



16022221

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

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: March 31, 2016  
Estimated average burden  
hours per response..... 12.00

akb

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER  
8-49891

akb

FACING PAGE

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 01-01-15 AND ENDING 12-31-15  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Navaid Financial Services, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

1522 Locust St. 2nd Floor

(No. and Street)

Philadelphia

PA

19102

(City)

(State)

(Zip Code)

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

JOHN CARNEY

609-238-9370

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Siana Carr O'Conner & Lynam

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

1500 E. Lancaster Ave. Paoli PA

19301

(Address)

(City)

(State)

SEC  
Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

Mail Processing  
Section

MAR 01 2016

Washington, DC  
411

FOR OFFICIAL USE ONLY

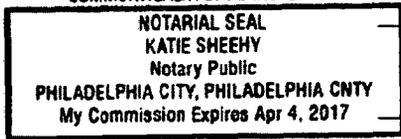
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

akb

D

OATH OR AFFIRMATION

I, John Carney, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Navaid Financial Services, Inc., as of 12-31-, 20 15, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



[Signature]  
Signature  
President / CFO  
Title

Katie Sheehy  
Notary Public

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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

*Financial Report*

*NAVAID FINANCIAL SERVICES, INC.*

*December 31, 2015*

**NAVAID FINANCIAL SERVICES, INC.**

**Financial Statements and Supplementary Financial Information  
For the Year Ended December 31, 2015**

**and**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**INDEX**

	<u>Page Number</u>
Report of Independent Registered Public Accounting Firm	1
Statement of Financial Condition	2
Statement of Operations	3
Statement of Changes in Subordinated Borrowings	4
Statement of Changes in Shareholders' Equity	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9
Supplementary Financial Information	
Schedule I-Computation of Net Capital	10
Schedule II-Computation for Determination of Reserve Requirements	11
Schedule III-Information for Possession or Control Requirements	12
Notes to Supplementary Schedules	13

# SIANA CARR O'CONNOR & LYNAM, LLP

Certified Public Accountants

1500 E. Lancaster Avenue  
Paoli, PA 19301

Phone: 610-296-4200 \* Fax: 610-296-3659  
www.scolcpa.com

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Navaid  
Financial Services, Inc.

We have audited the accompanying statement of financial condition of Navaid Financial Services, Inc. as of December 31, 2015 and the related statements of operations, changes in subordinated borrowings, changes in shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of Navaid Financial Services, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Navaid Financial Services, Inc. as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The supplementary information contained in Schedules I, II and III and notes to the supplementary schedules on pages 10 - 13 has been subjected to audit procedures performed in conjunction with the audit of Navaid Financial Services, Inc.'s financial statements. The supplemental information is the responsibility of Navaid Financial Services, Inc.'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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Siana Carr O'Connor & Lynam, LLP*  
SIANA CARR O'CONNOR & LYNAM, LLP

Paoli, PA

February 22, 2016

**NAVAID FINANCIAL SERVICES, INC.**  
**Statement of Financial Condition**  
**December 31, 2015**

<b>Assets</b>	
Cash	\$ 801,937
Deposits with clearing organization and others	1,503,617
Marketable securities	11,495,174
Receivable from clearing organization and others	90,233
Accrued interest receivable	65,535
Prepaid expenses and other assets	3,600
Furniture and equipment, net	1,570
<b>Total assets</b>	<b>\$ 13,961,666</b>
<b>Liabilities:</b>	
Accounts payable and accrued expenses	\$ 930,883
Payable to clearing organization	11,392,794
<b>Total liabilities</b>	<b>12,323,677</b>
Subordinated borrowings	1,500,000
<b>Shareholders' equity:</b>	
Common stock (\$.01 par value, 1,000 shares authorized, 106 shares issued and outstanding)	1
Additional paid-in capital	99,999
Retained earnings	37,989
<b>Total shareholders' equity</b>	<b>137,989</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 13,961,666</b>

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

**NAVAID FINANCIAL SERVICES, INC.**  
**Statement of Operations**  
**For the Year Ended December 31, 2015**

---

Revenues:	
Trading gains and losses, net	\$ 1,028,971
Interest income	264,919
Commission income	503
<hr/>	
Total revenues	1,294,393
<hr/>	
Expenses:	
Commissions	902,500
Employee compensation and benefits	72,504
Interest expense	131,869
Outside services	157,380
Other expenses	13,717
Occupancy and office	8,578
<hr/>	
Total expenses	1,286,548
<hr/>	
Net income	\$ 7,845
<hr/>	

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

**NAVAID FINANCIAL SERVICES, INC.**  
**Statement of Changes in Subordinated Borrowings**  
**For the Year Ended December 31, 2015**

---

Subordinated borrowings at December 31, 2014	\$ 1,500,000
2015 activity	-
<hr/>	
Subordinated borrowings at December 31, 2015	\$ 1,500,000

---

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

**NAVAID FINANCIAL SERVICES, INC.**  
**Statement of Changes in Shareholders' Equity**  
**For the Year Ended December 31, 2015**

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total
	Shares	Amount			
December 31, 2014	106	\$ 1.00	\$ 99,999	\$ 111,682	\$ 211,682
Distributions	-	-	-	(81,538)	(81,538)
Net income	-	-	-	7,845	7,845
December 31, 2015	106	\$ 1	\$ 99,999	\$ 37,989	\$ 137,989

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

**NAVAID FINANCIAL SERVICES, INC.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2015**

---

Cash flows from operating activities:	
Net income	\$ 7,845
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation expense	1,030
(Increase) decrease in:	
Deposits with clearing organization and others	(325)
Marketable securities	(878,370)
Receivable from clearing organization and others	125,799
Accrued interest receivable	(7,960)
Increase in:	
Accounts payable and accrued expenses	86,500
Payable to clearing organization	1,013,940
<hr/>	
Net cash provided by operating activities	348,459
Cash flows from financing activities:	
Distributions	(81,538)
<hr/>	
Net cash flows from financing activities	(81,538)
Cash - beginning of year	535,016
<hr/>	
Cash - end of year	\$ 801,937
<hr/>	
Interest paid	\$ 132,358
<hr/>	

**(The accompanying notes are an integral part of this financial statement.)**

**SUPPLEMENTARY**

**FINANCIAL**

**INFORMATION**

**NAVAID FINANCIAL SERVICES, INC.**  
**Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission**  
**December 31, 2015**

Net capital:	
Total shareholders' equity	\$ 137,989
Add - subordinated borrowings allowable as net capital	1,500,000
<hr/>	
Total capital and allowable subordinated borrowings	1,637,989
Less - total non-allowable assets	11,344
haircuts on securities	958,012
<hr/>	
Net capital	\$ 668,633
<hr/>	
Aggregate indebtedness	\$ 930,883
<hr/>	
Total aggregate indebtedness	\$ 930,883
<hr/>	
Computation of basic net capital requirement:	
Net capital requirement	\$ 100,000
Net capital	668,633
<hr/>	
Excess of net capital	\$ 568,633
<hr/>	
Net capital less greater of 10% of aggregate indebtedness or 120% of minimum dollar net capital requirement	\$ 548,633
<hr/>	
Ratio of aggregate indebtedness to net capital	1.39 to 1
<hr/>	

**NAVAID FINANCIAL SERVICES, INC.**  
**Computation for Determination of Reserve Requirements**  
**Under Rule 15c3-3 of the Securities and Exchange Commission**  
**December 31, 2015**

---

**Not applicable: The Company has claimed an exemption to SEC Rule 15c3-3 pursuant to sub paragraph 15c3-3(k)(2)(ii), and therefore no "Computation for Determination of Reserve Requirement" under that rule have been provided.**

**NAVAID FINANCIAL SERVICES, INC.**  
**Information for Possession or Control Requirements**  
**Under Rule 15c3-3 of the Securities and Exchange Commission**  
**December 31, 2015**

---

**Not applicable: The Company has claimed an exemption to SEC Rule 15c3-3 pursuant to sub paragraph 15c3-3(k)(2)(ii), and therefore no "Information for Possession or Control Requirements" under that rule have been provided.**

**NAVAID FINANCIAL SERVICES, INC.**  
**Notes to Supplemental Schedules**  
**December 31, 2015**

---

**Reconciliation of the audited computation of Net Capital (Schedule I) and the computation of Net Capital included in the Company's unaudited December 31, 2015 FOCUS Part IIA filing.**

**Not Applicable: There are no differences between the audited computation of Net Capital (Schedule I) and the computation of Net Capital included in the Company's unaudited December 31, 2015 FOCUS Part IIA filing.**

**NAVAID FINANCIAL SERVICES, INC.**  
**Notes to Supplemental Schedules**  
**December 31, 2015**

---

**Reconciliation of the audited computation of Net Capital (Schedule I) and the computation of Net Capital included in the Company's unaudited December 31, 2015 FOCUS Part IIA filing.**

Draft of Net Capital provided to auditors prior to filing the unaudited December 31, 2015 FOCUS Part IIA filing	\$ 601,385
Audit adjustments to non-allowable assets	-
Audit adjustments to net income	-
<hr/>	
Net capital per unaudited original December 31, 2015 FOCUS Part IIA filing	604,955

**NAVAID FINANCIAL SERVICES, INC.**  
**Notes to Financial Statements**  
**December 31, 2015**

---

**(1) ORGANIZATION AND BACKGROUND**

Navaid Financial Services, Inc. (the Company) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company operates on a fully-disclosed basis whereby we do not carry accounts for customers. The Company primarily trades in municipal bonds as proprietary transactions.

**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Management's 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Securities transactions and commission expense*

Proprietary securities transactions are recorded at fair value on the trade date, as if they had settled. Trading gains and losses arising from all securities transactions entered into for the account and risk of the Company, along with the related commission expense incurred, are also recorded on a trade date basis. Securities are valued using market value techniques as determined by management based on information provided by third parties and by analyzing inter-dealer trades on or around year-end for all positions held by the Company at year-end.

*Income taxes*

The Company, with the consent of its shareholders, has elected under the Internal Revenue Code of 1986 and comparable state tax provisions to be taxed as an S-Corporation. In lieu of corporation income taxes, the shareholders of an S-Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements. The Company files tax returns in the U.S. federal jurisdiction, certain states and cities. The Company is no longer subject to U.S. federal, state and local examinations by tax authorities for 2011 and prior.

**(3) MARKETABLE DEBT SECURITIES**

As described in Note 2, the Company values marketable securities at fair value in accordance with Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820, Fair Value Measurements*. Investments are classified as Level 1, which refers to unadjusted quoted prices in active markets for identical assets that are accessible at the measurement date; Level 2, which refers to inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly; and Level 3, which refers to unobservable market inputs. All securities held at December 31, 2015 were municipal bonds classified as Level 2 investments using a market value approach.

**NAVAID FINANCIAL SERVICES, INC.**  
**Notes to Financial Statements**  
**December 31, 2015**

---

**(4) RELATED PARTY TRANSACTIONS**

The Company provides brokerage services for a fund that is owned and managed by the shareholders. The Company waived all markups and commissions for the fund for 2015. However, the fund reimburses the Company for their costs from outside parties. The Company was reimbursed \$11,451 in 2015. \$1,066 was due from the fund at December 31, 2015. Additionally, the Company may buy/sell bonds from/to the fund at cost.

The Company had a month to month \$1,277 sub-lease agreement with a related party which is partially owned by some of the shareholders. The lease ended in September 2015. Total sublease income for the year was \$16,352.

The Company also provides brokerage services on behalf of clients of an investment advisor that is owned and managed by the shareholders. There are minimal trades made during the year on behalf of the investment advisor's clients. Additionally, the investment advisor earns management fees which pass through the Company's accounts. The Company owed \$2,441 to the investment advisor at December 31, 2015, which is recorded as accounts payable and accrued expenses in the accompanying statement of financial condition.

Two of the Company's traders are also shareholders. The Company incurred commissions of \$902,500 in 2015 to these shareholders. Additionally, \$904,045 is due to the traders at December 31, 2015.

**(5) RECEIVABLE FROM AND PAYABLE TO CLEARING ORGANIZATION**

The Company clears its proprietary and customer transactions through another broker-dealer on a fully disclosed basis. The receivable represents net trading gains earned in December. The amount payable to the clearing broker relates to securities purchased on margin. This balance is secured by the Company's proprietary investments and clearing deposit. The Company's agreement with the clearing broker allows them to borrow up to ten times their investment balance, limited to \$15,000,000. The payable balance incurs interest at the federal funds rate plus an applicable margin.

**(6) SUBORDINATED BORROWINGS**

The borrowings under subordinated agreements consist of notes payable to two shareholders. The notes expire on October 31, 2016 and include interest at 5%, which is payable monthly. Interest expense was \$75,000 for 2015.

**NAVAID FINANCIAL SERVICES, INC.**  
**Notes to Financial Statements**  
**December 31, 2015**

---

**(7) NET CAPITAL REQUIREMENTS**

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of a minimum net capital and a ratio of aggregate indebtedness to net capital, not exceeding 15 to 1. At December 31, 2015, the Company had net capital, as defined, of \$668,633 which was \$568,633 in excess of its minimum required net capital of \$100,000. The Company's ratio of aggregate indebtedness to net capital was 1.39 to 1 as of December 31, 2015.

The SEC customer protection rule (Rule 15c3-3) requires the maintenance of reserves for customer accounts and sets forth specific guidelines regarding the possession of securities. The Company is exempt from this rule under Reg 240.15c3-3(k)(2)(ii) which provides an exemption for broker-dealers who operate on a fully-disclosed basis. Therefore, Schedules II and III on pages 11 and 12 are not applicable.

**(8) 401(k) RETIREMENT PLAN**

The Company has a 401(k) retirement plan covering all employees. The Company matches the first 6% of eligible employees' compensation. The Company's expense related to the plan was \$732 for 2015.

**(9) CONCENTRATION OF CREDIT RISK**

*Cash*

The Company maintains its cash accounts at one financial institution. Balances are insured by the FDIC up to \$250,000. The uninsured cash balances totaled \$555,937 at December 31, 2015.

*Marketable debt securities*

The Company's proprietary investments consist solely of municipal securities. At December 31, 2015, the balance was comprised of seventeen securities, of which six positions represented 65% of marketable securities.

*Agreements with traders*

The Company has agreements with two traders on a month to month basis, of which one trader executes a majority of all trades. If this trader were to terminate the agreement, the ongoing operations of the Company would be materially affected.

**(10) SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the issuance of the financial statements.

# SIANA CARR O'CONNOR & LYNAM, LLP

Certified Public Accountants

1500 E. Lancaster Avenue  
Paoli, PA 19301

Phone: 610-296-4200 \* Fax: 610-296-3659  
www.scolcpa.com

## INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT ON SCHEDULE OF ASSESSMENT AND PAYMENTS (FORM SIPC-7)

Shareholders of Navaid Financial  
Services, Inc.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2015, which were agreed to by Navaid Financial Services, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating Navaid Financial Services, Inc.'s compliance with the applicable instructions of Form SIPC-7. Navaid Financial Services, Inc.'s management is responsible for Navaid Financial Services, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 disbursements in the Company's bank statements noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2015, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2015, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with the commission calculation work paper and general ledger prepared by the Company noting no differences and;
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers prepared by the Company supporting the adjustments noting no differences.
- 5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences (if applicable).

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Siana Carr O'Connor & Lynam, LLP*  
SIANA CARR O'CONNOR & LYNAM, LLP

Paoli, PA  
February 22, 2016

# SIANA CARR O'CONNOR & LYNAM, LLP

Certified Public Accountants

1500 E. Lancaster Avenue  
Paoli, PA 19301

Phone: 610-296-4200 \* Fax: 610-296-3659  
www.scolepa.com

---

February 22, 2016

To the Shareholders of  
Navaid Financial Services, Inc.

In connection with our audit of the financial statements and supplemental information of Navaid Financial Services, Inc. for the year ended December 31, 2015 and have issued our report thereon dated February 22, 2016. Professional standards require that we provide you with the following information related to our audit.

## Significant and Critical Accounting Policies and Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The Company's significant accounting policies are disclosed in the notes to the financial statements as required by generally accepted accounting principles pursuant to Rule 17a-5 under the Securities and Exchange Act of 1934. No new accounting policies were adopted and the application of existing accounting policies was not changed during 2015. We noted no transactions entered into by the Company during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.

Critical accounting policies and practices are those that are both most important to the portrayal of the Company's financial condition and results and require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The critical accounting policies used by Navaid Financial Services, Inc. in its 2015 financial statements are described in Note 2 to the financial statements and relate to the policies the Company uses to value municipal securities. Fair value measurements are critical because they are subject to estimation and require management to provide support for value.

## Critical Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Critical accounting estimates are estimates for which (1) the nature of the estimate is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change and (2) the impact of the estimate on financial condition or operating performance is material. There are no such estimates.

## Significant Unusual Transactions

For purposes of this letter, professional standards define *significant unusual transactions* as transactions that are outside the normal course of business for the Company or that otherwise appear to be unusual due to their timing, size or nature. We noted no significant unusual transactions during our audit.

## Related-party Relationships and Transactions

As part of our audit, we evaluated the Company's identification of, accounting for, and disclosure of the Company's relationships and transactions with related parties as required by professional standards. We noted no related parties or related-party relationships or transactions that were previously undisclosed to us; significant related-party transactions that have not been approved in accordance with the Company's policies or procedures or for which exceptions to the Company's policies or procedures were granted; or significant related-party transactions that appeared to lack a business purpose.

### Quality of the Company's Financial Reporting

Management is responsible not only for the appropriateness of the accounting policies and practices, but also for the quality of such policies and practices. Our responsibility under professional standards is to evaluate the qualitative aspects of the company's accounting practices, including potential bias in management's judgments about the amounts and disclosures in the financial statements, and to communicate the results of our evaluation and our conclusions to you. Some of the qualitative aspects that were addressed as part of our audit included the following: 1) assessment of management's disclosures related to the company's critical accounting policies and any changes to those disclosures that the auditors proposed that management did not make, and 2) the evaluation of whether the presentation of the financial statements and the related disclosures are in conformity with GAAP.

### Uncorrected and Corrected Misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial and to communicate accumulated misstatements to management. We did not identify any misstatements in the financial statements or disclosures.

### Exceptions to Exemption Provisions

In connection with our review of the Company's Statement of Exemption, we did not identify any exceptions to the exemption provisions that would cause the Company's assertions not to be fairly stated, in all material respects.

### Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no disagreements with management arose during the course of our audit.

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### Supplemental Information

Based on the regulatory requirements of SEC Rule 17a-5, the Company presents supplementary information that accompanies the financial statements. We subjected that supplemental information to audit procedures in accordance with PCAOB Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*. Based on our audit procedures performed, the supplemental information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This information is intended solely for the use of the shareholders and management of Navaid Financial Services, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

  
Siana Carr O'Connor & Lynam, LLP