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**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**

REPORT FOR THE PERIOD BEGINNING 01/01/16 AND ENDING 12/31/16
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: B&A Capital, Inc.

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

OFFICIAL USE ONLY
FIRM ID. NO.

1070 Dundee Avenue, Suite C

(No. and Street)

East Dundee

(City)

Illinois

(State)

60118

(Zip Code)

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

Lawrence Buettner

(847) 836-2000

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Kehlenbrink, Lawrence & Pauckner

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

6296 Rucker Road, Suite G

(Address)

Indianapolis

(City)

Indiana

(State)

46220

(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).

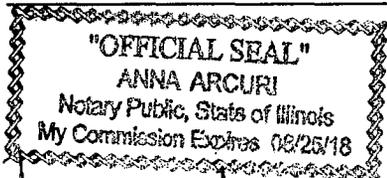
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OATH OR AFFIRMATION

I, Lawrence Buettner, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of B&A Capital, Inc., as of December 31, 20 16, 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:



Anna Arcuri
Notary Public

Lawrence Buettner
Signature

President
Title

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 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) Exemption Report

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



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
B&A Capital, Inc.

We have audited the accompanying financial statements of B&A Capital, Inc., which comprise the balance sheet as of December 31, 2016, and the related statements of profit & loss, changes in stockholder's equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplemental information. B&A Capital, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 condition of B&A Capital, Inc. as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The supplemental schedules titled Computation of Net Capital, Computation for Determination of Reserve Requirements, and Information for Possession or Control Requirements have been subjected to audit procedures performed in conjunction with the audit of B&A Capital, Inc.'s financial statements. The supplemental information is the responsibility of B&A Capital, Inc.'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.

Kehlenbrink, Lawrence & Pauckner
Indianapolis, Indiana
January 19, 2017

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Accrual Basis

B & A Capital, Inc.
Balance Sheet
As of December 31, 2016

	<u>Dec 31, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
Harris Checking	11,293.71
Total Checking/Savings	<u>11,293.71</u>
Other Current Assets	
Prepaid Expense	2,673.00
Total Other Current Assets	<u>2,673.00</u>
Total Current Assets	<u>13,966.71</u>
TOTAL ASSETS	<u><u>13,966.71</u></u>
LIABILITIES & EQUITY	
Equity	
Capital Stock	15,000.00
Paid In Capital	61,500.00
Retained Earnings	-50,436.29
Net Income	-12,097.00
Total Equity	<u>13,966.71</u>
TOTAL LIABILITIES & EQUITY	<u><u>13,966.71</u></u>

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

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01/12/17

Accrual Basis

B & A Capital, Inc.
Profit & Loss
January through December 2016

	<u>Jan - Dec 16</u>
Ordinary Income/Expense	
Expense	
Filing Fees	3,650.00
Insurance Expense	680.00
Outside Services	740.00
Professional Fees	7,027.00
Total Expense	<u>12,097.00</u>
Net Ordinary Income	<u>-12,097.00</u>
Net Income	<u><u>-12,097.00</u></u>

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

B&A CAPITAL, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
 For the Year Ended December 31, 2016

	Common Stock		Additional Paid-in Capital	Retained Deficit	Total
	<u>Shares</u>	<u>Amount</u>			
Balance at December 31, 2015	15,000	\$15,000	\$61,500	(\$50,436)	\$26,064
Capital contribution					\$0
Net Income				<u>-\$12,097</u>	<u>\$12,097</u>
Balance at December 31, 2016	<u>15,000</u>	<u>\$15,000</u>	<u>\$61,500</u>	<u>(\$62,533)</u>	<u>\$13,967</u>

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

B&A CAPITAL, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016

Cash provided by (used in) operating activities:	
Net Income	(\$12,097)
Change in Prepaid Expenses	
Cash provided by financing activities:	
Capital contributions	<u>\$0</u>
Net increase in cash	(\$12,097)
Cash, beginning of year	<u>\$23,391</u>
Cash, end of year	<u><u>\$11,294</u></u>

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

B&A CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS

1. Organization and Nature of Operations

B&A Capital, Inc. (the Company) is a broker dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA).

The Company provides brokerage and marketing services for limited partnerships and/or joint ventures in the oil and gas industry. These services are provided for corporations with identical ownership as the Company. Operations are located in Illinois.

2. Summary of Significant Accounting Policies

Basis of Accounting - The financial statements of the Company have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the user.

Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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.

Revenue Recognition - The Company recognizes commission income, as determined in sales agreements for each partnership and/or joint venture.

Statement of Cash Flows - The Company considers cash to be all highly liquid deposits with a maturity date of three months or less.

Net Capital Requirements - The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires maintenance of minimum net capital of no less than the greater of \$5,000 or 6 2/3% of aggregate indebtedness. Based upon this capital requirement, the Company is required to operate pursuant to the SEC's Customer Protection Rule and is not permitted to hold customer funds.

Income Taxes - The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The Company is no longer subject to federal or state income tax examinations by tax authorities for the years before the 2013 tax year.

B&A CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS

Common Stock – 1,000,000 shares have been authorized. The par value is \$1 per share. 15,000 shares are issued and outstanding.

3. Related Parties

The Energy Group, Inc., solely owned by the stockholder of B&A Capital, Inc., provides administrative services to the Company. There were no charges between the two entities during 2016.

Blue Flame Energy Corporation, solely owned by the stockholder of B&A Capital, Inc., received services by the Company. There were no charges between the two entities during 2016.

4. Income Taxes

The Company has available approximately \$60,000 in net operating loss carry forwards, expiring through 2036. The accompanying financial statements do not reflect a deferred tax asset related to these carry forwards, as the likelihood that the Company will generate sufficient taxable income to utilize the losses is uncertain.

B&A CAPITAL, INC.
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
As of December 31, 2016

Net Capital	
Total Stockholder's equity	\$13,967
Non-allowable assets	(\$2,673)
Deductions	<u> </u>
Net Capital	<u><u>\$11,294</u></u>

Reconciliation of Company's computation:	
Net capital, as reported in Company's Part II original (unaudited) FOCUS report	\$11,294
Company adjustments	
Audit adjustments	<u> </u>
Net Capital	<u><u>\$11,294</u></u>

Minimum net capital requirements:	
6 2/3% of aggregate indebtedness (or \$5,000 if greater)	<u><u>\$5,000</u></u>

Excess net capital	<u><u>\$6,294</u></u>
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Aggregate indebtedness:	
Total liabilities from statement of financial condition/aggregate indebtedness	<u><u>\$0</u></u>

Percentage of aggregate indebtedness to net capital.	<u><u>\$0</u></u>
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There are no material differences between this report and the December 31, 2016 FOCUS report

See Independent auditor's report.

B&A CAPITAL, INC.
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
As of December 31, 2016

The SEC rules related to the Computation for Determination of Reserve Requirements are not applicable because the broker-dealer is exempt under SEC Rule 15c3-3(k)(2)(i).

B&A CAPITAL, INC.
INFORMATION FOR POSSESSION OR CONTROL REQUIREMENTS
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
As of December 31, 2016

The SEC rules related to the Possession or Control Requirements are not applicable because the broker-dealer is exempt under SEC Rule 15c3-3(k)(2)(i).



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
of B&A Capital, Inc.

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

Kehlenbrink, Lawrence & Pauckner

Indianapolis, Indiana
January 19, 2017

The Exemption Report

The following statements are made to the best knowledge and belief of Marie I. Klanang as
FinOp for B&A Capital, Inc.

I, Marie I. Klanang, as the FinOp for B&A Capital, Inc., (the Company) am responsible for complying with 17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers" and complying with 17 C.F.R. §240.15c3-3: k(2)(i) (the "exemption provisions"). I have performed an evaluation of the Company's compliance with the requirements of 17 C.F.R. §§ 240.17a-5 and the exemption provisions. Based on this evaluation, I assert the following:

(1) I identified the following provisions of 17 C.F.R. § 15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3: k(2)(i) (the "exemption provisions") and (2) the Company met the identified exemption provisions throughout the most recent fiscal year December 31, 2016 without exception.

A handwritten signature in black ink, reading "Marie I. Klanang". The signature is written in a cursive style with a long, sweeping tail on the final letter.