

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: September 16, 2015

Re: FINANCIAL REPORT

Attached is the financial report for the month ended July 31, 2015, as prepared by Stephanie Ballard of Crawford & Associates.

Attachment

OKLAHOMA DEPARTMENT OF SECURITIES
FINANCIAL STATEMENTS - CASH BASIS

	July 31, 2015	August 31, 2015	Total YTD
ASSETS			
Cash and cash equivalents	\$ 8,642,345	\$ 8,590,447	\$ 8,590,447
Cash restricted for investor education	595,494	570,506	570,506
TOTAL ASSETS	\$ 9,237,839	\$ 9,160,953	\$ 9,160,953
LIABILITIES			
Due to State's General Fund	\$ 405,850	\$ 403,000	\$ 403,000
TOTAL LIABILITIES	\$ 405,850	\$ 403,000	\$ 403,000
NET ASSETS			
Restricted net position - expendable	\$ 595,494	\$ 570,506	\$ 570,506
Unrestricted net position	8,236,495	8,187,447	8,187,447
TOTAL NET POSITION	\$ 8,831,989	\$ 8,757,953	\$ 8,757,953
TOTAL LIABILITIES AND NET POSITION	\$ 9,237,839	\$ 9,160,953	\$ 9,160,953
	July 2015	August 2015	FY 2015 YTD
OPERATING REVENUES			
Securities registration fees	\$ 1,108,650	\$ 1,109,150	\$ 2,217,800
Securities professionals' registration fees	128,490	127,510	256,000
Fines, penalties, and administrative costs	-	-	-
Other revenue	480	-	480
TOTAL OPERATING REVENUES	\$ 1,237,620	\$ 1,236,660	\$ 2,474,280
OPERATING EXPENSES			
Salaries, wages, and benefits	\$ 313,241	\$ 300,954	\$ 614,195
Rent expense	3,951	14,804	18,755
Contracted and professional services	1,774	2,293	4,067
Investor education professional services	-	25,875	25,875
Other general and administrative expenses	14,383	65,398	79,781
TOTAL OPERATING EXPENSES	\$ 333,349	\$ 409,324	\$ 742,673
OPERATING INCOME	\$ 904,271	\$ 827,336	\$ 1,731,607
NONOPERATING REVENUE (EXPENSE)			
Interest income	\$ 859	\$ 888	\$ 1,747
Transfers to and due to State of Oklahoma	(897,040)	(902,260)	(1,799,300)
NET NONOPERATING EXPENSE	\$ (896,181)	\$ (901,372)	\$ (1,797,553)
NET CHANGE IN NET POSITION	\$ 8,090	\$ (74,036)	\$ (65,946)
NET POSITION, BEGINNING OF MONTH	\$ 8,823,899	\$ 8,831,989	\$ 8,823,899
NET POSITION, END OF MONTH	\$ 8,831,989	\$ 8,757,953	\$ 8,757,953

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

	YTD Aug 31, 2015	YTD Aug 31, 2014	Percentage Change
ASSETS			
Cash and cash equivalents	\$ 8,590,447	\$ 7,606,233	13%
Cash restricted for investor education	570,506	871,336	-35% ¹
TOTAL ASSETS	<u>\$ 9,160,953</u>	<u>\$ 8,477,569</u>	8%
LIABILITIES			
Due to State's General Fund	\$ 403,000	\$ 361,850	11%
TOTAL LIABILITIES	<u>\$ 403,000</u>	<u>\$ 361,850</u>	11%
NET ASSETS			
Restricted net position - expendable	\$ 570,506	\$ 871,336	-35%
Unrestricted net position	8,187,447	7,244,383	13%
TOTAL NET POSITION	<u>\$ 8,757,953</u>	<u>\$ 8,115,719</u>	8%
TOTAL LIABILITIES AND NET POSITION	<u>\$ 9,160,953</u>	<u>\$ 8,477,569</u>	8%
	Aug, 2015	Aug, 2014	
OPERATING REVENUES			
Securities registration fees	\$ 2,217,800	\$ 2,234,700	-1%
Securities professionals' registration fees	256,000	231,740	10%
Fines, penalties, and administrative costs	-	127,882	-100% ²
Other revenue	480	531	-10%
TOTAL OPERATING REVENUES	<u>\$ 2,474,280</u>	<u>\$ 2,594,853</u>	-5%
OPERATING EXPENSES			
Salaries, wages, and benefits	\$ 614,195	\$ 602,949	2%
Rent expense	18,755	26,844	-30%
Contracted and professional services	4,067	24,854	-84%
Investor education professional services	25,875	88,793	-71% ³
Other general and administrative expenses	79,781	47,768	67%
TOTAL OPERATING EXPENSES	<u>\$ 742,673</u>	<u>\$ 791,208</u>	-6%
OPERATING INCOME	<u>\$ 1,731,607</u>	<u>\$ 1,803,645</u>	-4%
NONOPERATING REVENUE (EXPENSE)			
Interest income	\$ 1,747	\$ 2,527	-31% ⁴
Transfers to and due to State of Oklahoma	(1,799,300)	(1,766,590)	2%
NET NONOPERATING EXPENSE	<u>\$ (1,797,553)</u>	<u>\$ (1,764,063)</u>	2%
NET CHANGE IN NET POSITION	<u>\$ (65,946)</u>	<u>\$ 39,582</u>	-267%
NET POSITION, BEGINNING OF YEAR	<u>\$ 8,823,899</u>	<u>\$ 8,076,137</u>	9%
NET POSITION, YTD	<u>\$ 8,757,953</u>	<u>\$ 8,115,719</u>	8%

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 August 31, 2015

	FY16 Total Budget	FY16 Actual YTD	Remaining Balance	Remaining Percentage
OPERATING REVENUES				
Securities registration fees	\$ 14,393,801	\$ 2,217,800	12,176,001	85%
Securities professionals' registration fees	7,726,780	256,000	7,470,780	97%
Fines, penalties, and administrative costs	75,000	-	75,000	100%
Other revenue	6,675	480	6,195	93%
TOTAL OPERATING REVENUES	\$ 22,202,256	\$ 2,474,280	19,727,976	
OPERATING EXPENSES				
Salaries, wages, and benefits	\$ 4,201,494	\$ 614,195	3,587,299	85%
Rent expense	264,041	18,755	245,286	93%
Contracted and professional services	229,804	4,067	225,737	98%
Investor education professional services	178,625	25,875	152,750	86%
Other general and administrative expenses	836,737	79,781	756,956	90%
TOTAL OPERATING EXPENSES	\$ 5,710,701	\$ 742,673	4,968,028	
OPERATING INCOME	\$ 16,491,555	\$ 1,731,607	\$ 14,759,948	
NONOPERATING REVENUE (EXPENSE)				
Interest income	\$ 12,000	\$ 1,747	10,253	85%
Transfers to and due to State of Oklahoma	(16,971,631)	(1,799,300)	(15,172,331)	89%
NET NONOPERATING EXPENSE	\$ (16,959,631)	\$ (1,797,553)	\$ (15,162,078)	
NET CHANGE IN NET POSITION	\$ (468,076)	\$ (65,946)	(402,130)	