

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

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ANNUAL REPORTS  
FORM X-17A-5  
PART III

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8-67580

FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/2022 AND ENDING 12/31/2022  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: City Capital Advisors, LLC

TYPE OF REGISTRANT (check all applicable boxes):

- Broker-dealer     Security-based swap dealer     Major security-based swap participant  
 Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

444 North Michigan Avenue, Suite 3200

(No. and Street)

Chicago

IL

60611

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Mark Timmerman

312-494-9800

mtimmerman@city-cap.com

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Hochfelder & Weber, P.C.

(Name – if individual, state last, first, and middle name)

525 W. Monroe, Suite 910

Chicago

IL

60661

(Address)

(City)

(State)

(Zip Code)

11/25/2003

880

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

FOR OFFICIAL USE ONLY

\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

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.

OATH OR AFFIRMATION

I, Mark Timmerman, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of City Capital Advisors, LLC, as of 12/31, 2022, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.



Sharon Stewart  
Notary Public

Signature: Mark Timmerman  
Title: MANAGING DIRECTOR

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

- (a) Statement of financial condition.
- (b) Notes to consolidated 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 cash flows.
- (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- (f) Statement of changes in liabilities subordinated to claims of creditors.
- (g) Notes to consolidated financial statements.
- (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (t) Independent public accountant's report based on an examination of the statement of financial condition.
- (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- (z) Other: \_\_\_\_\_

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

**CITY CAPITAL ADVISORS, LLC**

**STATEMENT OF FINANCIAL CONDITION  
FORM X-17A-5  
DECEMBER 31, 2022**

**PUBLIC**

**CITY CAPITAL ADVISORS, LLC**

**STATEMENT OF  
FINANCIAL CONDITION**

**DECEMBER 31, 2022**

**CITY CAPITAL ADVISORS, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2022**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 554,810
Accounts Receivable - operations	158,747
Misc Receivable	2,180
Total Current Assets	715,737

**FIXED ASSETS**

Operating Lease - Right-of-Use Asset	1,069,808
Leasehold Improvements	35,828
Office Equipment	131,147
Office Furniture	109,926
Total Fixed Assets	1,346,709
Less: Accumulated Depreciation	(259,376)
Net Fixed Assets	1,087,333

**OTHER ASSETS**

Deposits	82,718
Prepaid Expenses	36,120
Startup Costs (Net of Amortization)	-
Total Other Assets	118,838

<b>TOTAL ASSETS</b>	<b>\$ 1,921,908</b>
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**LIABILITIES AND MEMBERS' EQUITY**

**CURRENT LIABILITIES**

Accounts Payable	\$ 225,167
Accrued Payroll Liabilities	1,302
Contract Liabilities	26,668
Operating Lease Liability	154,292
Total Current Liabilities	407,429

**LONG TERM LIABILITIES**

Operating Lease Liability	954,002
Total Long Term Liabilities	954,002

**EQUITY**

Members' Equity	560,477
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<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 1,921,908</b>
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The accompanying notes are an integral part of these statements.

**CITY CAPITAL ADVISORS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**1. NATURE OF BUSINESS**

City Capital Advisors, LLC (the “Company”), a Delaware limited liability company, is a results-oriented investment and merchant banking advisory firm dedicated to delivering privately-held companies and their owner’s optimal performance in capitalizing on the value of their companies. The Company was formed May 5, 2005, and will continue operations perpetually unless terminated in accordance with the operating agreement. The Company is a registered FINRA broker-dealer and SIPC member firm.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING**

The financial statements are prepared on the accrual basis of accounting.

**CASH AND EQUIVALENTS**

For purposes of the Statement of Cash Flows, the Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**PROPERTY AND EQUIPMENT**

Property and Equipment are stated at cost. Depreciation is computed using accelerated methods over the estimated useful lives of the related assets. The cost of repairs and maintenance is expensed as incurred. Depreciation expense was \$20,610 for the year ended December 31, 2022.

**INCOME TAXES**

The Company has elected to be taxed as a partnership under the Internal Revenue Code. Under those provisions, the Company does not pay federal income taxes, instead, the limited liability members include their respective shares of the Company’s income in their individual income tax returns.

The Company files income taxes in the U.S. federal jurisdiction and various state jurisdictions. The Company is no longer subject to the U.S. federal income tax examinations by tax authorities for years before 2019.

The Company has elected to remit the Illinois Pass-Through Entity tax on behalf of its partners. This election allows the company to remit the individual partners income tax liability based on their respective share of the Company’s annual income. The company remitted \$95,000 of Illinois Pass Through Entity tax for the 2022 tax year.

**ACCOUNTS RECEIVABLE**

The Company uses the specific identification method to determine uncollectible accounts receivable. At December 31, 2022, the Company considers all accounts receivable to be collectible.

**CITY CAPITAL ADVISORS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**REVENUE RECOGNITION**

The Company's revenues are derived mainly from investment banking fees and related financial advisory services. Investment banking fee revenue is recognized upon the consummation of a transaction with various clients. Other financial advisory revenue is recognized when there is persuasive evidence that an arrangement exists, services have been rendered, the price is fixed or determinable, and the collectivity is reasonably assured.

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

**SHARED INVESTMENT BANKING FEES**

Shared investment banking fees represent payments made to independent contractors and employees for services rendered as part of an investment banking arrangement and are expensed as they are incurred.

**3. COMMITMENTS**

The Company leases one separate office space in Chicago, Illinois under one non-cancelable operating lease expiring November 30, 2028. The Company is also responsible for operating expenses and real estate taxes under the lease. Under the current lease, the Company is receiving 12 months of rent abatement beginning on December 1, 2017.

The Company also entered into two equipment leases in July 2019, which expires in November 2024. The monthly payment, including taxes and fees, is \$1,832.

The future minimum rental payments (including estimated operating expense and real estate taxes) required under the lease is as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2023	\$ 422,889
2024	433,964
2025	445,233
2026	456,703
2027	468,380
2028	<u>439,898</u>
Total	<u>\$ 2,667,067</u>

Rent Expense amounted to \$432,632 for 2022. See note 9 for additional operating lease disclosures.

**4. NET CAPITAL REQUIREMENTS**

The Company is subject to the Security and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1). Under this rule, the Company is required to maintain net capital equivalent of \$5,000 or 6-2/3 percent of aggregate indebtedness, whichever is greater.

Net Capital and aggregate indebtedness change daily, but at December 31, 2022, the Company had adjusted Net Capital and Net Capital requirements of \$263,187 and \$19,442 respectively.

**CITY CAPITAL ADVISORS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**5. MAJOR CUSTOMERS**

At December 31, 2022 one client accounted for 57% of total accounts receivable. During 2022, two clients accounted for 22% and 17%, of total revenue, respectively. No other client accounted for more than 12% of 2022 revenue.

**6. CONCENTRATION OF CREDIT RISK**

The Company maintains cash balances at a Chicago financial institution. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2022, \$304,810 was uninsured.

**7. OFFICE FEE INCOME**

The office fee income in 2022 was \$127,250. Of this amount, \$113,000 was received from City Capital Ventures, an unrelated party. As part of the office fee agreement, City Capital Ventures receives from the Company office space consisting of private and semi-private offices, a cubicle, and the use of its conference rooms and kitchen. The Company also provides overhead support that include but is not limited to administrative support, copiers/printers, office supplies, phone equipment, IT support, phone and internet service. \$14,250 was received from George Wedemeyer, a Managing Director and Independent Contractor, for the use of a single private office. No office fees will be due from George in 2023 and beyond.

**8. RETIREMENT PLAN**

The Company maintains a Simple IRA plan for eligible employees. The Company is required to make a non-elective contribution in the amount of 2% of gross wages to the plan and can make additional contributions at the discretion of the Board of Directors, within the limits imposed by the Internal Revenue Code. Total contributions to the plan by the Company were \$12,811 for the year ended December 31, 2022.

**9. OPERATING LEASES – ADOPTION OF ASC 842**

Effective December 31, 2021, the Company implemented the FASB Topic 842, Leases, issued by the Accounting Standards Update (ASU) No. 2016-02, which requires the lessee to recognize leases on the balance sheet and disclose key information about the Company's office operating lease in downtown Chicago, Illinois. The company recorded a \$1,250,624 Operating Lease Right-of-Use ("ROU") Asset and related Operating Lease Liability for their operating lease, which expires November 30, 2028. The lease asset and lease liability were initially recognized based on the present value of its future lease payments, using a discount rate of 5%. Starting in 2022, lease expense was measured by amortizing the ROU asset on a straight-line basis over the remaining term of the lease, plus the interest charge on the lease liability payments.

The lease requires the Company to comply with certain operational covenants. As of December 31, 2022, the Company was in compliance will all covenants.

**CITY CAPITAL ADVISORS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

The Company has also elected, for all underlying classes of assets, to not recognize ROU lease assets and liabilities for short-term leases that have a lease term of twelve (12) months or less at lease commencement, and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. We recognize lease costs associated with our short-term leases on a straight-line basis over the lease term.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of December 31, 2022:

<u>Year Ending December 31</u>	<u>Amounts</u>
2023	\$ 154,292
2024	166,866
2025	180,083
2026	193,977
2027	208,582
2028	<u>204,494</u>
	<u>\$1,108,294</u>

**10. SUBSEQUENT EVENTS**

The Company did not have any subsequent events through February 23, 2022, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended December 31, 2022.