

# **RAYMOND JAMES (USA) LTD.**

(A WHOLLY OWNED SUBSIDIARY OF RAYMOND JAMES LTD.)

## **Statement of Financial Condition**

(Expressed in United States dollars)

As of September 30, 2023



**KPMG LLP**

PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada  
Telephone (604) 691-3000  
Fax (604) 691-3031

**REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM**

To the Stockholder and the Board of Directors Raymond James (USA) Ltd.:

***Opinion on the Financial Statement***

We have audited the accompanying statement of financial condition of Raymond James (USA) Ltd. (the “Company”) as of September 30, 2023, and the related notes (collectively, the “financial statement”). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of September 30, 2023, in conformity with U.S. generally accepted accounting principles.

***Basis for Opinion***

This financial statement is the responsibility of the Company’s management. Our responsibility is to express an opinion on this financial statement 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 statement is 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 statement, 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 statement. 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 statement. We believe that our audit provides a reasonable basis for our opinion.

*KPMG LLP*

Chartered Professional Accountants

We have served as the Company’s auditor since 2001.

Vancouver, Canada  
November 23, 2023

# RAYMOND JAMES (USA) LTD.

(A wholly owned subsidiary of Raymond James Ltd.)

Statement of Financial Condition

(Expressed in United States dollars)

As of September 30, 2023

---

|   | 2023             |
|---|------------------|
| <b>Assets</b>   |                  |
| Cash and cash equivalents                                 | \$ 5,911,612     |
| Deposits in compliance with reserve requirements (note 4) | 3,326,608        |
| Client and broker receivables (note 6)                    | 31,726,578       |
| Due from related party (note 6)                           | 2,961,843        |
| Other assets  | 227,259          |
|   | <hr/>            |
|   | \$ 44,153,900    |
| <b>Liabilities and Stockholder's Equity</b>               |                  |
| Client and broker payables (note 6)                       | \$ 31,371,550    |
| Other accounts payable                                    | <hr/> 116,353    |
|   | \$ 31,487,903    |
| Stockholder's equity:                                     |                  |
| Capital stock (note 5)                                    | 1,045,000        |
| Retained earnings   | 11,620,997       |
|   | <hr/> 12,665,997 |
|   | <hr/>            |
|   | \$ 44,153,900    |

---

See accompanying notes to financial statements.

# RAYMOND JAMES (USA) LTD.

(A wholly owned subsidiary of Raymond James Ltd.)

Notes to Statement of Financial Condition

(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Year ended September 30, 2023

## 1. Operations:

Raymond James (USA) Ltd. (the Company) is incorporated under the Canada Business Corporations Act. The Company was previously incorporated under the laws of the State of New York, United States of America, then merged with a newly incorporated Arizona company for purposes of continuance as an existing corporation under the Canada Business Corporations Act on September 15, 2006. The Company is a wholly owned subsidiary of Raymond James Ltd., a Canadian registered investment dealer and member of Canadian Investment Regulatory Organization (CIRO) and the Canadian Investor Protection Fund and a participating organization of the Toronto Stock Exchange, TSX Venture Exchange, and the Montreal Exchange.

The Company is a broker-dealer registered with the United States Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA), and Securities Investor Protection Corporation.

The Company is also a registered investment advisor with the SEC. While the Company accesses the Canadian securities markets, its clients are US and Canadian residents. The Company has an institutional business segment and its clients are US based institutions that wish to have access to the Canadian securities markets. This business is all delivery vs payment or receipt vs payment. The Company also has retail business that is private client-wealth management and uses US based Pershing LLC as its clearing broker on a fully disclosed basis. Segment information is presented in note 8.

## 2. Significant accounting policies:

### (a) Financial statement presentation:

The financial statements are presented in accordance with accounting principles generally accepted in United States of America.

### (b) Income taxes:

The Company follows the asset and liability method in accounting for income taxes which requires the recording of deferred assets and liabilities to recognize the expected future tax consequences of events that have been reflected in the Company's financial statements or tax returns and the adjustment of deferred tax balances to reflect tax rate changes.

### (c) Cash, restricted cash and cash equivalents:

Cash equivalents are investments that mature in 90 days or less, when acquired, and are readily convertible into known amounts of cash.

Restricted cash is subject to a legal or contractual restriction by third parties as well as a restriction as to withdrawal or use, including restrictions that require the funds to be used for a specified purpose and restriction that limit the purpose for which the funds can be used. The Company considers deposits in compliance with reserve requirements to be restricted cash.

# RAYMOND JAMES (USA) LTD.

(A wholly owned subsidiary of Raymond James Ltd.)

Notes to Statement of Financial Condition

(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Year ended September 30, 2023

## 2. Significant accounting policies (continued):

### (d) Financial instruments:

Amortized cost is the measurement basis for cash and cash equivalents, deposits in compliance with reserve requirements, client and broker receivables, due to/from related party, client and broker payables and other accounts payable. The short-term maturities of these instruments means that their carrying cost approximates their fair value.

### (e) Use of estimates:

The preparation of financial statements 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 period. Actual results could differ from those estimates.

### (f) Security transactions and related commission revenues and expenses:

Security transactions and related commission revenues and expenses are accounted for at a point in time on a trade date basis. Also included within commission revenues is revenue earned in relation to the supply of the Company's research which is recognized over time with the satisfaction of the performance obligation.

### (g) Asset management fees:

Asset management and related fees relate to the discretionary and non-discretionary provision of portfolio advisory services to retail clients. These fees are calculated quarterly as a percentage of assets under management. Revenue is recognized over time with the satisfaction of the performance obligation.

## 3. Future Changes in Accounting Policies

**Standards issued but not yet effective** -There are no standards issued, but which are not yet effective as of September 30, 2023, which may reasonably be expected to materially impact the Company's financial statements.

## 4. Deposits in compliance with reserve requirements:

The deposit of \$3,326,608 cash at September 30, 2023 is held in compliance with reserve requirements. The minimum amount (which fluctuates) required to be held on deposit under the reserve computation as at September 30, 2023 is \$72,493 and is restricted.

## 5. Capital stock:

|  | 2023         |
|--|--------------|
| Authorized:                                |              |
| 400 voting common shares without par value |              |
| Issued:                                    |              |
| 400 common shares (2022 - 400)             | \$ 1,045,000 |

# RAYMOND JAMES (USA) LTD.

(A wholly owned subsidiary of Raymond James Ltd.)

Notes to Statement of Financial Condition

(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Year ended September 30, 2023

## 6. Related party transactions:

Pursuant to an agreement dated March 1, 2008, between the Company and its parent Raymond James Ltd. (RJL), all securities and cash settlements with institutional clients, accounting, record keeping and regulatory processing and reporting services are provided to the Company by RJL. In consideration for these services, RJL receives 50% of all gross commissions and other fees earned with respect to trades conducted for institutional clients of the Company. In addition, the Company is responsible for all direct expenses and is allocated operating expenses from RJL based on proportionate use. Fees are reviewed annually for reasonableness and consistent application.

During the year ended September 30, 2023, commissions and fees, employee compensation, communication and information processing, occupancy and equipment, business development and other expenses of \$12,993,239 were paid to RJL to reimburse for amounts paid on their behalf. As at September 30, 2023, the Company has \$2,961,843 receivable from RJL. In addition, client and broker receivables include amounts due from RJL of \$31,026,663. Client and broker receivables or payables are in relation to trades which are generally settled in 2 days. There are no longer term balances and the firm does not carry client securities or cash. This is solely due to outstanding trades at year end.

## 7. Net capital requirement:

The Company is subject to the SEC uniform net capital rule which requires that the minimum net capital shall be the greater of \$250,000 or 2% aggregate debit items pursuant to Rule 15c3-3. At September 30, 2023, the Company had net capital pursuant to Rule 15c3-1 of \$9,475,414 which was \$9,225,414 in excess of its net capital requirement of \$250,000.

## 8. Segment Information:

The Company currently operates through two business segments: Private Client Group and Capital Markets. The business segments are determined based upon factors such as the services provided and the distribution channels served, and the financial results of the Company's segments are presented using the same policies as described in note 2. Segment results include charges allocating corporate overhead and benefits to each segment.

The Private Client Group segment includes the retail branches located throughout Canada. These branches provide securities brokerage services including the sale of equities, mutual funds and fixed income products to their individual clients. The branches also provide discretionary and non-discretionary portfolio advisory services. The Capital Markets segment includes institutional sales and trading in Canada to US resident institutions. We provide securities brokerage, trading and research services to institutions with an emphasis on the sale of US and Canadian equities and fixed income products.

# RAYMOND JAMES (USA) LTD.

(A wholly owned subsidiary of Raymond James Ltd.)

Notes to Statement of Financial Condition

(Tabular amounts expressed in United States dollars, unless otherwise indicated)

Year ended September 30, 2023

## 8. Segment Information (continued):

| <u>Total assets by segment:</u> |                     |
|---------------------------------|---------------------|
|                                 | 2023                |
| Capital Markets                 | \$40,807,089        |
| Private Client Group            | 3,346,811           |
|                                 | <u>\$44,153,900</u> |

## 9. Liabilities subordinated to the claims of general creditors:

As at and during the years ended September 30, 2023, the Company had no liabilities which were subordinated to the claims of general creditors.

## 10. Contingencies

The Company is subject to reviews and inspections by regulatory authorities. Reviews can result in the imposition of sanctions for regulatory violations, ranging from non-monetary censures to fines and, in serious cases, temporary or permanent suspension from conducting business, or limitations on certain business activities.

The Company cannot predict if, how or when such examinations will be resolved or what the eventual settlement, fine, penalty or other relief, if any, may be.

A large number of factors contribute to this inherent unpredictability: the examination is still ongoing; the damages sought are unspecified, unsupported or uncertain; the Company has not engaged in settlement discussions; discovery is not complete; and there are significant facts in dispute.

The Company may contest liability and/or the amount of damages, as appropriate, in each pending matter. Over the last several years, the level of litigation and investigatory activity (both formal and informal) by government and self-regulatory agencies has increased significantly in the financial services industry. There can be no assurance that material losses will not be incurred from claims that have not yet been asserted or are not yet determined to be material.

Subject to the foregoing, the Company believes, after consultation with legal counsel, that the outcome of the ongoing regulatory examinations will not have a material adverse effect on the Company's financial condition. The Company has not recorded a provision for ongoing regulatory examinations as it is not considered probable that an outflow of economic benefits will be required and a reliable estimate of the obligation, if any, cannot be made at this time.

## 11. Subsequent events:

Management has evaluated subsequent events through November 23, 2023, the date the financial statements were available to be issued. There were no subsequent events requiring adjustments to, or disclosures in, the financial statements.

# RAYMOND JAMES (USA) LTD.

(A wholly owned subsidiary of Raymond James Ltd.)  
Computation of Net Capital Pursuant to SEC Rule 15c3-1  
(Expressed in United States dollars)

Schedule I

Year ended September 30, 2023

|                              | 2023          |
|------------------------------|---------------|
| Total capital:               |               |
| Total stockholder's equity   | \$ 12,665,997 |
| Deductions:                  |               |
| Non-allowable assets:        |               |
| Due from related party       | 2,961,843     |
| Other deductions             | 228,740       |
| Total deductions             | 3,190,583     |
| Net capital                  |               |
|                              | \$ 9,475,414  |
| Minimum net capital required | 250,000       |
| Excess net capital           | \$ 9,225,414  |

The 2023 computation does not differ materially from the regulatory computation filed on its Focus II with the SEC and FINRA.



# RAYMOND JAMES (USA) LTD.

(A wholly owned subsidiary of Raymond James Ltd.)

Computation for Determination of Reserve Requirements and Information Related to the Possession or Control Requirements Pursuant to SEC Rule 15c3-3  
Schedule II  
(Expressed in United States dollars)

Year ended September 30, 2023

---

As at September 30, 2023, the Company is subject to the reserve requirements under Rule 15c3-3 of the Securities Exchange Act of 1934. Under Rule 15c3-3, the excess of total credits over total debits was \$72,493. Therefore, the minimum reserve required under 15c3-3 as at September 30, 2023 is \$72,493. As at September 30, 2023, the Company had \$3,326,608 in cash on deposit in compliance with reserve requirements.

The above computation does not differ materially from the computation the Company filed on its Focus II.

As at September 30, 2023 the Company is subject to the possession or control requirements pursuant to SEC Rule 15c3-3. Under Rule 15c3-3, as at September 30, 2023, the Company did not have any security positions required to be in possession or control, or required to be in possession or control that had not been reduced to possession or control in the proper time frame.