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

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

SEC FILE NUMBER
8-38591

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 01/01/05 AND ENDING 12/31/05
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Affina Brokerage Services, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

600 Midland Avenue, Suite 101

(No. and Street)

Rye

(City)

NY

(State)

10580

(Zip Code)

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

(914) 921-1780

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

David E. Feeney, CPA, PC

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

1495 Black Rock Turnpike

(Address)

Fairfield

(City)

CT

(State)

THOMSON
FINANCIAL
06825

(Zip Code)

CHECK ONE:

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

PROCESSED
MAR 22 2006
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FEB 23 2006
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WASH. D.C. 185
SECTION

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*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)

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OATH OR AFFIRMATION

I, John Walsh, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Affina Brokerage Services, LLC, 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:

Robert M. Gile

ROBERT M. GILE
Notary Public State of New York

Notary Public
Qualified in Dutchess County
Commission Expires OCT 31, 2009

[Handwritten Signature]

Signature

Chief Operating Officer

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 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 15c3-3 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).

AFFINA BROKERAGE SERVICES, LLC
(A Wholly-owned Subsidiary of USAlliance
Federal Credit Union)

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2005

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INDEPENDENT AUDITOR'S REPORT

January 23, 2006

The Manager
Affina Brokerage Services, LLC

Manager:

I have audited the accompanying statement of financial condition of Affina Brokerage Services, LLC (a wholly-owned subsidiary of USAlliance Federal Credit Union) as of December 31, 2005 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. My responsibility is to express an opinion on this financial statement based on my audit.

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

In my opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Affina Brokerage Services, LLC as of December 31, 2005, in conformity with accounting principles generally accepted in United States of America.



David E. Feeney, CPA, PC

AFFINA BROKERAGE SERVICES, LLC
(A Wholly-Owned Subsidiary of USAlliance
Federal Credit Union)
STATEMENT OF FINANCIAL CONDITION
FOR THE YEAR ENDED DECEMBER 31, 2005

ASSETS

Cash and cash equivalents, of which \$6,750 is on deposit with the parent company	\$ 253,384
Certificates of deposits, at market value	396,000
Interest receivable and other assets	28,860
Interest bearing cash deposit with clearing organization	103,117
Receivable due from parent company	34,282
Prepaid Expenses	29,680
Equipment, Less accumulated depreciation of \$5,128	<u>6,439</u>
 Total Assets	 <u>\$ 851,762</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Accounts payable and accrued expenses, including \$5,491 payable to parent	\$ 20,136
 Member's equity	
Contributed capital	856,727
Deficit	<u>(25,101)</u>
 Total Stockholder's Equity	 <u>831,626</u>
 Total Liabilities and Stockholder's Equity	 <u>\$ 851,762</u>

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

AFFINA BROKERAGE SERVICES, LLC
(A Wholly-owned Subsidiary of USAlliance
Federal Credit Union)
NOTES TO STATEMENT OF FINANCIAL CONDITION

NOTE 1: THE COMPANY

Affina Brokerage Services, LLC (the Company) is a one member limited liability company and a wholly-owned subsidiary of USAlliance Federal Credit Union (USAlliance). The Company receives commissions for executing and clearing trades for USAlliance, which acts as nominee for its members. Additionally, the Company receives commission from other customers for whom it acts as an introductory broker on a fully-disclosed basis. The Company also provides to USAlliance certain portfolio administrative functions for which the Company receives a monthly administrative fee of \$5,000 and reimbursement for a percentage of its personnel costs and other costs. See also Note 2.

NOTE 2: RELATED PARTY TRANSACTIONS

During the year ended December 31, 2005, the following revenue was earned from transactions with USAlliance: administrative fee of \$340,682; commission income of \$37,763; and interest income of \$59. The administrative fees paid to the Company are pursuant to a "Support Services Agreement" between the Company and USAlliance. The agreement became effective October 31, 2000, and can be terminated by either party upon giving 60 days notice.

The agreement also requires that USAlliance provide the Company with accounting support, office space and furniture for a monthly fee of \$1,370. During the year ended December 31, 2005, the Company paid USAlliance \$16,440 in accordance with this provision of the agreement.

AFFINA BROKERAGE SERVICES, LLC
(A Wholly-owned Subsidiary of USAlliance
Federal Credit Union)
NOTES TO STATEMENT OF FINANCIAL CONDITION

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Set forth below are the significant accounting policies of the Company:

- Securities transactions, and the related commissions, revenues and expenses, are recorded on a trade date basis.
- Securities owned are valued at market and unrealized gains and losses are reflected in income.
- For purposes of the statement of cash flows, the Company considers all highly liquid investments with an initial maturity of sixty days or less to be cash equivalents.
- 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 at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 4: CASH AND CERTIFICATES OF DEPOSIT

Included in cash are \$35,374, \$198 and \$211,062 deposits with three unrelated financial institutions. The Company has four \$99,000 certificates of deposit with four unrelated financial institutions. The Federal Deposit Insurance Corporation or National Credit Union Share Insurance insures the first \$100,000 of any deposit, or certificate of deposit, at any of these financial institutions, including the cash on deposit at USAlliance.

AFFINA BROKERAGE SERVICES, LLC
(A Wholly-Owned Subsidiary of USAlliance
Federal Credit Union)
NOTES TO STATEMENT OF FINANCIAL CONDITION

NOTE 5: EMPLOYEE BENEFITS

The Company's employees participate in a non-contributory, defined benefit pension plan sponsored by USAlliance. The plan calls for benefits to be paid to eligible employees at retirement based primarily upon years of service with USAlliance and the Company and compensation levels at retirement. Employer contributions to the plan reflect benefits attributed to employees' services to date, including time as an employee of USAlliance, as well as services expected to be earned in the future.

The Company's employees are also allowed to participate in a 401(k) pension plan (sponsored by USAlliance) that allows the Company's employees to defer a portion of their salary into the 401(k) plan. The Company matches a portion of employees' wage reductions. Costs of both pension plans are accrued and funded on a current basis. The defined benefit pension and 401(k) plans costs for the year ended December 31, 2005 were \$26,400 and \$10,236, respectively. At December 31, 2005, USAlliance has a prepaid pension cost.

NOTE 6: NET CAPITAL REQUIREMENTS

Pursuant to the basic uniform net capital provisions, the Company is required to maintain a minimum net capital, as defined, under such provisions of \$250,000. Further, the provisions require that the ratio of aggregate indebtedness, as defined, to net capital shall not exceed 15 to 1. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2005, the Company's net capital is \$757,213, net capital requirement is \$250,000, and ratio of aggregate indebtedness to net capital is .0282 to 1.

NOTE 7: PROVISION FOR INCOME TAXES

The Company has elected disregarded-entity-status for federal and state income tax purposes and, therefore, pays no tax at the entity level.