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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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PART III

FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/2024 AND ENDING 12/31/2024  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: American Financial Associates, Inc.

TYPE OF REGISTRANT (check all applicable boxes):

- Broker-dealer     Security-based swap dealer     Major security-based swap participant  
 Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

1700 Northampton Street, Suite A

(No. and Street)

Easton

PA

18042

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Henry D'Alberto

610-559-1600

hld@amerfin.net

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Romeo & Chiaverelli, LLC CPA'S

(Name – if individual, state last, first, and middle name)

One Bala Ave, Suite 234

Bala Cynwyd

PA

19004

(Address)

(City)

(State)

(Zip Code)

09/01/2009

3721

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

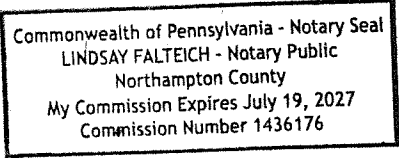
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\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

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.

OATH OR AFFIRMATION

I, Henry D'Alberto, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of American Financial Associates, Inc., as of 12/31, 2024, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.



Signature: [Handwritten Signature]
Title: President

[Handwritten Signature] 03/21/2025
Notary Public

This filing\*\* contains (check all applicable boxes):

- (a) Statement of financial condition.
(b) Notes to consolidated statement of financial condition.
(c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income...
(d) Statement of cash flows.
(e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
(f) Statement of changes in liabilities subordinated to claims of creditors.
(g) Notes to consolidated financial statements.
(h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
(i) Computation of tangible net worth under 17 CFR 240.18a-2.
(j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
(k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
(l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
(m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
(n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
(o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
(p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
(q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
(r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(t) Independent public accountant's report based on an examination of the statement of financial condition.
(u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
(v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
(y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
(z) Other:

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

**AMERICAN FINANCIAL ASSOCIATES, INC.**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL**  
**INFORMATION**  
**DECEMBER 31, 2024**

## CONTENTS

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Report of Independent Registered Public Accounting Firm	1-2
Financial Statements:	
Statement of Financial Condition	3
Statement of Operations	4
Statement of Changes in Stockholder's Equity	5
Statement of Cash Flows	6
Notes to Financial Statements	7-13
Supplemental Information:	
Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission and Regulation 1.10	14
Report of Independent Registered Public Accounting Firm – Exemption Report	15
American Financial Associates Exemption Report	16

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**ROMEO & CHIAVERELLI, LLC  
CERTIFIED PUBLIC ACCOUNTANTS  
ONE BALA AVENUE SUITE 234  
BALA CYNWYD, PA 19004**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors of  
American Financial Associates, Inc

**Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of American Financial Associates, Inc (the "Company"), as of December 31, 2024, and the related statements of operations, changes in stockholders' equity and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

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 are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we 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. Our 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. Our 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. We believe that our audit provides a reasonable basis for our opinion.

**Auditor's Report on Supplemental Information**

The supplemental information, the Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission and the Computation for Determination of Reserve Requirements and Information Relating to Possession or Control Requirements Under Rule 15c3-3 of the Securities and Exchange Commission OR contained in schedules I and II, has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company'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.

We have served as the Company's auditor since 2017.

*Sam & Chelle, LLC CPAs*

March 20, 2025

Bala Cynwyd, PA 19004

**American Financial Associates, Inc.**  
**Statement of Financial Condition**  
**December 31, 2024**

	<b>2024</b>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 49,581
Commissions receivable	159,546
Prepaid expenses	12,913
Property and equipment:	
Office equipment	56,693
Furniture & fixtures	1,781
Less: Accumulated depreciation	<u>(57,529)</u>
Total property and equipment	<u>945</u>
<b>Total Assets</b>	<b><u>\$ 222,985</u></b>
<b><u>LIABILITIES AND STOCKHOLDER'S EQUITY</u></b>	
<b><u>LIABILITIES</u></b>	
Accounts payable and accrued expenses	\$ 13,015
Commissions payable	118,899
Accrued corporate income taxes	<u>96</u>
<b>Total Liabilities</b>	<b><u>132,010</u></b>
<b><u>STOCKHOLDER'S EQUITY</u></b>	
Common stock - \$10 par value, 10,000 shares authorized, 8,165 shares issued and outstanding	81,650
Retained earnings	<u>17,365</u>
	99,015
Less: Treasury stock, 804 shares at cost	<u>(8,040)</u>
<b>Total Stockholder's Equity</b>	<b><u>90,975</u></b>
<b>Total Liabilities and Stockholder's Equity</b>	<b><u>\$ 222,985</u></b>

The accompanying notes are an integral part of these financial statements

**American Financial Associates, Inc.**  
**Statement of Operations**  
**For the Year Ended December 31, 2024**

	<u>2024</u>
<b>Revenue</b>	
Commissions	\$ 3,239
Mutual fund fees	849,110
Other revenue	<u>583,782</u>
<b>Total Revenues</b>	<u>1,436,131</u>
<b>Expenses</b>	
Commissions	1,356,140
Employee salaries and benefits	16,222
Brokerage exchange, and clearance fees	10,437
Occupancy	13,095
Technology and communications	6,558
Other expenses	<u>25,912</u>
<b>Total Expenses</b>	<u>1,428,364</u>
<b>Net Income Before Provision for Income Taxes</b>	7,767
<b>Provision for Income Taxes</b>	<u>2,717</u>
<b>Net Income</b>	<u><u>\$ 5,050</u></u>

The accompanying notes are an integral part of these financial statements

**American Financial Associates, Inc.**  
**Statement of Changes in Stockholder's Equity**  
**For the Year Ended December 31, 2024**

2024

	Common Stock		Retained Earnings	Treasury Stock		Total Stockholder's Equity
	Shares	Amount		Shares	Amount	
Balance, January 1, 2024	8,165	\$ 81,650	\$ 12,315	804	\$ (8,040)	\$ 85,925
Net Income	-	-	5,050	-	-	5,050
Balance, December 31, 2024	<u>8,165</u>	<u>\$ 81,650</u>	<u>\$ 17,365</u>	<u>804</u>	<u>\$ (8,040)</u>	<u>\$ 90,975</u>

The accompanying notes are an integral part of these financial statements

**American Financial Associates, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2024**

	<b>2024</b>
Cash Flows Used by Operating Activities:	
Net income	\$ 5,050
Adjustments to reconcile net income to net cash used by operating activities:	
Depreciation and amortization	667
Change in operating assets and liabilities:	
Commissions receivable	(27,828)
Prepaid corporate income tax	1,805
Prepaid expenses	(1,193)
Accounts payable and accrued expenses	(189)
Commissions payable	21,286
Accrued corporate income taxes	96
<b>Net Cash Used by Operating Activities</b>	<b>(306)</b>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	<b>(306)</b>
Cash and Cash Equivalents:	
Beginning of the year	49,887
Ending of the year	<b>\$ 49,581</b>
Supplemental Disclosure of Cash Flow Information:	
Taxes paid	<b>\$ 675</b>

The accompanying notes are an integral part of these financial statements

**AMERICAN FINANCIAL ASSOCIATES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 1. SIGNIFICANT ACCOUNTING POLICIES**

Business and Organization

American Financial Associates, Inc. (the Company) was organized on July 25, 1991 for the purpose of selling mutual funds, variable annuities and life insurance. In 1994, the Company also began acting as a discount broker. The Company has brokers in the states of Pennsylvania and New Jersey. Approximately ninety percent of the Company's business is conducted in Pennsylvania and the major source of revenue comes from selling mutual funds and variable annuities.

Basis of Presentation

The Company follows accounting principles generally accepted in the United States of America (GAAP), as established by the Financial Accounting Standards Board (the FASB), to ensure consistent reporting of financial condition, results of operations, and cash flows.

Cash and Cash Equivalents

The Company maintains cash in accounts with one financial institution which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash. There were no amounts over the federally insured limits for the year ending December 31, 2024.

The Company's cash equivalents are highly liquid debt investments with an original maturity of three months or less as of the acquisition date.

Bad Debts

The Company uses the allowance method of accounting for losses arising from uncollectible accounts receivable. No allowance for doubtful accounts has been provided for as the continuing relationships over many years have assured collection. There were no bad debt expenses for the year ended December 31, 2024.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Depreciation

Property and equipment is recorded at cost and is depreciated on a straight-line basis over the estimated useful lives of the assets. Depreciation expense for the year ending December 31, 2024 was \$667.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is deducted on a straight-line basis and is provided over the useful lives of the related assets. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend the useful lives of the assets are capitalized. When assets are retired or otherwise disposed of, the assets and related allowances for depreciation and amortization are eliminated from the account and any resulting gain or loss is reflected in income.

**AMERICAN FINANCIAL ASSOCIATES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**Note 1.       SIGNIFICANT ACCOUNTING POLICIES (continued)**

Rent Expense

The Company has a month-to-month rental with no signed lease in the Pennsylvania office. Rent is \$900 per month and is expensed when paid. Rent expense was \$10,800 for the year ending December 31, 2024.

Commissions Receivable

Commissions receivable consist of fees earned primarily on the selling of mutual funds and variable annuities. The Company receives payment within a short time of the transaction. The Company clears certain of its proprietary and customer transactions through another broker-dealer on a fully disclosed basis. No allowance for doubtful accounts has been provided for as the continuing relationships over many years have assured collection.

Revenue Recognition

The Company classifies its revenues into the following categories:

**Mutual fund fees** - The Company has selling agreements with mutual fund companies that allow the Company to sell that company's products to clients resulting in a commission or sales load. Revenues from the sale of mutual fund products are recognized on a trade date basis. Brokerage contracts (trades) outline the transaction services to be performed for a client under the contract and do not have a term. The selling agreements, along with the prospectuses for mutual funds, also allow the Company to earn service fees for providing certain ongoing distribution and marketing support services for that company's products which are held by our clients in the form of 12b-1 payments and retrocessions. 12b-1 service fees are generally based on the average daily market value of client assets held in a company's mutual fund. 12b-1 fees are paid monthly or quarterly. Monthly 12b-1 fees are recognized as received while quarterly 12b-1 fees are accrued monthly using managements best estimate based on prior quarterly fees received.

**Commissions** – consist of charges to clients for the purchase or sale of equities, options, and some fixed income products. Revenues are recognized on a trade date basis. Brokerage contracts (trades) outline the transaction services to be performed for a client under the contract and do not have a term.

Revenue from contracts with customers:

The Company recognizes revenue in accordance with FASB Accounting Standards Codification 606, "Revenue from Contracts with Customers" (ASC 606). Under ASC 606 revenue is recognized upon satisfaction of performance obligations by transferring control over goods or service to a customer.

The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events.

The Company buys and sells securities on behalf of its customers. Each time a customer enters into a buy or sell transaction, the Company charges a commission. Commissions and related clearing expenses are recorded on the trade date (the date that the Company fills the trade order by finding and contracting with counterparty and confirms the trade with the customer). The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the price is agreed upon and the risks and rewards of ownership have been transferred to/from the customer.

**AMERICAN FINANCIAL ASSOCIATES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**Note 1.       SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Company has entered into contracts with mutual funds of their selling agents and others under which the Company receives selling and distribution commissions resulting from the sale of certain investment products to its customers, including the sale of certain classes of mutual funds shares and variable annuities. The Company has also entered into a contract with its clearing broker-dealer under which the Company receives a share of selling and distribution fees received by the clearing broker-dealer under contracts entered into by the clearing broker-dealer with mutual funds and/or their selling agents. Selling and distribution commissions are paid up front based on a fixed percentage of share price, the price of investment product sold, or the value of specified transactions and are recognized at a point in time on the trade or sale date. The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing for the transaction is agreed upon, and the risks and reward of ownership have been transferred to/from the customer. A receivable is recognized if the commission is paid to the Company on a date subsequent to the trade date.

Under contractions entered into with mutual funds or their selling agents and others, the Company also receives selling and distribution commissions that are paid over time based on a fixed percentage of the average daily balance of the customer's investment in a fund (12b-1 fees). The Company also has entered into a contract with its clearing broker-dealer under which the Company receives a share of 12b-1 fees received by the clearing broker-dealer under contracts entered into by the clearing broker-dealer. The Company believes the performance obligation is satisfied over time and recognizes revenue associated with 12b-1 fees over the period to which such fees relate.

Income Taxes

The Company's provision for income taxes is based on all items included in income as reported for financial statement purposes. Income taxes are provided for the tax effects of transactions reported in the financial statements.

FASB ASC Topic 740 (ASC 740), *Income Taxes*, provides guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are more likely than not of being sustained when challenged or when examined by the applicable tax authority. Tax positions deemed not to meet the more-likely-than-not threshold would be recorded as a tax expense and liability in the current year. For the year ended December 31, 2024, management has determined that there are no uncertain tax positions.

The Company files income tax returns in U.S. federal jurisdiction and certain states. The current and prior three tax years generally remain subject to examination by U.S. federal and respective state tax authorities.

**Note 2.       ADVERTISING COST**

Advertising costs are expensed as incurred. Advertising costs of \$0 were incurred for the year ending December 31, 2024.

**AMERICAN FINANCIAL ASSOCIATES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**Note 3. REVENUE FROM CONTRACTS WITH CUSTOMERS**

Significant Judgements

Revenue from customers includes commission income. The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events.

Brokerage Commissions

The Company buys and sells securities on behalf of its customers. Each time a customer enters into a buy or sell transaction, the Company charges a commission. Commissions and related clearing expenses are recorded on the trade date (the date that the Company fills the trade order by finding and contracting with a counterparty and confirms the trade with the customer). The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership have been transferred to/from the customer.

Distribution Fees

The Company enters into arrangements with managed accounts or other pooled investment vehicles (funds) to distribute shares to investors. The Company may receive distribution fees paid by the fund up front, over time, upon the investor's exit from the fund (that is, a contingent deferred sales charge), or as a combination thereof. The Company believes that its performance obligation is the sale of securities to investors and as such this is fulfilled on the trade date. Any fixed amounts are recognized on the trade date and variable amounts are recognized to the extent it is probable that a significant revenue reversal will not occur once the uncertainty is resolved. For variable amounts, as the uncertainty is dependent on the value of the shares at future points in time as well as the length of time the investor remains in the fund, both of which are highly susceptible to factors outside the Company's influence, the Company does not believe that it can overcome this constraint until the market value of the fund and the investor activities are known, which are usually monthly or quarterly. Distribution fees recognized in the current period are primarily related to performance obligations that have been satisfied in prior periods. The Company earns 12b-1 fees paid by mutual funds to the broker-dealer to cover marketing and selling of mutual fund shares and are calculated based on a set rate multiplied by the fund balance. The Company acts in an agent capacity and pays out the revenue received from the fund to the corresponding brokers. The amount of 12b-1 fees earned was \$754,422 for the year ending December 31, 2024.

The following table presents revenue by major sources:

Disaggregated revenue from contracts with customers

Brokerage commissions	\$	3,239
Distribution fees		
12(b)1 fees	754,422	
Mutual fund fees	94,688	
Variable annuities	561,501	
Insurance	22,281	
Total distribution fees		<u>1,432,892</u>
Total revenue from contracts with customers		<u>\$ 1,436,131</u>

**AMERICAN FINANCIAL ASSOCIATES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 4. NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1) which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of "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). At December 31, 2024, the Company had net capital of \$20,557, which was \$11,756 in excess of its required net capital of \$8,801. The Company's ratio of aggregate indebtedness to net capital at December 31, 2024 was 6.4217 to 1.

**Note 5. INCOME TAXES**

Income tax expense includes federal and state income taxes due currently after using up prior net operating losses. The provision for income taxes net of refunds was \$1,092 for the year ending December 31, 2024. The components of the provision for income taxes for the year ended December 31, 2024 are as follows:

	<b>2024</b>
Current - Federal	\$ 1,340
Current - State & Local	1,377
Total provision for income taxes	\$ 2,717

The corporate tax returns have not been prepared for the year ended December 31, 2024. There is an expected prepayment of \$468 for state and local purposes and an expected amount due of \$372 for federal purposes, which leaves \$96 of net prepaid income tax at December 31, 2024.

**Note 6. STOCKHOLDER'S EQUITY**

A summary of common stock shares authorized, issued and outstanding is as follows:

Shares authorized	10,000
Issued	8,165
Outstanding	8,165

In August 2010, the Board of Directors authorized the Company to repurchase 840 shares of common stock. During October 2010, the Company repurchased 840 shares at an aggregate cost of \$8,040.

**Note 7. CONCENTRATIONS OF CREDIT RISK**

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, 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 on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

A customer is considered major when the customer represents 5% or more of the total gross revenue for the year ended December 31, 2024. The loss of such a customer would have a significant impact on the Company's revenue. For the year ended December 31, 2024, the Company did not have any transactions with a major customer.

**AMERICAN FINANCIAL ASSOCIATES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 8. PROPERTY AND EQUIPMENT**

Property and equipment is summarized as follows:

	<b>2024</b>
Office Equipment	\$ 56,693
Furniture & Fixtures	1,781
Total Fixed Assets at Cost	58,474
Less: Accumulated Depreciation	(57,529)
Property and equipment, net	\$ 945

**Note 9. EXEMPTIVE PROVISIONS**

The Company has a clearing agreement with its clearing broker, RBC Capital Markets, LLC. The agreement provides that certain minimum capital balances must be maintained while the Company's customer accounts are being introduced to and cleared by the Clearing Broker on a fully disclosed basis. In connection with this agreement, the Company is contingently liable to the Clearing Broker in the event of nonperformance by its introduced customers. It is the Company's policy to continuously monitor its exposure to these risks.

The Company maintains a secondary clearing relationship and not a direct clearing relationship with its clearing broker, RBC Capital Markets, LLC.

An exemption is claimed from SEC Rule 15c-3-3 under c(k)(2)(ii) – All customer transactions are cleared through RBC Capital Markets, LLC (SEC# - 801-13059) on a fully disclosed basis.

**Note 10. COMMITMENTS AND CONTINGENCIES**

The Company can be subject to regulatory inquiries that result in the assessment of fines or other sanctions. Management has determined that as of the date of the financial statement, no assessment of fines or other sanctions are imposed.

**Note 11. BROKER DEALER – SINGLE REPORTING SEGMENT**

The Company is engaged in a single line of business as a securities broker-dealer, which is comprised of several classes of services, including agency transactions. The Company has identified its President as the chief operating decision maker ("CODM"), who uses net income to evaluate the results of the business, predominantly in the forecasting process, to manage the Company. Additionally, the CODM uses excess net capital (see Note 4), which is not a measure of profit and loss, to make operational decisions while maintaining capital adequacy, such as whether to reinvest profits or pay dividends. The Company's operations constitute a single operating segment and therefore, a single reportable segment, because the CODM manages the business activities using information of the Company as a whole. The accounting policies used to measure the profit and loss of the segment are the same as those described in the summary of significant accounting policies. The company did not have any transactions from a single external customer in 2024 that exceeded 5% or more of its total revenues (see Note 7).

**AMERICAN FINANCIAL ASSOCIATES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 12.       SUBSEQUENT EVENTS**

In preparing these financial statements, the Company evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the financial statements. Such evaluation is performed through the date the financial statements were issued. Based on the definitions and requirements of the Subsequent Event Topics of FASB Accounting Standards Codification, management of American Financial Associates, Inc. is not aware of any subsequent events that would require disclosure in the financial statements.

**Schedule I**  
**American Financial Associates, Inc.**  
**Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission**  
**For the Year Ended December 31, 2024**

	<b>2024</b>
<b>Net Capital:</b>	
Net stockholders' equity from statement of financial condition	\$ 90,975
<b>Deductions and/or Charges:</b>	
Total nonallowable assets from statement of financial condition	(70,418)
<b>Net Capital</b>	<b>\$ 20,557</b>
<b>Aggregate Indebtedness:</b>	
Accounts payable	\$ 13,015
Commissions payable	118,899
Accrued state income taxes	96
<b>Total Aggregate Indebtedness</b>	<b>\$ 132,010</b>
<b>Computation of Net Capital Requirement Minimum Net Capital Required (6-2/3% of aggregate indebtedness)</b>	<b>\$ 8,801</b>
<b>Excess Net Capital at 1500%</b>	<b>\$ 11,756</b>
<b>Excess Net Capital at 1000%</b>	<b>\$ 7,356</b>
<b>Ratio of Aggregate Indebtedness to Net Capital</b>	<b>6.4216</b>

**Note: There are no material differences between the preceding computation and the company's corresponding unaudited Part IIA of Form X-17A-5 as of December 31, 2024.**

The accompanying notes are an integral part of these financial statements

**ROMEO & CHIAVERELLI LLC  
ONE BALA AVENUE  
SUITE 234  
BALA CYNWYD, PA 19004**

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

To the Board of Directors:  
American Financial Associates, Inc

We have reviewed management's statements, included in the accompanying Exemption Report, on which American Financial Associates, Inc. identified the following provisions of 17 C.F.R. ~15c3-3(k) under which American Financial Associates, Inc. claimed an exemption from 17 C.F.R. ~240.15c3-3:(2)(ii). SEC Rule 15c3-3(k)(2)(ii) and Footnote 74 of SEC Release 34-70073 and American Financial Associates, Inc. stated that American Financial Associates, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. American Financial Associates, 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 American Financial Associates, 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)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934 and Footnote 74 of SEC Release 34-70073.



Romeo & Chiaverelli, LLC  
Bala Cynwyd, PA

March 20, 2025

**American Financial Associates, Inc**  
**Exemption Report**  
**SEC Rule 17a-5**

American Financial Associates, Inc. is exempt from exchange act rule 15(c)3-3 for the year ending December 31, 2024. We are not a carrying or clearing broker dealer, so, therefore, we are exempt based on:

K2(ii) Who, as an introducing broker or dealer, clears all transaction with and for customers on a fully disclosed basis with a clearing broker or dealer, and who promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of §240.17a-3 and §240.17a-4 of this chapter, as are customarily made and kept by a clearing broker or dealer.

Additionally, AFA is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 for its direct application business for example (1) effecting securities transactions via subscriptions on a subscription way basis (Mutual Funds and Variable Annuities) where the funds are payable to the issuer or its agent and not to the Company; and during the reporting period the AFA did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3).

American Financial Associates, Inc. does not have any exceptions to this report for the year ending December 31, 2024.

  
\_\_\_\_\_  
Henry L. D'Alberto  
President

3/20/25  
\_\_\_\_\_  
Date