FIS Brokerage & Securities Services LLC
Statement of Financial Condition
June 30, 2024
Unaudited

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Assets		
Cash	$	55,191,244
Receivable from brokers and dealers		51,940
Equipment and software, at cost less accumulated depreciation and amortization of $4,294,649		4,658,951
Receivable from affiliates		3,702,079
Accounts receivable, net of allowance of $10,199		31,520,251
Prepaid expenses and other assets		999,947
Total assets	$	96,124,412
Liabilities and Member's Equity		
Payable to Parent and affiliates	$	11,124,189
Accrued compensation and benefits		422,611
Deferred tax liability, net		1,122,460
Accounts payable, accrued expenses and other liabilities		2,740,137
Total liabilities	$	15,409,397
Member's equity		80,715,015
Total liabilities and Member's equity	$	96,124,412

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

1. Organization and Nature of Business

FIS Brokerage & Securities Services LLC (the "Company") is a registered broker-dealer in securities under the Securities and Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). The Company provides technology solutions to institutional entities seeking electronic means to communicate trade information messaging. The Company's sole member, FIS Capital Markets US LLC ("Member"), is an indirect, wholly owned subsidiary of Fidelity National Information Services, Inc. ("FIS") ("Parent"). The Member receives the full allocation of net profits and losses of the Company.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

The accompanying financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

b) Use of Estimates

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

c) Cash

The Company maintains cash at a federally insured banking institution. Cash on deposit with federal institutions may, at times, exceed federal insurance limits.

d) Accounts Receivable & Reserve

Accounts receivable consists primarily of fee income, software license revenues and other revenues that the Company has an unconditional right to consideration for satisfied performance obligations. The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and the Company's customers' financial condition, the amount of receivables in dispute, and the current receivables aging and current payment patterns. The Company reviews its allowance for doubtful accounts monthly.

e) Equipment and Software

Equipment is depreciated using the straight-line method over their estimated useful life of three to five years. Purchased software assets are amortized using the straight-line method over their estimated useful life of five years.

As of June 30, 2024, remaining unamortized fixed assets consist primarily of computer equipment and software with original estimated useful lives of three to five years (see note 10).

f) Income Taxes

Income taxes are accounted for under the asset and liability method as required in accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes* ("ASC 740"). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing deferred tax assets or liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company is included in the consolidated federal return and certain unitary state tax returns of the Parent. The Company computes its federal tax provision on a separate-company basis together with a portion of its state tax provision for certain states in which it files separately. In addition, the Company records expense allocations from the Parent for its share of state income tax expense attributable to its inclusion in the Parent's unitary state tax returns and the tax benefit or expense on the difference between book compensation computed under FASB ASC Topic 718, *Compensation - Stock Compensation,* and compensation deductible in accordance with the tax law. These amounts and the separately computed federal tax provision described above are settled periodically with the Parent.

The Company elected to be classified as a corporation for federal income tax purposes pursuant to Treasury Regulation §301.7701-3. As such, the Company is included in the consolidated federal and certain unitary state income tax returns of the Parent as a corporation, even though its legal form is a limited liability company.

ASC 740 requires management to determine whether a tax position of the Company is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement, which could result in the Company recording a tax liability. As of June 30, 2024, the Company did not have any unrecognized tax benefits or accrued interest. The Company recognizes interest and penalties in the provision for income taxes in the statement of income.

Under the tax sharing agreement between the Company and the Parent, liabilities for unrecognized tax benefits in jurisdictions where consolidated federal income tax or unitary state income tax returns are filed by the Parent are retained at the Parent company level.

Tax years after 2021 remain open for examination by the Internal Revenue Service. Tax years after 2018 remain open for examination by various state and local jurisdictions.

g) Fair Value Measurements

The Company had no Level 1, 2 or Level 3 financial instruments at June 30, 2024. There were no transfers between Level 2 and 3 during the year ended June 30, 2024.

3. Cash

At June 30, 2024, cash consists of cash in bank of $55,191,244.

4. Receivables From and Payables to Broker-Dealers

Amounts receivable from broker-dealers and clearing organizations at June 30, 2024, totaled $51,940.

5. Income Taxes

As of June 30, 2024, the Company had a net federal and state deferred tax liability of $1,122,460 consisting of deferred tax assets of $111,832 and deferred tax liabilities of $1,234,292. The significant component of the net deferred tax asset relates primarily to software amortization and the significant components of the deferred tax liability relates to depreciation, prepaid expenses, software amortization and deferred charges. The Company believes that based on historical pattern of taxable income, projections of future income, tax planning strategies and other relevant evidence, the Company will produce sufficient income in the future to realize its deferred tax assets. A valuation allowance is established for any portion of a deferred income tax asset for which the Company believes it is more likely than not the Company will not be able to realize the benefits of all or a portion of that deferred tax asset. Adjustments to the valuation allowance will be made if there is a change in the assessment of the amount of deferred income tax asset that is realizable. The Company has concluded that it is more likely than not that its deferred tax assets will be realized and, therefore, no valuation allowance is required as of June 30, 2024.

As of June 30, 2024, the Company had an income tax payable from the Parent and state and local tax authorities of $1,097,724 included Payable to Parent and affiliates on the statement of financial condition.

6. Regulatory Requirements

The Company is subject to the SEC Uniform Net Capital Rule 15c3-1 which requires the maintenance of minimum net capital equal to the greater of $250,000 or 6 2/3% of aggregate indebtedness and requires the ratio of aggregated indebtedness to net capital, both as defined, shall not exceed 15 to 1. At June 30, 2024, the Company had net capital of $39,781,614, which exceeded its minimum requirement of $952,462 by $39,829,152. The Company's ratio of aggregate indebtedness to net capital was .36 to 1.

The Company does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3. The Company relies on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. subsection 240.17a-5 because the company limits its business activities exclusively to receiving transaction-based compensation for providing technology or platform services.

7. Contingencies

The Company in its normal course of business may enter into contracts that may require the disclosure of representations and warranties and may provide general indemnification to others. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. However, the Company believes the risk of loss related to these arrangements is remote.

8. Financial Instruments with Off-Balance Sheet Risk and Credit Risk

The Company maintains deposits at a bank in excess of federally insured limits. Management believes that the risk of loss associated with the uninsured portion of funds on deposit is remote.

9. Related Party Transactions

At June 30, 2024, the amount payable to Parent and affiliates represents such amounts payable by the Company. The payables represent employee expenses, professional services, transaction processing, data storage, communication costs, and taxes paid on behalf of the Company. Receivable from affiliates represents an allocation of services paid on behalf of the Company's affiliates.

The Company reimburses the Parent and affiliates of the Parent for employee expenses including salaries and wages, payroll taxes, medical insurance premiums and other benefits.

The Company also reimburses the Parent and affiliates of the Parent for allocated professional services.

The Company also provides technology and professional services to an affiliated broker/dealer for Network access to communicate money market trade information to money market fund companies.

Refer to notes 2 and 5 for further information regarding transactions with related parties.

10. Equipment and Software

At June 30, 2024 equipment and software included the following:

Software	$ 7,984,224
Equipment	969,376
	8,953,600
Accumulated depreciation and amortization	(4,294,649)
	$ 4,658,951

11. Subsequent Events

Management has evaluated all subsequent transactions and events after the date of the statement of financial condition through August 23, 2024, the date the financial statements were available to be issued and has determined that there were no events or transactions during such period which would require recognition or disclosure in the financial statement.