IRVING L. FAUGHT
ADMINISTRATOR

MARY FALLIN
GOVERNOR

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES

MEMORANDUM

To: Irving L. Faught, Administrator

From: Melanie Hall, Deputy Administrator

Date: July 23, 2015

Re: FINANCIAL REPORT

Attached is the financial report for the month ended June 30, 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	March 31, 2015	April 30, 2015	May 31, 2015	June 30, 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	$ 8,481,616	$ 8,961,605	$ 8,434,391	$ 8,677,314	$ 8,677,314
Cash restricted for investor education	805,807	871,336	769,474	770,708	771,879	772,994	779,167	731,497	622,878	592,826	593,734	594,635	594,635
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	$ 9,104,494	$ 9,554,431	$ 9,028,125	$ 9,271,949	$ 9,271,949
LIABILITIES													
Due to State's General Fund	$ 388,950	$ 361,850	$ 378,301	$ 490,350	$ 259,200	$ 377,500	$ 350,950	$ 344,100	$ 339,050	$ 736,250	$ 287,850	$ 448,000	$ 448,000
TOTAL LIABILITIES	$ 388,950	$ 361,850	$ 378,301	$ 490,350	$ 259,200	$ 377,500	$ 350,950	$ 344,100	$ 339,050	$ 736,250	$ 287,850	$ 448,000	$ 448,000
NET ASSETS													
Restricted net position - expendable	$ 805,807	$ 871,336	$ 769,474	$ 770,708	$ 771,879	$ 772,994	$ 779,167	$ 731,497	$ 622,878	$ 592,826	$ 593,734	$ 594,635	$ 594,635
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	8,142,566	8,225,355	8,146,541	8,229,314	8,229,314
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	$ 8,765,444	$ 8,818,181	$ 8,740,275	$ 8,823,949	$ 8,823,949
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	$ 9,104,494	$ 9,554,431	$ 9,028,125	$ 9,271,949	$ 9,271,949

	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 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	$ 1,250,600	$ 1,353,950	$ 1,022,500	$ 1,445,350	$ 14,393,801
Securities professionals' registration fees	124,500	107,240	121,860	121,730	82,340	6,372,000	217,460	99,980	127,950	129,770	104,650	117,300	7,726,780
Fines, penalties, and administrative costs	63,617	64,265	73,808	16,915			5,000		483	791		7,000	231,879
Other revenue	32	499	982		11	481	997	483				52	3,537
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	$ 1,379,033	$ 1,484,511	$ 1,127,150	$ 1,569,702	$ 22,355,997
OPERATING EXPENSES													
Salaries, wages, and benefits	$ 307,118	$ 295,831	$ 284,935	$ 282,110	$ 294,594	$ 300,553	$ 309,592	$ 306,357	$ 306,056	$ 309,751	$ 309,227	$ 329,467	$ 3,635,591
Rent expense	11,361	15,483	10,258	17,101	8,840	11,904	3,993	34,626	20	13,161	11,457	12,389	150,593
Contracted and professional services	20,202	4,652	2,299	18,030	3,460	33,737	3,497	366	13,534	2,738	1,836	3,351	107,702
Investor education professional services	88,793		161,980	-	-	-	-	43,858	109,635	31,071			435,337
Other general and administrative expenses	19,478	28,290	32,031	8,537	66,489	8,252	25,542	23,400	18,557	11,653	68,393	10,272	320,894
TOTAL OPERATING EXPENSES	$ 446,952	$ 344,256	$ 491,503	$ 325,778	$ 373,383	$ 354,446	$ 342,624	$ 408,607	$ 447,802	$ 368,374	$ 390,913	$ 355,479	$ 4,650,117
OPERATING INCOME	$ 863,897	$ 939,748	$ 1,018,498	$ 1,030,117	$ 545,018	$ 7,457,435	$ 1,068,633	$ 784,706	$ 931,231	$ 1,116,137	$ 736,237	$ 1,214,223	$ 17,705,880
NONOPERATING REVENUE (EXPENSE)													
Interest income	$ 1,264	$ 1,263	$ 1,310	$ 1,235	$ 1,171	$ 1,115	$ 1,173	$ 1,188	$ 1,016	$ 1,020	$ 907	$ 901	$ 13,563
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)	(996,100)	(1,064,420)	(815,050)	(1,131,450)	(16,971,631)
NET NONOPERATING EXPENSE	$ (898,536)	$ (865,527)	$ (1,046,601)	$ (991,645)	$ (677,769)	$ (6,587,185)	$ (1,025,287)	$ (862,342)	$ (995,084)	$ (1,063,400)	$ (814,143)	$ (1,130,549)	$ (16,958,068)
NET CHANGE IN NET POSITION	$ (34,639)	$ 74,221	$ (28,103)	$ 38,472	$ (132,751)	$ 870,250	$ 43,346	$ (77,636)	$ (63,853)	$ 52,737	$ (77,906)	$ 83,674	$ 747,812
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	$ 8,829,297	$ 8,765,444	$ 8,818,181	$ 8,740,275	$ 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	$ 8,765,444	$ 8,818,181	$ 8,740,275	$ 8,823,949	$ 8,823,949

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

	YTD June 30, 2015	YTD June 30, 2014	Percentage Change
ASSETS			
Cash and cash equivalents	$ 8,677,314	$ 7,570,489	15%
Cash restricted for investor education	594,635	829,719	-28% 1
TOTAL ASSETS	$ 9,271,949	$ 8,400,208	10%
LIABILITIES			
Due to State's General Fund	$ 448,000	$ 324,071	38%
TOTAL LIABILITIES	$ 448,000	$ 324,071	38%
NET ASSETS			
Restricted net position - expendable	$ 594,635	$ 829,719	-28%
Unrestricted net position	8,229,314	7,246,418	14%
TOTAL NET POSITION	$ 8,823,949	$ 8,076,137	9%
TOTAL LIABILITIES AND NET POSITION	$ 9,271,949	$ 8,400,208	10%

	June, 2015	June, 2014	
OPERATING REVENUES			
Securities registration fees	$ 14,393,801	$ 13,749,241	5%
Securities professionals' registration fees	7,726,780	7,399,630	4%
Fines, penalties, and administrative costs	231,879	61,410	278% 2
Other revenue	3,537	5,094	-31%
TOTAL OPERATING REVENUES	$ 22,355,997	$ 21,215,375	5%
OPERATING EXPENSES			
Salaries, wages, and benefits	$ 3,635,591	$ 3,623,638	0%
Rent expense	150,593	144,099	5%
Contracted and professional services	107,702	109,184	-1%
Investor education professional services	435,337	781,563	-44% 3
Other general and administrative expenses	320,894	293,791	9%
TOTAL OPERATING EXPENSES	$ 4,650,117	$ 4,952,275	-6%
OPERATING INCOME	$ 17,705,880	$ 16,263,100	9%
NONOPERATING REVENUE (EXPENSE)			
Interest income	$ 13,563	$ 24,158	-44% 4
Transfers to and due to State of Oklahoma	(16,971,631)	(16,201,254)	5%
NET NONOPERATING EXPENSE	$ (16,958,068)	$ (16,177,096)	5%
NET CHANGE IN NET POSITION	$ 747,812	$ 86,004	770%
NET POSITION, BEGINNING OF YEAR	$ 8,076,137	$ 7,990,133	1%
NET POSITION, YTD	$ 8,823,949	$ 8,076,137	9%

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.
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 June 30, 2015

	FY15 Total Budget	FY15 Actual YTD	Remaining Balance	Remaining Percentage
OPERATING REVENUES				
Securities registration fees	$ 12,772,000	$ 14,393,801	(1,621,801)	-13%
Securities professionals' registration fees	7,614,000	7,726,780	(112,780)	-1%
Fines, penalties, and administrative costs	50,000	231,879	(181,879)	-364%
Other revenue	4,600	3,537	1,063	23%
TOTAL OPERATING REVENUES	$ 20,440,600	$ 22,355,997	(1,915,397)	
OPERATING EXPENSES				
Salaries, wages, and benefits	$ 3,955,770	$ 3,635,591	320,179	8%
Rent expense	146,217	150,593	(4,376)	-3%
Contracted and professional services	231,800	107,702	124,098	54%
Investor education professional services	500,000	435,337	64,663	13%
Other general and administrative expenses	810,290	320,894	489,396	60%
TOTAL OPERATING EXPENSES	$ 5,644,077	$ 4,650,117	993,960	
OPERATING INCOME	$ 14,796,523	$ 17,705,880	$ (2,909,357)	
NONOPERATING REVENUE (EXPENSE)				
Interest income	$ 10,000	$ 13,563	(3,563)	-36%
Transfers to and due to State of Oklahoma	(15,636,062)	(16,971,631)	1,335,569	-9%
NET NONOPERATING EXPENSE	$ (15,626,062)	$ (16,958,068)	$ 1,332,006	
NET CHANGE IN NET POSITION	$ (829,539)	$ 747,812	(1,577,351)	

Note:

250,773.00	PY Invest Ed expenses paid in FY15
184,564.00	CY Invest Ed expenses through Jan, 2015
435,337.00	