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

SEC  
Mail Processing  
Section

MAR 05 2018

Washington DC  
408

SEC FILE NUMBER
8-68801

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 01/01/17 AND ENDING 12/31/17  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Builder Advisor Group, LLC**

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**One Letterman Drive, Building C, Suite 3800**

(No. and Street)

**San Francisco**  
(City)

**California**  
(State)

**94129**  
(Zip Code)

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

**Anthony Avila**

**(415) 561-0600**

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**Ernst Wintter & Associates LLP**

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

**675 Ygnacio Valley Road, Suite A200**  
(Address)

**Walnut Creek**  
(City)

**California**  
(State)

**94526**  
(Zip Code)

CHECK ONE:

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

**FOR OFFICIAL USE ONLY**

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

SEC 1410 (06-02)

Potential 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.

RMS

OATH OR AFFIRMATION

I, **Anthony Avila**, affirm that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of **Builder Advisor Group, LLC**, as of **December 31, 2017**, are true and correct. I further 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:

NONE



*Oud Sapprasert O'Brien*  
Notary Public

*Anthony Avila*  
Signature

*Chief Executive Officer*  
Title

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).

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )

County of SAN FRANCISCO )

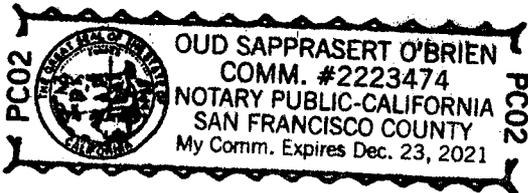
On 02/27/19 before me, ODD SAPPRASERT O'BRIEN, NOTARY PUBLIC,  
Date Here Insert Name and Title of the Officer

personally appeared ANTHONY AVILA  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Odd Sapprasert O'Brien  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General

Individual  Attorney in Fact

Trustee  Guardian or Conservator

Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General

Individual  Attorney in Fact

Trustee  Guardian or Conservator

Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

# Builder Advisor Group, LLC

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675 Ygnacio Valley Road, Suite A200  
Walnut Creek, CA 94596

(925) 933-2626  
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**Report of Independent Registered Public Accounting Firm**

To the Member of  
Builder Advisor Group, LLC

**Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Builder Advisor Group, LLC (the "Company") as of December 31, 2017, the related statements of income, changes in member's equity, and cash flows for the year then ended, and the related notes and schedules I and II (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, 2017, 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.

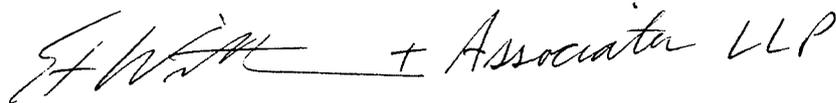
**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's 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.

**Supplemental Information**

Schedules I and II have 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, Schedules I and II are fairly stated, in all material respects, in relation to the financial statements as a whole.

 + Associates LLP

We have served as Builder Advisor Group, LLC's auditor since 2013.  
Walnut Creek, California  
February 28, 2018

# Builder Advisor Group, LLC

## Statement of Financial Condition

December 31, 2017

<b>Assets</b>	
Cash	\$ 128,650
Accounts receivable	188,194
Prepaid expenses	8,250
<b>Total Assets</b>	<b>\$ 325,094</b>

<b>Liabilities and Member's Equity</b>	
<b>Liabilities</b>	
Accounts payable	\$ 9,989
Due to affiliate	22,699
<b>Total Liabilities</b>	<b>32,688</b>
<b>Member's Equity</b>	<b>292,406</b>
<b>Total Liabilities and Member's Equity</b>	<b>\$ 325,094</b>

The accompanying notes are an integral part of these financial statements.

# Builder Advisor Group, LLC

## Statement of Income

For the Year Ended December 31, 2017

<b>Revenue</b>	
Success fees	\$ 2,304,140
Advisory fees	482,500
Reimbursed expenses	12,530
Consulting fees	7,500
<b>Total Revenue</b>	<b>2,806,670</b>
<hr/>	
<b>Expenses</b>	
Professional fees	99,724
Bad debt	20,000
Reimbursable expenses	12,530
Dues and subscriptions	4,421
Other operating expenses	34,253
<b>Total Expenses</b>	<b>170,928</b>
<hr/>	
<b>Net Income</b>	<b>\$ 2,635,742</b>
<hr/>	

The accompanying notes are an integral part of these financial statements.

## **Builder Advisor Group, LLC**

### **Statement of Changes in Member's Equity**

**For the Year Ended December 31, 2017**

Member's Equity as of January 1, 2017	\$	62,648
Contributions		76,016
Distributions		(2,482,000)
Net income		2,635,742
<b>Member's Equity as of December 31, 2017</b>	<b>\$</b>	<b>292,406</b>

The accompanying notes are an integral part of these financial statements.

# Builder Advisor Group, LLC

## Statement of Cash Flows

For the Year Ended December 31, 2017

<b>Cash Flows from Operating Activities</b>	
Net income	\$ 2,635,742
Adjustments to reconcile net income to net cash provided by operating activities:	
Bad debt expense	20,000
Reduction of due to affiliate settled as member contribution	26,016
(Increase) decrease in:	
Accounts receivable	(177,166)
Prepaid expenses	3,430
Increase (decrease) in:	
Accounts payable	(4,504)
Due to affiliate	22,699
<b>Net Cash Provided by Operating Activities</b>	<b>2,526,217</b>
<b>Cash Flows from Financing Activities</b>	
Contributions	50,000
Distributions	(2,482,000)
<b>Net Cash Used by Financing Activities</b>	<b>(2,432,000)</b>
<b>Net Increase in Cash</b>	<b>94,217</b>
Cash at beginning of year	34,433
<b>Cash at End of Year</b>	<b>\$ 128,650</b>

### Supplemental Disclosure of Non-Cash Operating and Financing Activities

Contribution reducing amount owed to affiliate	\$ 26,016
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The accompanying notes are an integral part of these financial statements.

# **Builder Advisor Group, LLC**

## **Notes to the Financial Statements**

**December 31, 2017**

### **1. Organization**

Builder Advisor Group, LLC (the "Company") was organized as a California limited liability company in October 2010. The Company is owned by its sole member, The Avila Family 2006 Trust (the "Member"), and operates in San Francisco, California. Under this form of organization, the Member is not liable for the debts of the Company. The Company is a securities broker dealer and registered with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA") in March 2012. The Company engages in advisory services and private placements of securities.

### **2. Significant Accounting Policies**

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

The Company considers all demand deposits held in banks and certain highly liquid investments with original maturities of three months or less, other than those held for sale in the ordinary course of business, to be cash equivalents. There were no cash equivalents at December 31, 2017.

#### **Accounts Receivable**

Accounts receivable represents amounts that have been billed to clients in accordance with the Company's engagement letters with respective clients that have not yet been collected. Management reviews accounts receivable and sets up an allowance for doubtful accounts when collection of a receivable becomes unlikely. The Company considers accounts receivable to be fully collectible, and accordingly, no allowance for doubtful accounts has been provided.

#### **Revenue Recognition**

The Company generates revenue by providing advisory services to companies related to private placements of securities. The Company recognizes revenue in accordance with the terms and conditions specified in its engagement letters with each of its clients. Revenue is recognized when earned either by fee contract or the success of a predetermined specified event and the income is reasonably determinable. Reimbursed expenses are included in revenue when billed to clients with a corresponding offset included in operating expenses.

#### **Use of Estimates**

The preparation of financial statements in accordance 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 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 and may have an impact on future periods.

#### **Fair Value of Financial Instruments**

Unless otherwise indicated, the fair values of all reported assets and liabilities that represent financial instruments approximate the carrying values of such amounts. No assets or liabilities are required to be carried at fair value as of December 31, 2017. The Company has no financial instruments required to be reported at fair value on a recurring basis.

# **Builder Advisor Group, LLC**

## **Notes to the Financial Statements**

**December 31, 2017**

### **2. Significant Accounting Policies (*continued*)**

#### **Income Taxes**

The Company, a limited liability company, is treated as a disregarded entity for tax purposes. In lieu of income taxes, the Company passes 100% of its taxable income and expenses to the Member. Therefore, no provision or liability for federal or state income taxes is included in these financial statements. The Company is however, subject to the annual California limited liability company tax of \$800 and a California limited liability company fee based on gross revenue. The Company's tax returns are subject to examinations by major tax jurisdictions. The Company does not believe they have any uncertain tax provisions.

### **3. Recently Issued Accounting Pronouncements**

#### **ASU 2014-09 *Revenue from Contracts with Customers***

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09"), which supersedes the revenue recognition requirements in Accounting Standards Codification ("ASC") 606, "Revenue Recognition." ASU 2014-09 is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. It also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. On July 9, 2015, the FASB decided to delay the effective date of the new standard by one year. The new guidance allows for the standard and all subsequent amendments to be applied either retrospectively to each prior reporting period presented or retrospectively as a cumulative-effect adjustment as of the date of adoption. ASU 2014-09 is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. We are continuing to evaluate the impact of the adoption of this standard, and all subsequent amendments on our financial statements, and have not elected a transition method.

#### **ASU 2016-13 *Financial Instruments - Credit Losses***

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326)" ("ASU 2016-13"), which will change the impairment model for most financial assets and require additional disclosures. The amended guidance requires financial assets that are measured at amortized cost be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial assets. The amended guidance also requires us to consider historical experience, current conditions, and reasonable and supportable forecasts that affect the collectibility of the reported amount in estimating credit losses. ASU 2016-13 is effective for us commencing in the first quarter of fiscal 2019 and will be applied through a cumulative-effect adjustment to retained earnings at the beginning of the year of adoption. Early adoption is permitted. We are evaluating the impact of the adoption of this standard on our financial statements and do not expect a material impact.

# **Builder Advisor Group, LLC**

## **Notes to the Financial Statements**

**December 31, 2017**

### **4. Net Capital Requirements**

The Company is subject to the SEC's uniform net capital rule (Rule 15c3-1) which requires the Company to maintain a minimum net capital equal to or greater than \$5,000 and a ratio of aggregate indebtedness to net capital not exceeding 15 to 1, both as defined. At December 31, 2017, the Company's net capital was \$95,962 which exceeded the requirement by \$90,962.

### **5. Risk Concentration**

For the period ended December 31, 2017, 77% of banking fees were earned from four clients. At December 31, 2017, 74% of accounts receivable was related to one client.

During the year, the Company's cash balance may have exceeded the government insurance limits.

### **6. Related Party Transactions**

The Company paid Avila Encore Management LLC ("Avila"), a company under common control, for reimbursement of expenses advanced by Avila on behalf of the Company's clients. During 2017, \$12,530 was included on the statement of income for such expenses. As of December 31, 2017, \$22,699 is payable to Avila and included on the statement of financial condition.

The Company has an expense sharing agreement with Avila. For a fee of \$1,000 per month, Avila provides office space and pays most overhead expenses for the Company. In 2017, the Company recorded \$12,000 of office service expense. This expense is included in "Other operating expenses" on the statement of income. The Company's results of operations and financial position could differ significantly from those that would have been obtained if the entities were autonomous.

### **7. Subsequent Events**

The Company has evaluated subsequent events through February 28, 2018 the date which the financial statements were issued.

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**Supporting Schedules**

**Pursuant to Rule 17a-5 of the Securities Exchange Act**

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# Builder Advisor Group, LLC

## Schedule I

### Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission

As of December 31, 2017

<b>Net Capital</b>	
Total member's equity	\$ 292,406
Less: Non-allowable assets	
Accounts receivable	188,194
Prepaid expenses	8,250
<hr/>	
Total non-allowable assets	196,444
<hr/>	
<b>Net Capital</b>	<b>95,962</b>
Net minimum capital requirement of 6.67% of aggregate indebtedness of \$32,688 or \$5,000, whichever is greater	5,000
<hr/>	
<b>Excess Net Capital</b>	<b>\$ 90,962</b>
<hr/>	

### Reconciliation with Company's Net Capital Computation (Included in Part II of Form X-17A-5 as of December 31, 2017)

Net capital, as reported in Company's Part II of Form X-17-A-5 as of December 31, 2017	\$ 95,962
Increase in equity	138,871
Increase in non-allowable assets	(138,871)
<hr/>	
Net Capital per above computation	\$ 95,962
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See report of independent registered public accounting firm.

**Builder Advisor Group, LLC**

**Schedule II**

**Computation for Determination of Reserve Requirements Under  
Rule 15c3-3 of the Securities and Exchange Commission**

**For the Year Ended December 31, 2017**

An exemption from Rule 15c3-3 is claimed, based upon section (k)(2)(i). All transactions are processed in accordance with Rule 15c3-1(a)(2).

**Information Relating to Possession or Control Requirements Under  
Rule 15c3-3 of the Securities and Exchange Commission**

**For the Year Ended December 31, 2017**

An exemption from Rule 15c3-3 is claimed, based upon section (k)(2)(i).

See report of independent registered public accounting firm.

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**Report on Exemption Provisions**

**Pursuant to Rule 17 C.F.R. §240.15C3-3(k)**

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675 Ygnacio Valley Road, Suite A200  
Walnut Creek, CA 94596

(925) 933-2626  
Fax (925) 944-6333

**Review Report of Independent Registered Public Accounting Firm**

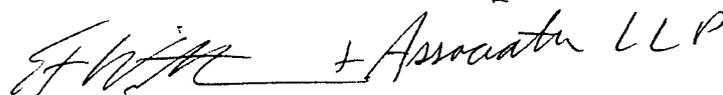
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To the Member of  
Builder Advisor Group, LLC

We have reviewed management's statements, included in the accompanying SEA 15c3-3 Exemption Report, in which (1) Builder Advisor Group, LLC (the "Company") identified the following provisions of 17 C.F.R. §15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. §240.15c3-3:(k)(2)(i) (the "exemption provisions") and (2) the Company stated that it met the identified exemption provisions throughout the most recent fiscal year 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 set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

 + Associates LLP

Walnut Creek, California  
February 28, 2018



## SEA RULE 15c3-3 EXEMPTION REPORT

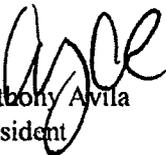
February 27, 2018

I, Anthony Avila, President of Builder Advisor Group, LLC (the "Company") represent the following:

1. The Company claims the k(2)(i) exemption from 17 C.F.R. §240.15c3-3;
2. The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k) throughout the most recent fiscal year as of December 31, 2017 without exception; and
3. There were no exceptions during the most recent fiscal year in meeting the identified exemption provisions in 17 C.F.R. §240.15c3-3(k).

I affirm that, to my best knowledge and belief, this Exemption Report is true and correct. The Company does not handle cash or securities on behalf of customers.

Respectfully submitted,

  
Anthony Avila  
President

SEC  
Mail Processing  
Section

MAR 05 2018

Washington DC  
408

**Builder Advisor Group, LLC**

**Annual Audit Report**

**December 31, 2017**