IRVING L. FAUGHT
ADMINISTRATOR

MARY FALLIN
GOVERNOR

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES

MEMORANDUM

To: ***Irving L. Faught, Administrator***

From: ***Melanie Hall, Deputy Administrator*** mh

Date: ***March 16, 2015***

Re: ***FINANCIAL REPORT***

Attached is the financial report for the month ended February 28, 2015, as prepared by Stephanie Ballard of Crawford & Associates.

Attachment

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OKLAHOMA DEPARTMENT OF SECURITIES
FINANCIAL STATEMENTS - CASH BASIS

	July 31, 2014	August 31, 2014	September 30, 2014	October 31, 2014	November 30, 2014	December 31, 2014	January 31, 2015	February 28, 2015	Total YTD
ASSETS									
Cash and cash equivalents	$ 7,624,641	$ 7,606,233	$ 7,696,443	$ 7,845,730	$ 7,480,658	$ 8,468,093	$ 8,478,716	$ 8,441,900	$ 8,441,900
Cash restricted for investor education	805,807	871,336	769,474	770,708	771,879	772,994	779,167	731,497	731,497
TOTAL ASSETS	$ 8,430,448	$ 8,477,569	$ 8,465,917	$ 8,616,438	$ 8,252,537	$ 9,241,087	$ 9,257,883	$ 9,173,397	$ 9,173,397
LIABILITIES									
Due to State's General Fund	$ 388,950	$ 361,850	$ 378,301	$ 490,350	$ 259,200	$ 377,500	$ 350,950	$ 344,100	$ 344,100
TOTAL LIABILITIES	$ 388,950	$ 361,850	$ 378,301	$ 490,350	$ 259,200	$ 377,500	$ 350,950	$ 344,100	$ 344,100
NET ASSETS									
Restricted net position - expendable	$ 805,807	$ 871,336	$ 769,474	$ 770,708	$ 771,879	$ 772,994	$ 779,167	$ 731,497	$ 731,497
Unrestricted net position	7,235,691	7,244,383	7,318,142	7,355,380	7,221,458	8,090,593	8,127,766	8,097,800	8,097,800
TOTAL NET POSITION	$ 8,041,498	$ 8,115,719	$ 8,087,616	$ 8,126,088	$ 7,993,337	$ 8,863,587	$ 8,906,933	$ 8,829,297	$ 8,829,297
TOTAL LIABILITIES AND NET POSITION	$ 8,430,448	$ 8,477,569	$ 8,465,917	$ 8,616,438	$ 8,252,537	$ 9,241,087	$ 9,257,883	$ 9,173,397	$ 9,173,397

	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	FY 2015 YTD
OPERATING REVENUES									
Securities registration fees	$ 1,122,700	$ 1,112,000	$ 1,313,351	$ 1,217,250	$ 836,050	$ 1,439,400	$ 1,187,800	$ 1,092,850	$ 9,321,401
Securities professionals' registration fees	124,500	107,240	121,860	121,730	82,340	6,372,000	217,460	99,980	7,247,110
Fines, penalties, and administrative costs	63,617	64,265	73,808	16,915			5,000		223,605
Other revenue	32	499	982		11	481	997	483	3,485
TOTAL OPERATING REVENUES	$ 1,310,849	$ 1,284,004	$ 1,510,001	$ 1,355,895	$ 918,401	$ 7,811,881	$ 1,411,257	$ 1,193,313	$ 16,795,601
OPERATING EXPENSES									
Salaries, wages, and benefits	$ 307,118	$ 295,831	$ 284,935	$ 282,110	$ 294,594	$ 300,553	$ 309,592	$ 306,357	$ 2,381,090
Rent expense	11,361	15,483	10,258	17,101	8,840	11,904	3,993	34,626	113,566
Contracted and professional services	20,202	4,652	2,299	18,030	3,460	33,737	3,497	366	86,243
Investor education professional services	88,793		161,980	-	-	-	-	43,858	294,631
Other general and administrative expenses	19,478	28,290	32,031	8,537	66,489	8,252	25,542	23,400	212,019
TOTAL OPERATING EXPENSES	$ 446,952	$ 344,256	$ 491,503	$ 325,778	$ 373,383	$ 354,446	$ 342,624	$ 408,607	$ 3,087,549
OPERATING INCOME	$ 863,897	$ 939,748	$ 1,018,498	$ 1,030,117	$ 545,018	$ 7,457,435	$ 1,068,633	$ 784,706	$ 13,708,052
NONOPERATING REVENUE (EXPENSE)									
Interest income	$ 1,264	$ 1,263	$ 1,310	$ 1,235	$ 1,171	$ 1,115	$ 1,173	$ 1,188	$ 9,719
Transfers to and due to State of Oklahoma	(899,800)	(866,790)	(1,047,911)	(992,880)	(678,940)	(6,588,300)	(1,026,460)	(863,530)	(12,964,611)
NET NONOPERATING EXPENSE	$ (898,536)	$ (865,527)	$ (1,046,601)	$ (991,645)	$ (677,769)	$ (6,587,185)	$ (1,025,287)	$ (862,342)	$ (12,954,892)
NET CHANGE IN NET POSITION	$ (34,639)	$ 74,221	$ (28,103)	$ 38,472	$ (132,751)	$ 870,250	$ 43,346	$ (77,636)	$ 753,160
NET POSITION, BEGINNING OF MONTH	$ 8,076,137	$ 8,041,498	$ 8,115,719	$ 8,087,616	$ 8,126,088	$ 7,993,337	$ 8,863,587	$ 8,906,933	$ 8,076,137
NET POSITION, END OF MONTH	$ 8,041,498	$ 8,115,719	$ 8,087,616	$ 8,126,088	$ 7,993,337	$ 8,863,587	$ 8,906,933	$ 8,829,297	$ 8,829,297

OKLAHOMA DEPARTMENT OF SECURITIES
CASH BASIS YEAR-TO-DATE COMPARISON

	YTD Feb 28, 2015	YTD Feb 28, 2014	Percentage Change
ASSETS			
Cash and cash equivalents	$ 8,441,900	$ 7,593,215	11%
Cash restricted for investor education	731,497	1,238,246	-41% 1
TOTAL ASSETS	$ 9,173,397	$ 8,831,461	4%
LIABILITIES			
Due to State's General Fund	$ 344,100	$ 260,450	32%
TOTAL LIABILITIES	$ 344,100	$ 260,450	32%
NET ASSETS			
Restricted net position - expendable	$ 731,497	$ 1,238,246	-41%
Unrestricted net position	8,097,800	7,332,765	10%
TOTAL NET POSITION	$ 8,829,297	$ 8,571,011	3%
TOTAL LIABILITIES AND NET POSITION	$ 9,173,397	$ 8,831,461	4%

	Feb, 2015	Feb, 2014	
OPERATING REVENUES			
Securities registration fees	$ 9,321,401	$ 8,961,820	4%
Securities professionals' registration fees	7,247,110	6,973,600	4%
Fines, penalties, and administrative costs	223,605	39,058	472% 2
Other revenue	3,485	3,859	-10%
TOTAL OPERATING REVENUES	$ 16,795,601	$ 15,978,337	5%
OPERATING EXPENSES			
Salaries, wages, and benefits	$ 2,381,090	$ 2,243,943	6%
Rent expense	113,566	96,518	18%
Contracted and professional services	86,243	94,698	-9%
Investor education professional services	294,631	344,375	-14% 3
Other general and administrative expenses	212,019	186,471	14%
TOTAL OPERATING EXPENSES	$ 3,087,549	$ 2,966,005	4%
OPERATING INCOME	$ 13,708,052	$ 13,012,332	5%
NONOPERATING REVENUE (EXPENSE)			
Interest income	$ 9,719	$ 17,849	-46% 4
Transfers to and due to State of Oklahoma	(12,964,611)	(12,449,303)	4%
NET NONOPERATING EXPENSE	$ (12,954,892)	$ (12,431,454)	4%
NET CHANGE IN NET POSITION	$ 753,160	$ 580,878	30%
NET POSITION, BEGINNING OF YEAR	$ 8,076,137	$ 7,990,133	1%
NET POSITION, YTD	$ 8,829,297	$ 8,571,011	3%

1 Decrease is due to a decrease in fine revenue to the Fund and a decrease in interest income.
2 Fines vary based on amounts awarded and factual bases of cases.
3 Decrease is due to timing differences between when Invest Ed billings are received and paid.
4 Decrease is due to lower account balance and lower rate of return.

OKLAHOMA DEPARTMENT OF SECURITIES
CASH BASIS YEAR-TO-DATE BUDGET COMPARISON
As of February 28, 2015

	FY15 Total Budget	FY15 Actual YTD	Remaining Balance	Remaining Percentage
OPERATING REVENUES				
Securities registration fees	$ 12,772,000	$ 9,321,401	3,450,599	27%
Securities professionals' registration fees	7,614,000	7,247,110	366,890	5%
Fines, penalties, and administrative costs	50,000	223,605	(173,605)	-347%
Other revenue	4,600	3,485	1,115	24%
TOTAL OPERATING REVENUES	$ 20,440,600	$ 16,795,601	3,644,999	
OPERATING EXPENSES				
Salaries, wages, and benefits	$ 3,955,770	$ 2,381,090	1,574,680	40%
Rent expense	146,217	113,566	32,651	22%
Contracted and professional services	231,800	86,243	145,557	63%
Investor education professional services	500,000	294,631	205,369	41%
Other general and administrative expenses	810,290	212,019	598,271	74%
TOTAL OPERATING EXPENSES	$ 5,644,077	$ 3,087,549	2,556,528	
OPERATING INCOME	$ 14,796,523	$ 13,708,052	$ 1,088,471	
NONOPERATING REVENUE (EXPENSE)				
Interest income	$ 10,000	$ 9,719	281	3%
Transfers to and due to State of Oklahoma	(15,636,062)	(12,964,611)	(2,671,451)	17%
NET NONOPERATING EXPENSE	$ (15,626,062)	$ (12,954,892)	$ (2,671,170)	
NET CHANGE IN NET POSITION	$ (829,539)	$ 753,160	(1,582,699)	