

IRVING L. FAUGHT
ADMINISTRATOR



MARY FALLIN
GOVERNOR

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
MEMORANDUM

To: Irving L. Faught, Administrator

From: Melanie Hall, Deputy Administrator *mk*

Date: July 18, 2016

Re: FINANCIAL REPORT

Attached is the financial report for the month ended June 30, 2016, as prepared by Stephanie Ballard of Crawford & Associates.

Attachment

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

	YTD June 30, 2016	YTD June 30, 2015	Percentage Change
ASSETS			
Cash and cash equivalents	\$ 9,588,649	\$ 8,677,264	11%
Cash restricted for investor education	496,348	594,635	-17% ¹
TOTAL ASSETS	\$ 10,084,997	\$ 9,271,899	9%
LIABILITIES			
Due to State's General Fund	\$ 428,350	\$ 448,000	-4%
TOTAL LIABILITIES	\$ 428,350	\$ 448,000	-4%
NET ASSETS			
Restricted net position - expendable	\$ 496,348	\$ 594,635	-17%
Unrestricted net position	9,160,299	8,229,264	11%
TOTAL NET POSITION	\$ 9,656,647	\$ 8,823,899	9%
TOTAL LIABILITIES AND NET POSITION	\$ 10,084,997	\$ 9,271,899	9%
	June, 2016	June, 2015	
OPERATING REVENUES			
Securities registration fees	\$ 14,706,927	\$ 14,393,801	2%
Securities professionals' registration fees	8,081,170	7,726,780	5%
Fines, penalties, and administrative costs	117,765	231,879	-49% ²
Other revenue	6,158	3,487	77%
TOTAL OPERATING REVENUES	\$ 22,912,020	\$ 22,355,947	2%
OPERATING EXPENSES			
Salaries, wages, and benefits	\$ 3,705,594	\$ 3,635,591	2%
Rent expense	252,907	150,593	68% ³
Contracted and professional services	78,828	107,702	-27% ⁴
Investor education professional services	196,876	435,337	-55%
Other general and administrative expenses	351,894	320,894	10%
TOTAL OPERATING EXPENSES	\$ 4,586,099	\$ 4,650,117	-1%
OPERATING INCOME	\$ 18,325,921	\$ 17,705,830	4%
NONOPERATING REVENUE (EXPENSE)			
Interest income	\$ 8,874	\$ 13,563	-35%
Transfers to and due to State of Oklahoma	(17,502,047)	(16,971,631)	3%
NET NONOPERATING EXPENSE	\$ (17,493,173)	\$ (16,958,068)	3%
NET CHANGE IN NET POSITION	\$ 832,748	\$ 747,762	11%
NET POSITION, BEGINNING OF YEAR	\$ 8,823,899	\$ 8,076,137	9%
NET POSITION, YTD	\$ 9,656,647	\$ 8,823,899	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 Increase is due to increased cost of new office lease.

⁴ Decrease is due to reduced deposition charges and a temporary service employee becoming a Department employee.

OKLAHOMA DEPARTMENT OF SECURITIES
FINANCIAL STATEMENTS - CASH BASIS

	July 31, 2015	August 31, 2015	September 30, 2015	October 31, 2015	November 30, 2015	December 31, 2015	January 31, 2016	February 28, 2016	March 31, 2016	April 30, 2016	May 31, 2016	June 30, 2016	Total YTD
ASSETS													
Cash and cash equivalents	\$ 8,642,345	\$ 8,590,447	\$ 8,571,783	\$ 9,039,156	\$ 8,665,236	\$ 9,618,250	\$ 9,486,489	\$ 9,465,698	\$ 9,593,073	\$ 9,518,440	\$ 9,552,000	\$ 9,588,649	\$ 9,588,649
Cash restricted for investor education	595,494	570,506	571,370	447,152	414,796	419,984	420,631	454,981	437,702	479,919	476,369	496,348	496,348
TOTAL ASSETS	\$ 9,237,839	\$ 9,160,953	\$ 9,143,153	\$ 9,486,308	\$ 9,080,032	\$ 10,038,234	\$ 9,907,120	\$ 9,920,679	\$ 10,030,775	\$ 9,998,359	\$ 10,028,369	\$ 10,084,997	\$ 10,084,997
LIABILITIES													
Due to State's General Fund	\$ 405,850	\$ 403,000	\$ 377,150	\$ 835,711	\$ 444,500	\$ 527,650	\$ 414,350	\$ 408,250	\$ 440,080	\$ 394,450	\$ 400,216	\$ 428,350	\$ 428,350
TOTAL LIABILITIES	\$ 405,850	\$ 403,000	\$ 377,150	\$ 835,711	\$ 444,500	\$ 527,650	\$ 414,350	\$ 408,250	\$ 440,080	\$ 394,450	\$ 400,216	\$ 428,350	\$ 428,350
NET ASSETS													
Restricted net position - expendable	\$ 595,494	\$ 570,506	\$ 571,370	\$ 447,152	\$ 414,796	\$ 419,984	\$ 420,631	\$ 454,981	\$ 437,702	\$ 479,919	\$ 476,369	\$ 496,348	\$ 496,348
Unrestricted net position	8,236,495	8,187,447	8,194,633	8,203,445	8,220,736	9,090,600	9,072,139	9,057,448	9,152,993	9,123,990	9,151,784	9,160,299	9,160,299
TOTAL NET POSITION	\$ 8,831,989	\$ 8,757,953	\$ 8,766,003	\$ 8,650,597	\$ 8,635,532	\$ 9,510,584	\$ 9,492,770	\$ 9,512,429	\$ 9,590,695	\$ 9,603,909	\$ 9,628,153	\$ 9,656,647	\$ 9,656,647
TOTAL LIABILITIES AND NET POSITION	\$ 9,237,839	\$ 9,160,953	\$ 9,143,153	\$ 9,486,308	\$ 9,080,032	\$ 10,038,234	\$ 9,907,120	\$ 9,920,679	\$ 10,030,775	\$ 9,998,359	\$ 10,028,369	\$ 10,084,997	\$ 10,084,997
OPERATING REVENUES													
Securities registration fees	\$ 1,108,650	\$ 1,109,150	\$ 1,303,950	\$ 1,186,061	\$ 1,152,550	\$ 1,467,800	\$ 1,093,000	\$ 1,179,550	\$ 1,354,250	\$ 1,238,750	\$ 1,148,316	\$ 1,364,900	\$ 14,706,927
Securities professionals' registration fees	128,490	127,510	131,250	117,500	102,150	6,712,180	192,400	111,450	115,160	123,320	107,160	112,600	8,081,170
Fines, penalties, and administrative costs	-	-	-	5,000	9,000	5,000	35,000	-	41,520	1,000	21,245	-	117,765
Other revenue	480	-	-	620	507	67	1,992	1,007	3	497	977	8	6,158
TOTAL OPERATING REVENUES	\$ 1,237,620	\$ 1,236,660	\$ 1,435,200	\$ 1,309,181	\$ 1,264,207	\$ 8,185,047	\$ 1,322,392	\$ 1,292,007	\$ 1,510,933	\$ 1,363,567	\$ 1,277,698	\$ 1,477,508	\$ 22,912,020
OPERATING EXPENSES													
Salaries, wages, and benefits	\$ 313,241	\$ 300,954	\$ 318,676	\$ 304,522	\$ 303,837	\$ 299,133	\$ 302,919	\$ 302,465	\$ 313,968	\$ 307,219	\$ 310,708	\$ 327,952	\$ 3,705,594
Rent expense	3,951	14,804	36,261	19,923	22,097	20,414	16,878	26,136	20,538	18,970	20,740	32,195	252,907
Contracted and professional services	1,774	2,293	2,522	8,273	1,544	7,688	30,899	2,646	10,640	5,122	1,591	3,836	78,828
Investor education professional services	-	25,875	-	129,251	41,337	413	-	-	-	-	-	-	196,876
Other general and administrative expenses	14,383	65,398	32,755	15,923	17,084	43,268	37,408	24,277	28,632	38,419	14,890	19,457	351,894
TOTAL OPERATING EXPENSES	\$ 333,349	\$ 409,324	\$ 390,214	\$ 477,892	\$ 385,899	\$ 370,916	\$ 388,104	\$ 355,524	\$ 373,778	\$ 369,730	\$ 347,929	\$ 383,440	\$ 4,586,099
OPERATING INCOME	\$ 904,271	\$ 827,336	\$ 1,044,986	\$ 831,289	\$ 878,308	\$ 7,814,131	\$ 934,288	\$ 936,483	\$ 1,137,155	\$ 993,837	\$ 929,769	\$ 1,094,068	\$ 18,325,921
NONOPERATING REVENUE (EXPENSE)													
Interest income	\$ 859	\$ 888	\$ 864	\$ 816	\$ 827	\$ 601	\$ 648	\$ 626	\$ 621	\$ 697	\$ 701	\$ 726	\$ 8,874
Transfers to and due to State of Oklahoma	(897,040)	(902,260)	(1,037,800)	(947,511)	(894,200)	(6,939,680)	(952,750)	(917,450)	(1,059,510)	(981,320)	(906,226)	(1,066,300)	(17,502,047)
NET NONOPERATING EXPENSE	\$ (896,181)	\$ (901,372)	\$ (1,036,936)	\$ (946,695)	\$ (893,373)	\$ (6,939,079)	\$ (952,102)	\$ (916,824)	\$ (1,058,889)	\$ (980,623)	\$ (905,525)	\$ (1,065,574)	\$ (17,493,173)
NET CHANGE IN NET POSITION	\$ 8,090	\$ (74,036)	\$ 8,050	\$ (115,406)	\$ (15,065)	\$ 875,052	\$ (17,814)	\$ 19,659	\$ 78,266	\$ 13,214	\$ 24,244	\$ 28,494	\$ 832,748
NET POSITION, BEGINNING OF MONTH	\$ 8,823,899	\$ 8,831,989	\$ 8,757,953	\$ 8,766,003	\$ 8,650,597	\$ 8,635,532	\$ 9,510,584	\$ 9,492,770	\$ 9,512,429	\$ 9,590,695	\$ 9,603,909	\$ 9,628,153	\$ 8,823,899
NET POSITION, END OF MONTH	\$ 8,831,989	\$ 8,757,953	\$ 8,766,003	\$ 8,650,597	\$ 8,635,532	\$ 9,510,584	\$ 9,492,770	\$ 9,512,429	\$ 9,590,695	\$ 9,603,909	\$ 9,628,153	\$ 9,656,647	\$ 9,656,647

OKLAHOMA DEPARTMENT OF SECURITIES
CASH BASIS YEAR-TO-DATE BUDGET COMPARISON
As of June 30, 2016

	FY16 Total Budget	FY16 Actual YTD	Remaining Balance	Remaining Percentage
OPERATING REVENUES				
Securities registration fees	\$ 14,393,801	\$ 14,706,927	(313,126)	-2%
Securities professionals' registration fees	7,726,780	8,081,170	(354,390)	-5%
Fines, penalties, and administrative costs	75,000	117,765	(42,765)	-57%
Other revenue	6,675	6,158	517	8%
TOTAL OPERATING REVENUES	\$ 22,202,256	\$ 22,912,020	(709,764)	
OPERATING EXPENSES				
Salaries, wages, and benefits	\$ 4,201,494	\$ 3,705,594	495,900	12%
Rent expense	264,041	252,907	11,134	4%
Contracted and professional services	229,804	78,828	150,976	66%
Investor education professional services	178,625	196,876	(18,251)	1
Other general and administrative expenses	836,737	351,894	484,843	58%
TOTAL OPERATING EXPENSES	\$ 5,710,701	\$ 4,586,099	1,124,602	
OPERATING INCOME	\$ 16,491,555	\$ 18,325,921	\$ (1,834,366)	
NONOPERATING REVENUE (EXPENSE)				
Interest income	\$ 12,000	\$ 8,874	3,126	26%
Transfers to and due to State of Oklahoma	(16,971,631)	(17,502,047)	530,416	-3%
NET NONOPERATING EXPENSE	\$ (16,959,631)	\$ (17,493,173)	\$ 533,542	
NET CHANGE IN NET POSITION	\$ (468,076)	\$ 832,748	(1,300,824)	

1 Includes FY15 payments made in FY16 of \$196,876, percentage of FY16 budget remaining is 100%.