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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 01/01/2005 AND ENDING 12/31/2005
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
 AMERICAN HERITAGE SECURITIES, INC

OFFICIAL USE ONLY
 FIRM ID. NO.

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

(No. and Street)

AKRON, OHIO 44303

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
 EDGAR G INGRAHAM 330-535-0881

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

LUX & ASSOCIATES, CPA INC. LUX, RALPH EDWARD

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

867 MOE DRIVE SUITE E AKRON, OH 44310

(Address)

(City)

(State)

Zip Code

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

PROCESSED

MAY 15 2006

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 THOMSON FINANCIAL

*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).

Handwritten signature and date 5/12/06

OATH OR AFFIRMATION

I, EDGAR G INGRAHAM, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of AMERICAN HERITAGE SECURITIES INC, as of DECEMBER 31, 2005, 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:



JOY D. YOH0, Notary Public
Residence - Portage County
State of Ohio
My Commission Expires Dec. 18, 2007

Edgar G. Ingraham
Signature
President
Title

Joy D. Yoho
Notary Public

This report** contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition. / BALANCE SHEET
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (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. NOT APPLICABLE
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3. NOT APPLICABLE
- (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. NOT APPLICABLE
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation. NOT APPLICABLE
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report. NOT APPLICABLE
- (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).

AMERICAN HERITAGE SECURITIES, INC.
Akron, Ohio

AUDITED FINANCIAL STATEMENT
with
Accountant's Audited Report

for the
Year Ended December 31, 2005

LUX & ASSOCIATES CPA, INC.

867 Moe Drive Suite E
Akron, Ohio 44310
(330) 633-5259
Fax (330) 630-0447
www.luxcpa.com

CPA'S, CONSULTANTS & BUSINESS DEVELOPMENT SPECIALISTS

Board of Directors
American Heritage Securities, Inc.
Akron, Ohio 44308

We have examined the Balance Sheet of American Heritage Securities, Inc. as of December 31, 2005, and the related Statements of Income, Retained Earnings, and Changes in Financial Position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

These statements are to comply with the annual audit report required by the Securities and Exchange Commission form X-17A-5 Part III. In addition to the above listed statements this report also includes a Statement of Changes in Liabilities, and a computation of Net Capital.

In our opinion the aforementioned financial statements, computations, and supplemental findings, present fairly the financial position of American Heritage Securities, Inc. at December 31, 2005 and the results of its operation and the changes in financial position for the year then ended in conformity with generally accepted accounting principles.

Lux & Associates CPA Inc.

February 11, 2006

AMERICAN HERITAGE SECURITIES INC

Balance Sheet

As Of December 31, 2005

ASSETS

CURRENT ASSETS

Cash On Hand And In Banks	\$ 70,278
Accounts Receivable	8,014
Cash Deposit-CRD	<u>305</u>

TOTAL CURRENT ASSETS 78,597

FIXED ASSETS

Automobile	30,943
Furniture and Fixtures	31,129
Less Accumulated Depreciation	<u>(47,225)</u>

TOTAL FIXED ASSETS 14,847

OTHER ASSETS

Deposits-Clearing	21,099
Investment	29,288
Notes receivable - long term	174,267
Security Deposits	<u>2,200</u>

TOTAL OTHER ASSETS 226,854

TOTAL ASSETS \$ 320,298

LIABILITIES & STOCKHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable-Trade	\$ 2,837
Accrued Payroll	1,774
Withheld and Accrued Payroll Taxes	<u>6,368</u>

TOTAL CURRENT LIABILITIES 10,979

STOCKHOLDER'S EQUITY

Capital Stock	45,000
Retained Earnings	<u>264,319</u>

TOTAL STOCKHOLDER'S EQUITY 309,319

TOTAL LIABILITIES & STOCKHOLDER'S EQUITY \$ 320,298

See accompanying notes and accountants' report.

AMERICAN HERITAGE SECURITIES INC
STATEMENT OF RETAINED EARNINGS
For The Year Ended December 31, 2005

BEGINNING RETAINED EARNINGS	\$	250,967
DIVIDENDS PAID		(30,000)
NET INCOME (LOSS)		<u>43,352</u>
ENDING RETAINED EARNINGS	\$	<u>264,319</u>

See accompanying notes and accountants' report

AMERICAN HERITAGE SECURITIES INC

Statement of Income

For The Year Ended December 31, 2005

		<u>%</u>
REVENUE		
Commissions Earned	\$ 120,767	51.67
Miscellaneous Income	112,941	48.33
TOTAL REVENUE	<u>233,708</u>	<u>100.00</u>
OPERATING EXPENSES		
Salaries and Wages	43,786	18.74
Automobile Expense	1,222	0.52
Commission Expense	98,630	42.20
Dues and Subscriptions	331	0.14
Insurance	467	0.20
Legal and Accounting	805	0.34
Office & Postage	1,962	0.84
Other Operating Expenses	546	0.23
Payroll Taxes	6,927	2.96
Professional Development	293	0.13
Rents	26,280	11.24
Repairs and Maintenance	1,112	0.48
Travel	371	0.16
Utilities	1,806	0.77
Information Services	3,661	1.57
Pension Plan	1,312	0.56
TOTAL OPERATING EXPENSES	<u>189,511</u>	<u>81.09</u>
INCOME (LOSS) FROM OPERATIONS	44,197	18.91
OTHER INCOME and (EXPENSE)		
Depreciation-Section 179 Write-Off	(2,119)	(0.91)
Interest/Dividend Income	12,444	5.32
Mark to the Market	(3,386)	(1.45)
TOTAL OTHER INCOME AND (EXPENSE)	<u>6,939</u>	<u>2.97</u>
INCOME (LOSS) BEFORE TAXES	51,136	21.88
PROVISION FOR TAXES		
Provision For Federal Income Tax	7,784	3.33
TOTAL PROVISION FOR TAXES	<u>7,784</u>	<u>3.33</u>
NET INCOME (LOSS)	<u>\$ 43,352</u>	<u>18.55</u>

See accompanying notes and accountants' report

AMERICAN HERITAGE SECURITIES, INC.
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income (Loss)	\$ 43,352.
ADJUSTMENT TO RECONCILE NET INCOME (LOSS) TO NET CASH:	
Depreciation-Section 179 write off	2,119.
(Increase) Decrease In:	
Accounts Receivable	(3,378.)
Other Assets	14,564.
Increase (Decrease) In:	
Accounts Payable	(3,719.)
Accrued & Withheld Taxes & Expenses	<u>6,026.</u>
NET CASH PROVIDED (USED) BY OPERATIONS	\$ 58,964.
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of fixed assets	(2,119.)
Payment of dividends	<u>(30,000.)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$(32,119.)</u>
NET INCREASE (DECREASE) IN CASH	\$ 26,845.
CASH AT BEGINNING OF PERIOD	<u>43,433.</u>
CASH AT END OF PERIOD	\$ 70,278. =====

See accompanying notes and accountants' report

AMERICAN HERITAGE SECURITIES, INC.
NOTES TO FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2005

A) INCORPORATION AND ACCOUNTING INFORMATION:

The company is incorporated under the laws of the State of Ohio. It located the principal office in Akron, Ohio and was authorized to do business as of December 17, 1991. Capital stock was issued on January 6, 1992. The books, records and income tax return are maintained on the accrual method of accounting.

B) EQUIPMENT AND DEPRECIATION:

Equipment is carried at cost. When retired or otherwise disposed of, the related carrying value and accumulated depreciation are cleared from the respective accounts and the net difference less any amount realized from the disposition is reflected in earnings.

Maintenance and repairs, including the replacement of minor items are expenses as incurred, and major additions to equipment are capitalized. Depreciation is calculated on the straight-line, ACRS or MACRS method over the estimated useful life of the assets. The company also takes advantage of the IRS section 179 regulation permitting a total write-off of assets during the year of acquisition within certain dollar limits. The current year depreciation charged to expense is \$ -0-. The section 179 write-off of assets for the current year is \$ 2,119.

C) NOTES RECEIVABLE:

During the year the corporation loaned money to a officer-shareholder over a ten year period at current market interest rates, with a monthly amortization schedule which is proper and current.

D) TAXES ON INCOME:

On the profit of \$ 51,136. the company has a federal income tax due of \$ 7,784.

E) LEASES:

During the year the corporation relocated the operation into a office building owed by the officer-shareholder, and has entered into a initial three year lease agreement at competitive market rates.

STATEMENT OF CHANGES

FOR THE YEAR ENDED DECEMBER 31, 2005

**STATEMENT OF CHANGES IN OWNERSHIP EQUITY
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)**

1.	Balance, beginning of period	295,967		[4240]
	A. Net income (loss)	43,352		[4250]
	B. Additions (includes non-conforming capital of		[4262]	[4260]
	C. Deductions DIVIDENDS PAID (includes non-conforming capital of	-30,000	[4272]	[4270]
2.	Balance, end of period (From item 1800)	309,319		[4290]

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS**

3.	Balance, beginning of period			[4300]
	A. Increases			[4310]
	B. Decreases			[4320]
4.	Balance, end of period (From item 3520)			[4300]

COMPUTATION OF NET CAPITAL

1.	Total ownership equity from Statement of Financial Condition		309,319	[3480]
2.	Deduct ownership equity not allowable for Net Capital			[3490]
3.	Total ownership equity qualified for Net Capital		309,319	[3500]
4.	Add:			
	A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			0 [3520]
	B. Other (deductions) or allowable credits (List)			
		[3525A]	[3525B]	
		[3525C]	[3525D]	
		[3525E]	[3525F]	0 [3525]
5.	Total capital and allowable subordinated liabilities		309,319	[3530]
6.	Deductions and/or charges:			
	A. Total nonallowable assets from Statement of Financial Condition (Notes B and C)		191,134	[3540]
	B. Secured demand note deficiency			[3590]
	C. Commodity futures contracts and spot commodities - proprietary capital charges			[3600]
	D. Other deductions and/or charges		-191,314	[3610] [3620]
7.	Other additions and/or credits (List)			
		[3630A]	[3630B]	
		[3630C]	[3630D]	
		[3630E]	[3630F]	0 [3630]
8.	Net capital before haircuts on securities positions		118,005	[3640]
9.	Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
	A. Contractual securities commitments			[3660]
	B. Subordinated securities borrowings			[3670]
	C. Trading and investment securities:			
	1. Exempted securities			[3735]
	2. Debt securities			[3733]
	3. Options			[3730]
	4. Other securities			[3734]

D. Undue Concentration		[3650]	
E. Other (List)			
	[3736A]	[3736B]	
	[3736C]	[3736D]	
	[3736E]	[3736F]	
		0	
		[3736]	-5,055 [3740]
10. Net Capital			112,950 [3750]

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)			732 [3756]
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note(A)			5,000 [3758]
13. Net capital requirement (greater of line 11 or 12)			5,000 [3760]
14. Excess net capital (line 10 less 13)			107,950 [3770]
15. Excess net capital at 1000% (line 10 less 10% of line 19)			112,218 [3780]

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition			10,979 [3790]
17. Add:			
A. Drafts for immediate credit		[3800]	
B. Market value of securities borrowed for which no equivalent value is paid or credited		[3810]	
C. Other unrecorded amounts(List)			
	[3820A]	[3820B]	
	[3820C]	[3820D]	
	[3820E]	[3820F]	
		0	0
		[3820]	[3830]
19. Total aggregate indebtedness			10,979 [3840]
20. Percentage of aggregate indebtedness to net capital (line 19 / line 10)			% 10 [3850]