

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  
FACING PAGE

SEC FILE NUMBER

8-66947

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 01/01/20 AND ENDING 12/31/20  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER:

Centenium Advisors, LLC

OFFICIAL USE  
ONLY

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

420 Lexington Avenue – Suite 2216

(No. and Street)

New York NY 10170  
(City) (State) (Zip Code)

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

Fredric Obsbaum (212) 897-1694  
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

YSL & Associates LLC

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

11 Broadway New York NY 10004  
(Address) (City) (State) (Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*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). SEC 1410 (3-91)

Centenium Advisors, LLC

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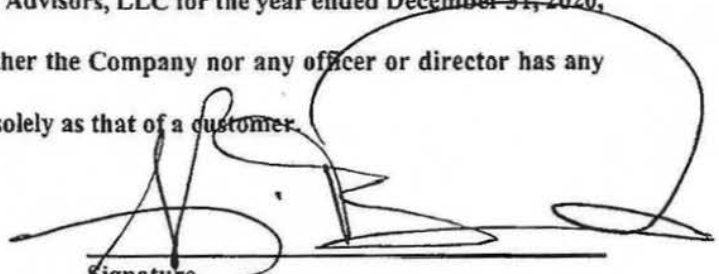
**This report \*\* contains (check all applicable boxes):**

- ☒ Report of Independent Registered Public Accounting Firm.
- ☒ Facing Page.
- ☒ Statement of Financial Condition.
- ☒ Footnotes
- ☐ Statement of Operations.
- ☐ Statement of Changes in Members' Equity.
- ☐ Statement of Cash Flows.
- ☐ Statement of Changes in Liabilities Subordinated to Claims of General Creditors (not applicable).
  
- ☐ Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934.
- ☐ Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934.
- ☐ Information Relating to the Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 (not applicable).
- ☐ A Reconciliation, including appropriate explanations, of the Computation of Net Capital Pursuant to Rule 15c3-1 and the Computation for Determination of Reserve Requirements Under Rule 15c3-3.
- ☐ A Reconciliation Between the Audited and Unaudited Statements of Financial Condition With Respect to Methods of Consolidation (not applicable).
- ☒ An Affirmation.
- ☐ A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit (Supplemental Report on Internal Control).
- ☐ Report of Independent Auditors' Report regarding Rule 15c3-3 exemption report.
- ☐ Management Statement regarding Compliance with the Exemption provision for SEC Rule 15c3-3.

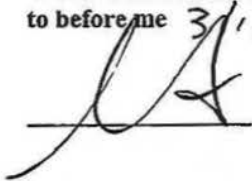
**\*\*** *For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

# AFFIRMATION

I, Nansie Bernard, affirm that, to the best of my knowledge and belief, the accompanying statement of financial condition pertaining to Centenium Advisors, LLC for the year ended December 31, 2020, is true and correct. I further affirm that neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.

  
Signature  
Member

Subscribed and sworn  
to before me 3/1/2021



LISSETTE APOLO  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01AP6319820  
Qualified in Queens County  
My Commission Expires 02-23-2023

# **Centenium Advisors, LLC**

**Statement of Financial Condition**

**December 31, 2020**





# YSL & Associates LLC

Certified Public Accountants

Member of Parker Randall International

11 Broadway, Suite 700, New York, NY 10004

Tel: (212) 232-0122 Fax: (646) 218-4682

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members of  
Centenium Advisors, LLC

### Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Centenium Advisors, LLC (the "Company") as of December 31, 2020, and the related notes (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company 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.

*YSL & Associates LLC*

We have served as Centenium Advisors, LLC's auditor since 2016.

New York, NY

March 5, 2021

**CENTENIUM ADVISORS, LLC**  
**Statement of Financial Condition**  
**December 31, 2020**

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**Assets**

Cash	\$ 685,713
Fees receivable	437,391
Fixed assets - net of accumulated depreciation of \$76,700	4,899
Right-of-use asset	166,886
Other assets	<u>27,955</u>
Total assets	<u>\$ 1,322,844</u>

**Liabilities and Members' Equity**

**Liabilities**

Accounts payable and accrued expenses	\$ 64,208
Lease liability	<u>170,709</u>
Total liabilities	<u>234,917</u>

**Members' equity**

	<u>1,087,927</u>
Total liabilities and members' equity	<u>\$ 1,322,844</u>

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

**1. Organization and Business**

Centenium Advisors, LLC (the “Company”), a New York limited liability company, is a broker-dealer registered with the Securities and Exchange Commission (the “SEC”) and a member of the Financial Industry Regulatory Authority (“FINRA”).

The Company’s primary activity is to raise capital for private investment entities. Its revenue is derived from a share of management and performance fees earned by the investment manager.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The statement of financial condition was prepared in conformity with accounting principles generally accepted in the United States of America which 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 statement of financial condition. Actual results could differ from these estimates.

**Revenue**

The Company recognizes revenues from its share of management fees and performance fees as earned when performance obligations are completed and the fees are determinable and collectible based on the contractual arrangements.

**Fees Receivable**

Fees receivable are due from the Company’s money managers under agreed upon terms. Management reviews fees receivable periodically to determine whether receivables will be potentially uncollectible.

**Cash**

All cash deposits are held by one financial institution and therefore are subject to the credit risk at that financial institution. The Company has not experienced any losses in such accounts and does not believe there to be any significant credit risk with respect to these deposits.

**Income Taxes**

The Company does not record a provision for federal and state income taxes because the members report their share of the Company’s income or loss on their income tax returns.

The Company is liable for New York City Unincorporated Business Tax at a statutory rate of 4%. The Company is on the cash basis for income tax purposes. There was no tax expense for the year because a significant portion of the Company’s revenue is generated from customers located outside of New York City and is not subject to being taxed by that jurisdiction,

The Company is required to determine whether a tax position of the Company is more likely than not to be sustained upon examination by the applicable taxing authority, including



**CENTENIUM ADVISORS, LLC**  
**Notes to Financial Statements**  
**December 31, 2020**

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resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized could result in the Company recording a tax liability that would reduce net assets.

Based on its analysis, the Managing Member has determined that the Company has not incurred any liabilities for unrecognized tax benefits as of December 31, 2020. However, the Managing Member's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof. The Company recognizes a tax liability along with interest accrued related to unrecognized tax benefits in interest expense and penalties in portfolio maintenance fees, if assessed. No interest expense or penalties have been assessed for the year ended December 31, 2020.

**Fixed Assets**

Computer equipment, software and furniture are stated at cost less accumulated depreciation and amortization. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

**Leases**

The Company recognizes its leases in accordance with ASC Topic 842, Leases ("ASC 842"). The guidance increases transparency and comparability by requiring the recognition of right-of-use assets and lease liabilities on the statement of financial condition.

The Company conducts an analysis of contracts, including real estate leases and service contracts to identify embedded leases, to determine the initial recognition of right-of-use assets ("ROU") and lease liabilities, which required subjective assessment over the determination of the associated discount rates.

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 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 Company has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Company recognizes lease costs associated with short-term leases on a straight-line basis over the lease term.

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.



**CENTENIUM ADVISORS, LLC**  
**Notes to Financial Statements**  
**December 31, 2020**

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**3. Fixed Assets**

**Fixed assets at December 31, 2020 consists of:**

Computer equipment and software	\$ 12,980
Furniture and fixtures	63,720
Artwork	4,899
	<u>81,599</u>
Less: Accumulated depreciation	<u>(76,700)</u>
	<u>\$ 4,899</u>

**4. Commitments and Contingent Liabilities**

The Company leases office space under an operating lease expiring on July 31, 2022. Maturities of lease liability under the noncancelable operating lease at December 31, 2020 are as follows:

Year Ending December 31,

2021	\$ 112,207
2022	<u>66,485</u>
Total undiscounted lease payments	178,692
Less - imputed interest	<u>(7,983)</u>
Total lease liabilities	<u>\$ 170,709</u>

**5. Regulatory Requirements**

The Company is subject to SEC Uniform Net Capital Rule 15c3-1 under the Securities Exchange Act of 1934, 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. At December 31, 2020, the Company had net capital of approximately \$617,000 which exceeded the required net capital by approximately \$612,000.

The Company does not hold customers' cash or securities; therefore, it is not affected by SEC Rule 15c3-3.

**6. Concentrations**

Substantially all of the Company's cash is held in accounts at a major commercial bank.

Two managers accounted for approximately 72% of revenue. Two managers represented approximately 82% of accounts receivable.

Management does not expect any losses to result with respect to any of these concentrations.

**7. Other Assets**

Included in other assets is a security deposit for rent in the amount of \$27,850.


**8. Recent Pronouncements**

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which amends the FASB’s guidance on the impairment of financial instruments. The ASU adds to United States generally accepted accounting principles (“U.S. GAAP”) an impairment model (known as the current expected credit loss (“CECL”) model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of lifetime expected credit losses, which the FASB believes will result in more timely recognition of such losses. The ASU is also intended to reduce the complexity of U.S. GAAP by decreasing the number of credit impairment models that entities use to account for debt instruments. Further, the ASU makes targeted changes to the impairment model for available-for-sale debt securities. The new CECL standard became effective on January 1, 2020, and the company applied the modified retrospective method of adoption which resulted in no adjustment to members’ equity as of the effective date.

**9. COVID-19**

During the 2020 calendar year, the World Health Organization has declared COVID-19 to constitute a “Public Health Emergency of International Concern”. This pandemic has disrupted economic markets and the economic impact, duration and spread of the COVID-19 virus is uncertain at this time. The financial performance of the Company is subject to future developments related to the COVID-19 outbreak and possible government advisories and restrictions placed on the financial markets and business activities. The impact on financial markets and the overall economy, all of which are highly uncertain, cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period the Company’s results may be materially affected. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**10. Cares Act**

The Company applied for and received a promissory note (the “PPP Loan”) evidencing an unsecured loan in the amount of \$58,300 made to the Company pursuant to the Paycheck Protection Program (the “PPP”) under the Coronavirus Aid, Relief and Economic Security Act (the “Cares Act”). The PPP Loan may be forgiven, in part or in whole, subject to certain conditions as stipulated under the PPP. The Company has not started the process of applying for loan forgiveness. The PP Loan is being administered by Chase bank and bears interest at a rate of 1.0% per annum. In accounting for the terms of the PPP Loan, the Company is guided by ASC 470 Debt, and ASC 450-30 Gain Contingency. The Company believes that the possibility of loan forgiveness is to be regarded as a contingent gain and therefore will not recognize the gain until all uncertainty is removed (i.e. all conditions for forgiveness are met). As of December 31, 2020, the PPP Loan amounted to \$58,300 and is included in accounts payable and accrued expenses on the statement of financial condition.