



Municipal Securities Rulemaking Board

The background of the cover is a black and white photograph of a construction site. It shows a tall building under construction, heavily encased in a complex network of steel scaffolding. A long construction crane extends diagonally across the upper left portion of the frame. The sun is visible through the scaffolding on the right side, creating a bright starburst effect. A solid blue horizontal band is overlaid across the middle of the image, serving as a background for the title text.

Annual Report 2015
Building a Stronger
Municipal Securities Market

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ABOUT THE MSRB

The Municipal Securities Rulemaking Board (MSRB) protects investors, state and local governments and other municipal entities, and the public interest by promoting a fair and efficient municipal securities market. The MSRB fulfills this mission by regulating the municipal securities firms, banks and municipal advisors that engage in municipal securities and advisory activities. To further protect market participants, the MSRB provides market transparency through its Electronic Municipal Market Access (EMMA[®]) website, the official repository for information on virtually all municipal bonds. The MSRB also serves as an objective resource on the municipal market, conducts extensive education and outreach to market stakeholders, and provides market leadership on key issues. The MSRB is a Congressionally-chartered, self-regulatory organization governed by a 21-member board of directors that has a majority of public members, in addition to representatives of regulated entities. The MSRB is subject to oversight by the Securities and Exchange Commission.

MESSAGE FROM LEADERSHIP



Nathaniel Singer and Lynnette Kelly

A well-functioning municipal securities market enables communities across the country—from the State of California to the town of Topsham, ME—to finance local infrastructure. More than 50,000 state and local governments, millions of investors and 28,000 regulated financial professionals participate in the municipal securities market. It is the role of the Municipal Securities Rulemaking Board (MSRB) to develop and maintain the regulatory foundation of this \$3.7 trillion capital market.

MSRB rules create strong safeguards against unethical conduct by financial professionals working with municipal bond investors and issuers, and ensure that these professionals are tested, trained and held accountable. MSRB market transparency systems leverage technology to equalize access to important data and information about the municipal market. MSRB educational materials ensure investors, issuers and their financial professionals understand the regulatory protections in place and have access to objective resources to help them make informed decisions.

All MSRB activities are guided by our organization's mandate from Congress to protect investors and issuers, and to promote a fair and efficient municipal market. We had a busy 2015, advancing a number of investor protection initiatives to enhance market structure (p.2) and improving disclosure practices (p.4). The MSRB also implemented new protections for issuers and other municipal entities that rely on the services of municipal advisors (p.6) and added to its growing multimedia library of municipal market education resources (p.8).

We invite you to share your input on the MSRB's approach to addressing market challenges. Protecting the integrity of one of our country's most essential local financing mechanisms is a responsibility we all share.

Thank you.

Nathaniel Singer
Chair

Lynnette Kelly
Executive Director

BUILDING A STRONGER MARKET INFRASTRUCTURE

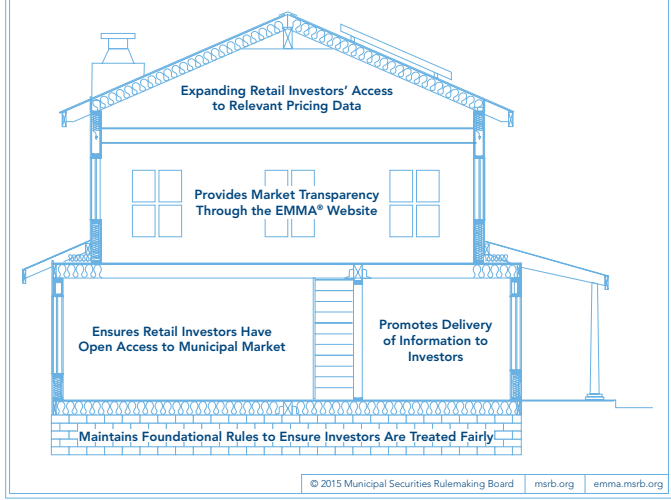
In 2015 and for the last several years, the MSRB has taken meaningful steps to increase price fairness and transparency

in the municipal securities market for the benefit of retail investors. Informed by the recommendations of the Securities and Exchange Commission's (SEC) comprehensive 2012 Report on the Municipal Securities Market, the MSRB continues to build on its strong foundation of market transparency by enhancing the availability of more robust pricing information for investors.

for the benefit of retail investors. This order-handling standard, which goes into effect in 2016, complements existing fair pricing rules and aims to promote fair competition among dealers. The rule requires municipal securities dealers to have reasonable procedures in place to identify the best market for their customers' securities. Implementation guidance is available to facilitate dealer compliance and ensure investors receive consistent benefits of fair handling of their orders to buy or sell municipal securities.

To help investors understand the true costs of their municipal securities transactions, the MSRB is advancing a proposal that would require municipal securities dealers to disclose on retail customer confirmations the amount of the mark-up in a class of principal transactions. The MSRB is coordinating with the Financial Industry Regulatory Authority (FINRA) to support regulatory efficiency across the fixed-income markets. The MSRB's confirmation disclosure proposal offers an alternative

Since 1975, the Municipal Securities Rulemaking Board (MSRB) has been entrusted by Congress to protect municipal securities investors. Informed by recommendations in a major Securities and Exchange Commission report, the MSRB continues to build on its strong regulatory foundation to better protect retail investors.



Last year, the MSRB prepared to implement a new rule on best execution

In 2015, approximately 740,000 visitors accessed key information about the municipal bond market from the EMMA website.

to an earlier proposal to require dealers to provide on retail customer confirmations a reference price for a comparable transaction by the dealer and the difference between those prices. In addition to incorporating more information directly on customer confirmations, the MSRB's draft rule amendments seek to direct investors to more information about the market for their traded security on the Electronic Municipal Market Access (EMMA®) website. This additional information will help investors better assess whether they are getting a fair price when buying or selling municipal securities.

In 2015, the MSRB continued to enhance the EMMA website to make more information available — and to make available information more meaningful — for investors. Credit ratings from four major ratings agencies are now available for free on EMMA since the addition of public finance ratings from Moody's Investors Service in June 2015. Credit ratings from Moody's, Kroll Bond Rating Agency, Fitch Ratings and Standard & Poor's are presented alongside the trading and disclosure information for each municipal security, and are also integrated into EMMA's advanced search function and price discovery tool.

Beginning in May 2016, the MSRB is making available additional post-trade data on EMMA, including indicators for transactions that occur on alternative trading systems (ATSs) and trades involving non-transaction-based compensation. The MSRB continues to explore the possibility of adding pre-trade data to EMMA by working with market participants on a voluntary basis to help evaluate the most useful pre-trade information for investors.



Shortening the Settlement Cycle

The MSRB in 2015 committed to modifying certain municipal market rules in support of a securities industry effort to shorten the settlement cycle for all securities transactions. The initiative to move to shorten the settlement cycle from the current trade date plus three days (T+3) to trade date plus two days (T+2) is being led by the Industry Steering Committee (ISC), chaired jointly by the Investment Company Institute and the Securities Industry and Financial Markets Association. The MSRB recognizes the potential risk-reduction and cost-saving advantages of moving to a two-day securities settlement cycle. The shift from T+3 to T+2 requires action by all relevant regulators, and the MSRB was one of the first regulators to publicly express its support.

Protecting the Integrity of Market Transparency Systems

As the operator of the EMMA website and other systems that are critical to municipal market transparency, the MSRB has strong controls in place to ensure the security and continuity of its technology systems. As of November 2015, the MSRB had to comply with rigorous standards under the Securities and Exchange Commission's Regulation Systems Compliance and Integrity, or Reg SCI, which aims to protect the financial markets from vulnerabilities posed by technology systems. While primarily focused on exchanges and trading venues, Reg SCI also applies to all financial market self-regulatory organizations, including the MSRB.

Separately, the MSRB's Business Continuity and Disaster Recovery Plan addresses reasonably foreseeable events that might affect MSRB operations, mission-critical systems, assets, facilities and other resources or services integral to the conduct of MSRB activities. The MSRB maintains multiple backup sites to support recovery measures in the event of a significant business disruption to MSRB systems and services. These measures have helped the MSRB consistently achieve an overall systems availability greater than 99.9 percent.

The MSRB's continuity plan undergoes an annual review and update, as well as periodic testing, which now requires mandatory participation from a select population of MSRB registrants necessary to maintain a fair and efficient market. These efforts strengthen the MSRB's overall readiness in the event of an actual service disruption.



ADVOCATING FOR IMPROVED DISCLOSURE

In 2015, the MSRB renewed its call for better disclosure of bank loans and other alternative financings by municipal securities issuers on a voluntary basis. As issuers increasingly turn to bank loans and other means to finance infrastructure projects, the MSRB remains concerned that investors and other market participants are often unaware of the potential impact of bank loans and other debt-like obligations on the seniority status of existing bondholders and the credit or liquidity profile of an issuer, among other implications.

Since 2009, the MSRB has worked to help improve disclosure practices of municipal securities issuers through the operation and enhancement of its EMMA website, which serves as the official platform for issuers to communicate information to investors. In recent years, the MSRB has played a leading role in educating issuers about disclosure best practices and

has supported issuer disclosure of all types of debt, including bank loans. The MSRB's January 2015 market advisory highlighted the importance of bank loan disclosure for investor protection and provided best practices to support voluntary disclosure of bank loan information through EMMA.

The MSRB highlighted the need for disclosure of bank loans in 2011 and first encouraged state and local governments in 2012 to make information about their bank loans publicly available on a voluntary basis on the EMMA website. Issuers have largely declined to make voluntary disclosures about financings that are increasingly playing a greater role in their financial profile. Given the risks this lack of disclosure poses for the fairness and transparency of the municipal market, the MSRB has urged the Securities and Exchange Commission (SEC) to consider requiring bank loan disclosure as part of an extensive

The MSRB's January 2015 market advisory highlighted the importance of bank loan disclosure for investor protection and provided best practices to support voluntary disclosure through EMMA.

2015-03

Bank Loan Disclosure Market Advisory

Publication Date
January 29, 2015

Stakeholders
Municipal Securities
Dealers, Municipal
Advisors, Issuers,
Investors, General
Public

Notice Type
Regulatory
Announcement

Category
Market Transparency

Introduction*

The Municipal Securities Rulemaking Board (MSRB) is committed to promoting a fair and efficient municipal securities market and protecting investors, state and local governments and other municipal entities that issue municipal securities (issuers), and the public interest. Pursuant to Section 15B of the Securities Exchange Act of 1934, the MSRB regulates brokers, dealers and municipal securities dealers engaged in municipal securities activities and municipal advisors engaged in municipal advisory services. As part of its charge to promote a fair and efficient market, the MSRB is aware of the increasing use of bank loans¹ and direct-purchase debt as financing alternatives² to public offerings in the municipal securities market for funding capital improvement projects or refunding outstanding bonds. Specifically, the MSRB is concerned that a bank loan could impair the rights of existing bondholders, including its impact on the seniority status of issuer. As such, the MSRB is publishing this market advisory to alert municipal market participants of the importance of voluntary disclosure of

* While this market advisory focuses specifically on bank loan disclosures, many of the principles described herein would be equally applicable to other types of indebtedness, including direct loans from hedge fund investors and others. Market participants are encouraged to consider whether the disclosure of other indebtedness is also warranted.
¹ For the purposes of this market advisory, "bank loan" is defined as a loan made by purchasing a bond directly from the issuer.

review of the federal municipal market disclosure regime established by SEC Rule 15c2-12. The MSRB continues to explore opportunities to collaborate with other regulators to promote voluntary disclosure of bank loans and other alternative financings.

To support timely and complete disclosure of annual financial information, the MSRB provides free email reminders from EMMA to alert issuers when their recurring disclosures are about to come due. Nearly 7,000 municipal entities have subscribed to this service.

The MSRB also enhanced EMMA in 2015 to help investors access the full universe of disclosure information available for a municipal security. In cases where a new identifying CUSIP number is assigned to portions of a bond after issuance, such as for a partial refunding, EMMA's new "Related Securities" feature connects the webpages for the new and former securities to help investors find all relevant disclosures.





SETTING NEW STANDARDS FOR MUNICIPAL ADVISORS

In an important step for the municipal securities market, the MSRB in 2015 created the first qualifying examination for individuals who provide municipal advisory services to state and local governments. The Municipal Advisor Representative Qualification Examination (Series 50), being offered as a pilot in early 2016, requires municipal advisor professionals to demonstrate a minimum level of knowledge of the business and applicable rules. The exam is designed to help ensure for the first time that state and local governments are advised on municipal bond transactions and financial products by advisors who meet a minimum qualification standard.

All municipal advisor representatives and principals are required to pass the Series 50 exam within one year of its launch as a permanent exam,

expected in 2016. The exam covers the roles and responsibilities of municipal advisor professionals as well as currently effective rules governing their activities. More information about the Series 50 exam is available on the MSRB's website, at msrb.org.

A cornerstone of the MSRB's regulatory framework for municipal advisors took effect in 2015 with the implementation of MSRB Rule G-44, on supervision and compliance obligations. Municipal advisors are now putting into practice a robust set of checks and balances at the firm level to ensure all municipal advisor professionals are in compliance with rules as they are developed.

Among the upcoming new rules is one that extends existing provisions for municipal securities dealers related to gift giving to also apply to municipal

Municipal advisors are putting into practice a robust set of checks and balances at the firm level to ensure compliance with rules as they are developed.

Municipal Advisor Representative Qualification Examination (Series 50)

CONTENT OUTLINE



FAQs on the Pilot Municipal Advisor Representative Qualification Examination (Series 50)

Series 50

The Municipal Securities Rulemaking Board (MSRB) later this year plans to administer a pilot Municipal Advisor Representative Qualification Examination (Series 50) to validate its bank of exam questions and set the passing score for the permanent Series 50 qualification examination. This document provides guidance to municipal advisors and their associated persons on the pilot Series 50.

1. Will everyone who requests to take the pilot Series 50 be permitted or will there be a lottery for participating in the qualification examination?
Any individual engaged in municipal advisory activities on behalf of a registered municipal advisor who is interested in taking the pilot Series 50 will be permitted.

2. Will everyone taking the pilot Series 50 be administered the same test?
No. As is the case with other qualification examinations, questions appearing on the pilot Series 50 will be randomized from a bank of exam questions.

3. When will the Series 50 pilot exam be available?
The MSRB will offer the pilot Series 50 for a 30-day period beginning on January 15, 2016 and ending on February 14, 2016.

4. When can I register for the pilot Series 50 exam?
The exam registration window will be available beginning on September 21, 2015 and closing on January 14, 2016.

5. What is the examination fee for the pilot Series 50?
The examination fee is \$265. The fee will be collected by FINRA at the time a candidate enrolls to take the Series 50.

6. How many questions will be on the pilot Series 50?
The pilot Series 50 will consist of 120 questions.

7. How much time will be allotted to take the pilot Series 50?

Candidates for the pilot Series 50 will be allotted 4.5 hours to complete the exam, which is inclusive of a 30-minute tutorial on how to complete the computerized exam.

8. Can a candidate take the pilot Series 50 more than once during the pilot period?

No. The pilot Series 50 can only be taken once during the 30-day pilot period. A candidate who fails to pass the pilot examination will be permitted to take the exam again when the permanent exam is available. If a candidate then fails the permanent Series 50, the candidate will be able to retake the exam after a period of 30 days has elapsed from the date of the prior examination. Any person, however, who fails to pass the permanent Series 50 three or more times in succession is prohibited from taking the examination again until six months have elapsed from the date of the last failed examination.



FAQs on Municipal Advisor Professional Qualification Standards and Requirements

Rules G-2 & G-3

INTRODUCTION

The Municipal Securities Rulemaking Board (MSRB) developed this document to provide guidance to municipal advisors and their associated persons on the classification, qualification and examination requirements under MSRB Rule G-2 on Standards of Professional Qualification Requirements.¹ The MSRB may update this document periodically. In each update, the questions and answers added after the previous publication of this document will be marked as "new."

MSRB Rule G-2 requires, in part, that no municipal advisor shall engage in municipal advisory activities, unless the municipal advisor and every natural person associated with the rules of the MSRB, MSRB Rule G-3, in part, added two new of municipal classifications for certain associated persons and (2) municipal advisor principal. Municipal advisor representatives and principals are required to pass the MSRB's Municipal Advisor Representative Qualification Examination (Series 50). In addition, as required by amended MSRB Rule G-3, each municipal advisor must designate at least one individual as a municipal advisor principal.

FREQUENTLY ASKED QUESTIONS

Classifications

1. Who must qualify by examination as a municipal advisor representative?
A natural person associated with a municipal advisor who engages in municipal advisory activities² on the behalf of a municipal advisor, other than a person performing only clerical, administrative, support or similar functions, must qualify by examination as a municipal advisor representative.

2. Who must qualify by examination as a municipal advisor principal?
A municipal advisor principal is a natural person associated with a municipal advisor who is qualified by examination as a municipal advisor representative and is directly engaged in the management, direction or supervision of the municipal advisory activities of the municipal advisor and of that of its associated persons.³

3. If I am designated as the municipal advisor principal at my firm, am I required to take and pass the Municipal Advisor Representative Qualification Examination (Series 50) or will I only need to take a principal-level examination?
In accordance with MSRB Rule G-3, the designated municipal advisor principal(s) is required to take and pass the Series 50 as a prerequisite to qualification as a municipal advisor principal. In addition, designated

¹ See MSRB Rule G-13 (Municipal Advisory Activities); see also Section 1509666AA and (b) of the Securities Exchange Act. Municipal advisory activities include (i) advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or the issuance of municipal securities, including a municipal bill, see also Registration of Municipal Advisors Frequently Asked Questions (May 19, 2016).

² See MSRB Rule G-3(a)(2); see also Section 150967 of the Act, which defines the term "person associated with a municipal advisor" to mean (A) any person, officer, director, or branch manager of such municipal advisor, or (B) any person, officer, director, or branch manager of such municipal advisor for any person occupying a position of similar status or performing similar functions, (B) other employee of such municipal advisor who is engaged in the management, direction or supervision of such municipal advisor's activities relating to the provision of advice to or on behalf of the issuer or obligated person with respect to municipal securities, or (C) any person directly or indirectly controlling, controlled by or under common control with such municipal advisor.

³ The terms and brief summaries of MSRB Rules G-2 and G-3, as well as other rules contained in this document, do not describe all provisions in their entirety or all exemptions to or modifications to those provisions. Please refer to the MSRB's website for the complete text of specific rules and interpretations at <http://www.msrb.org> and <http://www.finra.org>.

advisors. Amended MSRB Rule G-20 takes effect in May 2016. MSRB Rule G-42, effective in June 2016, establishes core standards of conduct for municipal advisors, and proposed amendments to MSRB Rule G-37 apply that rule's anti-pay-to-play provisions to municipal advisors. Each of these new and proposed rules and standards of professional qualification is grounded in the MSRB's mandate under the Dodd-Frank Wall Street Reform and Consumer Protection Act to regulate municipal advisors that provide advice to state and local governments on such critical and complex matters as issuing municipal securities.

PROVIDING MUNICIPAL MARKET EDUCATION

BUYING AND SELLING BONDS

The Impact of Market Interest Rate Movement on Municipal Bond Prices and Yields

Interest rate risk is one of the most fundamental factors to consider when investing in the fixed income market. Predicting interest rate movements is generally challenging. While interest rate movements present both opportunities and risks, understanding of the associated risks of interest rate movements may help in making a sound investment decision.

The risk associated with the movement of interest rates and that movement's impact on the price and yield of a bond is referred to as interest rate risk. The price and yield of a bond typically have an inverse relationship. In other words, as the price of a bond goes down, the yield or income return on the investment, goes up, and vice versa. Thus, when interest rates rise, a bond's price or market value usually declines because an investor can earn a higher yield with another bond. Conversely, when interest rates fall, the bond's price usually rises.

risks. Investors attempting to sell a fixed rate bond may not receive the full par value. When interest rates fall, the same investors may receive more than the par value in a secondary market sale.

CHANGE IN MARKET INTEREST RATES AND IMPACT ON BOND VALUE

	TODAY	IN TWO YEARS Interest rates increase by 1%	IN TWO YEARS Interest rates decrease by 1%
Market Interest Rate	3%	4%	2%
Coupon Rate	3%	3%	3%
Face Value	\$1,000	\$1,000	\$1,000
Maturity	10 Years	8 Years	8 Years
Yield to Maturity	3%	4%	2%
Price	\$1,000	\$932.67	\$1,073.25

In the case of a rise in interest rates, all else being equal, a new bond issue with similar characteristics coming to market would generally pay a higher coupon rate causing the price of an existing bond issue with lower coupon rate payments to decrease. As illustrated in the example above, an interest rate increase of one percent after

Bond Price

In general, the longer the maturity of a bond, the greater the interest rate risk. If a bond is sold prior to its maturity in any interest rate environment, whether rates are high or low, the bond's price will likely be affected by the prevailing interest rates at the time of the sale. When interest rates

Access other resources for investors in the MSRB Education Center

Subscribe to investor education and EMMA email updates from the MSRB.

Providing educational content on the municipal market is fundamental to the MSRB's mission to protect investors, state and local government issuers, and other municipal entities. The MSRB Education Center, at msrb.org, is an online repository of multimedia resources on a variety of market topics from the basics about municipal securities to understanding the professionals involved in a municipal bond sale. The MSRB frequently adds content to the Education Center to provide timely and relevant resources for market participants.

With interest rates dominating financial headlines for much of 2015, the MSRB released an educational

resource on the impact of market interest rate movement on municipal bond prices and yields. The new guide supplemented existing resources on evaluating a municipal bond's interest rate risk, considerations for selling a bond before maturity and other topics related to the risks and opportunities of buying and selling municipal securities.

In 2015, the MSRB continued its multiyear outreach effort to educate issuers about the free resources available from the MSRB to assist them in meeting their disclosure obligations. In light of the evolving regulatory requirements for municipal advisors, the MSRB also provides issuers with updates on the status of municipal

2015 MSRB EDUCATION AND OUTREACH

Visited 13 states for issuer education campaign

Participated in 107 industry events to an audience of approximately 13,000 market participants

Hosted 8 free educational webinars



Former Detroit emergency manager Kevyn D. Orr delivers the keynote address at the MSR's July 2015 outreach seminar in New York.

advisor rulemaking and what they should expect from the professionals they rely on for advice.

In July 2015, the MSR and the Municipal Forum of New York co-hosted an education and outreach seminar on the evolution of and emerging trends in the municipal market in New York. The program brought together a distinguished group of market participants for discussions of the municipal market's past, present and future as the MSR commemorated its 40th anniversary of protecting the public interest. Kevyn D. Orr, former emergency manager for the city of Detroit, delivered the keynote address.

The MSR is now laying the groundwork for an expanded education program for financial professionals focused on market fundamentals and MSR rules. The MSR is working to leverage new digital tools to provide on-demand education for market participants.



WE'VE MOVED

The MSR has relocated its office to downtown Washington, DC to support enhanced coordination with fellow regulators and policymakers, and facilitate outreach to market stakeholders.

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TELEPHONE	MSRB SUPPORT
202-838-1500	202-838-1330



BOARD OF DIRECTORS 2015–2016

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Chair



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Vice Chair

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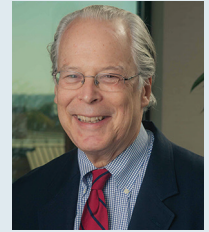
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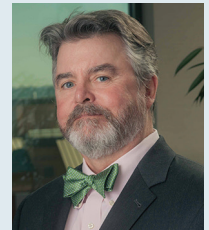
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Brian L. Wynne
*Co-Head of Public
Finance and Head of
Municipal Syndicate Desk*
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John Bagley
Chief Market Structure Officer

Elizabeth Wolfe
Chief Financial Officer and Chief Risk Officer

Al Morisato
Chief Operations and Technology Officer

Ritta McLaughlin
Chief Education Officer

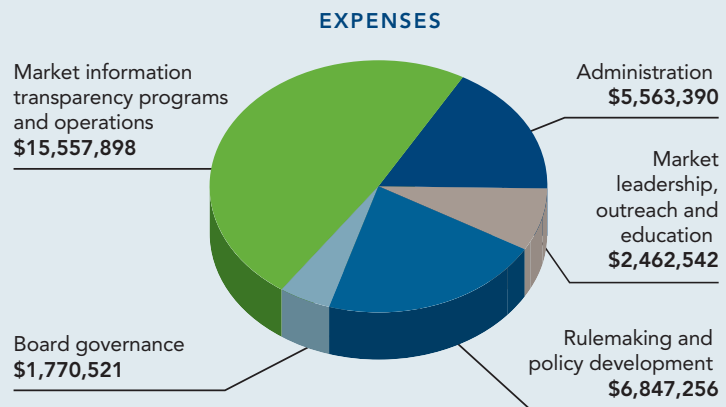
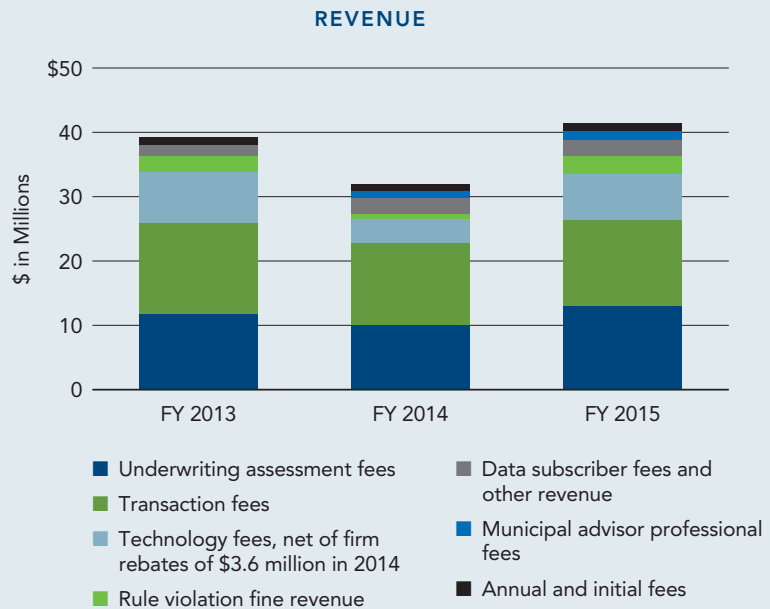
Jennifer Galloway
Chief Communications Officer

2015 FINANCIAL HIGHLIGHTS

MSRB revenues are generated primarily by assessments and fees on regulated entities engaged in municipal securities activities and municipal advisory services. The largest source of funding is assessments on the trading and underwriting activities of municipal securities dealers. Municipal advisors pay a per professional fee to the MSRB. As a self-funded organization, the MSRB receives no government support. The Finance Committee of the MSRB Board of Directors is responsible for monitoring the organization's financial performance. Spending in the FY 2015 budget supported strategic initiatives and annual operating costs, and allowed the MSRB to maintain reserve funds at a level sufficient to ensure it has stable funding to carry out its mission as a regulator irrespective of trading and underwriting volume.

The MSRB moved to new office space in Washington, DC in December 2015. Leasehold improvements of \$4.4 million are being funded through landlord incentives, furniture is being funded through a board designated facility fund, and IT equipment is being funded from the technology renewal fund.

Financial highlights from FY 2015 are provided above. Full audited financial statements are available on the MSRB's website at msrb.org/About-MSRB.aspx.



Revenue

FY 2015 revenue totaled \$41.3 million, a 29 percent increase over the prior year. The increase reflects a 30 percent growth in municipal bond underwriting volume. Separately, trading activity was stable. Higher technology fee revenues in FY 2015 as compared to the prior year are due to a \$3.6 million partial rebate in FY 2014 of dealers' technology fees when the technology fund exceeded its reserve target. As a result, the FY 2014 technology fees appear low and by comparison FY 2015 technology fees appear to have increased substantially, though in fact the revenue was flat. FY 2015 represented the second year

that municipal advisors were assessed per professional fees in addition to the annual firm fees. Additional sources of revenue include data subscriber fees and enforcement agency fines for violations of MSRB rules.

Expenses

In FY 2015, operating expenses totaled \$32.2 million, an increase of 9.2 percent from FY 2014. These expenses reflect the organization's core mission, with an emphasis on rulemaking and policy development; board governance; market information transparency programs and operations; market leadership, outreach and education; and administration.

Looking Ahead

In FY 2015, the MSRB conducted a comprehensive review of its funding structure as part of its continuing efforts to maintain a fair and equitable fee structure for all regulated entities. This review resulted in changes to the fee structure beginning in the next fiscal year, including a decrease in the underwriting fee effective January 1, 2016 and increases in the initial and annual registration fees levied on all regulated entities beginning October 1, 2015. These changes will be reflected in the financial highlights next year.

2015 FINANCIAL HIGHLIGHTS

<i>September 30</i>	2015	2014	2013
Statements of Financial Position			
Total Assets	\$74,829,468	\$64,620,381	\$60,813,189
Total Liabilities	5,314,474	4,231,356	2,933,965
Total Net Assets — Unrestricted	69,514,994	60,389,025	57,879,224
Statements of Activities			
Revenue:			
Underwriting assessment fees	12,990,546	9,980,079	11,772,429
Transaction fees	13,313,660	12,875,066	14,012,929
Technology fees, net of firm rebates of \$3.6 million in 2014	7,268,324	3,698,922	8,042,898
Municipal advisor professional fees	1,336,168	968,700	—
Annual and initial fees	1,142,114	1,232,112	1,239,300
Data subscriber fees and other revenue	2,624,448	2,527,924	1,831,338
Rule violation fine revenue	2,652,316	709,523	2,364,098
Total Revenue	41,327,576	31,992,326	39,262,992
Expenses	32,201,607	29,482,525	27,778,330
Change in Net Assets	\$9,125,969	\$2,509,801	\$11,484,662
Statements of Cash Flows			
Cash Provided from Operating Activities	\$12,303,844	\$8,341,925	\$16,012,320
Investment in Technology Systems and Other Fixed Assets	\$4,709,614	\$3,738,477	\$3,489,806

These highlights are supported by the audited financial statements, which are available on the MSRB's website at msrb.org/About-MSRB.aspx



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