



**PORTER WHITE CAPITAL, LLC**

**FINANCIAL REPORT**

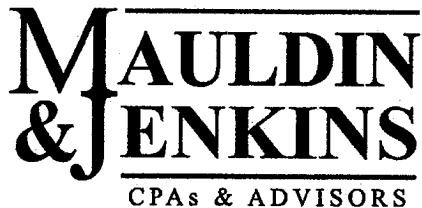
**DECEMBER 31, 2021**

# PORTER WHITE CAPITAL, LLC

## FINANCIAL REPORT DECEMBER 31, 2021

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**REPORT OF INDEPENDENT REGISTERED PUBLIC  
ACCOUNTING FIRM**

To the Board of Directors  
Porter White Capital, LLC  
Birmingham, Alabama

**Opinion on the Financial Statements**

We have audited the accompanying statement of financial position of Porter White Capital, LLC (the Company) as of December 31, 2021 and 2020, the related notes to the financial statements (collectively referred to as the "financial statements"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020 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 audits. 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 audits 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 audits 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 audits 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 audits provide a reasonable basis for our opinion.

*Mauldin & Jenkins, LLC*

We have served as the Company's auditor since 2018.

Birmingham, Alabama  
February 15, 2022

# PORTER WHITE CAPITAL, LLC

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2021 AND 2020

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Cash	\$ 114,584	\$ 114,218
Other assets	<u>2,034</u>	<u>2,086</u>
<b>Total assets</b>	<b><u>\$ 116,618</u></b>	<b><u>\$ 116,304</u></b>
<u>Liabilities and Members' Equity</u>		
Members' equity:		
Members' capital	\$ 68,000	\$ 68,000
Accumulated surplus	<u>48,618</u>	<u>48,304</u>
<b>Total members' equity</b>	<b><u>116,618</u></b>	<b><u>116,304</u></b>
<b>Total liabilities and members' equity</b>	<b><u>\$ 116,618</u></b>	<b><u>\$ 116,304</u></b>

See Notes to Financial Statements.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Business

Porter White Capital, LLC (PWC) is a limited broker dealer as set forth in its Form BD and, as such, engages in a limited range of activities. These activities can include advising companies on merger and acquisition transactions; and acting as placement agents for sales of unregistered securities. PWC is registered with the SEC as a broker-dealer and is a wholly owned subsidiary of Porter White Companies, Inc. (PW Companies).

The Certificate of Formation for PWC was filed on June 21, 2017, and the FINRA Membership Agreement was signed on December 29, 2017.

#### Basis of Presentation and Accounting Estimates

The financial statements of PWC are prepared under the accrual method of accounting.

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results from investment banking activities could differ from those estimates.

#### Non-Covered Firm

As a Non-Covered Firm, PWC does not claim an exemption from SEA Rule 15c3.-3, in reliance on footnote 74 to SEC Release 34-70073. PWC represents that during the reporting period it did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers other than money or other consideration received (Rule 15c2-4 (a) or (b)(2)); did not carry accounts of or for customers; and did not carry PAB accounts (as defined in Rule 15c3-3). PWC's permitted business activities were private placements of securities and merger and acquisitions advisory services.

#### Cash and Cash Equivalents

For purposes of reporting cash flows, PWC considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. As of December 31, 2021 and 2020, there were no cash equivalents.

#### Receivables, Net

PWC uses the allowance method of accounting for uncollected receivables whereby allowances are established at the time receivables are estimated to be uncollectible. Management analyzes delinquent receivables and, once these receivables are determined to be uncollectible, they are written off through a charge against the existing allowance or against earnings. Receivables and the related allowance for doubtful accounts amounted to \$0 at December 31, 2021 and 2020, respectively.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue Recognition, ASC-606 Disclosure

The revenue recognition guidelines in ASC-606 have been adopted by PWC. Revenue from contracts with customers is recognized when, or as, PWC satisfies performance obligations by transferring the promised goods or services to the customers. A good or service is transferred to a customer when, or as, the customer obtains control of that good or service. A performance obligation may be satisfied over time or at a point in time. Revenue from a performance obligation satisfied over time is recognized by measuring progress in satisfying the performance obligation in a manner that depicts the transfer of the goods or services to the customer.

Revenue from a performance obligation satisfied at a point in time is recognized at the point in time that the customer obtains control over the promised good or service.

**Financial Advisory.** When PWC enters into an engagement with a client for financial advisory services, it may undertake to provide a fairness opinion. In this case, PWC is paid a fee upon signing the engagement letter and another fee when the fairness opinion is delivered and a definitive agreement relating to a transaction is signed. The initial fee or retainer is considered a customer deposit (liability) and is recognized as earned (income) when the fairness opinion is delivered. The fee for a fairness opinion is considered earned and is recognized when a definitive agreement relating to a transaction is signed and the fairness opinion delivered.

#### Investment Banking:

**Private Placement Services.** PWC provides clients with placement agent services for unregistered securities. PWC is paid a transaction fee based upon an agreed upon formula in the engagement letter upon the closing of the transaction. No private placement activities were undertaken for the years ended December 31, 2021 and 2020.

**Merger and Acquisition Services.** Advisory fees from mergers and acquisition engagements are recognized at a point in time when the related transaction is completed, as the performance obligation is to successfully broker a specific transaction.

#### Income Taxes

PWC, is a single member limited liability company (LLC), is a disregarded entity for tax purposes, and has elected not to be treated as a corporation. The activities of PWC will be accrued to member's individual tax returns on a consolidated basis at Porter White Companies, Inc., the Parent company.

#### Subsequent Events

PWC has evaluated all transactions, events, and circumstances for consideration or disclosure through February 15, 2022, the date these financial statements were available to be issued and has reflected or disclosed those items within the financial statements and related footnotes as deemed appropriate.

### NOTE 2. CONCENTRATION OF CREDIT RISK

PWC maintains its cash balances at high credit quality financial institutions. At various times throughout the years ended December 31, 2021 and 2020, PWC may have cash on deposit with the financial institutions in excess of federal depository insurance limits. PWC has not experienced and does not anticipate any credit losses on these deposits.