



## **AVIDITI FINANCIAL, LLC**

Financial Report  
For the year ended December 31, 2022

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This report is deemed CONFIDENTIAL in accordance with Rule 17a-5(e)(3) under the Securities Exchange Act of 1934. A statement of financial condition bound separately has been filed with the Securities and Exchange Commission simultaneously herewith as a PUBLIC document.

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**Confidential Pursuant to Rule 17a-5(e)(3)**

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

**ANNUAL REPORTS  
FORM X-17A-5  
PART III**

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**FACING PAGE**

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/2022 AND ENDING 12/31/2022  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF FIRM: Aviditi Financial, 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.)

8117 Preston Road, Suite 450

(No. and Street)

Dallas

TX

75225

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Fred Bush

512-415-4009

fbush@compliance-risk.com

(Name)

(Area Code – Telephone Number)

(Email Address)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Weaver and Tidwell, LLP

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

4400 Post Oak Parkway, Suite 1100 Houston

TX

77027

(Address)

(City)

(State)

(Zip Code)

10/14/2003

410

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

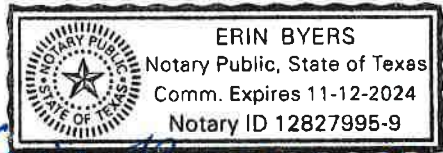
**FOR OFFICIAL USE ONLY**

\* 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, Edward R. Balsmann, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Aviditi Financial, LLC, as of 12/31, 2022, 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.



Signature: [Handwritten Signature]

Title: \_\_\_\_\_

General Counsel

### 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.

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## Report of Independent Registered Public Accounting Firm

To the Member  
Aviditi Financial, LLC

### ***Opinion on the Financial Statements***

We have audited the accompanying statement of financial condition of Aviditi Financial, LLC (the Company) as of December 31, 2022, and the related statements of operations, changes in member's equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion the financial statements present fairly in all material respects, the financial position of the Company as of December 31, 2022, 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 the Company's management. Our responsibility is to express an opinion on these 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 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 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.

Weaver and Tidwell, L.L.P.  
2300 North Field Street, Suite 1000 | Dallas, Texas 75201  
Main: 972.490.1970

**CPAs AND ADVISORS | [WEAVER.COM](http://WEAVER.COM)**

The Member  
Aviditi Financial, LLC

**Supplemental Information**

The Schedule I – computation of net capital and aggregate indebtedness under Rule 15c3-1 and Schedule II and III – computation for determination of reserve requirements and information related to possession and control requirements under Rule 15c3-3 under the Securities Exchange Act of 1934 (the supplemental information) on pages 10-11 has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental 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 supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

We have served as the Company's auditor since 2020.

Dallas, Texas  
February 28, 2023

# Aviditi Financial, LLC

## Statement of Financial Condition

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	<u>December 31, 2022</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 6,287,800
Accounts Receivable	29,002,059
Other Assets	64,321
<b>TOTAL ASSETS</b>	<u><u>\$ 35,354,180</u></u>
<b>LIABILITIES AND MEMBER'S EQUITY</b>	
Liabilities	
Due to Affiliate	3,441,853
Other Liabilities	475,270
<b>TOTAL LIABILITIES</b>	<u>3,917,123</u>
<b>MEMBER'S EQUITY</b>	31,437,057
<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<u><u>\$ 35,354,180</u></u>

## Aviditi Financial, LLC

### Statement of Operations

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Year Ended  
December 31, 2022

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#### REVENUES

Private Placement Fees	\$ 22,130,795
Advisory Fees	14,870,120
Other Revenue	<u>1,240,318</u>
<b>TOTAL REVENUES</b>	<b>38,241,233</b>

#### EXPENSES

Administrative Services from Affiliate	20,688,229
Regulatory Fees	184,169
Professional Services and Other	<u>360,689</u>
<b>TOTAL EXPENSES</b>	<b>21,233,087</b>

<b>NET INCOME</b>	<b><u>\$ 17,008,146</u></b>
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# Aviditi Financial, LLC

## Statement of Changes in Member's Equity

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	<u>Year Ended December 31, 2022</u>
<b>Balance at December 31, 2021</b>	\$ 18,428,911
Net Income	17,008,146
Equity Distribution	(4,000,000)
<b>Balance at December 31, 2022</b>	<u><u>\$ 31,437,057</u></u>

## Aviditi Financial, LLC

### Statement of Cash Flows

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	Year Ended December 31, 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Income	\$ 17,008,146
Adjustments to reconcile net income to net cash provided by operating activities:	
Accounts Receivable	(12,412,322)
Other Assets	30,054
Due to Affiliate	985,887
Other Liabilities	152,952
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>5,764,717</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Equity Distribution	<u>(4,000,000)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	(4,000,000)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	1,764,717
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	4,523,083
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 6,287,800</u></u>

## **Note 1. Organization and Business Description**

Aviditi Financial, LLC (the Company) is a Texas limited liability company and a wholly-owned subsidiary of Aviditi Capital Advisors, LLC (the Member or the Parent). The Company was formed on August 26, 2019 and commenced operations on September 1, 2019. The Company is registered as a broker-dealer with the Securities and Exchange Commission (the SEC) and a member of the Financial Industry Regulatory Authority (FINRA). The Company advises on mergers and acquisitions of private companies. The Company also advises on and/or participates in the structure and/or as a placement agent in private placements for private companies.

The Company does not claim an exemption from SEA Rule 15c3-3, in reliance to Footnote 74 of SEC Release 34-70073, as discussed in Q&A 8 of the related FAQ issued by SEC staff. The Firm does not and will not (1) directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (2) does not and will not carry accounts of or for customers and (3) does not and will not carry PAB accounts. Accordingly, the Company is recognized by FINRA under the "Non-Covered Firm" provision and is not subject to the requirements of the provisions of Rule 15c3-3(e) (The Customer Protection Rule) and does not maintain a Special Account for the Exclusive Benefit of Customers.

## **Note 2. Summary of Significant Accounting Policies**

### ***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

### ***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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### ***Cash and Cash Equivalents***

Cash and cash equivalents includes balances on deposit with banks with original issuances of 90 days or less. The Company maintains its accounts with highly rated commercial banks. At times, balances may exceed the Federal Deposit Insurance Corporation coverage limit of \$250,000. The Company does not expect any losses with respect to these counterparties.

### ***Translation of Foreign Currencies***

Assets and liabilities denominated in foreign currencies are translated at year-end rates of exchange, whereas the income statement accounts are converted to the U.S. dollar at the time of recognition using the then-current exchange rate. Gains or losses resulting from foreign currency transactions were immaterial for the year ended December 31, 2022 and are included in net income.

### ***Revenue and Expense Recognition***

Revenues primarily consist of advisory and placement fees, revenue for reimbursable expenses, and interest income. Interest income is recognized on the accrual basis in accordance with terms of the agreement with the customer. Advisory and placement fees and revenue for reimbursable expenses are accounted for as contracts with customers. The Company accounts for revenue earned from contracts with customers under Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers (Topic 606)."

**Note 2. Summary of Significant Accounting Policies – continued**

***Revenue and Expense Recognition – continued***

Revenue from contracts with customers is recognized when, or as, the Company satisfies its performance obligations by transferring the promised goods or services to the customers. A good or service is transferred to a customer when, or as, the customer obtains control of that good or service. A performance obligation may be satisfied over time or at a point in time. Revenue from a performance obligation satisfied over time is recognized by measuring the Company's progress in satisfying the performance obligation in a manner that depicts the transfer the goods or services to the customer. Revenue from a performance obligation satisfied at a point in time is recognized at the point in time that the Company determines the customer obtains control over the promised good or service. The amount of revenue recognized reflects the consideration the Company expects to be entitled to in exchange for those promised goods or services (i.e., the "transaction price"). In determining the transaction price, the Company considers multiple factors, including the effects of variable consideration. Variable consideration is included in the transaction price only to the extent it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when uncertainties with respect to the amount are resolved. In determining when to include variable consideration in the transaction price, the Company considers the range of possible outcomes, the predictive value of the Company's past experiences, the time period of when uncertainties expect to be resolved and the amount of consideration that is susceptible to factors outside of the Company's influence, such as market volatility or the judgement and actions of third parties.

The following provides detailed information on the recognition of the Company's revenues from contracts with customers:

**Advisory and placement fees:**

The Company provides customers with a range of services that include both advisory and placement services. Advisory and placement services, when provided together, represent a single performance obligation as the services are highly interrelated in the context of the contract.

Advisory fees are typically fixed and determined based on the terms of the contract, therefore they are included in the transaction price at the time of contract inception. Placement fees are considered variable, as they are contingent upon a future event and are excluded from the transaction price until the uncertainty associated with the variable consideration is subsequently resolved, which is upon achievement of the specified milestone.

The Company recognizes revenue from advisory services, based on a time based input method, over the period in which the services are rendered. Placement fees are typically based on a percentage of the capital committed for a customer as defined in the terms of the contract. Due to placement fee revenue being severely constrained up until the point in which it is known that fee eligible capital has been committed, placement revenue is not recognized until the confirmed closing date of the committed capital. Advisory fees are typically invoiced and paid to the Company within 90 days of completion. Placement fees are typically invoiced and paid to the Company upon the closing date of the committed capital, with a percentage of the fees typically due within 30 days of such closing and the remaining amounts to be invoiced quarterly over 8-16 installments upon the final fund closing. Advisory and placement fee revenues totaled \$37,000,915 for the year ended December 31, 2022.

**Note 2. Summary of Significant Accounting Policies – continued**

***Revenue and Expense Recognition – continued***

**Revenue for reimbursable expenses:**

The Company is responsible for fulfilling services on behalf of its customers and therefore is acting as a principal in these arrangements for accounting purposes. As a result, expenses and related reimbursements associated with those services are presented on a gross basis. Costs incurred are classified as expenses and reimbursements of such costs are classified as revenue for reimbursable expenses within Other Revenue on the Statement of Operations. Revenue from reimbursable expenses totaled \$222,527 for the year ended December 31, 2022.

**Information on Remaining Performance Obligations and Revenue Recognized from Past Performance:**

The Company does not disclose information about remaining performance obligations pertaining to contracts that have an original expected duration of one year or less.

**Contract Balances:**

The timing of the Company's revenue recognition may differ from the timing of payment by the Company's customers. The Company records a receivable when revenue is recognized prior to payment and the company has an unconditional right to payment. Alternatively, when payment precedes the provision of the related services, the Company records deferred revenue until the performance obligations are satisfied. Accounts receivable was \$16,589,737 at the beginning of the year and \$29,002,059 at the end of the year. Contract liabilities totaled \$250,000 at the beginning of the year and \$350,000 at the end of the year and \$250,000 recognized as a liability on December 31, 2021 was recorded as revenue during the year ended December 31, 2022. The contract liabilities recorded as of December 31, 2022 are included in other liabilities on the Statement of Financial Condition.

***Fair Value of Financial Assets and Liabilities***

The Company's financial assets and liabilities are carried at fair value or amounts approximating fair value. The Company's financial assets and liabilities include Cash, Accounts Receivable, Other Assets, Due to Affiliate and Other Liabilities.

U.S.GAAP establishes a hierarchical disclosure framework that prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Financial instruments with readily available quoted prices in active markets generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified based upon the observability of inputs used in the determination of fair value as follows:

Level I - Quoted prices are available in active markets for identical financial instruments at the reporting date.

Level II - Pricing inputs are those that are other than quoted market prices in active markets, which are either directly or indirectly observable at the reporting date.

Level III - Pricing inputs are unobservable for the financial instruments and include situations where there is little, if any, market activity for the financial instrument.

***Accounts Receivable***

Accounts Receivable includes Private Placement Fee receivables. Certain long-term receivables related to Private Placement Fees are paid in installments over a period of two to four years.

**Note 2. Summary of Significant Accounting Policies – continued**

***Accounts Receivable – continued***

The carrying value of such long-term receivables approximates fair value and is considered to be Level III instruments within the fair value hierarchy. The unobservable input used in determination of fair value is the discount rate, which ranges from 4% to 6%. The Company accounts for credit losses in accordance with ASC Topic 326, Financial Instruments - Credit Losses (ASC 326). ASC 326 impacts the impairment model for certain financial assets measured at amortized cost by requiring a current expected credit loss (CECL) methodology to estimate expected credit losses over the life of a financial asset that is recorded at inception.

The need for an allowance for credit losses is assessed by estimating the probability of loss based on the Company's analysis of historical credit loss experience of its client receivables and taking into consideration current market conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. The Company updates its average credit loss rates periodically and maintains an allowance review process to consider current factors that would require an adjustment to the credit loss allowance. In addition, the Company periodically performs a qualitative assessment to monitor risks associated with current and forecasted conditions that may require an adjustment to the expected credit loss rates. The Company did not carry an allowance for credit losses as of December 31, 2022.

***Income Taxes***

Under the provisions of the Internal Revenue Code, the Company is treated as a division of the Member, which is a flow-through entity. As such, no federal income taxes have been provided for by the Company in the accompanying financial statements as the Company's taxable income or loss is included in the tax return of the Member.

The Company applies the provisions of ASC 740, "Income Taxes", which clarifies the accounting and disclosure for uncertainty in tax positions. The Company analyzed its tax filing positions in the federal, state, and foreign tax jurisdictions where it is required to file income tax returns for all open tax years. Based on this review, no liabilities for uncertain income tax positions were required to be recorded pursuant to ASC 740. As of December 31, 2022, the Company did not have a liability recorded for payment of interest and penalties associated with uncertain tax positions.

**Note 3. Significant Risk Factors**

***Credit Risk***

Credit risk represents the potential loss that the Company would incur if customers failed to perform pursuant to the terms of their obligations to the Company. The Company minimizes its exposure to credit risk by conducting appropriate due diligence on customers prior to engaging and ongoing diligence on customer performance during and after transaction execution.

***Indemnifications***

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. The Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

**Note 4. Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital Rule (SEC 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 distributions paid if the resulting net capital ratio would exceed 12 to 1.

**Note 4. Net Capital Requirements – continued**

The Company has elected to use the alternative method, permitted by Rule 15c3-1, which requires that the Company maintain minimum net capital, as defined, equal to the greater of \$5,000 or 6 2/3% of aggregate debit balances, as defined. As of December 31, 2022, the Company had net capital of \$2,265,841 which was \$2,004,699 in excess of its required net capital of 6 2/3% of aggregate indebtedness. As of December 31, 2022, the Company's ratio of aggregate indebtedness to net capital was 1.73 to 1.

**Note 5. Related-Party Transactions**

The Company has an Administrative Services Agreement (the "Agreement") with the Parent. The Parent provides personnel, transaction support, referrals, accounting, legal, tax, compliance and related services to the Company, as needed. Where possible, the Agreement allows for expenses to be allocated on a specific identification basis and, in other cases, expenses are allocated by the Parent on a pro rata basis of headcount, usage or some other basis depending on the nature of the allocated cost. Both the Company and the Parent consider the basis on which the expenses are allocated to be a reasonable reflection of the utilization of services provided to the Company during the year. The allocations may not, however reflect the expense the Company would have incurred if the Company was independent of the Parent. Expenses allocated from the Parent Company during the year ended December 31, 2022 is included within Administrative Services from Affiliate on the Statement of Operations. During the year ended December 31, 2022, the Company remitted a total of \$21,996,376 to the Parent pursuant to the Agreement. Additionally, during the year ended December 31, 2022, the Company remitted a \$4,000,000 equity distribution to the Parent.

Receivables from and payables to the Parent are offset and the net amount receivable from and/or due to Parent is reported in the Statement of Financial Condition as there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. Due to Affiliate as of December 31, 2022 includes amounts due to the Parent under the Agreement.

**Note 6. Concentrations**

The Company had certain customers whose revenue individually represented 10% or more of the Company's total revenue or accounts receivable for the year ended December 31, 2022. Three customers represented approximately 36% of the Company's revenue for the year ended December 31, 2022 and also represented approximately 49% of the Company's accounts receivable at December 31, 2022.

**Note 7. Subsequent Events**

The Company has evaluated subsequent events for potential recognition and/or disclosure through February 28, 2023, the date the financial statements were issued, noting none.

# Aviditi Financial, LLC

## Computation of Net Capital and Aggregate Indebtedness Under Rule 15c3-1

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	<u>December 31, 2022</u>
Total member's equity qualified for net capital	\$ 31,437,057
Less: Non-allowable assets	(29,066,380)
Less: 2% Money Market Balance Haircut	<u>(104,836)</u>
<b>Net Capital</b>	<u>2,265,841</u>
Computation of basic net capital requirements:	
Minimum net capital required (the greater of \$5,000 or 6⅔% of aggregate indebtedness)	<u>261,142</u>
<b>Excess Net Capital</b>	<u><u>\$ 2,004,699</u></u>
Aggregate indebtedness	\$ 3,917,123
<b>Ratio of Aggregate Indebtedness to Net Capital</b>	1.73 to 1

There are no differences between the Computation of Net Capital included in this report and the corresponding schedule included in the Company's unaudited December 31, 2022, Form X-17A-5 Part IIA filing.



**Aviditi Financial, LLC**

**Computation for Determination of Reserve Requirements and Information  
Related to Possession and Control Requirements Under Rule 15c3-3 under the  
Securities Exchange Act of 1934  
December 31, 2022**

**Schedule II  
and Schedule III**

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None: The Company does not claim an exemption from SEA Rule 15c3-3, in reliance to Footnote 74 of SEC Release 34-70073, as discussed in Q&A 8 of the related FAQ issued by SEC staff. The Firm does not and will not (1) directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (2) does not and will not carry accounts of or for customers and (3) does not and will not carry PAB accounts. Accordingly, the Company is recognized by FINRA under the “Non-Covered Firm” provision and is not subject to the requirements of the provisions of Rule 15c3-3 of the Securities and Exchange Commission.



## Report of Independent Registered Public Accounting Firm

To the Member  
Aviditi Financial, LLC

We have reviewed management's statements, included in the accompanying Aviditi Financial, LLC's (the Company) Exemption Report, in which the Company stated it did not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3 and the Company stated it is relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to advisory and consulting services related to mergers and acquisitions and to the private placement of securities and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the year ended December 31, 2022, without exception. The Company's management is responsible for compliance with the exemption provisions 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 the Company'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 relied upon by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. §240.17a-5 under the Securities Exchange Act of 1934.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
February 28, 2023

Weaver and Tidwell, L.L.P.  
2300 North Field Street, Suite 1000 | Dallas, Texas 75201  
Main: 972.490.1970

**CPAs AND ADVISORS | WEAVER.COM**

**Aviditi Financial, LLC**  
8117 Preston Road, Suite 450  
Dallas, TX 75225  
(713) 775-2464


### **Aviditi Financial, LLC Exemption Report**

Aviditi Financial, 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 does not claim an exemption under paragraph (k) of 17 CFR §240.15c3-3 and
- 2) The Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to advisory and consulting services related to mergers and acquisitions and to the private placement of securities and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the year ended December 31, 2022, without exception.

#### **Aviditi Financial, LLC**

I, Edward R. Balsmann affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

By:   
Title: General Counsel  
2/22/2023



## Report of Independent Registered Public Accounting Firm

To the Member  
Aviditi Financial, LLC

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation (SIPC) Series 600 Rules, which are enumerated below on the accompanying General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2022. Management of Aviditi Financial, LLC (Company) is responsible for its Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7.

Management of the Company has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting you and SIPC in evaluating the Company's compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2022. Additionally, SIPC has agreed to and acknowledged that the procedures performed are appropriate for their intended purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;
2. Compared the Total Revenue amounts reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2022, with the Total Revenue amounts reported in Form SIPC-7 for the year ended December 31, 2022 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences.

We were engaged by the Company to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and in accordance with the standards of the Public Company Accounting Oversight Board (United States). We were not engaged to, and did not conduct an examination or a review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Weaver and Tidwell, L.L.P.  
2300 North Field Street, Suite 1000 | Dallas, Texas 75201  
Main: 972.490.1970

**CPAs AND ADVISORS | [WEAVER.COM](http://WEAVER.COM)**

The Member  
Aviditi Financial, LLC

We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Company and the SIPC and is not intended to be and should not be used by anyone other than these specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
February 28, 2023

**SIPC-7**

(36-REV 12/18)

**SECURITIES INVESTOR PROTECTION CORPORATION**

Mail Code: 8967 P.O. Box 7247 Philadelphia, PA 19170-0001

**General Assessment Reconciliation****SIPC-7**

(36-REV 12/18)

For the fiscal year ended 12/31/2022

(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

Aviditi Financial, LLC  
8117 Preston Rd, Ste 450  
Dallas, TX 75226DEA:FINRA  
SEC NO 8-70523  
Dec fiscal year end

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

Fred Bush

2. A. General Assessment (item 2e from page 2)

\$57,362

B. Less payment made with SIPC-6 filed (exclude interest)

(26,868)

07/27/2022

Date Paid

C. Less prior overpayment applied

( )

D. Assessment balance due or (overpayment)

30,494

E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum

F. Total assessment balance and interest due (or overpayment carried forward)

\$

G. PAYMENT: ☒ the boxCheck mailed to P.O. Box ☐Funds Wired ☐ACH ☒

Total (must be same as F above)

\$30,494

H. Overpayment carried forward

\$( )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Aviditi Financial LLC

(Name of Corporation, Partnership or other organization)

FINOP

(Authorized Signatures)

(Title)

Dated the 22 day of Feb, 2023

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates:

Postmarked

Received

Reviewed

Calculations

Documentation

Forward Copy

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 1/1/2022  
and ending 12/31/2022

Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$38,241,233

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above. \_\_\_\_\_
- (2) Net loss from principal transactions in securities in trading accounts. \_\_\_\_\_
- (3) Net loss from principal transactions in commodities in trading accounts. \_\_\_\_\_
- (4) Interest and dividend expense deducted in determining item 2a. \_\_\_\_\_
- (5) Net loss from management of or participation in the underwriting or distribution of securities. \_\_\_\_\_
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities. \_\_\_\_\_
- (7) Net loss from securities in investment accounts. \_\_\_\_\_

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products. \_\_\_\_\_
- (2) Revenues from commodity transactions. \_\_\_\_\_
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions. \_\_\_\_\_
- (4) Reimbursements for postage in connection with proxy solicitation. \_\_\_\_\_
- (5) Net gain from securities in investment accounts. \_\_\_\_\_
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date. \_\_\_\_\_
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act). \_\_\_\_\_
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C): \_\_\_\_\_

(Deductions in excess of \$100,000 require documentation)

- (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ \_\_\_\_\_

- (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

2d. SIPC Net Operating Revenues

\$38,241,233

2e. General Assessment @ .0015

\$57,362

(to page 1, line 2.A.)