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Securities and Exchange Commission
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

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**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 01/01/2018 AND ENDING 12/31/2018
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Salient Capital, LP

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
4265 San Felipe, 8th Floor

OFFICIAL USE ONLY
FIRM I.D. NO.

Houston (No. and Street) TX 77027
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Laura Lang 310-441-2300
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Weaver and Tidwell, LLP

24 Greenway Plaza, Suite 1800 (Name - if individual, state last, first, middle name) Houston TX 77406
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

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*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)

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Salient Capital, L.P.

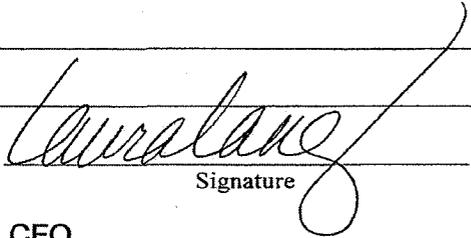
**Statement of Financial Condition and
Report of Independent Registered Public Accounting Firm
December 31, 2018**

(This report is deemed public in accordance with rule 17a-5 (e)(3))

SEC
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Section
FEB 28 2019
Washington DC
413

OATH OR AFFIRMATION

I, Laura Lang, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Salient Capital. LP, as of December 31., 20 18, 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

CFO
Title

See Attached Certificate

Notary Public

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

- (a) Facing Page.
- (b) 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 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).



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Report of Independent Registered Public Accounting Firm

To the Partners and Management of
Salient Capital, L.P.

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Salient Capital, L.P. (a Texas Limited Partnership) (the Partnership) as of December 31, 2018, 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 Partnership as of December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

This financial statement is the responsibility of the Partnership's management. Our responsibility is to express an opinion on this 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 Partnership 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. The Partnership is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we express no such opinion.

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 statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit of the financial statement provides a reasonable basis for our opinion.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

We have served as the Partnership's auditor since 2015.

Houston, Texas
February 26, 2019

Weaver and Tidwell, L.L.P.
24 Greenway Plaza, Suite 1800 | Houston, Texas 77046
Main: 713.850.8787 | Fax: 713.850.1673
CPAs AND ADVISORS | WEAVER.COM

Salient Capital, L.P.
Statement of Financial Condition
December 31, 2018

Assets	
Cash and cash equivalents	\$ 351,713
Accounts receivable	30,301
Due from affiliates	600
Prepaid expenses	<u>34,785</u>
Total assets	<u>\$ 417,399</u>
Liabilities and Partners' Capital	
Accrued liabilities	\$ 44,202
Due to affiliates	<u>35,469</u>
Total liabilities	<u>79,671</u>
Partners' capital	
General Partner	(115,992)
Limited Partner	<u>453,720</u>
Total partners' capital	<u>337,728</u>
Total liabilities and partners' capital	<u>\$ 417,399</u>

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

Salient Capital, L.P.
Notes to Financial Statement
December 31, 2018

1. Organization

Salient Capital, L.P. (the "Partnership"), a Texas limited partnership formed in March 2002, was granted membership in the Financial Industry Regulatory Authority ("FINRA") on November 6, 2008. It is a limited broker-dealer registered with the Securities and Exchange Commission ("SEC") and operates under the provisions of Paragraph (k)(2)(i) of Rule 15c3-3 of the SEC and, accordingly, is exempt from the remaining provisions of that rule. Essentially, the requirements of Paragraph (k)(2)(i) provide that the Partnership carries no margin accounts, promptly transmits all customer funds and delivers all securities received in connection with its activities as a broker or dealer, does not otherwise hold funds or securities for or owe money or securities to customers, and effects all financial transactions between the Partnership and its customers through one or more bank accounts, each designated as Special Account for the Exclusive Benefit of customers. Because the Partnership effects no financials transactions with customers as defined in Rule 15c3-3(a)(1), the Partnership does not maintain a Special Account. The Partnership's general partner (with a 1% ownership interest) is Salient Capital Management, LLC.

As of December 31, 2018, the Partnership was registered as a limited broker-dealer in 52 U.S. states and territories.

The general partner and limited partner share in the profits and losses of the Partnership based on their percentage ownership.

Liquidity

Salient Partners, L.P., the limited partner, provided cash funding via periodic capital contributions during the year. The Partnership will rely on Salient Partners, L.P. for additional capital contributions to maintain the operations of the Partnership. Salient Partners, L.P. has the capacity to fund the Partnership's continued operations and will do so by making future periodic contributions.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statement has been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of the financial statement in conformity with accounting principles generally accepted in the United States of America necessarily requires management to make estimates and assumptions that affect the amounts reported in the financial statement and accompanying notes. Actual results could differ from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and money market accounts. The Partnership's cash and cash equivalents are on deposit with major U.S. banking institutions. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. The Partnership periodically assesses the financial condition of these institutions and assesses credit risk.

Salient Capital, L.P.
Notes to Financial Statement
December 31, 2018

Accounts Receivable

The Partnership's receivables arise primarily from placement fees due from customers and are generally due within 30 days. The Partnership does not require collateral.

The need for an allowance for doubtful accounts is based on management's assessment of collectability of specific accounts, the aging of the receivable, the historical experience, and other currently available evidence. If actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due to the Partnership could be adversely affected. As of December 31, 2018, no allowance has been recorded.

Fair Value Measurements

The Partnership's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities, which are recorded at amounts that approximate fair value due to their liquid or short-term nature.

Income Taxes

The Partnership is not subject to federal taxes on its income. The partners include in their federal tax returns the Partnership's income or loss. Accordingly, no provision for federal income taxes has been made for the Partnership. However, the Partnership is subject to state income taxes, including the Texas margin tax.

The Partnership follows the guidance issued in accounting for uncertainty in income taxes. The guidance clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the financial statement and applies to all income tax positions. Each income tax position is assessed using a two-step process.

A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based on technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statement equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement. As of December 31, 2018, there were no amounts that had been accrued with respect to uncertain tax positions. Additionally, the Partnership did not incur any interest or penalties.

The Partnership has an annual federal partnership tax filing requirement (Form 1065). Additionally, the Partnership has an annual Texas franchise tax filing requirement. None of the Partnership's income tax returns are currently under examination by the Internal Revenue Service or the Texas Comptroller of Public Accounts. Any potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with U.S. federal, state and local laws.

3. Related Parties

Under a management agreement with the sole limited partner, Salient Partners, L.P., the limited partner provides all management and back office services to the Partnership. The limited partner also pays certain overhead expenses, as defined in the management agreement. The Partnership pays the limited partner a management fee, which is payable monthly and renews annually, unless terminated by the Partnership or the limited partner upon 30 days written notice.

Salient Capital, L.P.
Notes to Financial Statement
December 31, 2018

The Partnership entered into agreements with three affiliated investment advisors of the Partnership, Salient Advisors, L.P., Salient Capital Advisor, LLC, and Endowment Advisors, L.P. in which it earns fees for solicitation services.

4. Customer Contracts – Receivables From and Payables To

The Partnership had receivables from customers in the amounts of \$30,301 and \$40,300 at December 31, 2018 and 2017, respectively. The Partnership had no payables to customers at December 31, 2018 and 2017, respectively.

5. Regulatory Requirements

The Partnership, as a broker-dealer registered with the SEC, is subject to the SEC Uniform Net Capital Rule 15c3-1. This Rule requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and that equity capital may not be withdrawn, or cash dividends paid, if the resulting net capital ratio would exceed 10 to 1. As of December 31, 2018, the Partnership's net capital was \$272,042, which was \$266,731 above its minimum requirement of \$5,311. The ratio of aggregate indebtedness to net capital was 0.29 to 1.

6. Subordinated Debt Obligations

During the year ended December 31, 2018, there were no liabilities subordinated to the claims of general creditors. Accordingly, a statement of changes in liabilities subordinated to claims of general creditors has not been included in the financial statement.

7. Subsequent Events

The Partnership has evaluated all events for recognition and disclosure subsequent to December 31, 2018 through February 26, 2019, the date the financial statement was available to be issued.