ELEVATION, LLC

Statement of Financial Condition
for the Year Ended December 31, 2023
and Report of Independent Registered Public Accounting Firm

Filed in accordance with Rule
17a-5(e)(3) under the Securities
Exchange Act of 1934
as a PUBLIC DOCUMENT

GreerWalker

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members of Elevation, LLC:

Opinion on the Consolidated Financial Statement

We have audited the accompanying consolidated statement of financial condition of Elevation, LLC (the "Company") as of December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statement"). In our opinion, the consolidated financial statement presents fairly, in all material respects, the financial position of Elevation, LLC as of December 31, 2023, in conformity with generally accepted accounting principles in the United States of America.

Basis for Opinion

The consolidated financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this consolidated 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 consolidated 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 consolidated 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 consolidated financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statement. We believe that our audit provides a reasonable basis for our opinion.

We have served as the Company's auditors since 2014.

GreerWalker

Certified Public Accountants
February 27, 2024
Greenville, SC

ELEVATION, LLC

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
December 31, 2023

ASSETS

Cash and cash equivalents	$	588,815
Receivables from brokers		65,305
Receivables from clearing firms		292,768
Deposits with clearing firms		250,000
Prepaid expenses		152,552
Securities owned, at fair value		2,208,247
Investments, at cost		891,548
Property and equipment, net		42,730
Operating lease right of use assets, net		203,834
Other assets		321,553
Total assets	$	5,017,352

LIABILITIES AND MEMBERS' EQUITY

Accounts payable	$	573,678
Accrued expenses		1,403,899
Operating lease liabilities		205,722
Total liabilities		2,183,299
MEMBERS' EQUITY		2,834,053
Total liabilities and members' equity	$	5,017,352

See Accompanying Notes

Note 1 – Nature of Business:

Elevation, LLC (the "Company") was organized on December 27, 2005 under the North Carolina Limited Liability Company Act. The Company operates as an institutional broker-dealer based in Charlotte, North Carolina. The Company is registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA) and National Futures Association (NFA).

A summary of the Company's significant policies follows:

Basis of Presentation and Consolidation
The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Elevation Trading Limited. All significant intercompany transactions are eliminated in the consolidation process.

Adoption of New Accounting Standard
On January 1, 2023, the Company adopted Accounting Standards Update ("ASU") 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments "ASC 326". This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of expected credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for expected credit losses.

The Company adopted ASC 326 and all related subsequent amendments thereto effective January 1, 2023 using the modified retrospective approach for all financial assets measured at amortized cost and off-balance sheet credit exposures. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures.

Use of Estimates
The preparation of consolidated financial statements in accordance 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents
For the purpose of the consolidated financial statements, the Company considers cash in operating accounts, cash on hand, and short-term debt securities purchased with maturity of three months or

less as cash and cash equivalents. The Company maintains cash deposits with financial institutions that at times may exceed federally insured limits.

Securities Owned, at Fair Value
Securities owned consist of common stocks and Exchange Traded Funds (ETFs) and are classified as trading securities. Securities classified as trading are carried at fair value and are valued at the closing price reported on the active market on which the individual securities are traded. Realized and unrealized gains and losses are recognized in Trading gains/(losses) in the consolidated statement of operations.

Investments
Investments consist of investments in certain late-stage private companies. These investments are valued at cost.

Revenue Recognition
The Company recognizes revenue and prepares its consolidated financial statements on the accrual basis of accounting. 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 and incurs related clearing charges. Commissions and related clearing charges are recorded on the trade date (the date the Company fills the trade order by finding and contracting with a counterparty and confirms the trade with the customer). The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership have been transferred to/from the customer.

Income Taxes
For income tax purposes, the Company is considered to be a partnership. No provision for federal or state income taxes has been made in the accompanying consolidated financial statements since the members include their allocable share of the Company's taxable income or loss in their respective income tax returns.

The Company records liabilities for income tax positions taken or expected to be taken when those positions are deemed uncertain to be upheld in an examination by taxing authorities. No liabilities for uncertain income tax positions were recorded as of December 31, 2023.

Receivables
The Company extends credit to certain clearing firms for commissions earned for securities transactions completed under clearing agreements, and to other financial institutions for commissions earned for securities transactions completed, generally requiring payment within 30 days from the invoice date. As of December 31, 2023, no allowance for credit losses was recorded by the Company. The Company recognizes the amount of change in current expected credit losses as an allowance gain or loss in expenses in the accompanying statement of operations. For the year ended December 31, 2023, there were no allowance gains or losses recorded by the Company. Accounts are written-off against the allowance when the Company has no reasonable expectation of recovering the receivable, either in its entirety or a portion thereof.

Management estimates the allowance for expected credit losses by applying historical credit loss rates to receivable aging categories. Management considers historical loss information to be a reasonable basis for its estimate as the composition of receivables and the risk characteristics of its customers and lending practices have not changed significantly over time. In addition, receivables are pooled by aging category as the change in risk characteristics is similar as accounts age. Management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information.

Property and Equipment
Property and equipment are stated at cost, net of accumulated depreciation. Significant additions and betterments are capitalized. Expenditures for maintenance and repairs and minor renewals are charged to operations as incurred.

Depreciation
Depreciation is provided using straight-line methods for financial reporting purposes over the estimated useful lives of the assets which range from 3-7 years. Depreciation expense charged to operations was $25,393 for the year ended December 31, 2023.

Foreign Currencies
Assets and liabilities denominated in foreign currencies are translated at year-end rates of exchange, whereas the consolidated statement of operations accounts are translated at average rates of exchange for the year. Translation gains or losses are included in comprehensive loss. Transactions denominated in foreign currencies are measured at the foreign exchange rate on the transaction date. Gains or losses resulting from foreign currency transactions are included in net loss.

Subsequent Events
In preparing the consolidated financial statements, the Company has evaluated subsequent events through February 29, 2024, which is the date the consolidated financial statements were available to be issued.

Note 2 – Revenue

The Company operated under a fully disclosed clearing agreement with BofA Securities, Inc. until June 2023. Effective June 28th, 2023, the Company transitioned to operating under a fully disclosed clearing agreement with RBC Capital Markets, LLC (RBC). The Company also executes international trades through Cowen and Company, LLC (formerly Convergex Execution Solutions LLC) (Cowen) and R.J. O'Brien & Associates, LLC ("R.J. O'Brien") via existing Introducing Broker agreements. These clearing firms clear certain securities transactions on behalf of the Company, and carry and clear on a fully disclosed basis the Company's customers' trading accounts. The Company earns income, net of clearing costs, on these introduced transactions.

The Company also effects listed option transactions for its customers through the customers' prime brokers or directly with other broker/dealers. These trades are executed through various third party execution services for a per contract fee. The Company earns commissions on these transactions and bills the customer's prime broker directly or the broker/dealer.

The Company acts as an intermediary between buyers and sellers of the securities of late-stage private companies. The Company earns fees for executing these transactions. Fees are recognized when the services have been performed.

Additionally, the Company earns fee income from investment management firms for analytical content services provided to those entities. Fees are recognized when the services have been performed.

Note 3 – Fair Value Measurement

The Company's financial assets and liabilities are carried at fair value or at amounts that, because of their short-term nature, approximate current fair value. As required by FASB ASC Topic 820, "Fair Value Measurement", financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Securities owned, at fair value are classified as Level 1 of the fair value hierarchy and are valued using quoted market prices in active markets on which the individual securities are traded.

Note 4 – Concentrations of Credit Risk

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks and other financial institutions. 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. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

Note 5 –Receivables From and Deposits With Clearing Firms

For transactions cleared on its behalf, the Company had a net receivables in the amount of $264,498 from RBC and $28,270 from Cowen as of December 31, 2023.

The Company had deposits of $250,000 held by its clearing firms as of December 31, 2023. The clearing deposits are required under the clearing agreements between the Company and the clearing firms.

Note 6 – Defined Contribution Plan

The Company sponsors a 401(k) defined contribution plan for eligible employees, which is administered through an outside investment company. Upon 30 days of service, an employee 21 or older is allowed to contribute to the plan. The Company may make contributions to the plan at its discretion. The Company did not make any discretionary contributions to the 401(k) plan during the year ended December 31, 2023.

Note 7 – Lease Commitments

The Company is a lessee in two noncancelable operating leases for office spaces. The Company determines if an arrangement is a lease, or contains a lease, at the inception of a contract and when the terms of an existing contract are changed. The Company recognizes a lease liability and 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, if any, are included in 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 the firm's leases are not readily determinable and accordingly, the Company uses its incremental borrowing rate. The Company's incremental borrowing rate for a lease is the rate of interest that the Company 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 has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases, if any, that have a lease term of less than 12 months at lease commencement, and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. Lease cost associated with any short-term leases is recognized on a straight-line basis over the lease term.

The Company has obligations for office space with initial noncancelable lease terms in excess of one year. The Company classifies these leases as operating leases which expire at various dates through March 2026. The ROU asset and lease liability balances were determined by calculating the total lease payments over the remaining expected lease terms and discounting the total using a weighted average discount rate of 7.17%, which is representative of the incremental borrowing rate of the Company. The weighted average remaining lease term is 2.78 years.

As of December 31, 2023, maturities of lease liabilities for all noncancelable operating leases are $113,813, $87,499 and $22,035 for 2024, 2025 and 2026, respectively, with total undiscounted lease payments of $223,347. The discounted lease liability at December 31, 2023, is $205,722 with imputed interest of $17,625.

Note 8 - Related Parties

The Company has an investment management agreement with a related party to manage certain assets of the Company for which the Company pays quarterly management fees. The Company paid $21,245 of management fees to the entity during 2023.

Note 9 – Members' Equity

The members of the Company are subject to the Amended and Restated Operating Agreement dated November 2014, as amended, which specifies the rights and obligations of its members. The agreement provides for Class A, Class B, Class C and Class D units, and governs the allocation of profits, losses and distributions to the respective ownership interests.

The company had seven Class A members as of December 31, 2023. The Class A members have voting rights.

The Company had only one Class B member as of December 31, 2023. The Class B member has no voting rights. The Class B member is entitled to receive distributions and allocations corresponding to its cumulative preferred return, as defined in the agreement. The preferred return was paid on the twentieth business day following the applicable quarter end during the time the subordinated debt was outstanding. The Class B member is subject to the Securities Purchase Agreement as amended in June 2010. The agreement entitled the Class B member to receive a return, or revenue participation amount, based upon quarterly revenues generated by the Company as defined in the agreement, during the period the subordinated debt was outstanding. As of and for the year ended December 31, 2023, the subordinated debt was retired and there is no longer a preferred return.

The Company had five Class C members as of December 31, 2023. Class C units are "profit interests" that appreciate (or depreciate) in value from the date of issuance until the date on which the company experiences a liquidity event, and such Class C units are subject to the terms of such event. For example, if the Company is valued at $10 million on the date of the issuance of a Class C unit and the Company is worth $15 million on the date of a liquidity event, the Class C unit would participate in the $5 million of increased value. Class C units may receive distributions, as do Class A and Class B units, subject to the discretion of the Manager. Class C members have no voting rights.

The Company had four Class D members as of December 31, 2023. Proceeds from the sale of Class D preferred units are invested by the Company in separately managed investment accounts held at another broker dealer. The Class D units appreciate (or depreciate) in value based on the returns earned by the Company in the separately managed accounts. Class D members have the option of redeeming any and all of their Class D units after a holding period of one year from the date of purchase upon ten days written notice to the Company, and are required to redeem all outstanding Class D units in the event of a change of control or exit event as defined in the Amended and Restated Operating Agreement. The value of the units upon redemption is determined by the value of the corresponding separately managed accounts owned by the Company. Class D units may receive distributions subject to the discretion of the Manager. Class D members have no voting rights.

Current income is allocated to Class A, B and C members based on the relative ownership percentages.

During 2023, the Company repurchased certain Class A member units which are presented on the Consolidated Statement of Changes in Members' Equity as Member unit repurchases.

Note 10 – Contingent Liabilities

The Company is liable to the clearing broker if a loss is incurred for failure to pay on behalf of any introduced account.

The Company is involved in various claims or actions arising in the normal course of business. It is management's opinion that the resolution of these matters will not materially affect the Company's financial position or the results of its operations.

Note 11 – Reserve Requirements

The Company does not hold, carry or maintain cash or securities for the benefit of its' customers, or perform custodial functions, and is exempted under paragraph (k)(2)(ii) of Rule 15c3-3 from reserve requirements of that rule.

Note 12 – Net Capital Requirements

The Company is subject to the Securities and Exchange Commission 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. At December 31, 2023, the Company had unconsolidated net capital of $1,132,636 which was $996,063 in excess of its required capital amount of $136,573 (required minimum). At December 31, 2023, the Company's net capital ratio was 1.81 to 1.

Note 13 – Focus Report

Amounts reported on the Company's FOCUS Report as of December 31, 2023 and for the year then ended, were reconciled to the accompanying consolidated financial statements. No material differences in net capital were noted. The most recent annual report of the Company is available for examination at the offices of the Company and the Atlanta regional office of the SEC.