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: March 18, 2013

Re: FINANCIAL REPORT

Attached is the financial report, for the month ended February 28, 2013, prepared by Rachael Figueiredo of Crawford & Associates.

Attachment

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OKLAHOMA DEPARTMENT OF SECURITIES
FINANCIAL STATEMENTS - CASH BASIS

	July 31, 2012	August 31, 2012	September 30, 2012	October 31, 2012	November 30, 2012	December 31, 2012	January 31, 2013	February 28, 2013	March 31, 2013	April 30, 2013	May 31, 2013	June 30, 2013	Total YTD
ASSETS													
Cash and cash equivalents	$ 6,502,110	$ 6,434,897	$ 6,180,132	$ 6,186,883	$ 6,100,668	$ 6,927,902	$ 6,895,190	$ 6,849,821	$ -	$ -	$ -	$ -	$ 6,849,821
Cash restricted for investor education	2,307,618	2,312,081	2,030,978	1,933,272	1,937,170	1,970,597	1,762,884	1,766,313	-	-	-	-	1,766,313
TOTAL ASSETS	$ 8,809,728	$ 8,746,978	$ 8,211,110	$ 8,120,155	$ 8,037,838	$ 8,898,499	$ 8,658,074	$ 8,616,134	$ -	$ -	$ -	$ -	$ 8,616,134
LIABILITIES													
Due to State's General Fund	$ 376,450	$ 317,100	$ 262,400	$ 334,900	$ 291,450	$ 315,350	$ 297,840	$ 274,050	$ -	$ -	$ -	$ -	$ 274,050
TOTAL LIABILITIES	$ 376,450	$ 317,100	$ 262,400	$ 334,900	$ 291,450	$ 315,350	$ 297,840	$ 274,050	$ -	$ -	$ -	$ -	$ 274,050
NET ASSETS													
Restricted net assets - expendable	$ 2,307,618	$ 2,312,081	$ 2,030,978	$ 1,933,272	$ 1,937,170	$ 1,970,597	$ 1,762,884	$ 1,766,313	$ -	$ -	$ -	$ -	$ 1,766,313
Unrestricted net assets	6,125,660	6,117,797	5,917,732	5,851,983	5,809,218	6,612,552	6,597,350	6,575,771	-	-	-	-	6,575,771
TOTAL NET ASSETS	$ 8,433,278	$ 8,429,878	$ 7,948,710	$ 7,785,255	$ 7,746,388	$ 8,583,149	$ 8,360,234	$ 8,342,084	$ -	$ -	$ -	$ -	$ 8,342,084
TOTAL LIABILITIES AND NET ASSETS	$ 8,809,728	$ 8,746,978	$ 8,211,110	$ 8,120,155	$ 8,037,838	$ 8,898,499	$ 8,658,074	$ 8,616,134	$ -	$ -	$ -	$ -	$ 8,616,134

	July 2012	August 2012	September 2012	October 2012	November 2012	December 2012	January 2013	February 2013	March 2013	April 2013	May 2013	June 2013	FY 2013 YTD
OPERATING REVENUES													
Securities registration fees	$ 1,046,950	$ 1,032,700	$ 1,146,200	$ 932,800	$ 974,750	$ 1,131,550	$ 1,024,850	$ 972,150	$ -	$ -	$ -	$ -	$ 8,261,950
Securities professionals' registration fees	89,960	100,510	102,300	107,030	76,450	5,893,290	208,260	103,240	-	-	-	-	6,681,040
Fines, penalties, and administrative costs	-	-	-	2,500	-	29,913	-	100	-	-	-	-	32,513
Other revenue	489	9	481	483	3	47	1,007	483	-	-	-	-	3,002
TOTAL OPERATING REVENUES	$ 1,137,399	$ 1,133,219	$ 1,248,981	$ 1,042,813	$ 1,051,203	$ 7,054,800	$ 1,234,117	$ 1,075,973	$ -	$ -	$ -	$ -	$ 14,978,505
OPERATING EXPENSES													
Salaries, wages, and benefits	$ 280,944	$ 281,122	$ 282,487	$ 280,241	$ 281,030	$ 274,301	$ 283,443	$ 277,926	$ -	$ -	$ -	$ -	$ 2,241,494
Rent expense	481	15,375	18,159	17,574	2,749	20,412	12,358	14,866	-	-	-	-	101,974
Contracted and professional services	6,391	4,442	7,147	10,610	46,218	9,251	8,215	4,309	-	-	-	-	96,583
Investor education professional services	-	-	493,930	126,126	-	-	211,350	-	-	-	-	-	831,406
Other general and administrative expenses	8,237	24,483	33,587	22,102	8,270	2,799	24,304	18,161	-	-	-	-	141,943
TOTAL OPERATING EXPENSES	$ 296,053	$ 325,422	$ 835,310	$ 456,653	$ 338,267	$ 306,763	$ 539,670	$ 315,262	$ -	$ -	$ -	$ -	$ 3,413,400
OPERATING INCOME	$ 841,346	$ 807,797	$ 413,671	$ 586,160	$ 712,936	$ 6,748,037	$ 694,447	$ 760,711	$ -	$ -	$ -	$ -	$ 11,565,105
NONOPERATING REVENUE (EXPENSE)													
Interest income	$ 4,595	$ 4,463	$ 4,511	$ 4,015	$ 3,897	$ 3,514	$ 3,638	$ 3,329	$ -	$ -	$ -	$ -	$ 31,962
Transfers to and due to State of Oklahoma	(821,710)	(815,660)	(899,350)	(753,630)	(755,700)	(5,914,790)	(921,000)	(782,190)	-	-	-	-	(11,664,030)
NET NONOPERATING EXPENSE	$ (817,115)	$ (811,197)	$ (894,839)	$ (749,615)	$ (751,803)	$ (5,911,276)	$ (917,362)	$ (778,861)	$ -	$ -	$ -	$ -	$ (11,632,068)
NET CHANGE IN NET ASSETS	$ 24,231	$ (3,400)	$ (481,168)	$ (163,455)	$ (38,867)	$ 836,761	$ (222,915)	$ (18,150)	$ -	$ -	$ -	$ -	$ (66,963)
NET ASSETS, BEGINNING OF MONTH	$ 8,409,047	$ 8,433,278	$ 8,429,878	$ 7,948,710	$ 7,785,255	$ 7,746,388	$ 8,583,149	$ 8,360,234	$ -	$ -	$ -	$ -	$ 8,409,047
NET ASSETS, END OF MONTH	$ 8,433,278	$ 8,429,878	$ 7,948,710	$ 7,785,255	$ 7,746,388	$ 8,583,149	$ 8,360,234	$ 8,342,084	$ -	$ -	$ -	$ -	$ 8,342,084

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

	YTD February 28, 2013	YTD February 29, 2012	Percentage Change
ASSETS			
Cash and cash equivalents	$ 6,849,821	$ 6,597,816	4%
Cash restricted for investor education	1,766,313	2,530,421	-30% 1
TOTAL ASSETS	$ 8,616,134	$ 9,128,237	-6%
LIABILITIES			
Due to State's General Fund	$ 274,050	$ 249,450	10%
TOTAL LIABILITIES	$ 274,050	$ 249,450	10%
NET ASSETS			
Restricted net assets - expendable	$ 1,766,313	$ 2,530,421	-30%
Unrestricted net assets	6,575,771	6,348,366	4%
TOTAL NET ASSETS	$ 8,342,084	$ 8,878,787	-6%
TOTAL LIABILITIES AND NET ASSETS	$ 8,616,134	$ 9,128,237	-6%

	February 2013	February 2012	
OPERATING REVENUES			
Securities registration fees	$ 8,261,950	$ 7,996,310	3%
Securities professionals' registration fees	6,681,040	6,713,430	0%
Fines, penalties, and administrative costs	32,513	25,824	26% 2
Other revenue	3,002	2,892	4%
TOTAL OPERATING REVENUES	$ 14,978,505	$ 14,738,456	2%
OPERATING EXPENSES			
Salaries, wages, and benefits	$ 2,241,494	$ 2,217,904	1%
Rent expense	101,974	94,860	7%
Contracted and professional services	96,583	72,001	34% 3
Investor education professional services	831,406	603,883	38% 4
Other general and administrative expenses	141,943	166,655	-15%
TOTAL OPERATING EXPENSES	$ 3,413,400	$ 3,155,303	8%
OPERATING INCOME	$ 11,565,105	$ 11,583,153	0%
NONOPERATING REVENUE (EXPENSE)			
Interest income	$ 31,962	$ 44,719	-29% 5
Transfers to and due to State of Oklahoma	(11,664,030)	(11,502,290)	1%
NET NONOPERATING EXPENSE	$ (11,632,068)	$ (11,457,571)	2%
NET CHANGE IN NET ASSETS	$ (66,963)	$ 125,582	-153%
NET ASSETS, BEGINNING OF YEAR	$ 8,409,047	$ 8,753,205	-4%
NET ASSETS, YTD	$ 8,342,084	$ 8,878,787	-6%

1 Decrease is due to a decrease in fine revenue and a decrease in interest income combined with an increase in Investor Education expenditures.
2 Fines vary based on amounts awarded. In FY 2013, more fines have been awarded and collected.
3 Increase due to external legal work received in FY 13.
4 Increase in work performed for investor education.
5 Decrease is due to lower account balance and lower rate of return.

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

	Total Budget	Actual YTD	Remaining Balance	Remaining Percentage
OPERATING REVENUES				
Securities registration fees	$ 12,467,520	$ 8,261,950	4,205,570	34%
Securities professionals' registration fees	7,117,900	6,681,040	436,860	6%
Fines, penalties, and administrative costs	81,574	32,513	49,061	60%
Other revenue	5,435	3,002	2,433	45%
TOTAL OPERATING REVENUES	$ 19,672,429	$ 14,978,505	4,693,924	
OPERATING EXPENSES				
Salaries, wages, and benefits	$ 3,900,602	$ 2,241,494	1,659,108	43%
Rent expense	147,505	101,974	45,531	31%
Contracted and professional services	179,344	96,583	82,761	46%
Investor education professional services	2,384,596	831,406	1,553,190	65%
Other general and administrative expenses	748,431	141,943	606,488	81%
TOTAL OPERATING EXPENSES	$ 7,360,478	$ 3,413,400	3,947,078	
OPERATING INCOME	$ 12,311,951	$ 11,565,105	$ 746,846	
NONOPERATING REVENUE (EXPENSE)				
Interest income	$ 64,690	$ 31,962	32,728	51%
Transfers to and due to State of Oklahoma	(14,500,000)	(11,664,030)	(2,835,970)	20%
NET NONOPERATING EXPENSE	$ (14,435,310)	$ (11,632,068)	$ (2,803,242)	
NET CHANGE IN NET ASSETS	$ (2,123,359)	$ (66,963)	(2,056,396)	97%