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: September 20, 2013

Re: FINANCIAL REPORT

Attached is the financial report for the month ended August 31, 2013, as prepared by Stephanie Ballard of Crawford & Associates.

Attachment

FIRST NATIONAL CENTER, SUITE 860 • 120 NORTH ROBINSON • OKLAHOMA CITY, OK 73102 • (405) 280-7700 • FAX (405) 280-7742
http://www.securities.ok.gov

recycled paper

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

	YTD Aug 31, 2013	YTD August 31, 2012	Percentage Change
ASSETS			
Cash and cash equivalents	$ 6,746,304	$ 6,434,897	5%
Cash restricted for investor education	1,376,317	2,312,081	-40% 1
TOTAL ASSETS	$ 8,122,621	$ 8,746,978	-7%
LIABILITIES			
Due to State's General Fund	$ 335,800	$ 317,100	6%
TOTAL LIABILITIES	$ 335,800	$ 317,100	6%
NET ASSETS			
Restricted net position - expendable	$ 1,376,317	$ 2,312,081	-40%
Unrestricted net position	6,410,504	6,117,797	5%
TOTAL NET ASSETS	$ 7,786,821	$ 8,429,878	-8%
TOTAL LIABILITIES AND NET ASSETS	$ 8,122,621	$ 8,746,978	-7%

	August 2013	August 2012	
OPERATING REVENUES			
Securities registration fees	$ 2,146,910	$ 2,079,650	3%
Securities professionals' registration fees	219,350	190,470	15%
Fines, penalties, and administrative costs	-	-	
Other revenue	1,066	498	114% 2
TOTAL OPERATING REVENUES	$ 2,367,326	$ 2,270,618	4%
OPERATING EXPENSES			
Salaries, wages, and benefits	$ 567,555	$ 562,066	1%
Rent expense	24,967	15,856	57% 3
Contracted and professional services	31,549	10,833	191% 4
Investor education professional services	154,409	-	
Other general and administrative expenses	67,320	32,720	106% 5
TOTAL OPERATING EXPENSES	$ 845,800	$ 621,475	36%
OPERATING INCOME	$ 1,521,526	$ 1,649,143	-8%
NONOPERATING REVENUE (EXPENSE)			
Interest income	$ 5,012	$ 9,058	-45% 6
Transfers to and due to State of Oklahoma	(1,717,050)	(1,637,370)	5%
NET NONOPERATING EXPENSE	$ (1,712,038)	$ (1,628,312)	5%
NET CHANGE IN NET POSITION	$ (190,512)	$ 20,831	-1015%
NET POSITION, BEGINNING OF YEAR	$ 7,977,333	$ 8,409,047	-5%
NET POSITION, YTD	$ 7,786,821	$ 8,429,878	-8%

1 Decrease is due to a decrease in fine revenue and a decrease in interest income combined with an increase in Investor Education expenditures during the past years.
2 Varies based on miscellaneous receipts including overpayments
3 Increase is due to timing -June, 2012 includes 2 rent payments; one is for July, 2012
4 Increase is due to payments to outside lawyers
5 Increase is due to Informational Service & Evidence Fund Expenses
6 Decrease is due to lower account balance and lower rate of return.

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

	FY14 Total Budget	FY14 Actual YTD	Remaining Balance	Remaining Percentage
OPERATING REVENUES				
Securities registration fees	$ 12,818,200	$ 2,146,910	10,671,290	83%
Securities professionals' registration fees	7,060,800	219,350	6,841,450	97%
Fines, penalties, and administrative costs	50,000	-	50,000	100%
Other revenue	6,000	1,066	4,934	82%
TOTAL OPERATING REVENUES	$ 19,935,000	$ 2,367,326	17,567,674	
OPERATING EXPENSES				
Salaries, wages, and benefits	$ 4,177,900	$ 567,555	3,610,345	86%
Rent expense	118,161	24,967	93,194	79%
Contracted and professional services	220,600	31,549	189,051	86%
Investor education professional services	1,071,879	154,409	917,470	86%
Other general and administrative expenses	838,467	67,320	771,147	92%
TOTAL OPERATING EXPENSES	$ 6,427,007	$ 845,800	5,581,207	
OPERATING INCOME	$ 13,507,993	$ 1,521,526	$ 11,986,467	
NONOPERATING REVENUE (EXPENSE)				
Interest income	$ 45,000	$ 5,012	39,988	89%
Transfers to and due to State of Oklahoma	(15,188,100)	(1,717,050)	(13,471,050)	89%
NET NONOPERATING EXPENSE	$ (15,143,100)	$ (1,712,038)	$ (13,431,062)	
NET CHANGE IN NET POSITION	$ (1,635,107)	$ (190,512)	(1,444,595)	88%

OKLAHOMA DEPARTMENT OF SECURITIES
FINANCIAL STATEMENTS - CASH BASIS

	July 31, 2013	August 31, 2013	Total YTD
ASSETS			
Cash and cash equivalents	$ 6,848,066	$ 6,746,304	$ 6,746,304
Cash restricted for investor education	1,457,801	1,376,317	1,376,317
TOTAL ASSETS	$ 8,305,867	$ 8,122,621	$ 8,122,621
LIABILITIES			
Due to State's General Fund	$ 381,700	$ 335,800	$ 335,800
TOTAL LIABILITIES	$ 381,700	$ 335,800	$ 335,800
NET ASSETS			
Restricted net position - expendable	$ 1,457,801	$ 1,376,317	$ 1,376,317
Unrestricted net position	6,466,366	6,410,504	6,410,504
TOTAL NET POSITION	$ 7,924,167	$ 7,786,821	$ 7,786,821
TOTAL LIABILITIES AND NET POSITION	$ 8,305,867	$ 8,122,621	$ 8,122,621

	July 2013	August 2013	FY 2013 YTD
OPERATING REVENUES			
Securities registration fees	$ 1,128,900	$ 1,018,010	$ 2,146,910
Securities professionals' registration fees	110,020	109,330	219,350
Fines, penalties, and administrative costs	-	-	-
Other revenue	483	583	1,066
TOTAL OPERATING REVENUES	$ 1,239,403	$ 1,127,923	$ 2,367,326
OPERATING EXPENSES			
Salaries, wages, and benefits	$ 287,504	$ 280,051	$ 567,555
Rent expense	13,361	11,606	24,967
Contracted and professional services	8,344	23,205	31,549
Investor education professional services	70,450	83,959	154,409
Other general and administrative expenses	16,627	50,693	67,320
TOTAL OPERATING EXPENSES	$ 396,286	$ 449,514	$ 845,800
OPERATING INCOME	$ 843,117	$ 678,409	$ 1,521,526
NONOPERATING REVENUE (EXPENSE)			
Interest income	$ 2,537	$ 2,475	$ 5,012
Transfers to and due to State of Oklahoma	(898,820)	(818,230)	(1,717,050)
NET NONOPERATING EXPENSE	$ (896,283)	$ (815,755)	$ (1,712,038)
NET CHANGE IN NET POSITION	$ (53,166)	$ (137,346)	$ (190,512)
NET POSITION, BEGINNING OF MONTH	$ 7,977,333	$ 7,924,167	$ 7,977,333
NET POSITION, END OF MONTH	$ 7,924,167	$ 7,786,821	$ 7,786,821