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

SEC FILE NUMBER
8-67489

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 06/01/18 (MM/DD/YY) AND ENDING 05/31/19 (MM/DD/YY)

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: VRA PARTNERS, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

3630 PEACHTREE ROAD NE, SUITE 1000
(No. and Street)

ATLANTA	GA	30326
(City)	(State)	(Zip Code)

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

DOUGLAS MCCARTNEY 404.835.1006
(Area Code – Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

CHERRY BEKAERT LLP
(Name – *if individual, state last, first, middle name*)

1075 PEACHTREE STREET, SUITE 2200	ATLANTA	GA	30309
(Address)	(City)	(State)	(Zip Code)

SEC
Mail Processing
Section
AUG 01 2019
Washington DC
416

Securities and Exchange Commission
Trading and Markets

AUG 1 2019

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CHECK ONE:

- [x] 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)*

SEC 1410 (11-05)

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.

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OATH OR AFFIRMATION

I, DOUGLAS J. MCCARTNEY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of VRA PARTNERS, LLC, as of MAY 31, 20 19, 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:

KAREN N KELLEY
NOTARY PUBLIC
FULTON COUNTY, GEORGIA
My commission expires May 2, 2023

Karen N. Kelley
Notary Public

Signature

MANAGING DIRECTOR & CFO
Title

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).*

VRA Partners, LLC

Financial Statements and Supplementary Information

As of and for the Year Ended May 31, 2019 and
Report of Independent Registered Public Accounting Firm

PUBLIC REPORT

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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Registered Public Accounting Firm

The Members
VRA Partners, LLC
Atlanta, Georgia

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of VRA Partners, LLC (the "Company") as of May 31, 2019, and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of the Company as of May 31, 2019, 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 statement. We believe that our audit provides a reasonable basis for our opinion.

The Company is not required to have, nor were we engaged to perform, an audit of its internal controls 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 Company's internal control over financial reporting. Accordingly, we express no such opinion.

We have served as the Company's auditors since 2016.

Cherry Bekaert LLP

Atlanta, Georgia
July 29, 2019

VRA Partners, LLC

Statement of Financial Condition

As of May 31, 2019

	FY 2019
Assets	
Cash	**$2,811,622**
Prepaid expenses and other assets	**80,933**
Deposits	**21,892**
Property, furniture and equipment, net	**131,367**
Total assets	**$3,045,814**
Liabilities and members' equity	
Liabilities	
Accounts payable	**$37,568**
Accrued expenses	**20,236**
Deferred revenue	**435,000**
Deferred rent	**174,668**
Total liabilities	**$667,472**
Members' equity	
Common units, no par value; 685,750 units authorized, 685,750 units issued and outstanding	**$537,250**
Retained Earnings	**1,841,092**
Total members' equity	**$2,378,342**
Total liabilities and members' equity	**$3,045,814**

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

1. Organization and Summary of Significant Accounting Polices

VRA Partners, LLC, a limited liability company, (the Company or VRA Partners) was formed in the State of Georgia on June 1, 2006. The Company is a registered broker-dealer focused on providing merger and acquisition services to middle-market companies and private equity firms. VRA Partners also assists companies with raising capital for growth, acquisitions, recapitalizations, going-private and management buy-out transactions, as well as provides fairness opinions, valuations, and strategic advisory services. The Company became a broker-dealer registered with the Securities and Exchange Commission (SEC) on May 18, 2007 and is a member of the Financial Industry Regulatory Authority (FINRA).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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.

Revenue Recognition and Deferred Revenue

The Company adopted ASU 2014-09, Revenue from Contracts with Customers (codified in ASC 606) on June 1, 2018 utilizing the modified retrospective approach and applied the standard to contracts that were not completed at this time.

The Company recognizes revenue when (or as) services are transferred to clients. Revenue is recognized based on the amount of consideration that management expects to receive in exchange for these services in accordance with the terms of the contract with the client. To determine the amount and timing of revenue recognition, the Company must (1) identify the contract with the client, (2) identify the performance obligations of the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the Company satisfies a performance obligation.

The Company earns revenue through various investment banking activities primarily as an advisor in mergers and acquisitions and similar transactions. Private placement fees are earned at the time the private placement is completed and the fees are earned from the client when performance obligations have been satisfied. Merger and acquisition fees and other advisory service revenues are generally earned and recognized only upon successful completion of the engagement, as the performance obligation is typically satisfied at such time. Certain of the Company's engagements are structured with an up-front, non-refundable retainer. As the client has an expectation of an ongoing service arrangement until the completion of the engagement, the Company has determined that the retainer should be deferred until such time as the engagement is complete or the engagement has been terminated.

Revenue also includes reimbursements of travel and out-of-pocket expenses which are recognized when the underlying costs are incurred, and referral fees, which are recognized when received.

Upon adoption of ASU 2014-09, certain revenues of the Company that were previously recognized as services provided to the client were changed to be recognized as the engagements were completed. The cumulative effect of adopting ASU 2014-09 on June 1, 2018 was a net decrease to retained earnings of $112,500.

For the year ended May 31, 2019, the Company had three clients who accounted for approximately 54% of revenues.

Deferred Rent

Deferred rent represents the sum of unamortized lease inducements and the cumulative difference between rent expense recognized on the straight-line method and actual rent paid.

Cash and Cash Equivalents

Cash represents interest and non-interest-bearing deposits in banks and cash invested in short-term securities which have original maturities of less than 90 days. From time to time, balances in interest bearing accounts may exceed federally insured limits.

Accounts Receivable

Accounts receivable are due from clients mainly for providing financial advisory services, including raising capital and assisting companies with mergers and acquisitions, and are stated at the amount the Company expects to collect and do not bear interest. The collectability of accounts receivable balances is regularly evaluated based on a combination of factors such as client credit-worthiness, past transaction history with the client, current economic and industry trends, and changes in client payment terms. If it is determined that a client will be unable to fully meet its financial obligation, such as in the case of a bankruptcy filing or other material event impacting its business, a specific reserve for bad debt is recorded to reduce the related receivable to the amount expected to be recovered. As of May 31, 2019, the Company's accounts receivable balance was $0.

Property, Furniture and Equipment

Property and equipment are stated at cost. Depreciation and amortization on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets or the remaining life of the lease for leasehold improvements, if shorter. The estimated useful lives of property and equipment range from three to seven years. Expenditures for maintenance are charged to expense as incurred. The cost of property sold or otherwise disposed of, and the accumulated depreciation and amortization thereon are eliminated from the property and reserve accounts, and gains and losses are reflected within the statements of operations.

Advertising Expense

The Company expenses all advertising costs as incurred.

Income Taxes

The Company is a limited liability company and, as such, its earnings and income taxes flow through directly to the members. Differences exist in the book and tax basis of assets and liabilities, primarily related to differences in revenue recognition policies for financial reporting and for tax purposes. Management of the Company considers the likelihood of changes by taxing authorities in its filed income tax returns and discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities. Management has not identified any uncertain tax positions in its filed income tax returns that require disclosure in the accompanying financial statements. The Company's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. On June 28, 2019, the Company completed an M&A transaction with an M&A fee of $2,219,028. Subsequent events have been evaluated through the date of issuance.

2. Property, Furniture and Equipment

Property, furniture and equipment consists of the following at May 31, 2019:

	FY 2019
Office equipment	**$284,615**
Furniture and fixtures	**122,835**
Leasehold improvements	**159,458**
	$566,908
LESS: Accumulated depreciation	**($435,541)**
	$131,367

3. Deferred Rent and Rentals Under Operating Leases

In September 2017, the Company executed an amendment to the lease agreement for office space with an effective date of April 15, 2018 for an additional 64-month term. The amendment to the lease agreement provided for a tenant allowance, which the Company utilized to purchase $128,025 of leasehold improvements. Additionally, the amendment to the lease agreement provided for a rent abatement period commencing April 15, 2018 through August 14, 2018. At such time, the Company will begin making lease payments, which escalate at 3.0% per annum through the expiration of the amended lease agreement in August 2023.

The Company recognizes rent expense on a straight-line basis over the lease term. Rent expense under operating leases was $223,967 for the year ended May 31, 2019. The future minimum lease payments of non-cancelable operating leases is as follows:

For the year ending May 31,	Amount
2020	$233,744
2021	240,776
2022	247,996
2023	255,454
2024	52,503
Total	$1,030,473

4. Benefit Plan

On January 1, 2007, the Company adopted a contributory, defined contribution 401(k) profit sharing plan for all eligible full-time employees with at least three consecutive months of service and over the age of 21. The Company may make matching contributions equal to 4% of employee's annual wages. Participants are immediately vested in their voluntary contributions, employer contributions, and earnings thereon. The Company made contributions of $92,528 to the Plan for the year ended May 31, 2019.

5. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission's Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital (as these terms are defined in the Rule) shall not exceed 15 to one. Net capital and the net capital ratio fluctuate on a daily basis. At May 31, 2019, the ratio of aggregate indebtedness to net capital was 0.31 to one, and net capital was $2,144,150 which was $2,099,652 more than required.

6. Related Party Transactions

One investor holding the Company's common units serves as the Non-Executive Chairman of a public company ("Public Company") that owned a subsidiary that provides legal administrative services ("Subsidiary"). In November 2017, the Subsidiary engaged the Company to serve as the financial advisor in the sale of the Subsidiary. On June 15, 2018, the Subsidiary was sold to another entity and the Company recorded fees of $578,290 and reimbursed expenses of $3,000.

As of May 31, 2019, two investors holding the Company's Common Units were partners at a law firm (the Firm). The Firm provided legal services related to trademark agreements. The Company paid $6,600 to the Firm for the year ended May 31, 2019.

7. Accounting Developments

In February 2016, the FASB issued ASU No. 2016-02, Leases ("ASU 2016-02"). ASU 2016-02 requires the recognition of lease assets and lease liabilities for operating leases, among other changes. This ASU also requires expanded disclosures about the nature and terms of leases. The Company will adopt this standard effective June 1, 2019 under a modified retrospective approach.

Companies are allowed to apply transition periods at either (1) the later of the earliest comparative period presented and the lease commencement date or (2) the effective date. The Company plans to apply the transition provisions as of the effective date for the Company on June 1, 2019. The Company also plans to elect to apply practical expedients that are provided in the standard. The practical expedients allow companies to not reassess whether expired or existing contracts are or contain leases, not reassess lease classification for the expired or existing leases (e.g. existing operating leases will be classified as operating leases), and not reassess initial direct costs for existing leases.

The Company has evaluated the impact of the adoption of ASU 2016-02 on the Company's financial statements, including the anticipated gross up for leased right-of-use assets and liabilities for the present value of future lease obligations on the statement of financial condition. The Company estimates that as of June 1, 2019, the change will increase both the Company's assets and liabilities by approximately $761,866. The Company expects that there will be no significant impact to the statement of operations.