



08026500

PROCESSED

MAR 07 2008

THOMSON FINANCIAL

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

FACING PAGE

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

OMB APPROVAL
OMB Number: 3235-0123
Expires: February 28, 2010
Estimated average burden hours per response: 12.00

Washington, DC
1006

SEC FILE NUMBER
8-53487

AB
3/4

REPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

BFT Financial Group, LLC

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

2312 School Lane

(No. and Street)

Bedford

(City)

Texas

(State)

76021

(Zip Code)

OFFICIAL USE ONLY
FIRM ID. NO.

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

John A. Sivo

(817) 354-1090 x16

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

CF & Co., L.L.P.

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

14175 Proton Rd.

(Address)

Dallas

(City)

SECURITIES AND EXCHANGE COMMISSION
RECEIVED
FEB 28 2008
BRANCH OF REGISTRATIONS AND EXAMINATIONS
02

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).

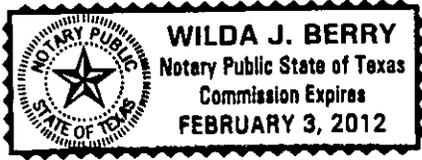
SEC 1410 (06-02)

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.

JP 3/6/08

OATH OR AFFIRMATION

I, Sammy D. Tally, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BFT Financial Group, LLC, as of December 31, 2007, 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:



SD Tally
Signature
Registered Principal
Title

WJ Berry
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 Cash Flows
- (e) Statement of Changes in Stockholders' Equity or partners' or Sole Proprietor's 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.
- (o) Independent auditor's report on internal control

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

BFT FINANCIAL GROUP, LLC
REPORT PURSUANT TO RULE 17a-5(d)
YEAR ENDED DECEMBER 31, 2007

BFT FINANCIAL GROUP, LLC

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL CONDITION	2
STATEMENT OF INCOME	3
STATEMENT OF CHANGES IN MEMBERS' EQUITY	4
STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7 - 8
SUPPORTING SCHEDULES	
Schedule I: Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission	10 - 11
Schedule II: Computation for Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission	12
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5	14 - 15



CF & Co., L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS

Independent Auditor's Report

Board of Directors
BFT Financial Group, LLC

We have audited the accompanying statement of financial condition of BFT Financial Group, LLC as of December 31, 2007, and the related statements of income, changes in members' equity, changes in liabilities subordinated to the claims of general creditors, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BFT Financial Group, LLC, as of December 31, 2007 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

CF & Co., L.L.P.
CF & Co., L.L.P.

Dallas, Texas
February 26, 2008

BFT FINANCIAL GROUP, LLC
Statement of Financial Condition
December 31, 2007

ASSETS

Cash	\$ 71,553
Other assets	<u>36,361</u>
Total Assets	<u>\$ 107,914</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities	
Accounts payable and accrued expenses	3,948
State income taxes payable	<u>5,000</u>
Total liabilities	<u>8,948</u>
Members' equity	<u>98,966</u>
Total Liabilities and Members' Equity	<u>\$ 107,914</u>

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

BFT FINANCIAL GROUP, LLC
Statement of Income
For the Year Ended December 31, 2007

Revenue	
Commissions	\$ 1,571,974
Investment management fees	1,766,744
Other revenue	<u>185,577</u>
Total Revenue	<u>3,524,295</u>
Expenses	
Registered representatives compensation	3,064,269
Communications	20,957
Occupancy and equipment costs	69,745
Advertising and promotions	9,693
Data processing	11,131
Regulatory fees	34,982
Other	<u>307,607</u>
Total Expenses	<u>3,518,384</u>
Net income before income taxes	5,911
Provision for state income taxes	<u>5,000</u>
Net loss	<u>\$ 911</u>

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

BFT FINANCIAL GROUP, LLC
Statement of Changes in Members' Equity
For the Year Ended December 31, 2007

Balance, December 31, 2006	\$ 98,055
Net income	<u>911</u>
Balance, December 31, 2007	<u>\$ 98,966</u>

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

BFT FINANCIAL GROUP, LLC
Statement of Changes in Liabilities Subordinated to the Claims of General Creditors
For the Year Ended December 31, 2007

Balance, December 31, 2006	\$	--
Additions		--
Retirements		--
		<hr/>
Balance, December 31, 2007	\$	--
		<hr/> <hr/>

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

BFT FINANCIAL GROUP, LLC
Statement of Cash Flows
For the Year Ended December 31, 2007

Cash Flows from Operating Activities	
Net loss	\$ 911
Adjustments to reconcile net loss to net cash provided (used) by operating activities:	
Change in assets and liabilities:	
Increase in other assets	(19,627)
Decrease in accounts payable and accrued expenses	(148,855)
Increase in state income taxes payable	<u>5,000</u>
Net cash provided by operating activities	<u>(162,571)</u>
Cash Flows from Investing Activities	<u>--</u>
Cash Flows from Financing Activities	<u>--</u>
Net increase in cash	(162,571)
Beginning cash	<u>234,124</u>
Ending cash	<u><u>\$ 71,553</u></u>

Supplemental Disclosures

There was no cash paid for interest or income taxes.

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

BFT FINANCIAL GROUP, LLC
Notes to Financial Statements
December 31, 2007

Note 1 - Accounting Policies Followed by the Company

BFT Financial Group, LLC (a Texas Limited Liability Company) (the "Company") was formed December 8, 1999 and became effective as a broker-dealer in securities registered with the Securities and Exchange Commission (SEC) on January 11, 2002. The Company operates under SEC Rule 15c3-3(k)(1) which limits the Company's business to the distribution of mutual funds and variable life insurance or annuities. Additionally, no customer funds or securities can be held, under this provision. The Company is also registered with the SEC as an investment advisor under the Investment Advisers Act of 1940.

Profit and loss are allocated to members in accordance with their percentage ownership of outstanding units. Each member's liability is limited to his capital account balance.

Commission revenues and related expenses are recorded when earned. Advisory fee revenue is earned when services are rendered.

The Company's customers are primarily individuals residing in the Dallas/Fort Worth metropolitan area and other parts of Texas, Nebraska and California.

The Company is treated and taxed as a partnership for federal income tax purposes. Accordingly, any tax liability is the responsibility of the individual members.

The financial statements reflect a liability and provision for state income taxes for the Texas margin tax which is an obligation of the Company.

The preparation of 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 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.

Note 2 - Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis.

BFT FINANCIAL GROUP, LLC
Notes to Financial Statements
December 31, 2007

Note 2 - Net Capital Requirements, continued

At December 31, 2007, the Company had net capital of approximately \$62,605 and net capital requirements of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.14 to 1. The Securities and Exchange Commission permits a ratio of no greater than 15 to 1.

Note 3 - Related Party Transactions

The Company paid an affiliate \$303,094 for office space, equipment and office personnel during 2007.

Note 4 - Concentrations

Cash in banks exceeded federally insured limits at various times throughout the year ended December 31, 2007.

Supplemental Information
Pursuant to Rule 17a-5 of the
Securities Exchange Act of 1934
For the Year Ended
December 31, 2007

Schedule I

BFT FINANCIAL GROUP, LLC

Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission

As of December 31, 2007

Computation of Net Capital

Total members' equity qualified for net capital	\$ 98,966
Deductions and/or charges	
Non-allowable assets: Other assets	<u>(36,361)</u>
Net capital before haircuts on securities positions	62,605
Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1(f)):	<u> --</u>
Net capital	<u><u>\$ 62,605</u></u>

Aggregate Indebtedness

Items included in statement of financial condition

Accounts payable and accrued expenses	\$ 3,948
State income taxes payable	<u>\$ 5,000</u>
Total aggregate indebtedness	<u><u>\$ 8,948</u></u>

Schedule I (continued)

BFT FINANCIAL GROUP, LLC

Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission
As of December 31, 2007

Computation of Basic Net Capital Requirement

Minimum net capital required (6 2/3% of total aggregate indebtedness)	<u>\$ 597</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>\$ 5,000</u>
Minimum net capital requirement (greater of two minimum requirement amounts)	<u>\$ 5,000</u>
Net capital in excess of minimum required	<u>\$ 57,605</u>
Excess net capital at 1000%	<u>\$ 61,710</u>
Ratio: Aggregate indebtedness to net capital	<u>0.14 to 1</u>

Reconciliation with Company's Computation

The following serves to reconcile differences in the computation of net capital under Rule 15c3-1 from the Company's computation:

Net capital per the Company's FOCUS IIA, December 31, 2007	\$ 67,604
Increase in state income taxes payable	(5,000)
Rounding	<u>1</u>
Net capital per report pursuant to Rule 17a-5(d), December 31, 2007	<u>\$ 62,605</u>

Schedule II

BFT FINANCIAL GROUP, LLC

Computation for Determination of Reserve Requirements Under

Rule 15c3-3 of the Securities and Exchange Commission

As of December 31, 2007

Exemptive Provisions

The Company has claimed an exemption from Rule 15c-3-3 under section (k)(1).

Independent Auditor's Report

On the Internal Control

Required by SEC Rule 17a-5

For the Year Ended

December 31, 2007



CF & Co., L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL REQUIRED BY SEC RULE 17a-5

Board of Directors
BFT Financial Group, LLC

In planning and performing our audit of the financial statements and supplemental information of BFT Financial Group, LLC (the "Company"), as of and for the year ended December 31, 2007 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial

statements in conformity with accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2007, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.


CF & Co., L.L.P.

Dallas, Texas
February 26, 2008

END