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: ***January 14, 2015***

Re: ***FINANCIAL REPORT***

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

Attachment

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OKLAHOMA DEPARTMENT OF SECURITIES
FINANCIAL STATEMENTS - CASH BASIS

	July 31, 2014	August 31, 2014	September 30, 2014	October 31, 2014	November 30, 2014	December 31, 2014	Total YTD
ASSETS							
Cash and cash equivalents	$ 7,624,641	$ 7,606,233	$ 7,696,443	$ 7,845,730	$ 7,480,658	$ 8,468,093	$ 8,468,093
Cash restricted for investor education	805,807	871,336	769,474	770,708	771,879	772,994	772,994
TOTAL ASSETS	$ 8,430,448	$ 8,477,569	$ 8,465,917	$ 8,616,438	$ 8,252,537	$ 9,241,087	$ 9,241,087
LIABILITIES							
Due to State's General Fund	$ 388,950	$ 361,850	$ 378,301	$ 490,350	$ 259,200	$ 377,500	$ 377,500
TOTAL LIABILITIES	$ 388,950	$ 361,850	$ 378,301	$ 490,350	$ 259,200	$ 377,500	$ 377,500
NET ASSETS							
Restricted net position - expendable	$ 805,807	$ 871,336	$ 769,474	$ 770,708	$ 771,879	$ 772,994	$ 772,994
Unrestricted net position	7,235,691	7,244,383	7,318,142	7,355,380	7,221,458	8,090,593	8,090,593
TOTAL NET POSITION	$ 8,041,498	$ 8,115,719	$ 8,087,616	$ 8,126,088	$ 7,993,337	$ 8,863,587	$ 8,863,587
TOTAL LIABILITIES AND NET POSITION	$ 8,430,448	$ 8,477,569	$ 8,465,917	$ 8,616,438	$ 8,252,537	$ 9,241,087	$ 9,241,087

	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	FY 2015 YTD
OPERATING REVENUES							
Securities registration fees	$ 1,122,700	$ 1,112,000	$ 1,313,351	$ 1,217,250	$ 836,050	$ 1,439,400	$ 7,040,751
Securities professionals' registration fees	124,500	107,240	121,860	121,730	82,340	6,372,000	6,929,670
Fines, penalties, and administrative costs	63,617	64,265	73,808	16,915			218,605
Other revenue	32	499	982		11	481	2,005
TOTAL OPERATING REVENUES	$ 1,310,849	$ 1,284,004	$ 1,510,001	$ 1,355,895	$ 918,401	$ 7,811,881	$ 14,191,031
OPERATING EXPENSES							
Salaries, wages, and benefits	$ 307,118	$ 295,831	$ 284,935	$ 282,110	$ 294,594	$ 300,553	$ 1,765,141
Rent expense	11,361	15,483	10,258	17,101	8,840	11,904	74,947
Contracted and professional services	20,202	4,652	2,299	18,030	3,460	33,737	82,380
Investor education professional services	88,793		161,980	-	-	-	250,773
Other general and administrative expenses	19,478	28,290	32,031	8,537	66,489	8,252	163,077
TOTAL OPERATING EXPENSES	$ 446,952	$ 344,256	$ 491,503	$ 325,778	$ 373,383	$ 354,446	$ 2,336,318
OPERATING INCOME	$ 863,897	$ 939,748	$ 1,018,498	$ 1,030,117	$ 545,018	$ 7,457,435	$ 11,854,713
NONOPERATING REVENUE (EXPENSE)							
Interest income	$ 1,264	$ 1,263	$ 1,310	$ 1,235	$ 1,171	$ 1,115	$ 7,358
Transfers to and due to State of Oklahoma	(899,800)	(866,790)	(1,047,911)	(992,880)	(678,940)	(6,588,300)	(11,074,621)
NET NONOPERATING EXPENSE	$ (898,536)	$ (865,527)	$ (1,046,601)	$ (991,645)	$ (677,769)	$ (6,587,185)	$ (11,067,263)
NET CHANGE IN NET POSITION	$ (34,639)	$ 74,221	$ (28,103)	$ 38,472	$ (132,751)	$ 870,250	$ 787,450
NET POSITION, BEGINNING OF MONTH	$ 8,076,137	$ 8,041,498	$ 8,115,719	$ 8,087,616	$ 8,126,088	$ 7,993,337	$ 8,076,137
NET POSITION, END OF MONTH	$ 8,041,498	$ 8,115,719	$ 8,087,616	$ 8,126,088	$ 7,993,337	$ 8,863,587	$ 8,863,587

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

	YTD Dec 31, 2014	YTD Dec 31, 2013	Percentage Change
ASSETS			
Cash and cash equivalents	$ 8,468,093	$ 7,683,419	10%
Cash restricted for investor education	772,994	1,220,315	-37% 1
TOTAL ASSETS	$ 9,241,087	$ 8,903,734	4%
LIABILITIES			
Due to State's General Fund	$ 377,500	$ 370,953	2%
TOTAL LIABILITIES	$ 377,500	$ 370,953	2%
NET ASSETS			
Restricted net position - expendable	$ 772,994	$ 1,220,315	-37%
Unrestricted net position	8,090,593	7,312,466	11%
TOTAL NET POSITION	$ 8,863,587	$ 8,532,781	4%
TOTAL LIABILITIES AND NET POSITION	$ 9,241,087	$ 8,903,734	4%

	Dec, 2014	Dec, 2013	
OPERATING REVENUES			
Securities registration fees	$ 7,040,751	$ 6,820,220	3%
Securities professionals' registration fees	6,929,670	6,664,060	4%
Fines, penalties, and administrative costs	218,605	25,000	774% 2
Other revenue	2,005	2,781	-28%
TOTAL OPERATING REVENUES	$ 14,191,031	$ 13,512,061	5%
OPERATING EXPENSES			
Salaries, wages, and benefits	$ 1,765,141	$ 1,695,399	4%
Rent expense	74,947	72,171	4%
Contracted and professional services	82,380	81,102	2%
Investor education professional services	250,773	344,375	-27% 3
Other general and administrative expenses	163,077	142,379	15%
TOTAL OPERATING EXPENSES	$ 2,336,318	$ 2,335,426	0%
OPERATING INCOME	$ 11,854,713	$ 11,176,635	6%
NONOPERATING REVENUE (EXPENSE)			
Interest income	$ 7,358	$ 13,976	-47% 4
Transfers to and due to State of Oklahoma	(11,074,621)	(10,647,963)	4%
NET NONOPERATING EXPENSE	$ (11,067,263)	$ (10,633,987)	4%
NET CHANGE IN NET POSITION	$ 787,450	$ 542,648	45%
NET POSITION, BEGINNING OF YEAR	$ 8,076,137	$ 7,990,133	1%
NET POSITION, YTD	$ 8,863,587	$ 8,532,781	4%

1 Change 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 Decrease is due to timing differences between when Invest Ed billings are received and paid.
4 Decrease is due to lower account balance and lower rate of return.

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

	FY15 Total Budget	FY15 Actual YTD	Remaining Balance	Remaining Percentage
OPERATING REVENUES				
Securities registration fees	$ 12,772,000	$ 7,040,751	5,731,249	45%
Securities professionals' registration fees	7,614,000	6,929,670	684,330	9%
Fines, penalties, and administrative costs	50,000	218,605	(168,605)	-337%
Other revenue	4,600	2,005	2,595	56%
TOTAL OPERATING REVENUES	$ 20,440,600	$ 14,191,031	6,249,569	
OPERATING EXPENSES				
Salaries, wages, and benefits	$ 3,955,770	$ 1,765,141	2,190,629	55%
Rent expense	146,217	74,947	71,270	49%
Contracted and professional services	231,800	82,380	149,420	64%
Investor education professional services	500,000	250,773	249,227	50%
Other general and administrative expenses	810,290	163,077	647,213	80%
TOTAL OPERATING EXPENSES	$ 5,644,077	$ 2,336,318	3,307,759	
OPERATING INCOME	$ 14,796,523	$ 11,854,713	$ 2,941,810	
NONOPERATING REVENUE (EXPENSE)				
Interest income	$ 10,000	$ 7,358	2,642	26%
Transfers to and due to State of Oklahoma	(15,636,062)	(11,074,621)	(4,561,441)	29%
NET NONOPERATING EXPENSE	$ (15,626,062)	$ (11,067,263)	$ (4,558,799)	
NET CHANGE IN NET POSITION	$ (829,539)	$ 787,450	(1,616,989)	