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

SEC FILE NUMBER
B- 69528

MAR 12 2018

Washington DC  
Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

FACING PAGE

REPORT FOR THE PERIOD BEGINNING 01/01/17 AND ENDING 12/31/17  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Arrowroot Partners, LLC**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

**100 Wilshire Blvd, Suite 1830**

(No. and Street)

**Santa Monica**

**California**

**90401**

(City)

(State)

(Zip Code)

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

Scott P. Tarra

(949) 338-8192

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

**Elizabeth Tractenberg, CPA**

(Name - if individual, state last, first, middle name)

**2367 Clubhouse Drive**

**Rocklin**

**California**

**95765**

(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)

SEC 1410 (06-02)

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, Robert Santos

, swear (or affirm) that, to the best of

my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Arrowroot Partners, LLC

of December 31

, 2017

, 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:



Callejo

Notary Public

Signature

[Handwritten Signature]

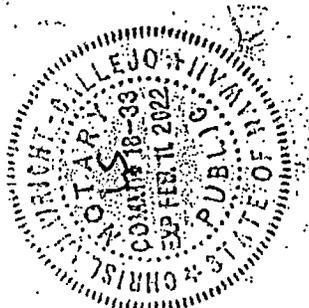
Managing Member/CCO

Title

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 Cash Flows.
- (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).



Date: 3-9-18 # Pages: 2  
Name: Christopher Callejo, Circuit Stn  
Doc. Description: Annual Audit Report

Callejo 3-9-18

Notary Signature

NOTARY CERTIFICATION

ARROWROOT PARTNERS, LLC

FINANCIAL STATEMENTS

For the Year Ended December 31, 2017  
(with supplementary information)

**Elizabeth Tractenberg, CPA**  
2367 Clubhouse Drive  
ROCKLIN, CALIFORNIA 95765  
916/259-1666 – Fax 323/517-2625  
elizabeth@tractenberg.net  
PCAOB # 3621

**Report of Independent Registered Public Accounting Firm**

To the Member  
Arrowroot Partners, LLC  
Santa Monica, CA 90401

**Opinion on the Financial Statements**

I have audited the accompanying statement of financial condition of Arrowroot Partners, LLC, as of December 31, 2017 and the related statements of loss, changes in member's equity, and cash flows for the year then ended, and the related notes and Schedule I, Statement of Net Capital Under Rule 15c3-1, Schedule II, Determination of Reserve Requirements Under Rule 15c3-3(exemption), and Schedule III, Information Relating to Possession or Control Requirements Under Rule 15c3-3 (exemption) (collectively referred to as the "financial statements"). In my opinion, the financial statements present fairly, in all material respects, the financial position of Arrowroot Partners, LLC 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 Arrowroot Partners, LLC's management. My responsibility is to express an opinion on Arrowroot Partners, LLC's financial statements based on my audit. I am a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and I am required to be independent with respect to Arrowroot Partners, LLC in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

I conducted my audit in accordance with the standards of the PCAOB. Those standards require that I 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. My 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. My 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. I believe that my audit provides a reasonable basis for my opinion.



Elizabeth Tractenberg, CPA  
I have served as Arrowroot Partners, LLC's auditor since 2016.

Rocklin, CA  
March 5, 2018

ARROWROOT PARTNERS, LLC  
STATEMENT OF FINANCIAL CONDITION  
December 31, 2017

ASSETS

Cash	\$ 38,412
Accounts Receivable	18,500
Pre-paid Assets	84
Fixed Assets	16,004
Other Assets (Non-Marketable Securities)	8,827
TOTAL ASSETS	<u>\$ 81,827</u>

LIABILITIES

LIABILITIES	
Accounts payable and other liabilities	\$ 25,939
TOTAL LIABILITIES	<u>25,939</u>

MEMBER'S EQUITY

Member's Equity	<u>55,888</u>
TOTAL MEMBER'S EQUITY	<u>55,888</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 81,827</u>

*(The accompanying notes are an integral part of these financial statements)*

ARROWROOT PARTNERS, LLC  
STATEMENT OF LOSS  
For the Year Ended December 31, 2017

REVENUES

Broker-Dealer Fees	\$	28,000
Commission Fees		1,291,288
M&A Advisory Fees		277,750
		1,597,038
TOTAL REVENUES		1,597,038

OPERATING EXPENSES

Automobile Expenses		754
Bank Service Charges		348
Bookkeeping Fees		3,160
Business Travel		23,181
Computer & Internet		6,775
Continuing Education		885
Email Archiving		180
Filing fees		12,775
Gross Payroll		135,802
Insurance Expense		752
Licenses & Permits		622
Meals & Entertainment		16,790
Office Expenses		874
Office Supplies		7,241
Payroll Expenses		12,819
Petty Cash		555
Postage & Delivery		1,325
Professional fees- Consulting		28,956
Professional fees- Other Non-Producer		6,447
Registered Rep- Executive Compensation		22,000
Registered Rep- Non-Executive Compensation		1,172,893
Tax Prep Fees		3,250
Professional Fees- Other		102,459
Rent		10,714
Telephone		285
Toll & Parking		2,264
		1,574,106
TOTAL OPERATING EXPENSES		1,574,106

OTHER INCOME/EXPENSE

Other Income- Realized/Unrealized Gains/Losses		(168,772)
Other Expense- Depreciation Expense		(302)
Other Expense- State Fees & Taxes		(6,800)
		(175,874)

NET LOSS	\$	(152,942)
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*(The accompanying notes are an integral part of these financial statements)*

ARROWROOT PARTNERS, LLC  
STATEMENT OF CHANGES IN MEMBER'S EQUITY  
For the Year Ended December 31, 2017

MEMBER'S EQUITY

Balance as of January 1, 2017	\$	208,830
Capital Contributions		0
Net Loss		<u>(152,942)</u>
Balance as of December 31, 2017	\$	<u>55,888</u>

*(The accompanying notes are an integral part of these financial statements)*

**ARROWROOT PARTNERS, LLC**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2017

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Loss	\$ (152,942)
Adjustments to reconcile net income to net cash provided by operating activities	
Accounts Receivable	(750)
Pre-paid expenses	416
Accounts payable and other liabilities	3,248
American Express	734
Accrued Expenses Payable	21,158
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(128,136)</b>

**CASH FLOWS USED IN INVESTING ACTIVITIES**

Computer & Telephone Equipment	(6,815)
Computer & Telephone Equipment: Accum. Depreciation	189
Furniture and Equipment	(9,491)
Furniture and Equipment: Accum. Depreciation	113
Securities(Non-Marketable): IMLE: Unrealized Gain (Loss)	6,500
Securities(Non-Marketable): NVIC: Unrealized Gain (Loss)	782
Securities(Non-Marketable): PFWI: Unrealized Gain (Loss)	1,490
Securities(Non-Marketable): ZMMME: Unrealized Gain (Loss)	160,000
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>152,768</b>

**CASH FLOWS USED IN FINANCING ACTIVITIES**

<b>NET INCREASE IN CASH</b>	<b>24,631</b>
<u>CASH</u> - January 1, 2017	<b>\$ 13,780</b>
<u>CASH</u> - End of year	<b>\$ 38,412</b>

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash paid during year:	
Interest	\$ 0
Income taxes	\$ 0

*(The accompanying notes are an integral part of these financial statements)*

**ARROWROOT PARTNERS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2017

**NOTE 1 -Organization**

Arrowroot Partners, LLC (the "Company") is a California Limited Liability Company formed on August 5, 2014. The Company became a registered broker-dealer in securities under the Securities Exchange Act of 1934, on August 21, 2015. The Company is a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC").

The Company conducts the following types of business: (1) private placements of securities; and (2) M&A Corporate Advisory Services. The company derives revenue primarily from M&A advisory fees and other investment banking fees earned through the placement of securities.

The Company is a wholly-owned subsidiary of Vitreous Partners Holdings, LLC ("Parent").

**NOTE 2 -Summary of Significant Accounting Policies**

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

LLC Formation

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by or provided by the Company. Members are taxed individually on their shares of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the operating agreement of the Company. The State of California requires limited liability companies to pay a minimum \$800 tax plus a fee based on gross revenue.

The accounting principles generally accepted in the United States of America provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Company in its Federal and State organizations tax returns are more likely than not to be sustained upon examination. The Company is subject to examinations by U.S. Federal and State tax authorities from 2014 to the present, generally for three years after they are filed.

Revenue Recognition

Investment banking fees are contingent on, and are recognized upon, the successful completion of a project. Investment banking fees are generated from services related to a limited number of transactions. Due to the nature of the Company's business, the size of any one transaction may be significant to the Company's operations for the period. Stocks received as compensation are recorded at market value at the successful completion of the project.

Income Taxes

The Company, with consent of its Member, has elected to be a California Limited Liability Company. For tax purposes the Company is treated like a partnership, therefore in lieu of business income taxes, the Member is taxed on the Company's taxable income. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements.

The State of California has a similar treatment, although there is a provision for a gross receipts tax and a minimum Franchise Tax of \$6,000 and \$800 respectively. The accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Company in its Federal and State organization tax returns are more likely than not to be sustained upon examination. The Company is subject to examinations by U.S. Federal and State tax authorities from 2014 to the present, generally for three years after they are filed.

Cash and Cash Equivalents

The Company considers all highly liquid temporary cash investments with an original maturity of three months or less when purchased, to be cash equivalents.

### Concentrations of Credit Risk

The Company is engaged in various trading and brokerage activities in which counterparties include broker/dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends upon the creditworthiness of the counterparty or issuer of the instrument. To mitigate the risk of loss, the Company maintains its accounts with credit worthy customers and counterparties.

### Recent Accounting Pronouncements

Management does not believe there are any issued, but not yet effective, accounting standards if currently adopted which would have a material effect on the accompanying financial statements.

### NOTE 3 –Related Party Transactions

The Company has entered into an expense sharing agreement with the Vitreous Partners, LLC (“Vitreous”), a subsidiary of the company’s common parent, Vitreous Partners Holdings, LLC, effective August 21, 2015. The terms of this agreement stipulate that Vitreous provides for certain operating expenses and other specific business expenses. Some of the overhead expenses incurred, such as rent, are paid by Vitreous and reimbursed by the Company by a monthly payment of \$500. Overhead expenses, as defined by the agreement, shall include rent and other operating costs incurred in the ordinary course of business. From January 1, 2017 to December 31, 2017, \$6,000 was reimbursed to Vitreous which was recorded for rent.

### NOTE 4 –Operating Lease

The Company leased its premises from a related party (see Note 3). The Company pays Vitreous Partners, LLC \$500 per month per the expense sharing agreement. Rent expense from January 1, 2017 to December 31, 2017 was \$6,000.

### NOTE 5 –Fair Value Measurements

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 Quoted prices in an active market for identical assets or liabilities.

Level 2 Observable inputs other than Level 1, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and model derived prices whose inputs are observable or whose significant value drivers are observable

Level 3 Assets and liabilities whose significant value drivers are unobservable.

(The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company’s own data.)

The carrying amount of the Company's other assets and liabilities approximate fair value as of December 31, 2017.

Assets	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Non-Marketable Securities	\$0	\$0	\$8,827	\$8,827
Total	\$0	\$0	\$8,827	\$8,827

#### NOTE 6 -Net Capital Requirement

The Company is a registered broker-dealer and is subject to the SEC's Uniform Net Capital Rule 15c3-1. This requires that the Company maintain minimum net capital of \$5,000 and also requires that the ratio of aggregate indebtedness, as defined, to net capital, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides 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, 2017, the Company had net capital of \$12,473 which was \$7,473 in excess of its required net capital of \$5,000; and the Company's ratio of aggregate indebtedness (\$25,939) to net capital ratio was 2.07 to 1.

Advances, dividend payments and other equity withdrawals are restricted by the regulations of the SEC, and other regulatory agencies are subject to certain notification and other provisions of the net capital rules of the SEC.

The Company qualifies under the exemptive provisions of Rule 15c3-3 under Section (k)(2)(i) as the Company does not carry security accounts for customers or perform custodial functions related to customer securities.

#### NOTE 7 – Exemption from the SEC Rule 15c3-3

Rule 15c3-3(k)(2)(i) provides an exemption from the SEC's so-called "customer protection rule" for firms that: carry no margin accounts; promptly transmit all customer funds and deliver all securities received in connection with their broker-dealer activities; do not otherwise hold funds or securities for, or owe money or securities to, customers; and effectuate all financial transactions with customers through one or more bank accounts designated as "Special Account for the Exclusive Benefit of Customers" of the Company.

#### NOTE 8 – Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by or provided by the Company. Members are taxed individually on their shares of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the operating agreement of the Company. The State of California requires limited liability companies to pay a minimum \$800 tax plus a fee based on gross revenue.

#### NOTE 9 –Subsequent Events

In accordance with FASB ASC 855 "Subsequent Events", the Company has reviewed the results of operations for the period of time from its year end December 31, 2017 through March 5, 2018, the date the financial statements were available to be issued. Subsequent to year end December 31, 2017, the parent Company contributed \$20,000 in capital.

ARROWROOT PARTNERS, LLC

Supplemental Information

For the Year Ended December 31, 2017

**ARROWROOT PARTNERS, LLC**  
**COMPUTATION OF NET CAPITAL PUSUANT TO RULE 15c3-1**  
**AS OF DECEMBER 31, 2017**  
**SCHEDULE I**

COMPUTATION OF NET CAPITAL

Member's Equity \$ 55,888

Deductions and/or charges (Non-Allowable Assets):

Accounts Receivable (18,500)

Total Non-Marketable Securities (8,827)

Pre-paid Expenses (84)

Fixed Assets (16,004)

NET CAPITAL \$ 12,473

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required, 6 2/3% of total aggregate indebtedness 1,729

Minimum dollar net capital requirement of broker and dealer 5,000

Net capital requirement (greater of above) 5,000

Excess net capital \$ 7,473

\*Excess net capital at 1,000% \$ 6,473

AGGREGATE INDEBTEDNESS

Items included in statement of financial condition:

Accounts payable and accrued expenses \$ 25,939

TOTAL AGGREGATE INDEBTEDNESS 25,939

Ratio: aggregate indebtedness to net capital 2.07:1

\*Net capital less the greater of 10% of Aggregate Indebtedness or 120% of Minimum dollar net capital requirement

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

No material differences exist between the net capital computation above and the computation included in the unaudited FOCUS Form X-17A-5 Part IIA, as filed by the company.

ARROWROOT PARTNERS, LLC  
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
PURSUANT TO RULE 15c3-3  
AS OF DECEMBER 31, 2017  
SCHEDULE II

A computation of reserve requirements is not applicable to Arrowroot Partners, LLC as the Company qualifies for exemption under Rule 15c3-3(k)(2)(i).

ARROWROOT PARTNERS, LLC  
INFORMATION RELATING TO POSSESSION AND CONTROL  
REQUIREMENTS PURSUANT TO RULE 15c3-3  
AS OF DECEMBER 31, 2017  
SCHEDULE III

Information relating to possession or control requirements is not applicable to Arrowroot Partners, LLC as the Company qualifies for exemption under Rule 15c3-3(k)(2)(i).

ARROWROOT PARTNERS, LLC  
REPORT ON EXEMPTION PROVISIONS  
REPORT PURSUANT TO PROVISIONS OF 17 C.F.R. § 15c3-3(k)  
For the Year Ended DECEMBER 31, 2017

**Elizabeth Tractenberg, CPA**  
2367 Clubhouse Drive  
ROCKLIN, CALIFORNIA 95765  
916/259-1666 – Fax 323/517-2625  
elizabeth@tractenberg.net  
PCAOB # 3621

**Report of Independent Registered Public Accounting Firm – Exemption Report**

To the Member  
Arrowroot Partners, LLC  
Santa Monica, CA 90401

I have reviewed management's statements, included in the accompanying Arrowroot Partners, LLC (the "Company") Exemption Report in which (1) Arrowroot Partners, LLC identified the following provisions of 17C.F.R. §15c3-3(k) under which the Arrowroot Partners, LLC claimed an exemption from 17 C.F.R. §240.15c3-3: ((k) (2) (i)) ("exemption provisions"), and (2) the Arrowroot Partners, LLC stated that the Arrowroot Partners, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. The Arrowroot Partners, LLC's management is responsible for compliance with the exemption provisions and its statements.

My 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 Arrowroot Partners, 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, I do not express such an opinion.

Based on my review, I am 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 provisions set forth in paragraph (k) (2) (i) of Rule 15c3-3 under the Securities Exchange Act of 1934.



Elizabeth Tractenberg, CPA  
Rocklin, CA  
March 5, 2018



**ARROWROOT PARTNERS**  
100 Wilshire Blvd | Suite 1830 | Santa Monica, CA 90401 | USA |

**Elizabeth Tractenberg, CPA**

**Rocklin, CA 95765**

**Attention: Elizabeth**

**Regarding: SEA Rule 17a-5(d)(4) Exemption Report**

**February 22, 2018**

Dear Ms. Tractenberg:

Pursuant to the referenced rule, the following information is provided.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3 (k)(2)(i), Arrowroot Partners, LLC does not hold customer funds or safekeep customer securities.

The firm of Arrowroot Partners, LLC met the Section 204, 15C3-3 (k)(2)(i) exemption for the period January 1, 2017 to December 31, 2017.

All the best,

Robert Santos, CEO & CCO