

Spoke Financial, LLC

(A wholly-owned subsidiary of
Spoke Real Estate Capital Holding, LLC)

Financial Statements
and Supplemental Schedule
(Confidential per Rule 17a-5(e)(3))

For the Year Ended December 31, 2017

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

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

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	August 31, 2020
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
8-69746

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 01/01/2017 AND ENDING 12/31/2017
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: SPOKE FINANCIAL, LLC
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
227 W. Nationwide Blvd; Suite 250

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)
Columbus OH 43215
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Stewart Homler 614-372-6743
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Crowe Horwath LLP

(Name - if individual, state last, first, middle name)
600 Superior Avenue; Suite 900 Cleveland OH 44114
(Address) (City) (State) (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)

OATH OR AFFIRMATION

I, Stewart Homler, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Spoke Financial, LLC, as of December 31, 20 17, 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:



Melissa A. Garland

Notary Public

In and For the State of Ohio
My Commission Expires
02 November 2022

Stewart J. Homler
Signature

Managing Member
Title

Melissa A. Garland
Notary Public

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).

Report of Independent Registered Public Accounting Firm

Member and Principals of
Spoke Financial, LLC
Columbus, Ohio

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Spoke Financial, LLC (the "Company") as of December 31, 2017, the related statements of operations, changes in member's equity, and cash flows for the year then ended, and the related notes (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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting in accordance with the standards of the PCAOB. 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 in accordance with the standards of the PCAOB.

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

The Computation of Net Capital Pursuant to Rule 15c3-1 of the Securities Exchange Act of 1934, and the Information Relating to Possession or Control Requirements Under Rule 15c3-3 of the Securities Exchange Act of 1934 ("Supplemental Information") have been subjected to audit procedures performed in conjunction with the audit of Spoke Financial, LLC'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, the Supplemental Information is fairly stated, in all material respects, in relation to the financial statements as a whole.

A handwritten signature in black ink, appearing to read "Crowe Horwath LLP", is positioned above the firm's name.

Crowe Horwath LLP

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

Cleveland, Ohio
February 23, 2018

Spoke Financial, LLC
Statement of Financial Condition

December 31, 2017

Assets	
Cash	\$ 165,815
Other Assets	
Prepaid expense - CRD deposit	7,852
Prepaid expense - fidelity bond	177
Total Assets	\$ 173,844
Liabilities and Member's Equity	
Liabilities:	
Accounts payable	\$ 28,345
Due to Parent	4,489
Total Liabilities	32,834
Member's Equity	141,010
Total Liabilities and Member's Equity	\$ 173,844

The accompanying notes are an integral part of this financial statement.

Spoke Financial, LLC
Statement of Operations

For the year ended December 31, 2017

Revenue	\$ 162,500
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Expenses:	
Professional fees	83,689
Compensation, rent, insurance and other expenses paid to a related party	53,870
FINRA licenses and fees	9,007
Other expenses	26,424
Total Expenses	172,990
Net Loss	\$ (10,490)

The accompanying notes are an integral part of this financial statement.

Spoke Financial, LLC
Statement of Changes in Member's Equity

For the year ended December 31, 2017

Balance, January 1, 2017	\$ 201,500
Capital distributions	(50,000)
Net loss	(10,490)
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Balance, December 31, 2017	\$ 141,010

The accompanying notes are an integral part of this financial statement.

Spoke Financial, LLC
Statement of Cash Flows

For the Year ended December 31, 2017

Cash Flows From Operating Activities:

Net loss	\$ (10,490)
Adjustments to reconcile net loss to net cash used in operating activities:	
(Increase) decrease in assets:	
Prepaid - CRD deposit	(495)
Prepaid - fidelity bond	425
Increase in liabilities:	
Accounts payable	440
Due to Parent	4,489

Net Cash Used By Operating Activities	(5,631)
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Cash Flows From Financing Activities:

Capital distributions to Parent	(50,000)
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Net decrease In Cash	(55,631)
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Cash, Beginning of Period	221,446
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Cash, End of Period	\$ 165,815
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The accompanying notes are an integral part of this financial statement.

Spoke Financial, LLC

Notes to Financial Statements

NOTE 1 - ORGANIZATION AND OPERATIONS

Spoke Financial, LLC (a Delaware Corporation) (the “Company”) was incorporated on February 24, 2016. The Company was approved by the Financial Industry Regulatory Authority (FINRA) on June 7, 2016 to conduct securities transactions.

The Company acts as a private placement agent for real estate investments syndications that are structured as direct participation programs mandated by an affiliate. The Company will work with investment offerings that are structured and managed by one of its affiliates, Spoke Asset Management, LLC. The Company is required to meet the rules and regulations of the Securities and Exchange Commission (SEC) and the Divisions of Securities in the states the Company is registered. The Company operates under the exemptive provisions of SEC Rule 15c3-3(k)(2)(i).

The Company is a wholly owned subsidiary of Spoke Real Estate Capital Holding, LLC (the “Parent”).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted (GAAP) in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Revenue Recognition: The Company recognizes revenue from the contingent private offerings it places at the time the contingency is met. Revenue recorded is based on mutually agreed-upon financing fees within private placement memorandums of the syndications.

Recently Issued Standards, Not Yet Effective: In May, 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers (Topic 606). ASU 2014-09 requires revenue recognition 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. ASU 2014-09 sets forth a new revenue recognition model that requires identifying the contract, identifying the performance obligations, determining the transaction price, allocating the transaction price to performance obligations and recognizing the revenue upon satisfaction of performance obligations. The original effective date for ASU 2014-09 would have required the Company to adopt beginning in its first quarter of 2017. In July 2015, the FASB voted to amend ASU 2014-09 by approving a one-year deferral of the effective date as well as providing the option to early adopt the standard on the original effective date. Accordingly, the Company adopted the standard as of January 1, 2018. The new revenue standard will be applied retrospectively with the cumulative effect recognized through retained earnings. The Company has evaluated all revenue streams impacted and concluded the adoption of the standard will not materially impact the current method by which the Company recognizes revenue.

Spoke Financial, LLC

Notes to Financial Statements (con't)

Income Taxes: The Company is a limited liability company and does not pay federal or state income taxes on its income. Accordingly, no provision or credit for federal or state income taxes is recorded in the financial statements.

The Company annually evaluates tax positions in accordance with the Income Taxes Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The standard prescribes recognition thresholds and measurement attributes for the financial statement recognition and measurement of tax position taken or expected to be taken in the tax return. This standard also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition accounting. All income tax return periods are currently open. As of December 31, 2017, management believes that no uncertain tax positions exist based on its most recent annual reviews.

NOTE 3 - CASH

The Company maintains its cash in one financial institution. At times, the amount on deposit at this institution may exceed the maximum balance insured by the Federal Deposit Insurance Corporations ("FDIC").

NOTE 4 - NET CAPITAL REQUIREMENTS

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1) which requires the maintenance of minimum net capital and required that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15:1. At December 31, 2017, the Company had net capital of \$132,981, which was \$127,981 in excess of its required net capital of \$5,000. The Company's percentage of aggregate indebtedness to net capital was .25 to 1.

NOTE 5 - RELATED PARTY TRANSACTIONS

Pursuant to an expense sharing agreement (as amended) with the Parent, the Parent provides the services of certain of its employees and overhead services to the Company. For the year ended December 31, 2017, the Company paid the Parent \$53,870 pursuant to the expense sharing agreement for its share of overhead expense, including salaries, rent, insurance and utilities. During the year ended December 31, 2017, the Company distributed \$50,000 to the parent. As of December 31, 2017, the Company has \$4,489 payable balance due to parent.

Because each real estate syndication is structured and managed by an affiliate, all \$162,500 revenue was earned from related parties for the year ended December 31, 2017.

Supplemental Schedules

Spoke Financial, LLC**Computation of Net Capital Pursuant to Rule 15c3-1
of the Securities Exchange Act of 1934***December 31, 2017***Computation of Net Capital Pursuant to Rule 15c3-1****Computation of Net Capital**

Total member's equity	\$ 141,010
Less: Non-allowable assets:	
CRD fund deposit	(7,852)
Prepaid expense	(177)
Tentative Net capital	132,981
Less: haircut	-
Net Capital	\$ 132,981
Aggregate Indebtedness	\$ 32,834

Computation of Basic Net Capital Requirement

Minimum net capital required (greater of 6-2/3% of aggregate indebtedness or \$5,000)	\$ 5,000
Excess net capital	\$ 127,981
Ratio of aggregate indebtedness to net capital	0.25 to 1

Statement Pursuant to Rule 17a-5(d)(4)

A reconciliation with the Company's computation of net capital as reported in the unaudited Part IIA of Form X-17A-5 was not prepared as there are no material differences between the Company's computation of net capital and the computation detailed above.

Spoke Financial, LLC

**Information Relating to Possession or Control Requirements Under Rule
15c3-3 of the Securities Exchange Act of 1934**

December 31, 2017

The Company business is to act as a placement agent for real estate investment syndications. The Company operates under the exemptive provisions of SEC Rule 15c3-3(k)(2)(i). Therefore, computations of reserve requirements and information related to possession and control are not applicable.



SPOKE FINANCIAL, LLC EXEMPTION REPORT

Spoke Financial, LLC is a registered broker dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission. This Exemption Report was prepared as required by 17C.F.R. 240.17a-5 (d)(1) and (4).

To the best of my knowledge and belief:

- (1) Spoke Financial, LLC claimed an exemption from 240.15c3-3 under paragraph (k)(2)(i) of the rule during the year ended December 31, 2017.
- (2) Spoke Financial, LLC met the identified exemption provisions under 240.15c3-3(k)(2)(i) during the year ended December 31, 2017 without exception.

Spoke Financial, LLC Exemption Report

I, Stewart Homler, affirm that, to the best of my knowledge and belief, this Exemption Report is true and correct.

By: Stewart D Homler

Title: Managing Member

Date of Report: Feb 23, 2018

Report of Independent Registered Public Accounting Firm

We have reviewed management's statements included in the accompanying Spoke Financial, LLC Exemption Report, in which (1) Spoke Financial, LLC identified the following provisions of 17 C.F.R. § 240.15c3-3(k) under which Spoke Financial, LLC claimed an exemption from 17 C.F.R. § 240.15c3-3(k)(2)(i) (the "exemption provisions") and (2) Spoke Financial, LLC stated that Spoke Financial, LLC met the identified exemption provisions throughout the most recent fiscal year ended December 31, 2017 without exception. Spoke Financial, LLC'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 Spoke Financial, LLC'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 conditions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.



Crowe Horwath LLP

Cleveland, Ohio
February 23, 2018