

3. RELATED PARTIES

The Company has an expense sharing agreement with Boreal Capital Management, LLC (the “RIA”), a company related through common ownership. The RIA is a registered investment advisor under the SEC Investment Advisor Act of 1940. The Company and the RIA have entered into an agreement whereby they share office space and office services. The cost of such space and services are allocated between the entities. During the year ended December 31, 2024, the Company incurred compensation and office related expenses with

The RIA, which amounted to \$2,430,453 for such services and are reflected within their respective categories in the accompanying Statement of Income. Further, the Company may pay certain expenses on behalf of the RIA or otherwise loan funds to the RIA for normal cash flow purposes. Any amounts due or owed under these relationships are due on demand and bear no interest. At December 31, 2024, the Company owed the RIA a net amount of \$71,881, which is included in Payable from affiliate, net in the Statement of Financial Condition.

4. RECEIVABLE FROM CLEARING BROKER

The Company clears its customers’ transactions on a fully disclosed basis with the Clearing Broker. Pursuant to its clearing agreement, the Company is required to maintain a certain minimum capital with the Clearing Broker, in the form of either cash or securities. The level is agreed upon from time to time based on the nature of the Company’s clearing activities.

At December 31, 2024, the Company maintained operating capital of \$2,038,927 at the Clearing Broker; \$1,394,965 of which is included in Cash and Cash Equivalents, \$356,794 is included in Receivables from clearing broker, and \$295,669 is included in Deposit with clearing broker on the Statement of Financial Condition.

BOREAL CAPITAL SECURITIES, LLC

(A WHOLLY OWNED SUBSIDIARY OF
BOREAL CAPITAL HOLDINGS USA, LLC)

NOTES TO FINANCIAL STATEMENTS As of 12/31/2024

5. 12B1 TRAILERS AND OTHER RECEIVABLES

As of December 31, 2024, the Company recorded total receivables amounting to \$510,500, which primarily comprise the following:

Mutual funds trailers (12B1)	\$	219,000
Funds and investment banks		182,000
Pershing Sweep program interest accrual		60,000
Quarterly account maintenance fee		49,500
	\$	<u>510,500</u>

6. FORGIVABLE LOANS RECEIVABLE, NET

During the year ended December 31, 2024, the forgivable loans receivable, net balance had the following activity:

Balance, beginning of year	\$	340,000
Plus: new loans given	\$	30,000
Less: loan amortization	\$	<u>(201,250)</u>
Balance, end of year	\$	<u>168,750</u>

To date, the Company has not experienced any losses on loans, not forgiven. At December 31, 2024, the \$168,750 end of year balance is included in Forgivable loans receivable, net on the Statement of Financial Condition.

7. INVESTMENTS MEASURED AT FAIR VALUE ON A RECURRING BASIS

The accounting standard for fair value, which provides a framework for measuring fair value, clarifies the definition of fair value and expands disclosures regarding fair value measurements. ASC Topic 820, Fair Value Measurements, defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date.

The accounting standard establishes a three-tier hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. A financial instrument's level within the

BOREAL CAPITAL SECURITIES, LLC

(A WHOLLY OWNED SUBSIDIARY OF
BOREAL CAPITAL HOLDINGS USA, LLC)

NOTES TO FINANCIAL STATEMENTS As of 12/31/2024

7. INVESTMENTS MEASURED AT FAIR VALUE ON A RECURRING BASIS (CONTINUED)

fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following table represents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis at December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash Equivalents - US Treasury Bill	\$4,229,005	-	-	\$4,229,005
Equities	-	-	-	-
Options	-	-	-	-
	<u>\$4,229,005</u>	<u>-</u>	<u>-</u>	<u>\$4,229,005</u>

The \$4,229,005 value of Cash Equivalents - US Treasury Bill is included in Cash and cash equivalents on the Statement of Financial Condition.

8. REGULATORY REQUIREMENTS

The Company, as a registered broker-dealer, is subject to the Securities and Exchange Commission's Net Capital Rule (Rule 15c3-1), which requires that the Company maintain Net Capital (as defined in the Rule) equal to the greater of \$250,000 or 1500% of Aggregate Indebtedness, (also as defined), and requires that the ratio of Aggregate Indebtedness to net capital shall not exceed 15 to 1 (and the rule of the "applicable" exchange 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, 2024, the Company's Net Capital was \$5,868,932 and the required Net Capital was \$250,000. At December 31, 2024, the Company's ratio of Aggregate Indebtedness to Net Capital was 0.17 to 1.

The Company is exempt from the provisions of Rule 15c3-3 (pursuant to paragraphs (k)(2)(i) and (k)(2)(ii) of such rule) of the Securities Exchange Act of 1934 as an introducing broker or dealer that carries no customers' accounts, promptly transmits all customer funds and delivers all customer securities received to the clearing broker and does not otherwise hold funds or securities of customers or dealers. Because of such exemptions, the Company is not required to prepare a determination of reserve requirements, and the Company is not subject to the provisions of Rule 15c3-3 pertaining to the possession or control requirements for broker dealers.

The Company engages in commission rebate/recapture arrangements with institutional customers. In connection with this activity, and in accordance with Rule 15c3-3 of the Securities and Exchange Commission, the Company maintains a special reserve bank account for the benefit of customers. At December 31, 2024, \$11,498 had been segregated in a special reserve bank account and is included in Cash segregated under regulatory requirements in the Statement of Financial Condition. Associated commissions paid under this arrangement are included in Commission expense on the Statement of Income.

BOREAL CAPITAL SECURITIES, LLC

(A WHOLLY OWNED SUBSIDIARY OF
BOREAL CAPITAL HOLDINGS USA, LLC)

NOTES TO FINANCIAL STATEMENTS As of 12/31/2024

8. REGULATORY REQUIREMENTS (CONTINUED)

The Company is also relying on Footnote 74 of the SEC Release No. 34-70073 for other business activities limited to riskless principal proprietary trading. The Company did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers and did not carry accounts of or for customers throughout the period of January 1, 2024, through December 31, 2024.

9. FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND CONCENTRATION OF CREDIT RISK

The Company enters into various transactions involving off-balance sheet financial instruments. These financial instruments include securities purchased and sold on a when-issued basis. These financial instruments are used to meet the needs of customers and are subject to varying degrees of market and credit risk.

The Company's customer securities activities are provided to a diverse group of institutional, corporate and individual investors. In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations, and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

The Company is engaged in various securities trading and brokerage activities in which counterparties primarily include broker-dealers, banks, other financial institutions and corporations. In the event 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.

The Company at times has cash in excess of Federal Deposit Insurance Corporation ("FDIC") insurance limits (\$250,000) and cash and investments in securities held at the Clearing Broker in excess of Securities Investor Protection Corporation ("SIPC") insurance limits. SIPC provides \$500,000 of primary net equity protection, including \$250,000 for claims for cash. The Company placed its temporary cash investments with larger financial institutions. The Company at times has cash in various accounts in excess of SIPC cash insurance limit. The Company has not experienced any losses in such accounts, and believes they are not exposed to any significant credit risk on its cash and investment balances. Cash and securities held by the Company's Clearing Broker at December 31, 2024 totaled \$2,038,927, which exceeded SIPC insurance limits by \$1,538,927; Cash held at the Company's bank exceeded FDIC insurance limits by \$103,074 at December 31, 2024. The Company is exposed to various asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on the Company's financial position or results of operations.

BOREAL CAPITAL SECURITIES, LLC

(A WHOLLY OWNED SUBSIDIARY OF
BOREAL CAPITAL HOLDINGS USA, LLC)

NOTES TO FINANCIAL STATEMENTS As of 12/31/2024

10. COMMITMENTS AND CONTINGENCIES

The Company sponsors a 401(k)-retirement savings plan for eligible employees, allowing them to make pre-tax and/or Roth contributions through payroll deductions. The Company may provide matching contributions in accordance with the plan's terms. Employer contributions, if any, are subject to vesting schedules as outlined in the plan documents.

The Company complies with all applicable regulatory requirements governing the 401(k) plan, including annual non-discrimination testing and reporting. Plan assets are held in a Trust and managed by ADP. The Company reviews its contribution structure periodically to ensure competitiveness and compliance with fiduciary responsibilities. As of December 31, 2024, the total matching contribution was \$51,088.

11. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events through March 3, 2025, the date the financial statements were available to be issued. There were no subsequent events requiring disclosure in these financial statements.

BOREAL CAPITAL SECURITIES, LLC

(A WHOLLY OWNED SUBSIDIARY OF
BOREAL CAPITAL HOLDINGS USA, LLC)

NOTES TO FINANCIAL STATEMENTS
As of 12/31/2024

SUPPLEMENTAL INFORMATION

BOREAL CAPITAL SECURITIES, LLC
(A WHOLLY OWNED SUBSIDIARY OF
BOREAL CAPITAL HOLDINGS USA, LLC)
Schedule I
Computation of Net Capital
Under Rule 15c3-1 of the Securities and Exchange Commission
As of 12/31/2024

Member's Equity	<u>\$ 6,669,106</u>
Less: Non-allowable Assets	
Receivable BD Clearance	301,750
Receivable Non-Customers	291,357
Other Assets	177,472
Unsecure	367
	<u>770,946</u>
Tentative Net capital	5,898,160
Less: Currency haircuts	<u>(29,228)</u>
Net capital	<u>5,868,932</u>
Less: Required Net Capital	<u>(250,000)</u>
Excess Net capital	<u>\$ 5,618,932</u>
Excess Net capital at 120%	<u>\$ 5,568,932</u>
Computation of Aggregate Indebtedness	
Commissions	\$ 441,057
Accounts payable and accrued expenses	427,357
Payable from affiliate, net	101,881
	<u>\$ 970,295</u>
Ratio of Aggregated Indebtedness to Net Capital	<u>0.17 to 1</u>

Statement Pursuant to Rule 17a-5(d)(2)(iii)

There are no material differences between the computation of Net Capital presented above and the Company's unaudited Form X-17a-5, Part IIA as of December 31, 2024, as amended.

See Report of Independent Registered Public Accounting Firm.

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BOREAL CAPITAL SECURITIES, LLC
(A WHOLLY OWNED SUBSIDIARY OF
BOREAL CAPITAL HOLDINGS USA, LLC)

Schedule II

Computation for Determination of Reserve Requirements
Under Rule 15c3-3 of the Securities and Exchange Commission
December 31, 2024

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraphs (k)(2)(i) and (k)(2)(ii) of the Rule. The Company is also relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 with respect to the Company's other business activity of riskless principal proprietary trading.

See Report of Independent Registered Public Accounting Firm.

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BOREAL CAPITAL SECURITIES, LLC

**(A WHOLLY OWNED SUBSIDIARY OF
BOREAL CAPITAL HOLDINGS USA, LLC)**

Schedule III

**Information Relating to Possession or Control Requirements
Under Rule 15c3-3 of the Securities and Exchange Commission
As of 12/31/2024**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraphs (k)(2)(i) and (k)(2)(ii) of the Rule. The Company is also relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 with respect to the Company's other business activity of riskless principal proprietary trading and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

See Report of Independent Registered Public Accounting Firm.

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INFORMATION REGARDING COMPLIANCE WITH RULE 15C3-3



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

To the Member
of **Boreal Capital Securities, LLC**:

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) **Boreal Capital Securities, LLC** identified the following provision(s) of 17 C.F.R. §15c3-3(k) under **Boreal Capital Securities, LLC** claimed the following exemptions from 17 C.F.R. §240.15c3-3: (k)(2)(i) and (k)(2)(ii) and (2) **Boreal Capital Securities, LLC** stated that **Boreal Capital Securities, LLC** met the identified exemption provisions throughout the most recent fiscal year without exception.

The Company is also filing this Exemption Report because the Company's other business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 are limited to riskless principal proprietary trading. In addition, the Company did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; did not carry accounts of or for customers; and did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

Boreal Capital Securities, LLC's management is responsible for compliance with the provisions contemplated by Footnote 74 of SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 and related SEC Staff Frequently Asked Questions 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 **Boreal Capital 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 paragraphs (k)(2)(i) and (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934 and the Company's other business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. §240.17a-5, and related SEC Staff Frequently Asked Questions.

Assurance Dimensions

Assurance Dimensions, LLC
Coral Springs, Florida
March 3, 2025

ASSURANCE DIMENSIONS, LLC

also d/b/a **McNAMARA and ASSOCIATES, LLC**

TAMPA BAY: 4920 W Cypress Street, Suite 102 | Tampa, FL 33607 | Office: 813.443.5048 | Fax: 813.443.5053

JACKSONVILLE: 7800 Belfort Parkway, Suite 290 | Jacksonville, FL 32256 | Office: 888.410.2323 | Fax: 813.443.5053

ORLANDO: 1800 Pembroke Drive, Suite 300 | Orlando, FL 32810 | Office: 888.410.2323 | Fax: 813.443.5053

SOUTH FLORIDA: 3111 N. University Drive, Suite 621 | Coral Springs, FL 33065 | Office: 754.800.3400 | Fax: 813.443.5053

www.assurancedimensions.com

"Assurance Dimensions" is the brand name under which Assurance Dimensions, LLC including its subsidiary McNamara and Associates, LLC (referred together as "AD LLC") and AD Advisors, LLC ("AD Advisors"), provide professional services. AD LLC and AD Advisors practice as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable laws, regulations, and professional standards. AD LLC is a licensed independent CPA firm that provides attest services to its clients, and AD Advisors provide tax and business consulting services to their clients. AD Advisors, and its subsidiary entities are not licensed CPA firms.

BOREAL CAPITAL SECURITIES LLC
(A Wholly Owned Subsidiary of
Boreal Capital Holdings USA, LLC)
Exemption report
Under Rule 17a-5(d)(4) of the Securities and Exchange Commission
Year Ended December 31, 2024

Boreal Capital 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 exemption from 17 C.F.R. § 240.15c3-3 under the following provisions of 17 C.F.R. §240.15c3-3 (k)(2): (i) and (ii), and
- (2) The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k) throughout the most recent fiscal year without exception, and
- (3) The Company is also filing this Exemption Report because the Company's other business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 are limited to riskless principal proprietary trading and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

Boreal Capital Securities, LLC

I, Joaquin Frances, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

By: 
Title: Chief Executive Officer
March 3, 2025

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