

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: May 13, 2013

Re: FINANCIAL REPORT

Attached is the financial report for the month ended April 30, 2013, as prepared by Rachael Figueiredo of Crawford & Associates.

Attachment

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	\$ 6,714,664	\$ 6,859,154	\$ -	\$ -	\$ 6,859,154
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	1,769,101	1,772,056	-	-	1,772,056
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	\$ 8,483,765	\$ 8,631,210	\$ -	\$ -	\$ 8,631,210
LIABILITIES													
Due to State's General Fund	\$ 376,450	\$ 317,100	\$ 262,400	\$ 334,900	\$ 291,450	\$ 315,350	\$ 297,840	\$ 274,050	\$ 322,850	\$ 388,050	\$ -	\$ -	\$ 388,050
TOTAL LIABILITIES	\$ 376,450	\$ 317,100	\$ 262,400	\$ 334,900	\$ 291,450	\$ 315,350	\$ 297,840	\$ 274,050	\$ 322,850	\$ 388,050	\$ -	\$ -	\$ 388,050
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	\$ 1,769,101	\$ 1,772,056	\$ -	\$ -	\$ 1,772,056
Unrestricted net assets	6,125,660	6,117,797	5,917,732	5,851,983	5,809,218	6,612,552	6,597,350	6,575,271	6,391,814	6,471,104	-	-	6,471,104
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	\$ 8,160,915	\$ 8,243,160	\$ -	\$ -	\$ 8,243,160
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	\$ 8,483,765	\$ 8,631,210	\$ -	\$ -	\$ 8,631,210
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	\$ 1,156,150	\$ 1,261,550	\$ -	\$ -	\$ 10,679,650
Securities professionals' registration fees	89,960	100,510	102,300	107,030	76,450	5,893,290	208,260	103,240	89,550	110,000	-	-	6,880,590
Fines, penalties, and administrative costs	-	-	-	2,500	-	29,913	-	100	-	80,000	-	-	112,513
Other revenue	489	9	481	483	3	47	1,007	483	3	1,217	-	-	4,222
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	\$ 1,245,703	\$ 1,452,767	\$ -	\$ -	\$ 17,676,975
OPERATING EXPENSES													
Salaries, wages, and benefits	\$ 280,944	\$ 281,122	\$ 282,487	\$ 280,241	\$ 281,030	\$ 274,301	\$ 283,443	\$ 277,926	\$ 525,438	\$ 281,573	\$ -	\$ -	\$ 3,048,505
Rent expense	481	15,375	18,159	17,574	2,749	20,412	12,358	14,866	11,124	11,574	-	-	124,672
Contracted and professional services	6,391	4,442	7,147	10,610	46,218	9,251	8,215	4,309	-	5,118	-	-	101,701
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	10,147	12,463	-	-	164,553
TOTAL OPERATING EXPENSES	\$ 296,053	\$ 325,422	\$ 835,310	\$ 456,653	\$ 338,267	\$ 306,763	\$ 539,670	\$ 315,262	\$ 546,709	\$ 310,728	\$ -	\$ -	\$ 4,270,837
OPERATING INCOME	\$ 841,346	\$ 807,797	\$ 413,671	\$ 586,160	\$ 712,936	\$ 6,748,037	\$ 694,447	\$ 760,711	\$ 698,994	\$ 1,142,039	\$ -	\$ -	\$ 13,406,138
NONOPERATING REVENUE (EXPENSE)													
Interest income	\$ 4,595	\$ 4,463	\$ 4,511	\$ 4,015	\$ 3,897	\$ 3,514	\$ 3,638	\$ 3,329	\$ 2,787	\$ 2,956	\$ -	\$ -	\$ 37,705
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)	(882,950)	(1,062,750)	-	-	(13,609,730)
NET NONOPERATING EXPENSE	\$ (817,115)	\$ (811,197)	\$ (894,839)	\$ (749,615)	\$ (751,803)	\$ (5,911,276)	\$ (917,362)	\$ (778,861)	\$ (880,163)	\$ (1,059,794)	\$ -	\$ -	\$ (13,572,025)
NET CHANGE IN NET ASSETS	\$ 24,231	\$ (3,400)	\$ (481,168)	\$ (163,455)	\$ (38,867)	\$ 836,761	\$ (222,915)	\$ (18,150)	\$ (181,169)	\$ 82,245	\$ -	\$ -	\$ (165,887)
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	\$ 8,342,084	\$ 8,160,915	\$ -	\$ -	\$ 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	\$ 8,160,915	\$ 8,243,160	\$ -	\$ -	\$ 8,243,160

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

	YTD April 30, 2013	YTD April 30, 2012	Percentage Change
ASSETS			
Cash and cash equivalents	\$ 6,859,154	\$ 6,573,713	4%
Cash restricted for investor education	1,772,056	2,527,292	-30% ¹
TOTAL ASSETS	\$ 8,631,210	\$ 9,101,005	-5%
LIABILITIES			
Due to State's General Fund	\$ 388,050	\$ 282,350	37% ²
TOTAL LIABILITIES	\$ 388,050	\$ 282,350	37%
NET ASSETS			
Restricted net assets - expendable	\$ 1,772,056	\$ 2,527,292	-30%
Unrestricted net assets	6,471,104	6,291,363	3%
TOTAL NET ASSETS	\$ 8,243,160	\$ 8,818,655	-7%
TOTAL LIABILITIES AND NET ASSETS	\$ 8,631,210	\$ 9,101,005	-5%
	April 2013	April 2012	
OPERATING REVENUES			
Securities registration fees	\$ 10,679,650	\$ 10,280,010	4%
Securities professionals' registration fees	6,880,590	6,919,420	-1%
Fines, penalties, and administrative costs	112,513	215,453	-48% ³
Other revenue	4,222	4,080	3%
TOTAL OPERATING REVENUES	\$ 17,676,975	\$ 17,418,963	1%
OPERATING EXPENSES			
Salaries, wages, and benefits	\$ 3,048,505	\$ 2,762,691	10%
Rent expense	124,672	118,254	5%
Contracted and professional services	101,701	97,200	5%
Investor education professional services	831,406	936,118	-11%
Other general and administrative expenses	164,553	202,356	-19% ⁴
TOTAL OPERATING EXPENSES	\$ 4,270,837	\$ 4,116,619	4%
OPERATING INCOME	\$ 13,406,138	\$ 13,302,344	1%
NONOPERATING REVENUE (EXPENSE)			
Interest income	\$ 37,705	\$ 54,386	-31% ⁵
Transfers to and due to State of Oklahoma	(13,609,730)	(13,291,280)	2%
NET NONOPERATING EXPENSE	\$ (13,572,025)	\$ (13,236,894)	3%
NET CHANGE IN NET ASSETS	\$ (165,887)	\$ 65,450	-353%
NET ASSETS, BEGINNING OF YEAR	\$ 8,409,047	\$ 8,753,205	-4%
NET ASSETS, YTD	\$ 8,243,160	\$ 8,818,655	-7%

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 Increase is due to the receipt of fine revenue in the current month that will be transferred in May.

3 Fines vary based on amounts awarded. In FY 2013, more fines have been awarded and collected.

4 Decrease is due to a decrease in data processing and lease purchase expenditures in FY 2013.

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	\$ 10,679,650	1,787,870	14%
Securities professionals' registration fees	7,117,900	6,880,590	237,310	3%
Fines, penalties, and administrative costs	81,574	112,513	(30,939)	-38%
Other revenue	5,435	4,222	1,213	22%
TOTAL OPERATING REVENUES	\$ 19,672,429	\$ 17,676,975	1,995,454	
OPERATING EXPENSES				
Salaries, wages, and benefits	\$ 3,900,602	\$ 3,048,505	852,097	22%
Rent expense	147,505	124,672	22,833	15%
Contracted and professional services	179,344	101,701	77,643	43%
Investor education professional services	2,384,596	831,406	1,553,190	65%
Other general and administrative expenses	748,431	164,553	583,878	78%
TOTAL OPERATING EXPENSES	\$ 7,360,478	\$ 4,270,837	3,089,641	
OPERATING INCOME	\$ 12,311,951	\$ 13,406,138	\$ (1,094,187)	
NONOPERATING REVENUE (EXPENSE)				
Interest income	\$ 64,690	\$ 37,705	26,985	42%
Transfers to and due to State of Oklahoma	(14,500,000)	(13,609,730)	(890,270)	6%
NET NONOPERATING EXPENSE	\$ (14,435,310)	\$ (13,572,025)	\$ (863,285)	
NET CHANGE IN NET ASSETS	\$ (2,123,359)	\$ (165,887)	(1,957,472)	92%