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 17, 2015***

Re: ***FINANCIAL REPORT***

Attached is the financial report for the month ended October 31, 2015, as prepared by Stephanie Ballard of Crawford & Associates.

Attachment

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OKLAHOMA DEPARTMENT OF SECURITIES
FINANCIAL STATEMENTS - CASH BASIS

	July 31, 2015	August 31, 2015	September 30, 2015	October 31, 2015	Total YTD
ASSETS					
Cash and cash equivalents	$ 8,642,345	$ 8,590,447	$ 8,571,783	$ 9,039,156	$ 9,039,156
Cash restricted for investor education	595,494	570,506	571,370	447,152	447,152
TOTAL ASSETS	$ 9,237,839	$ 9,160,953	$ 9,143,153	$ 9,486,308	$ 9,486,308
LIABILITIES					
Due to State's General Fund	$ 405,850	$ 403,000	$ 377,150	$ 835,711	$ 835,711
TOTAL LIABILITIES	$ 405,850	$ 403,000	$ 377,150	$ 835,711	$ 835,711
NET ASSETS					
Restricted net position - expendable	$ 595,494	$ 570,506	$ 571,370	$ 447,152	$ 447,152
Unrestricted net position	8,236,495	8,187,447	8,194,633	8,203,445	8,203,445
TOTAL NET POSITION	$ 8,831,989	$ 8,757,953	$ 8,766,003	$ 8,650,597	$ 8,650,597
TOTAL LIABILITIES AND NET POSITION	$ 9,237,839	$ 9,160,953	$ 9,143,153	$ 9,486,308	$ 9,486,308

	July 2015	August 2015	September 2015	October 2015	FY 2015 YTD
OPERATING REVENUES					
Securities registration fees	$ 1,108,650	$ 1,109,150	$ 1,303,950	$ 1,186,061	$ 4,707,811
Securities professionals' registration fees	128,490	127,510	131,250	117,500	504,750
Fines, penalties, and administrative costs	-	-		5,000	5,000
Other revenue	480	-		620	1,100
TOTAL OPERATING REVENUES	$ 1,237,620	$ 1,236,660	$ 1,435,200	$ 1,309,181	$ 5,218,661
OPERATING EXPENSES					
Salaries, wages, and benefits	$ 313,241	$ 300,954	$ 318,676	$ 304,522	$ 1,237,393
Rent expense	3,951	14,804	36,261	19,923	74,939
Contracted and professional services	1,774	2,293	2,522	8,273	14,862
Investor education professional services		25,875		129,251	155,126
Other general and administrative expenses	14,383	65,398	32,755	15,923	128,459
TOTAL OPERATING EXPENSES	$ 333,349	$ 409,324	$ 390,214	$ 477,892	$ 1,610,779
OPERATING INCOME	$ 904,271	$ 827,336	$ 1,044,986	$ 831,289	$ 3,607,882
NONOPERATING REVENUE (EXPENSE)					
Interest income	$ 859	$ 888	$ 864	$ 816	$ 3,427
Transfers to and due to State of Oklahoma	(897,040)	(902,260)	(1,037,800)	(947,511)	(3,784,611)
NET NONOPERATING EXPENSE	$ (896,181)	$ (901,372)	$ (1,036,936)	$ (946,695)	$ (3,781,184)
NET CHANGE IN NET POSITION	$ 8,090	$ (74,036)	$ 8,050	$ (115,406)	$ (173,302)
NET POSITION, BEGINNING OF MONTH	$ 8,823,899	$ 8,831,989	$ 8,757,953	$ 8,766,003	$ 8,823,899
NET POSITION, END OF MONTH	$ 8,831,989	$ 8,757,953	$ 8,766,003	$ 8,650,597	$ 8,650,597

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

	YTD Oct 31, 2015	YTD Oct 31, 2014	Percentage Change
ASSETS			
Cash and cash equivalents	$ 9,039,156	$ 7,845,730	15%
Cash restricted for investor education	447,152	770,708	-42% 1
TOTAL ASSETS	$ 9,486,308	$ 8,616,438	10%
LIABILITIES			
Due to State's General Fund	$ 835,711	$ 490,350	70% 2
TOTAL LIABILITIES	$ 835,711	$ 490,350	70%
NET ASSETS			
Restricted net position - expendable	$ 447,152	$ 770,708	-42%
Unrestricted net position	8,203,445	7,355,380	12%
TOTAL NET POSITION	$ 8,650,597	$ 8,126,088	6%
TOTAL LIABILITIES AND NET POSITION	$ 9,486,308	$ 8,616,438	10%

	Oct, 2015	Oct, 2014	
OPERATING REVENUES			
Securities registration fees	$ 4,707,811	$ 4,765,301	-1%
Securities professionals' registration fees	504,750	475,330	6%
Fines, penalties, and administrative costs	5,000	218,605	-98% 3
Other revenue	1,100	1,513	-27%
TOTAL OPERATING REVENUES	$ 5,218,661	$ 5,460,749	-4%
OPERATING EXPENSES			
Salaries, wages, and benefits	$ 1,237,393	$ 1,169,994	6%
Rent expense	74,939	54,203	38%
Contracted and professional services	14,862	45,183	-67% 4
Investor education professional services	155,126	250,773	-38% 5
Other general and administrative expenses	128,459	88,336	45% 6
TOTAL OPERATING EXPENSES	$ 1,610,779	$ 1,608,489	0%
OPERATING INCOME	$ 3,607,882	$ 3,852,260	-6%
NONOPERATING REVENUE (EXPENSE)			
Interest income	$ 3,427	$ 5,072	-32% 7
Transfers to and due to State of Oklahoma	(3,784,611)	(3,807,381)	-1%
NET NONOPERATING EXPENSE	$ (3,781,184)	$ (3,802,309)	-1%
NET CHANGE IN NET POSITION	$ (173,302)	$ 49,951	-447%
NET POSITION, BEGINNING OF YEAR	$ 8,823,899	$ 8,076,137	9%
NET POSITION, YTD	$ 8,650,597	$ 8,126,088	6%

1 Decrease is due to a decrease in fine revenue to the Fund and a decrease in interest income.
2 September manual deposit was not transferred to the State until November.
3 Fines vary based on amounts awarded and factual bases of cases.
4 Decrease is due to fewer deposition charges, temporary employee becoming a department employee and accounting charges for audit timing difference.
5 Decrease is due to timing differences between when Invest Ed billings are received and/or paid. Also, decrease is due to bringing Invest Ed in-house.
6 Increase is due to purchase of new telecommunication system.
7 Decrease is due to lower account balance.

OKLAHOMA DEPARTMENT OF SECURITIES
CASH BASIS YEAR-TO-DATE BUDGET COMPARISON
As of October 31, 2015

	FY16 Total Budget	FY16 Actual YTD	Remaining Balance	Remaining Percentage
OPERATING REVENUES				
Securities registration fees	$ 14,393,801	$ 4,707,811	9,685,990	67%
Securities professionals' registration fees	7,726,780	504,750	7,222,030	93%
Fines, penalties, and administrative costs	75,000	5,000	70,000	93%
Other revenue	6,675	1,100	5,575	84%
TOTAL OPERATING REVENUES	$ 22,202,256	$ 5,218,661	16,983,595	
OPERATING EXPENSES				
Salaries, wages, and benefits	$ 4,201,494	$ 1,237,393	2,964,101	71%
Rent expense	264,041	74,939	189,102	72%
Contracted and professional services	229,804	14,862	214,942	94%
Investor education professional services	178,625	155,126	23,499	13%
Other general and administrative expenses	836,737	128,459	708,278	85%
TOTAL OPERATING EXPENSES	$ 5,710,701	$ 1,610,779	4,099,922	
OPERATING INCOME	$ 16,491,555	$ 3,607,882	$ 12,883,673	
NONOPERATING REVENUE (EXPENSE)				
Interest income	$ 12,000	$ 3,427	8,573	71%
Transfers to and due to State of Oklahoma	(16,971,631)	(3,784,611)	(13,187,020)	78%
NET NONOPERATING EXPENSE	$ (16,959,631)	$ (3,781,184)	$ (13,178,447)	
NET CHANGE IN NET POSITION	$ (468,076)	$ (173,302)	(294,774)	