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: ***November 18, 2014***

Re: ***FINANCIAL REPORT***

Attached is the financial report for the month ended October 31, 2014, as prepared by Stephanie Ballard of Crawford & Associates.

Attachment

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OKLAHOMA DEPARTMENT OF SECURITIES
CASH BASIS YEAR-TO-DATE BUDGET COMPARISON
As of October 31, 2014

	FY15 Total Budget	FY15 Actual YTD	Remaining Balance	Remaining Percentage
OPERATING REVENUES				
Securities registration fees	$ 12,772,000	$ 4,765,301	8,006,699	63%
Securities professionals' registration fees	7,614,000	475,330	7,138,670	94%
Fines, penalties, and administrative costs	50,000	218,605	(168,605)	-337%
Other revenue	4,600	1,513	3,087	67%
TOTAL OPERATING REVENUES	$ 20,440,600	$ 5,460,749	14,979,851	
OPERATING EXPENSES				
Salaries, wages, and benefits	$ 3,955,770	$ 1,169,994	2,785,776	70%
Rent expense	146,217	54,203	92,014	63%
Contracted and professional services	231,800	45,183	186,617	81%
Investor education professional services	500,000	250,773	249,227	50%
Other general and administrative expenses	810,290	88,336	721,954	89%
TOTAL OPERATING EXPENSES	$ 5,644,077	$ 1,608,489	4,035,588	
OPERATING INCOME	$ 14,796,523	$ 3,852,260	$ 10,944,263	
NONOPERATING REVENUE (EXPENSE)				
Interest income	$ 10,000	$ 5,072	4,928	49%
Transfers to and due to State of Oklahoma	(15,636,062)	(3,807,381)	(11,828,681)	76%
NET NONOPERATING EXPENSE	$ (15,626,062)	$ (3,802,309)	$ (11,823,753)	
NET CHANGE IN NET POSITION	$ (829,539)	$ 49,951	(879,490)	

OKLAHOMA DEPARTMENT OF SECURITIES
FINANCIAL STATEMENTS - CASH BASIS

	July 31, 2014	August 31, 2014	September 30, 2014	October 31, 2014	Total YTD
ASSETS					
Cash and cash equivalents	$ 7,624,641	$ 7,606,233	$ 7,696,443	$ 7,845,730	$ 7,845,730
Cash restricted for investor education	805,807	871,336	769,474	770,708	770,708
TOTAL ASSETS	$ 8,430,448	$ 8,477,569	$ 8,465,917	$ 8,616,438	$ 8,616,438
LIABILITIES					
Due to State's General Fund	$ 388,950	$ 361,850	$ 378,301	$ 490,350	$ 490,350
TOTAL LIABILITIES	$ 388,950	$ 361,850	$ 378,301	$ 490,350	$ 490,350
NET ASSETS					
Restricted net position - expendable	$ 805,807	$ 871,336	$ 769,474	$ 770,708	$ 770,708
Unrestricted net position	7,235,691	7,244,383	7,318,142	7,355,380	7,355,380
TOTAL NET POSITION	$ 8,041,498	$ 8,115,719	$ 8,087,616	$ 8,126,088	$ 8,126,088
TOTAL LIABILITIES AND NET POSITION	$ 8,430,448	$ 8,477,569	$ 8,465,917	$ 8,616,438	$ 8,616,438

	July 2014	August 2014	September 2014	October 2014	FY 2015 YTD
OPERATING REVENUES					
Securities registration fees	$ 1,122,700	$ 1,112,000	$ 1,313,351	$ 1,217,250	$ 4,765,301
Securities professionals' registration fees	124,500	107,240	121,860	121,730	475,330
Fines, penalties, and administrative costs	63,617	64,265	73,808	16,915	218,605
Other revenue	32	499	982		1,513
TOTAL OPERATING REVENUES	$ 1,310,849	$ 1,284,004	$ 1,510,001	$ 1,355,895	$ 5,460,749
OPERATING EXPENSES					
Salaries, wages, and benefits	$ 307,118	$ 295,831	$ 284,935	$ 282,110	$ 1,169,994
Rent expense	11,361	15,483	10,258	17,101	54,203
Contracted and professional services	20,202	4,652	2,299	18,030	45,183
Investor education professional services	88,793		161,980	-	250,773
Other general and administrative expenses	19,478	28,290	32,031	8,537	88,336
TOTAL OPERATING EXPENSES	$ 446,952	$ 344,256	$ 491,503	$ 325,778	$ 1,608,489
OPERATING INCOME	$ 863,897	$ 939,748	$ 1,018,498	$ 1,030,117	$ 3,852,260
NONOPERATING REVENUE (EXPENSE)					
Interest income	$ 1,264	$ 1,263	$ 1,310	$ 1,235	$ 5,072
Transfers to and due to State of Oklahoma	(899,800)	(866,790)	(1,047,911)	(992,880)	(3,807,381)
NET NONOPERATING EXPENSE	$ (898,536)	$ (865,527)	$ (1,046,601)	$ (991,645)	$ (3,802,309)
NET CHANGE IN NET POSITION	$ (34,639)	$ 74,221	$ (28,103)	$ 38,472	$ 49,951
NET POSITION, BEGINNING OF MONTH	$ 8,076,137	$ 8,041,498	$ 8,115,719	$ 8,087,616	$ 8,076,137
NET POSITION, END OF MONTH	$ 8,041,498	$ 8,115,719	$ 8,087,616	$ 8,126,088	$ 8,126,088

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

	YTD Oct 31, 2014	YTD Oct 31, 2013	Percentage Change
ASSETS			
Cash and cash equivalents	$ 7,845,730	$ 6,940,324	13%
Cash restricted for investor education	770,708	1,406,008	-45% 1
TOTAL ASSETS	$ 8,616,438	$ 8,346,332	3%
LIABILITIES			
Due to State's General Fund	$ 490,350	$ 452,300	8%
TOTAL LIABILITIES	$ 490,350	$ 452,300	8%
NET ASSETS			
Restricted net position - expendable	$ 770,708	$ 1,406,008	-45%
Unrestricted net position	7,355,380	6,488,024	13%
TOTAL NET POSITION	$ 8,126,088	$ 7,894,032	3%
TOTAL LIABILITIES AND NET POSITION	$ 8,616,438	$ 8,346,332	3%

	Oct, 2014	Oct, 2013	
OPERATING REVENUES			
Securities registration fees	$ 4,765,301	$ 4,545,460	5%
Securities professionals' registration fees	475,330	443,980	7%
Fines, penalties, and administrative costs	218,605	25,000	774% 2
Other revenue	1,513	1,576	-4%
TOTAL OPERATING REVENUES	$ 5,460,749	$ 5,016,016	9%
OPERATING EXPENSES			
Salaries, wages, and benefits	$ 1,169,994	$ 1,137,557	3%
Rent expense	54,203	49,407	10%
Contracted and professional services	45,183	49,125	-8%
Investor education professional services	250,773	154,409	62% 3
Other general and administrative expenses	88,336	119,142	-26%
TOTAL OPERATING EXPENSES	$ 1,608,489	$ 1,509,640	7%
OPERATING INCOME	$ 3,852,260	$ 3,506,376	10%
NONOPERATING REVENUE (EXPENSE)			
Interest income	$ 5,072	$ 9,703	-48% 4
Transfers to and due to State of Oklahoma	(3,807,381)	(3,612,180)	5%
NET NONOPERATING EXPENSE	$ (3,802,309)	$ (3,602,477)	6%
NET CHANGE IN NET POSITION	$ 49,951	$ (96,101)	-152%
NET POSITION, BEGINNING OF YEAR	$ 8,076,137	$ 7,990,133	1%
NET POSITION, YTD	$ 8,126,088	$ 7,894,032	3%