

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

ANNUAL REPORTS  
FORM X-17A-5  
PART III

OMB APPROVAL OMB Number: 3235-0123 Expires: Oct. 31, 2023 Estimated average burden hours per response: 12
SEC FILE NUMBER 8-70709

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 01/01/2021 AND ENDING 12/31/2021  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: P2 CORPORATE FINANCE, 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.)

964 EULALIA ROAD N, SUITE 2

(No. and Street)

ATLANTA

GA

30319

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

PAUL ELIZONDO 770-608-7740

pelizondo@p2ibank.com

(Name)

(Area Code - Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

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

TPS THAYER

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

1600 HIGHWAY 6, SUITE 100 SUGAR LAND TX 77478

(Address)

(City)

(State)

(Zip Code)

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

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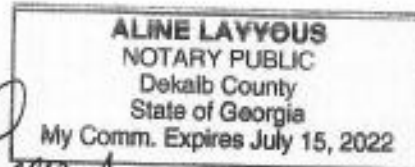
\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.


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, PAUL ELIZONDO, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of P2 CORPORATE FINANCE, LLC, as of 12/31, 2021, 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.

  
Notary Public



Signature: 

Title:

MANAGING DIRECTOR / CEO

## 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.

**P2 CORPORATE FINANCE, LLC**

**STATEMENT OF FINANCIAL CONDITION**

**For the period**

**April 1, 2021 (inception) through December 31, 2021**

**(With Report of Independent Registered Public Accounting Firm Thereon)**

**P2 CORPORATE FINANCE, LLC**  
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**For the Period April 1, 2021 (inception) through December 31, 2021**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Director and Member  
P2 Corporate Finance, LLC  
Atlanta, Georgia

### Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of P2 Corporate Finance, LLC (the Company) as of December 31, 2021, 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, 2021 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.

*TPS Thayer, LLC*

TPS Thayer, LLC  
We have served as P2 Corporate Finance, LLC's auditor since 2021.  
Sugar Land, TX  
February 28, 2022

**P2 CORPORATE FINANCE, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2021**

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**ASSETS**

Cash	\$ 141,726
Accounts receivable	497,500
Prepaid deposits and expenses	12,275
Premises and equipment, net	<u>5,344</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 656,845</u></u>

**LIABILITIES AND MEMBER'S EQUITY**

**LIABILITIES**

Compensation payable	\$ 176,590
Deferred revenue	10,000
Accounts payable, accrued expenses, and other liabilities	<u>25,350</u>
<b>TOTAL LIABILITIES</b>	<u>211,940</u>

<b>MEMBER'S EQUITY</b>	<u>444,905</u>
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<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<u><u>\$ 656,845</u></u>
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See notes to the Statement of Financial Condition.

**P2 CORPORATE FINANCE, LLC**  
**NOTES TO THE STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2021**

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**1. Organization and Nature of Business**

P2 Corporate Finance, LLC (the Company) was organized as a Delaware Limited Liability Company in April 2021 and became a registered broker-dealer with the Securities and Exchange Commission (SEC) and member Financial Industry Regulatory Authority (FINRA) effective August 2021. The Company is a wholly owned subsidiary of P2 IB Holding, LLC (Parent). The Company's business is to act as an investment banker in private placement transactions and mergers and acquisitions.

**2. Significant Accounting and Reporting Policies**

**Basis of Presentation**

The accompanying 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 Company believes that the disclosures in these financial statements are adequate and not misleading. In the opinion of management, the financial statements contain all adjustments necessary for a fair presentation of the Company's financial position as of December 31, 2021 and is not necessarily indicative of the results for any future period.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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**

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company monitors these bank accounts and does not expect to incur any losses from such accounts. The Company has defined cash and cash equivalents as highly liquid investments with original maturities of less than 90 days that are not held-for-sale in the ordinary course of business. The recorded value of such instruments approximates their fair value. At December 31, 2021, the Company had no cash equivalents.

**Income Taxes**

The Company is a single member limited liability company that is treated as a disregarded entity for income tax purposes as all income or loss flows through to its Parent. Therefore, no income tax expense or liability is recorded in the accompanying financial statements.

**P2 CORPORATE FINANCE, LLC**  
**NOTES TO THE STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2021**

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**2. Significant Accounting and Reporting Policies, Continued**

The Company follows the FASB Accounting Standards Codification (ASC) 740-10, Accounting for Uncertainty in Income Taxes. Under FASB ASC 740-10, the Company is required to evaluate each of its tax positions to determine if they are “more likely than not” of being sustained “when challenged” or “when examined” by the applicable taxing authority. Tax positions not deemed to meet the “more likely than not” threshold would be recorded as a tax expense and liability in the current period. A tax position includes an entity’s status, including its status as a pass-through entity, and the decision not to file a tax return.

Management has evaluated the Company’s tax positions and concluded that the Company has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance as of December 31, 2021. The Company is not currently under audit by any tax jurisdiction.

**Current Expected Credit Losses**

In June 2016, the FASB issued ASU No. 2016-13 (Topic 326) *Measurement of Credit Losses on Financial Instruments*, which significantly changes the ways entities recognize and record credit losses on financial instruments such loans, loan commitments and other financial assets. The CECL model requires measurement of expected credit losses for financial assets measured at amortized cost, net investments in leases, and off-balance sheet credit exposures based on historical experience, current conditions, and reasonable and supportable forecasts over the remaining contractual life of the financial assets.

ASC 606-10 defines a contract asset as an entity’s conditional right to consideration in exchange for goods and services. The conditional right is based on something other than the passage of time, such a future performance. Once the conditional right has been fulfilled and an unconditional right to consideration exists, the contract asset becomes a trade receivable. While contract assets are not financial assets, ASC 606-10-45-3 requires these assets to be evaluated for credit losses under ASC 326-20. Therefore, estimates of expected credit losses on contract assets over their life are required to be recorded at inception and on an ongoing basis, based on historical information, current conditions, and reasonable and supportable forecasts.

**Accounts Receivable**

The Company may, at times, have an account receivable related to retainer fees from executed agreements with independent external parties. In some circumstances, significant judgement is needed to determine the timing and measure of progress appropriate for revenue recognition under a specific contract. As such, the Company regularly reviews its accounts receivable for any bad debts based on the nature and contractual life or expected life of the financial assets, the Company’s collection experience and customer worthiness.



**P2 CORPORATE FINANCE, LLC**  
**NOTES TO THE STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2021**

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**2. Significant Accounting and Reporting Policies, Continued**

At December 31, 2021, the Company had \$497,500 accounts receivable from executed contracts and this balance is included on the Statement of Financial Condition. Management has concluded that the amounts are fully collectible and therefore no allowance for credit loss is required.

**Deferred Revenue**

Retainers and other fees received from customers prior to recognizing the revenue are reflected as contract liabilities (deferred revenue) on the Statement of Financial Condition. The Company had a \$10,000 deferred revenue balance at December 31, 2021.

**Compensation**

Compensation is transaction based and not considered earned nor payable to any registered representative until the transaction, client services, and all related fees are accepted by the Company, and payment received by the Company. The Company had \$176,590 compensation payable for related transaction services at December 31, 2021.

**Coronavirus**

In the second year of the COVID-19 coronavirus pandemic, the adverse impacts to global commercial activity have continued to contribute to significant volatility in the financial markets. Government-imposed responses and other related recovery measures intended to control the spread of the disease have created a variety of unintended challenges and risks. As such, economic uncertainty, changes in consumer demand, disrupted supply chains, staffing shortages and hybrid working patterns all continue to have a negative impact on many industries. The continued development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the COVID-19 coronavirus. Nevertheless, the COVID-19 coronavirus presents material uncertainty and risk with respect to the Company, its performance, and its financial results. At present, the extent to which the coronavirus may impact the Company's financial condition or results of operations in future periods is uncertain.

**3. Premises and Equipment, net**

Premises and Equipment is recorded at cost less accumulated depreciation. Additions, improvements, renewals, and expenditures that add materially to productive capacity or extend the life of an asset are capitalized. Maintenance and repairs are charged to expense as incurred. Upon retirement or disposal of an asset, the asset and related accumulated depreciation or amortization are eliminated. Any gain or loss on such transactions is charged to operations. The provision for depreciation is computed on the straight-line method over the estimated useful life of each depreciable asset. The estimated useful life of computer equipment is five years.

**P2 CORPORATE FINANCE, LLC**  
**NOTES TO THE STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2021**

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**3. Premises and Equipment, net, Continued**

A summary of Premises and Equipment at December 31, 2021, was as follows:

Computer equipment	\$ 5,625
Accumulated depreciation	(281)
Total premises and equipment, net	<u>\$ 5,344</u>

**4. Operating Lease Obligations**

The Company is required to record a right-of-use asset and a corresponding lease liability on the balance sheet for all leases with terms greater than 12 months. All such leases are to be classified as either finance or operating. The Company had no lease obligations that required recording or disclosures in the December 31, 2021 financial statements.

**5. Related Parties**

The Company is a wholly owned subsidiary of P2 IB Holding, LLC (Parent). In connection with this relationship, the Company and the Parent have executed an expense sharing agreement whereby the Company receives a monthly allocation of expenses incurred by the Parent on its behalf. Included in the total is a provision for rent and the agreement is in place for twelve months effective August 20, 2021. After the twelfth month, the agreement will be in place month-to-month until termination by either party.

**6. Net Capital Requirements**

The Company is subject to the SEC's Uniform Net Capital Rule (SEC Rule 15c3-1) of the Securities Exchange Act of 1934, which requires maintenance of minimum net capital. Under the Rule, the Company is required to maintain net capital within its first year of existence, as defined, equal to the greater of \$5,000 or 12.5% of aggregate indebtedness and the ratio of aggregate indebtedness to net capital shall not exceed 800% or 8:1.

At December 31, 2021, the Company had net capital of \$91,301 which was \$64,809 in excess of its required net capital and the ratio of aggregate indebtedness to net capital was 232.13%.

**7. Subordinated Liabilities**

The Company had no liabilities subordinated to the claims of general creditors as of the beginning of the period, end of the period, and during the period ended December 31, 2021.

**P2 CORPORATE FINANCE, LLC**  
**NOTES TO THE STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2021**

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**8. Restrictions on Contributed Capital**

The Parent made capital contributions to the Company totaling \$101,316 during the period ending December 31, 2021, of which \$1,316 was noncash. No equity capital of the Company may be withdrawn for a period of one year from the date such equity capital is contributed, unless otherwise permitted by FINRA in writing. The initial and subsequent contributions to the Company during 2021 of \$59,100, \$25,000, and \$17,216 will expire June, October, and December 2022, respectively. The Company is however permitted to withdraw profits earned during this restricted time period.

**9. Commitments and Contingencies**

The Company does not have any commitments or contingencies, including arbitration or other litigation claims that may result in a loss or a future obligation.

**10. Subsequent Events**

Management has evaluated all events or transactions that occurred after December 31, 2021, through the date of the issued financial statements. During this period, there were no material recognizable subsequent events that required recording or disclosures in the December 31, 2021, financial statements.