

IRVING L. FAUGHT  
ADMINISTRATOR



MARY FALLIN  
GOVERNOR

STATE OF OKLAHOMA  
DEPARTMENT OF SECURITIES

*MEMORANDUM*

*To: Irving L. Faught, Administrator*

*From: Laura Swingle, Business Manager*

*Date: September 12, 2016*

*Re: FINANCIAL REPORT*

Attached is the financial report for the month ended August 31, 2016.

Attachment

OKLAHOMA DEPARTMENT OF SECURITIES  
 FINANCIAL STATEMENTS - CASH BASIS

	July 31, 2016	August 31, 2016	Total YTD
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,725,612	\$ 5,685,642	\$ 5,685,642
Cash restricted for investor education	496,195	441,723	441,723
TOTAL ASSETS	<u>\$ 6,221,807</u>	<u>\$ 6,127,365</u>	<u>\$ 6,127,365</u>
<b>LIABILITIES</b>			
Due to State's General Fund	\$ 462,450	\$ 436,503	\$ 436,503
TOTAL LIABILITIES	<u>\$ 462,450</u>	<u>\$ 436,503</u>	<u>\$ 436,503</u>
<b>NET ASSETS</b>			
Restricted net position - expendable	\$ 496,195	\$ 441,723	\$ 441,723
Unrestricted net position	5,263,162	5,249,139	5,249,139
TOTAL NET POSITION	<u>\$ 5,759,357</u>	<u>\$ 5,690,862</u>	<u>\$ 5,690,862</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 6,221,807</u>	<u>\$ 6,127,365</u>	<u>\$ 6,127,365</u>
	July 2016	August 2016	FY 2017YTD
<b>OPERATING REVENUES</b>			
Securities registration fees	\$ 1,210,000	\$ 1,129,673	\$ 2,339,673
Securities professionals' registration fees	111,780	127,680	239,460
Fines, penalties, and administrative costs			-
Other revenue	14	488	502
TOTAL OPERATING REVENUES	<u>\$ 1,321,794</u>	<u>\$ 1,257,841</u>	<u>\$ 2,579,635</u>
<b>OPERATING EXPENSES</b>			
Salaries, wages, and benefits	\$ 305,877	\$ 320,232	\$ 626,109
Rent expense	31,683	26,193	57,876
Contracted and professional services	2,771	461	3,232
Investor education expenses	869	55,217	56,086
Other general and administrative expenses	22,469	14,275	36,744
TOTAL OPERATING EXPENSES	<u>\$ 363,669</u>	<u>\$ 416,378</u>	<u>\$ 780,047</u>
OPERATING INCOME	\$ 958,125	\$ 841,463	\$ 1,799,588
<b>NONOPERATING REVENUE (EXPENSE)</b>			
Interest income	\$ 716	\$ 745	\$ 1,461
Transfers to and due to State of Oklahoma	(956,130)	(910,703)	(1,866,833)
NET NONOPERATING EXPENSE	<u>\$ (955,414)</u>	<u>\$ (909,958)</u>	<u>\$ (1,865,372)</u>
NET CHANGE IN NET POSITION BEFORE SPECIAL ITEM	<u>\$ 2,711</u>	<u>\$ (68,495)</u>	<u>\$ (65,784)</u>
<b>SPECIAL ITEM</b>			
One time transfer to General Revenue	\$ (3,900,000)	\$ -	\$ (3,900,000)
NET CHANGE IN NET POSITION	<u>\$ (3,897,289)</u>	<u>\$ (68,495)</u>	<u>\$ (3,965,784)</u>
NET POSITION, BEGINNING OF MONTH	<u>\$ 9,656,647</u>	<u>\$ 5,759,358</u>	<u>\$ 9,656,647</u>
NET POSITION, END OF MONTH	<u>\$ 5,759,358</u>	<u>\$ 5,690,863</u>	<u>\$ 5,690,863</u>

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

	YTD August 31, 2016	YTD August 31, 2015	Percentage Change
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,685,642	\$ 8,590,447	-34% <sup>1</sup>
Cash restricted for investor education	441,723	570,506	-23%
<b>TOTAL ASSETS</b>	<u>\$ 6,127,365</u>	<u>\$ 9,160,953</u>	-33%
<b>LIABILITIES</b>			
Due to State's General Fund	\$ 436,503	\$ 403,000	8%
<b>TOTAL LIABILITIES</b>	<u>\$ 436,503</u>	<u>\$ 403,000</u>	8%
<b>NET ASSETS</b>			
Restricted net position - expendable	\$ 441,723	\$ 570,506	-23%
Unrestricted net position	5,249,139	8,187,447	-36%
<b>TOTAL NET POSITION</b>	<u>\$ 5,690,862</u>	<u>\$ 8,757,953</u>	-35%
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 6,127,365</u>	<u>\$ 9,160,953</u>	-33%
	August, 2016	August, 2015	
<b>OPERATING REVENUES</b>			
Securities registration fees	\$ 2,339,673	\$ 2,217,800	5%
Securities professionals' registration fees	239,460	256,000	-6%
Fines, penalties, and administrative costs	-	-	
Other revenue	502	480	5%
<b>TOTAL OPERATING REVENUES</b>	<u>\$ 2,579,635</u>	<u>\$ 2,474,280</u>	4%
<b>OPERATING EXPENSES</b>			
Salaries, wages, and benefits	\$ 626,109	\$ 614,195	2%
Rent expense	57,876	18,755	209% <sup>2</sup>
Contracted and professional services	3,232	4,067	-21%
Investor education expenses	56,086	25,875	117% <sup>3</sup>
Other general and administrative expenses	36,744	79,781	-54%
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 780,047</u>	<u>\$ 742,673</u>	5%
<b>OPERATING INCOME</b>	<u>\$ 1,799,588</u>	<u>\$ 1,731,607</u>	4%
<b>NONOPERATING REVENUE (EXPENSE)</b>			
Interest income	\$ 1,461	\$ 1,747	-16%
Transfers to and due to State of Oklahoma	(1,866,833)	(1,799,300)	4%
<b>NET NONOPERATING EXPENSE</b>	<u>\$ (1,865,372)</u>	<u>\$ (1,797,553)</u>	4%
<b>NET CHANGE IN NET POSITION BEFORE SPECIAL ITEM</b>	<u>\$ (65,784)</u>	<u>\$ (65,946)</u>	0%
<b>SPECIAL ITEM</b>			
One time transfer to General Revenue	\$ (3,900,000)	\$ -	
<b>NET CHANGE IN NET POSITION</b>	<u>\$ (3,965,784)</u>	<u>\$ -</u>	
<b>NET POSITION, BEGINNING OF MONTH</b>	<u>\$ 9,656,647</u>	<u>\$ 8,823,899</u>	9%
<b>NET POSITION, END OF MONTH</b>	<u>\$ 5,690,863</u>	<u>\$ 8,757,953</u>	-35%

<sup>1</sup> Decrease due to one time transfer to General Revenue

<sup>2</sup> Increase due to software rental costs, increased rent and timing differences

<sup>3</sup> Timing difference between OU contract billings and In-house payments

OKLAHOMA DEPARTMENT OF SECURITIES  
 CASH BASIS YEAR-TO-DATE BUDGET COMPARISON  
 As of August 31, 2016

	FY17 Total Budget	FY17 Actual YTD	Remaining Balance	Remaining Percentage
<b>OPERATING REVENUES</b>				
Securities registration fees	\$ 15,966,927	\$ 2,339,673	13,627,254	85%
Securities professionals' registration fees	8,197,320	239,460	7,957,860	97%
Fines, penalties, and administrative costs	50,000	-	50,000	100%
Other revenue	7,141	502	6,639	93%
TOTAL OPERATING REVENUES	\$ 24,221,388	\$ 2,579,635	21,641,753	
<b>OPERATING EXPENSES</b>				
Salaries, wages, and benefits	\$ 4,872,404	\$ 626,109	4,246,295	87%
Rent expense	278,013	57,876	220,137	79%
Contracted and professional services	281,003	3,232	277,771	99%
Investor education expenses	249,400	56,086	193,314	78%
Other general and administrative expenses	856,236	36,744	819,492	96%
TOTAL OPERATING EXPENSES	\$ 6,537,056	\$ 780,047	5,757,009	
OPERATING INCOME	\$ 17,684,332	\$ 1,799,588	\$ 15,884,744	
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Interest income	\$ 9,675	\$ 1,461	8,214	85%
Transfers to and due to State of Oklahoma	(18,477,147)	(1,866,833)	(16,610,314)	90%
NET NONOPERATING EXPENSE	\$ (18,467,472)	\$ (1,865,372)	\$ (16,602,100)	
<b>NET CHANGE IN NET POSITION BEFORE SPECIAL ITEM</b>				
	\$ (783,140)	\$ (65,784)	(717,356)	
<b>SPECIAL ITEM</b>				
One time transfer to General Revenue		\$ (3,900,000)		
NET CHANGE IN NET POSITION	\$ (783,140)	\$ (3,965,784)		