



STRONGER TOGETHER ONE BOND AT A TIME



2025 ANNUAL REPORT

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MESSAGE FROM LEADERSHIP

The municipal securities market empowers communities across America to invest in the infrastructure Americans rely upon daily—from clean water, roads and bridges, to schools, hospitals, and so much more. We could not be prouder to serve such a critical market and fulfill our congressional mandate to protect investors, issuers and the public interest.

Advancing fairness and efficiency in the \$4 trillion municipal market requires more than MSRB's efforts alone. It's through ongoing engagement and a dynamic feedback loop with our stakeholders that we strengthen both the market and the communities it serves. Stakeholder feedback helped shape MSRB's budget for FY 2026 and led us to develop a new multi-year rate card that makes fees more predictable and transparent for those we regulate. It has also helped us shape the modernization of the Electronic Municipal Market Access (EMMA®) website, which will launch in 2026, along with other important market transparency and rulemaking efforts that you'll read about in this report.

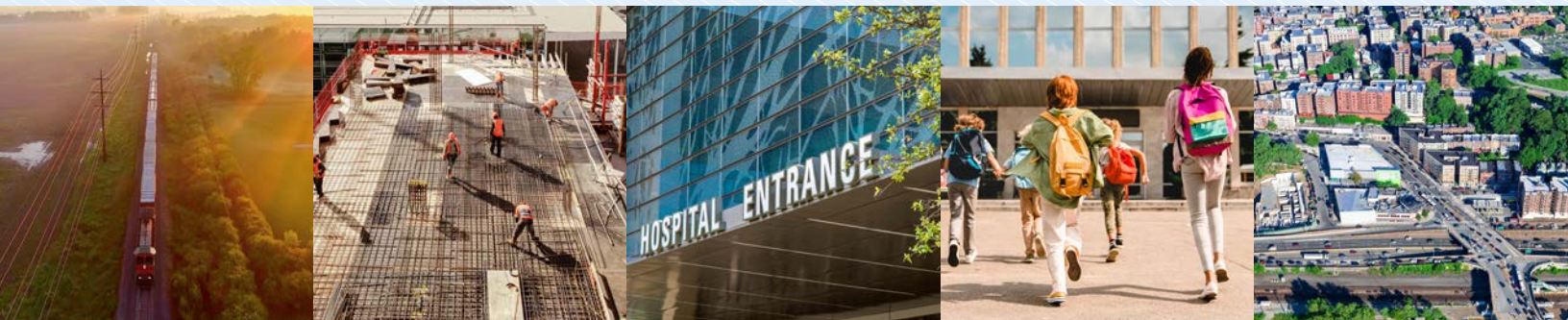
In October, we celebrated MSRB's 50th anniversary alongside current and former Board members, fellow regulators, and many industry leaders. It was a special evening recognizing the Board and staff that got us to this moment, the importance of market regulation and the impact of the municipal market, which advances economic growth and development and builds stronger and more resilient communities across America.

As we look ahead to the next 50 years, our mission is just as important today as it was when Congress established us in 1975. We recognize the achievements and industry relationships that have gotten us to where we are now and appreciate the talents and collaboration of all corners of the municipal securities market. From every person and place that is part of this market, this much remains clear: We are stronger when we work together—one bond at a time.

Sincerely,

Natasha Holiday
Board Chair

Mark Kim
Chief Executive Officer



Market Regulation

Modernizing the MSRB Rule Book

MSRB works to protect investors and issuers by creating fair, clear, and effective rules for the municipal securities market. Its goal is to make the market stronger and more competitive by leveling the playing field for market participants and promoting capital formation. To achieve this, MSRB remains flexible and stays ahead of changes in technology and market practices to ensure its rules continue to protect investors and issuers while reducing burdens on regulated entities.

Trade Reporting

In 2025, MSRB rescinded the not yet effective amendments to [Rule G-14](#) requiring trades to be reported within one minute. MSRB retained the current 15-minute reporting standard after discussion with market participants but amended the rule to require dealers, beginning in July 2026, to report trades “as soon as practicable” and have clear policies in place to meet this new requirement.



Retrospective Rule Review

MSRB also maintained its focus on retrospective rule reviews to ensure its rules are achieving their intended purposes and don't create unnecessary burdens. MSRB launched five major reviews of existing rules, which are expected to constitute the core of MSRB's market regulation activities over the coming years. An important part of this process will be to align MSRB's rules with those of other financial regulators. The five major reviews are:

- **Adapting dealer supervision rules to the modern workplace.** MSRB is updating its dealer supervision rule ([Rule G-27](#)) to reflect how dealers work today. MSRB recognizes that technological advancements have evolved market practices and workplaces with respect to remote supervision. Moreover, MSRB acknowledges that the market is better served when the regulatory framework reflects current market practices and there is a clear understanding of how to interpret the rules of the road.
- **Streamlining the primary market disclosure and data submission process.** Under [Rule G-32](#), dealers who underwrite new municipal securities must submit key documents and data to the EMMA website. In recent years, the Form G-32 submission process has become increasingly tied to separate submission requirements for new issue information under [Rule G-34](#) that are designed to support initial trading in municipal securities. MSRB is reviewing the Form G-32 process to facilitate compliance and reduce administrative burdens for dealers.
- **Updating municipal advisor rules.** Since the Dodd-Frank Act expanded MSRB's authority to regulate municipal advisors 15 years ago, it has in large part created the regulatory framework. Now, MSRB is reviewing those rules to make sure they're clear, easy to follow and not overly burdensome, while still prioritizing the protection of municipal entities. MSRB will also incorporate a review of potential alternative methods of assessing fees on municipal advisors.
- **Modernizing disclosure and other obligations for municipal fund securities.** MSRB is reviewing rules for municipal fund securities like 529 college savings plans, Achieving a Better Life Experience (ABLE) programs and local government investment pools. The goal is to modernize disclosure practices for these types of securities.
- **Preparing MSRB's market infrastructure rules for market innovation.** MSRB is looking at its market infrastructure rules and working with stakeholders to identify areas where it could remove barriers to technological and product innovation in the municipal market. MSRB seeks to explore whether current market infrastructure rules can and should apply to recent financial markets innovations, such as digital assets (e.g., tokenized securities) and decentralized finance products (e.g., blockchain technology and smart contracts).



Market Transparency

Modernizing EMMA

MSRB helps protect and improve the municipal securities market by running the technology infrastructure that powers the market and makes it transparent and accessible. At the center of this system is the EMMA website, which serves as the central and sole repository of municipal market data and disclosure documents. EMMA gives all municipal market participants and the public free access to municipal securities trade and disclosure data and key market information such as yield curves and bond ratings, helping to level the playing field and mitigate information asymmetry.

Since MSRB moved all its systems to the cloud in 2020, it has invested in a major redesign of EMMA, which is set to launch in 2026. This multi-year project has included stakeholder feedback from EMMA users throughout the process, including more than 100 industry experts and market participants during beta testing over the last year. The new EMMA will offer a modern look and feel, easier navigation, a customizable dashboard, enhanced search tools, and new data, including obligor information for the first time in MSRB history.



INFORMING DECISIONS THROUGH RESEARCH AND DATA

MSRB is the central and sole data repository for the municipal securities market. It collects and shares millions of data points that help investors, issuers and dealers make decisions about issuing, trading and investing in municipal bonds. MSRB studies this data to guide rulemaking, spot market trends and publish research, some of which only MSRB can conduct. This helps policymakers and the public better understand how the municipal securities market works. Over the past year, MSRB released several reports, including:

- [Liquidity Impact of Municipal Bond ETFs on Municipal Securities Market: An Updated Analysis](#)
- [Major Trends in the Municipal Securities Primary Market](#)
- [Trends in Municipal Securities Trading: Broker's Brokers vs. Alternative Trading Systems](#)
- [Performance of Municipal Bond Exchange-Traded Funds During April 2025](#)
- [A Comparison of Transaction Costs for Municipal Securities and Other Fixed-Income Securities](#)
- [Convergence of Individual and Institutional Trading Dynamics in Small Size Trades](#)
- [What Drives Trading Volume in the Municipal Securities Market? A Study of Likely Factors](#)

MSRB also publishes quarterly and annual municipal securities market summaries highlighting key developments in yields, trading volume, new issuance, and mutual fundflows, as well as monthly data and an annual [MSRB Fact Book](#). These market summaries include:

- [Third Quarter 2025 Municipal Securities Market Summary](#)
- [Second Quarter 2025 Municipal Securities Market Summary](#)
- [April 2025 Market Recap](#)
- [First Quarter 2025 Municipal Securities Market Summary](#)
- [2024 Municipal Market Year in Review](#)



Public Accountability

Enhancing Trust Through Transparency and Stakeholder Engagement

MSRB was created by Congress as an independent, private SRO to protect investors, issuers and the public interest by promoting a fair and efficient municipal securities market. MSRB accomplishes this under the leadership of an experienced Board of Directors and by actively fostering dialogue with market participants and other stakeholders.

CELEBRATING 50 YEARS OF SAFEGUARDING THE MUNICIPAL MARKET

In October, MSRB celebrated 50 years of serving its congressional mandate by bringing the municipal securities industry together for an evening that recognized the power of municipal bonds in shaping and strengthening America's communities. Alongside current and former Board members, fellow regulators and industry leaders, MSRB welcomed remarks from SEC Chairman Paul Atkins, Rep. Terri Sewell (D-AL), and Rep. Rudy Yakym (R-IN). Each of them acknowledged MSRB's role in safeguarding the integrity of such a critical capital market.



Current and former Board members.



Mark Kim, Natasha Holiday, SEC Chairman Paul Atkins, Aleis Stokes



Leadership and Oversight

MSRB's Board includes 15 experienced professionals with over 300 years of combined municipal market experience. The Board is majority public, with eight members who are independent of the firms MSRB regulates, including investors and municipal entities, and seven members who are representative of the dealers and municipal advisors that are subject to MSRB regulation. The Board meets regularly to guide policy, rulemaking and system enhancements, and often joins staff in engaging with stakeholders and policymakers.

Transparency and Accountability

Public accountability is of paramount importance to MSRB, and this is consistently demonstrated through its actions. In 2025, MSRB held discussions with stakeholders on key topics, including the EMMA website upgrade, the FY 2026 budget, a new multi-year rate card and its forthcoming FY 2026–2030 strategic plan. These conversations helped shape its work and approach in these key areas. MSRB remains committed to this constant feedback loop with stakeholders and will continue these important conversations in 2026.

Additionally, MSRB will continue to provide transparency on how it funds its operations and strategic investments. Each year, MSRB publishes audited financial statements and its annual budget on its website to aid this effort. The FY 2026 budget, released in October, is 5.2% lower than the previous year's and reflects a leaner organization following a rightsizing of MSRB's workforce. The FY 2026 budget fully supports MSRB's operations, including technology, data security and system reliability, while demonstrating MSRB's commitment to sound fiscal stewardship.

MSRB funds its operations primarily through fees on regulated firms, and recent market volatility and an annual rate card model have led to unpredictable fees and revenues for both MSRB and regulated entities. To enhance stability, MSRB has adopted a new multi-year rate card. The multi-year rate card sets rates for calendar years 2026 through 2029, offering regulated firms greater fee predictability. As part of this change, MSRB will return to the industry more than \$23 million in surplus reserves—generated by extraordinary market activity over the past two years—via temporary fee credits on dealer market activity fees through 2027.



PROMOTING COST SAVINGS AND OPERATIONAL EFFICIENCIES

As part of its ongoing commitment to strong fiscal discipline and responsible expense management, MSRB will be moving to a new office space in 2027. The new office will be smaller, more efficient, and right sized for MSRB's future needs. By making this move, MSRB will save \$6 million over the life of the lease in addition to the 5.2% cost reduction included in MSRB's FY 2026 budget.

Education and Community Engagement

Education and outreach are important aspects of MSRB's mandate to protect investors, issuers and the public interest. MSRB offers free, unbiased educational resources to help investors, issuers and others make informed decisions. As part of an ongoing effort to make its educational content more accessible, in 2025 MSRB continued to streamline its Education Center, simplifying navigation and making its content for investors and issuers easier to find and understand.

MSRB also supports the next generation of public finance professionals. In 2025, MSRB continued its support of high school students interested in careers in finance by hosting Municipal Finance Day in partnership with the Municipal Forum of New York's Urban Leadership Fellows Program and the Chicago Summer Business Institute's program. These events featured industry leaders who shared their experiences and inspired students from varied backgrounds to explore careers in public finance.

Giving Back

MSRB continued investing in the Washington D.C. community by partnering with DC Central Kitchen for three days of volunteering. Staff helped prepare meals for schools and shelters and supported job training programs. MSRB also joined a Cycle for Survival fundraiser for rare cancer research and brought holiday gifts to families supported by My Sister's Place, a local domestic violence shelter.

BOARD OF DIRECTORS 2025–2026

MSRB is governed by a [Board of Directors](#) that consists of 15 members, including eight public members and seven regulated members, all of whom have deep expertise in the municipal securities market.

OFFICERS



CHAIR
Natasha A. Holiday



VICE CHAIR
Wendell G. Gaertner

PUBLIC REPRESENTATIVES



Ahmed A. Abonamah
*Executive Vice President
and Chief Financial Officer
Rock Entertainment Group
and the Cleveland Cavaliers
Cleveland, Ohio*



David Belton
*Retired
Madison, Wisconsin*



Michael Craft
*Senior Credit Analyst
Genworth Financial, Inc.
Stamford, Connecticut*



Nancy Feldman
*Chief of the Division of
Fiscal Management
Montgomery County, Maryland
Rockville, Maryland*



Pamela M. Frederick
*Chief Financial Officer
and Treasurer
Battery Park City Authority
New York, New York*

PUBLIC REPRESENTATIVES



JoLinda L. Herring
*CEO and Managing
Shareholder
Bryant Miller Olive
Tallahassee, Florida*



Horatio Porter
*Chief Financial Officer
and Assistant Executive
Director of Finance
North Texas Tollway
Authority (NTTA)
Plano, Texas*



Daniel L. Wiles
*Retired
Los Angeles, California*



Alexander Chilton
*Managing Director, Head
of Municipal Securities
Morgan Stanley
New York, New York*



Warren "Bo" Daniels
*Managing Director and
Head of Public Finance
Loop Capital Markets
Atlanta, Georgia and
New York, New York*

REGULATED REPRESENTATIVES



Wendell G. Gaertner
*Senior Managing Director
Public Resources Advisory
Group, Inc.
St. Petersburg, Florida*



Heather E. Grzanka
*Executive Director,
Compliance Director, Fixed
Income, Public Finance
JPMorgan Chase & Co.
New York, New York*



Daniel Hartman
*Managing Director and
Immediate Past CEO
PFM Financial Advisors LLC
Arlington, Virginia*



Natasha A. Holiday
*Managing Director,
Co-Head of Infrastructure East
RBC Capital Markets
New York, New York*



Christopher A. Kendall
*Managing Director,
Fixed Income Trading
Charles Schwab &
Company, Inc.
Denver, Colorado*

MSRB SENIOR LEADERSHIP



Mark T. Kim
Chief Executive Officer



Tangie Davis
Chief of Staff



Brian Anthony
Chief Product Officer



John A. Bagley
*Chief Market
Structure Officer*



Yetunde Olumide
Chief Financial Officer



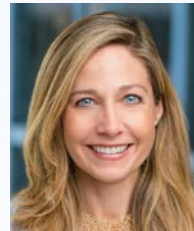
Ernesto A. Lanza
*Chief Regulatory
and Policy Officer*



Ijeoma Lasebikan
*Senior Director of
Human Resources*



Jacob Lesser
General Counsel

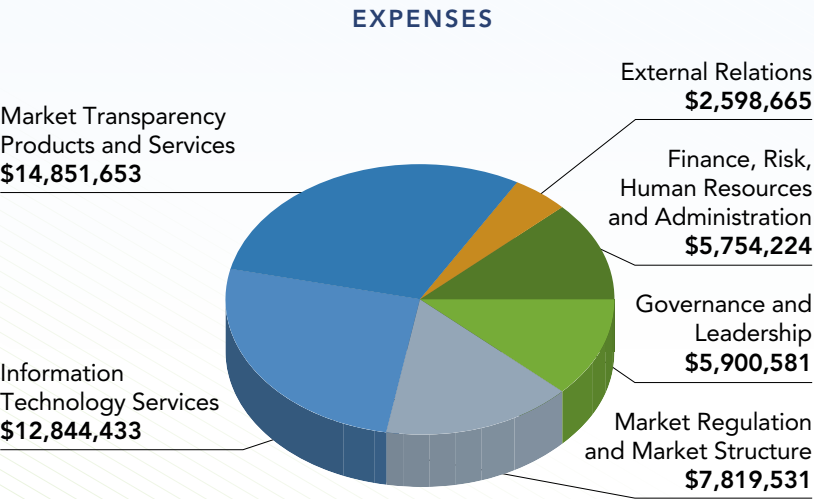
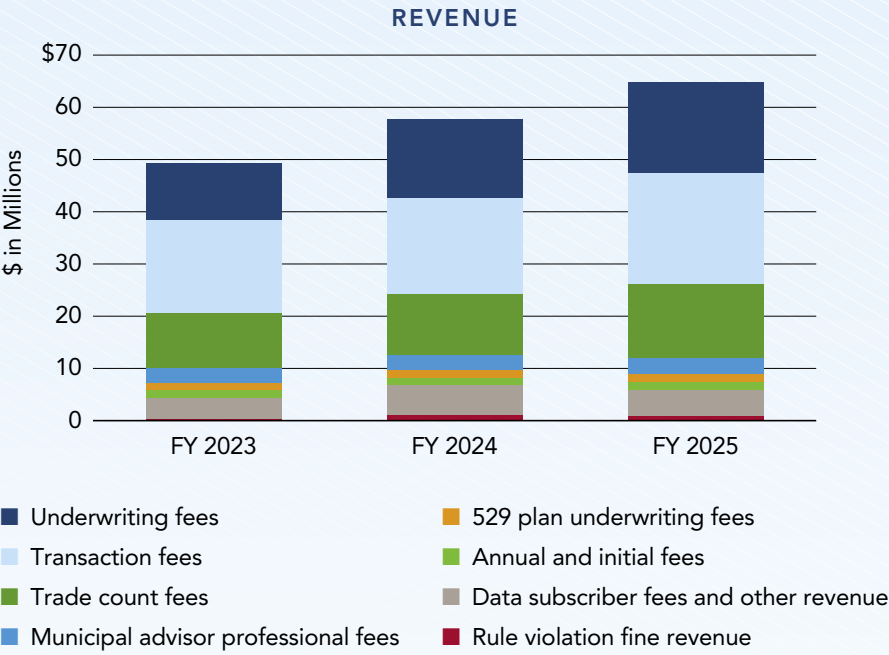


Aleis Stokes
*Chief External
Relations Officer*



John Toye
Chief Information Officer

2025 FINANCIAL HIGHLIGHTS



September 30	2025	2024	2023
Statements of Financial Position			
Total Assets	\$ 97,493,666	\$ 84,065,143	\$ 76,222,195
Total Liabilities	15,634,015	17,055,530	17,515,794
Total Net Assets—Without Restrictions	\$ 81,859,651	\$ 67,009,613	\$ 58,706,401
Statements of Activities			
Revenue:			
Underwriting fees	\$ 17,352,205	\$ 14,991,982	\$ 10,886,294
Transaction fees	21,320,355	18,494,388	17,714,887
Trade count fees	14,156,903	11,572,792	10,507,502
Municipal advisor professional fees	3,064,460	2,997,680	3,030,360
529 plan underwriting fees	1,620,594	1,454,429	1,269,753
Annual and initial fees	1,379,000	1,433,000	1,494,000
Data subscriber fees and other revenue	5,049,108	5,614,022	4,017,881
Rule violation fine revenue	676,500	920,264	153,694
Total Revenue	64,619,125	57,478,557	49,074,371
Expenses	49,769,087	49,175,345	46,879,987
Change in Net Assets	\$ 14,850,038	\$ 8,303,212	\$ 2,194,384
Statements of Cash Flows			
Cash Provided by Operating Activities	\$ 16,798,510	\$ 9,815,220	\$ 1,657,256
Cash Investment in Technology Systems and Other Fixed Assets	\$ 3,635,632	\$ 5,773,895	\$ 6,294,438



Financial Statements as of and for the Years Ended September 30, 2025 and 2024

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View MSRB's financial statements in a machine readable format on [MSRB.org](https://www.msrbor.org).

GRANT THORNTON LLP

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
The Municipal Securities Rulemaking Board

Opinion

We have audited the financial statements of The Municipal Securities Rulemaking Board (the "MSRB"), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the MSRB as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the MSRB and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

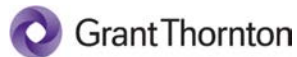
Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the MSRB's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always



detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the MSRB's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the MSRB's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Melville, New York
December 16, 2025

STATEMENTS OF FINANCIAL POSITION

September 30, 2025 and 2024

2025

2024

ASSETS

Cash and cash equivalents	\$ 5,416,727	\$ 3,867,525
Accounts receivable, net of allowance for credit losses of \$241,439 and \$205,520, respectively.	8,504,202	8,361,685
Prepaid and other assets	2,264,219	2,276,125
Accrued interest receivable	434,828	294,420
Investments	56,600,474	44,576,454
Operating lease right-of-use asset	5,758,825	6,473,953
Fixed assets, net of accumulated depreciation of \$45.7 million and \$44.5 million, respectively	18,514,391	18,214,981

TOTAL ASSETS

\$ 97,493,666 \$ 84,065,143

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 4,503,761	\$ 4,650,484
Accrued vacation payable	1,175,499	1,257,154
Data subscription contract liabilities	390,385	336,070
Capital lease liability	97	1,187
Operating lease liability	9,564,273	10,810,635
Total liabilities	15,634,015	17,055,530

Undesignated net assets 73,954,304 64,755,896

Board designated, systems modernization fund 405,347 2,253,717

Board designated, office relocation 7,500,000 —

Net assets — without restrictions 81,859,651 67,009,613

TOTAL LIABILITIES AND NET ASSETS

\$ 97,493,666 \$ 84,065,143

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF ACTIVITIES

For the years ended September 30, 2025 and 2024

2025

2024

REVENUE:

Underwriting fees	\$ 17,352,205	\$ 14,991,982
Transaction fees	21,320,355	18,494,388
Trade count fees	14,156,903	11,572,792
Annual and initial fees	1,379,000	1,433,000
Data subscriber fees	2,604,660	2,623,706
Municipal advisor professional fees	3,064,460	2,997,680
529 plan underwriting fees	1,620,594	1,454,429
Rule violation fine revenue	676,500	920,264
Other income	2,444,448	2,990,316

Total Revenue

64,619,125 57,478,557

EXPENSES:

Program services expense

Information Technology Services	12,844,433	11,413,244
Market Transparency Products and Services	14,851,653	17,486,406
Market Regulation and Market Structure	7,819,531	7,645,413
External Relations	2,598,665	2,366,101

Total program services expense

38,114,282 38,911,164

Supporting services expense

Governance and Leadership	5,900,581	5,358,147
Finance, Risk, Human Resources and Administration	5,754,224	4,906,034

Total supporting services expense

11,654,805 10,264,181

Total Operating Expenses

49,769,087 49,175,345

CHANGE IN NET ASSETS

14,850,038 8,303,212

NET ASSETS — Beginning of year

67,009,613 58,706,401

NET ASSETS — End of year

\$ 81,859,651 \$ 67,009,613

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF FUNCTIONAL EXPENSES

Year ended September 30, 2025

	Program Activities					Supporting Activities		
	Information Technology Services	Market Transparency Products and Services	Market Regulation and Market Structure	External Relations	Program Totals	Governance and Leadership	Finance, Risk, Human Resources and Administration	Total Expenses
Compensation of current officers, directors, other salaries and employee benefits	\$ 5,563,420	\$ 7,338,488	\$ 6,312,021	\$ 1,458,897	\$ 20,672,826	\$ 4,269,150	\$ 3,951,410	\$ 28,893,386
Fees for services	1,070,709	1,422,617	151,655	606,976	3,251,957	676,533	760,300	4,688,790
Information technology	4,265,315	2,224,523	249,953	172,217	6,912,008	154,918	221,900	7,288,826
Occupancy	448,112	709,480	467,746	104,043	1,729,381	259,751	275,327	2,264,459
Travel and meetings	2,804	12,631	267,178	69,101	351,714	233,228	91,763	676,705
Depreciation and amortization	93,392	2,688,853	101,961	22,680	2,906,886	56,622	60,016	3,023,524
Insurance	37,938	62,825	41,419	9,213	151,395	176,410	24,380	352,185
Data and information services	1,229,697	—	119,707	11,830	1,361,234	—	—	1,361,234
Dues, registration and training	8,438	39,473	14,709	7,797	70,417	11,952	67,272	149,641
Property and other taxes	29,269	120,474	6,957	10,548	167,248	5,790	7,162	180,200
Office and other expenses	95,339	232,289	86,225	125,363	539,216	56,227	294,694	890,137
Total Expenses	\$ 12,844,433	\$ 14,851,653	\$ 7,819,531	\$ 2,598,665	\$ 38,114,282	\$ 5,900,581	\$ 5,754,224	\$ 49,769,087

STATEMENTS OF FUNCTIONAL EXPENSES

Year ended September 30, 2024

	Program Activities					Supporting Activities		
	Information Technology Services	Market Transparency Products and Services	Market Regulation and Market Structure	External Relations	Program Totals	Governance and Leadership	Finance, Risk, Human Resources and Administration	Total Expenses
Compensation of current officers, directors, other salaries and employee benefits	\$ 4,302,621	\$ 7,731,289	\$ 6,113,240	\$ 1,283,390	\$ 19,430,540	\$ 4,158,985	\$ 3,299,751	\$ 26,889,276
Fees for services	1,122,123	1,973,312	134,154	581,931	3,811,520	178,484	601,070	4,591,074
Information technology	4,083,621	2,355,983	253,069	167,194	6,859,867	148,052	227,642	7,235,561
Occupancy	461,282	798,847	529,796	108,010	1,897,935	276,837	275,340	2,450,112
Travel and meetings	5,151	12,576	248,908	50,867	317,502	251,522	75,487	644,511
Depreciation and amortization	91,857	4,181,954	115,326	23,512	4,412,649	60,262	59,936	4,532,847
Insurance	36,444	68,991	45,755	9,328	160,518	179,605	23,779	363,902
Data and information services	1,139,591	—	98,304	9,649	1,247,544	—	—	1,247,544
Dues, registration and training	33,890	18,074	14,585	5,638	72,187	43,804	51,231	167,222
Property and other taxes	51,213	207,254	10,191	16,156	284,814	7,175	15,702	307,691
Office and other expenses	85,451	138,126	82,085	110,426	416,088	53,421	276,096	745,605
Total Expenses	\$ 11,413,244	\$ 17,486,406	\$ 7,645,413	\$ 2,366,101	\$ 38,911,164	\$ 5,358,147	\$ 4,906,034	\$ 49,175,345

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the years ended September 30, 2025 and 2024

2025

2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 14,850,038	\$ 8,303,212
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,023,524	4,532,847
Net loss on disposal of long-lived assets	129,246	39,975
Unrealized gains on investments	(396,045)	(1,404,035)
Realized gains on investments	(15,389)	(29,005)
Bad debt expense	76,332	68,272
Changes in assets and liabilities:		
Accounts receivable	(218,849)	(1,713,306)
Prepaid and other assets	11,906	(228,884)
Accrued interest receivable	(140,408)	(64,844)
Operating lease activity	(531,234)	(484,393)
Accounts payable and accrued liabilities	36,729	757,603
Accrued vacation payable	(81,655)	61,216
Data subscription contract liabilities	54,315	(23,438)
Net cash provided by operating activities	16,798,510	9,815,220

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of long-lived assets	(3,635,632)	(5,773,895)
Purchases of investments	(27,751,989)	(20,466,892)
Maturities of investments	16,139,403	16,800,000
Net cash used in investing activities	(15,248,218)	(9,440,787)

CASH FLOW FROM FINANCING ACTIVITIES:

Payments of lease obligation	(1,090)	(964)
Net cash used in financing activities	(1,090)	(964)

NET INCREASE IN CASH AND CASH EQUIVALENTS

1,549,202 373,469

CASH AND CASH EQUIVALENTS, Beginning of year

3,867,525 3,494,056

CASH AND CASH EQUIVALENTS, End of year

\$ 5,416,727 \$ 3,867,525

SCHEDULE OF NONCASH INVESTING ACTIVITIES

Accrual of long-lived assets	\$ —	\$ 183,451
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The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

1. NATURE OF OPERATIONS

The Municipal Securities Rulemaking Board (MSRB) was created by Congress under the 1975 Amendments to the Securities Exchange Act of 1934, and the authority of the MSRB was expanded by further amendments to the Exchange Act under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (as amended, the Exchange Act). The MSRB is incorporated as a not-for-profit, non-stock corporation pursuant to the laws of the Commonwealth of Virginia. Under the Exchange Act, the MSRB is a self-regulatory organization (SRO) with authority to adopt rules regulating the municipal securities activities of brokers, dealers and municipal securities dealers, and the municipal advisory activities of municipal advisors (collectively referred to as "regulated entities"), to promote fair and efficient markets and to protect investors, municipal entities, obligated persons and the public interest. The MSRB collects and disseminates market information, operates the Electronic Municipal Market Access (EMMA®) website to promote transparency and widespread access to information, and also engages with stakeholders on a variety of topics.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation — The MSRB's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and are presented pursuant to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, Not-for-Profit Entities (ASC 958). The MSRB is required to report the following net asset classifications:

- Net assets without restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the MSRB. These net assets may be used at the discretion of the MSRB's management and the Board.
- Net assets with restrictions: Net assets subject to stipulations imposed by donors and grantors. The MSRB does not have donor restricted net assets.

Fair Value Measurement — The MSRB measures fair value in accordance with the provisions of Financial Accounting Standards Board (FASB) ASC 820, Fair Value Measurement, which provides a common definition of fair value for GAAP, establishes a framework for measuring fair value, provides a fair value hierarchy based on the quality of inputs used to measure fair value and enhances disclosure requirements.

Cash Equivalents — Highly liquid investments with maturities of three months or less at the date of purchase are considered to be cash equivalents. Included in cash equivalents are short term money market mutual funds fully invested in securities backed by the full faith and credit of the United States (U.S.) Government with a total fair market value of approximately \$3.9 million and \$2.7 million at September 30, 2025 and 2024, respectively.

Investments — Investments are stated at fair value. Investments consist of U.S. Treasury notes, obligations of U.S. government sponsored enterprises that are fully guaranteed by the U.S. Government, and certificates of deposit that are FDIC insured.

Accounts Receivable, Net of Allowance for Credit Losses — Accounts receivable are recorded at invoiced amounts and do not bear interest. Accounts receivable are reported net of an allowance for credit losses in the statements of financial position. Management's estimate of the allowance for credit losses is based on consideration of credit risk and analysis of receivables aging, specific identification of certain receivables that are at risk of not being paid, past collection experience, current conditions, and reasonable and supportable forecasts. Account balances are written off against the allowance once the potential for recovery is considered remote.

Concentration of Credit Risk — Financial instruments that potentially subject the MSRB to a concentration of credit risk consist principally of cash, cash equivalents, accounts receivable and investments. The MSRB maintains cash primarily in non-interest-bearing accounts with FDIC insurance up to \$250,000 with balances at one financial institution exceeding the FDIC limit by approximately \$955,000 and \$855,000 at September 30, 2025 and 2024, respectively. Investments of the MSRB are backed by the full faith and credit of the U.S. Government, or its fully guaranteed government sponsored enterprises. Accounts receivable consist of fees

due from regulated entities and data subscribers. At times, there are certain significant balances due from regulated entities but the MSRB does not believe it is exposed to any significant credit risk on these balances. Six regulated entities accounted for approximately one-third of total fee revenue in fiscal years 2025 and 2024.

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used in accounting for, among other things, realization of accounts receivable, the carrying value of investments, the impairment of long-lived assets, and the capitalization of internally developed software costs. Actual results could differ from those estimates.

Fixed Assets — Computer and office equipment, as well as furniture and fixtures and capitalized software costs, are recorded at cost and are depreciated using the straight-line method over three years and five years, respectively. Acquisition costs include all expenses necessary to prepare the asset for its intended purpose including direct labor related costs. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining lease period or the estimated useful life of the improvement. Improvements and replacements of fixed assets are capitalized. Maintenance and repairs that do not improve or extend the lives of fixed assets are charged to expense as incurred.

When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts, and any gain or loss is recognized in the statements of activities.

Capitalized Software Costs — The MSRB capitalizes certain costs associated with computer software developed or obtained for internal use as part of the MSRB information systems. The MSRB's policy provides for the capitalization of external direct costs of materials and services and direct payroll-related costs incurred during the application development stage as well as costs related to upgrades and enhancements to this software provided it is probable that these expenditures will result in additional functionality. Costs associated with preliminary project stage activities, training, maintenance and post implementation stage activities are expensed as incurred.

After all substantial testing and deployments are completed and the software is ready for its intended use, internally developed software costs are amortized using the straight-line method over three or five years, depending upon the expected useful life.

Software as a Service Implementations — As the MSRB continues to modernize systems, costs to implement software licensed or hosted by a third-party vendor in cloud computing environments offered as a service are incurred. Implementation costs incurred during the onboarding or customization stage are generally capitalized and amortized over the term of the software service or hosting arrangement on a straight-line basis. For the years ended September 30, 2025 and 2024, the MSRB had \$17,800 and \$13,400, respectively, of costs incurred to implement software as a service arrangement. Amortization expense of capitalized implementation costs for cloud computing arrangements totaled approximately \$23,260 and \$24,000 for the years ended September 30, 2025 and 2024, respectively, which is included in computer licenses, maintenance and supplies within the statement of functional expenses. The net deferred cloud implementation costs of approximately \$13,800 and \$19,300 are included on the statements of financial position within prepaid expenses and other assets at September 30, 2025 and 2024, respectively, and will be expensed over the term of the related cloud computing arrangements.

Impairment of Long-Lived Assets — The MSRB's policy is to review its long-lived assets, such as fixed assets and capitalized software costs, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment, if any, is recognized in the period of identification to the extent the carrying amount of an asset exceeds the fair value of such asset.

Leases — The MSRB determines whether an arrangement constitutes a lease at the inception of the contract. This determination aligns with the guidelines specified in ASC 842 and involves evaluating various factors. Key considerations include assessing its own ability to control and direct the use of the asset and determining whether the counterparty holds a substantive substitution right.

The MSRB leases office space under a non-cancelable operating lease which includes options that permit renewals for additional periods as well as a one-time option to terminate with a significant termination penalty. The lease agreement does not contain any material residual value guarantee, restrictive covenant, or variable lease payments that would be included in the operating lease liability.

Under ASC 842, right-of-use assets (ROU) represent the MSRB's entitlement to utilize underlying assets for the lease term, while lease liabilities represent MSRB's commitment to make lease payments throughout the lease period. The recognition of ROU assets and lease liabilities occurs on the lease's commencement date, based on the present value of lease payments over the agreed-upon lease term. The MSRB employs the implicit rate when it is readily determinable to discount lease cash flows. In cases where the implicit rate cannot be determined, the MSRB uses its collateralized interest rate.

ROU assets and lease liabilities resulting from operating leases are disclosed on the statements of financial position. The MSRB has one finance lease and it is included in fixed assets, and capital lease liabilities in the statements of financial position.

Data Subscription Contract Liabilities — Data subscription contract liabilities relates to payments received in advance of the satisfaction of performance under the data subscription contract which is the delivery of the data feeds. The MSRB receives payments from data subscribers based upon the terms established in its contracts.

Functional Allocation of Expenses — The costs of providing the various organizational activities and programs have been summarized on a functional basis in the statements of activities. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation determined by management on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and amortization, occupancy, internal information technology, office expenses, general insurance, and personal property taxes, which are allocated based upon a percentage of total salaries. Certain salaries were allocated based upon estimated efforts.

Functional Descriptions:

Information Technology Services — The Information Technology Services team operates, maintains and enhances the MSRB's technology infrastructure, ensuring secure and resilient systems for both the market and MSRB internal systems.

Market Transparency Products and Services — The Market Transparency Products and Services team develops, builds and maintains mission-driven market transparency and regulatory products that provide access to municipal market data and value-added services for all market participants and the public with the goal of promoting market intelligence, transparency, and efficiency.

Market Regulation and Market Structure — The Market Regulation team works to maintain a prudent and practical regulatory framework for the municipal market through rulemaking, regulatory coordination and enforcement support, and professional qualifications of municipal market professionals.

The Market Structure group provides research, economic analysis and expertise to inform the MSRB regulatory and other activities and to assist market participants, policymakers and the public in developing a deeper understanding of the municipal securities market.

External Relations — The External Relations team builds the bridges that connect the MSRB with its diverse community of stakeholders through communication, stakeholder engagement and education.

Governance and Leadership — The Board of Directors, in partnership with an executive team led by the MSRB's CEO, is responsible for the overall management and governance of the MSRB.

Finance, Risk, Human Resources and Administration — The Finance, Risk, Human Resources and Administration teams provide essential internal functions, including financial operations and transparency, effective internal controls and risk management, staff recruitment and professional development, and a safe and well-equipped work environment.

Reciprocal Transactions — The MSRB receives municipal credit ratings data for municipal securities in exchange for its data subscription service feeds. The revenue and expenses are recognized in the statements of activities at the same data subscription fee rate that other data subscribers pay for similar services. Revenue and expenses recognized totaled \$137,500 for each of the years ended September 30, 2025 and 2024.

Revenue Recognition:

As the self-regulatory organization for the municipal market, the MSRB's performance obligations under the Exchange Act include the adoption of rules regulating the municipal securities activities of brokers, dealers and municipal securities dealers, and the municipal advisory activities of municipal advisors, collecting and disseminating market information, and operating the Electronic Municipal Market Access (EMMA[®]) website. In addition, the MSRB engages in outreach and provides education to stakeholders and provides enforcement support to other regulators who enforce MSRB rules. Circumstances may exist where such revenue could be variable, the estimate of variable consideration is not typically constrained, as any effects of such variable consideration are known to the MSRB at year end.

Underwriting Fees — The underwriting fee on municipal securities dealers acting as underwriters is required to be paid per Rule A-13 and is equal to \$0.0297 per \$1,000 of the par value of municipal securities purchased by underwriters from an issuer as part of a new issue for the period October 1, 2023 through September 30, 2025 except for the period January 1, 2024 through January 28, 2024 at which time the fee is \$0.0371 per \$1,000 of par.

The performance obligation associated with underwriting fees is satisfied in the month the underwriter files the offering document with the MSRB at which time revenue is recognized.

Transaction Fees — The transaction fee on municipal securities dealers is required to be paid per Rule A-13 and is \$0.0107 per \$1,000 par value of bonds sold and is levied on both customer and interdealer transactions as specified in Rule A-13 for the period October 1, 2023 through September 30, 2025 except for the period January 1, 2024 to January 28, 2024 at which time the fee is \$0.0091 per \$1,000 of par. As described in this rule, certain transactions are exempt from this fee.

The performance obligation associated with transaction fees is satisfied as transactions are settled at which time revenue is recognized.

Trade Count Fees — The trade count fee on municipal securities dealers is required to be paid per Rule A-13 and is \$1.10 per municipal security trade for all customer and interdealer sales transactions for the period October 1, 2023 through September 30, 2025 except for the period January 1, 2024 through January 28, 2024 at which time is \$.57 per municipal security trade.

The performance obligation associated with trade count fees is satisfied as sales transactions are settled at which time revenue is recognized.

Data Subscriber Fees — For a fee, the MSRB provides access to the MSRB subscription services that collect, store and provide information pertaining to the municipal securities market. The MSRB Primary Market Disclosure subscription service includes official statements, advance refunding documents and related data. The MSRB Continuing Disclosure subscription service includes continuing disclosure documents and related data from municipal securities issuers, obligated persons and their agents. The Real Time Transaction Reporting subscription service covers data on all municipal securities transactions for purposes of price transparency and surveillance. Finally, the Short-term Obligation Rate Transparency subscription service covers short-term obligation rate reset data and related documents.

Information processed by these systems is sold to subscribers on an annual basis and the performance obligations associated with these data subscriptions are satisfied over-time as services are rendered with revenue recognized straight-line over the period of service. In addition, the MSRB sells annual historical data sets from these systems, with the fee billed and recognized at the time of purchase.

Municipal Advisor Professional Fees — Each municipal advisor that is registered with both the SEC and the MSRB is required to pay an annual fee per professional fee of \$1,060 for fiscal year 2025 and 2024 per Rule A-11.

The performance obligation associated with municipal advisor professional fees is satisfied when the number of associated persons for whom the firm has filed a Form MA-1 with the Securities and Exchange Commission (SEC) as of January 31 is confirmed and billed in April at which time revenue is recognized.

529 Plan Underwriting Fees — Underwriters to 529 savings plans must pay an annual fee of \$.005 per \$1,000 of the total aggregate plan assets as of December 31 of each year as reported on MSRB Form G-45, and as required to be paid per Rule A-13.

The performance obligation associated with 529 plan underwriting fees is satisfied when the total aggregate plan assets as of December each year are reported on MSRB Form G-45 are processed and billed in May at which time revenue is recognized.

Annual and Initial Fees — With respect to each fiscal year of the MSRB in which a regulated entity conducts business, the regulated entity is required to pay an annual fee of \$1,000 per Rule A-12. Revenue is recognized when regulated entities are billed annually in October, or when received upon initial registration with the MSRB to conduct business. The initial fee is a one-time fee of \$1,000 which is to be paid by every regulated entity upon registration with the MSRB under Rule A-12. Initial fee revenue is recognized when received.

Rule Violation Fine Revenue — The Dodd-Frank Act provides that fines collected by the SEC for violations of the rules of the MSRB shall be equally divided between the SEC and the MSRB, and that one-third of fines collected by the Financial Industry Regulatory Authority (FINRA) allocable to violations of the rules of the MSRB will be paid to the MSRB, although the portion of such fines payable to the MSRB may be modified at the direction of the SEC upon agreement between the MSRB and FINRA. The performance obligation associated with fine revenue is satisfied when the fines are paid to the SEC or FINRA at which time the MSRB's allocable portion is recognized as revenue.

Professional Qualification Examination Fees — Rule A-16 establishes the examination fee on persons taking certain qualification examinations of \$150 per exam. These examinations include the Series 50 (Municipal Advisor Representative Qualification Examination), Series 51 (Municipal Fund Securities Limited Principal Qualification Examination), Series 52 (Municipal Securities Representative Qualification Examination), Series 53 (Municipal Securities Principal Qualification Examination) and Series 54 (Municipal Advisor Principal Qualification Examination).

Professional qualification examination fees are recognized in the month the exams are administered and totaled \$282,420 and \$287,805 for the years ended September 30, 2025 and 2024, respectively. Professional qualification examination fees are included in other income in the accompanying statements of activities.

3. INVESTMENTS

Investments as of September 30, 2025 and 2024, consist of the following:

	2025	2024
U.S. Treasury notes	\$ 48,412,904	\$ 36,407,348
Certificates of deposit	8,187,570	7,668,808
Government-guaranteed agency securities	—	500,298
Total investments	\$ 56,600,474	\$ 44,576,454

Government-guaranteed agency securities include Federal National Mortgage Association and Federal Home Loan Mortgage Corporation bonds, government sponsored enterprises fully guaranteed by the U.S. Government.

In September 2014, a letter of credit in the amount of \$130,000 was accepted as a security deposit by the landlord under the terms of the new office lease in Washington, D.C. The MSRB purchased a certificate of deposit for the same amount to collateralize the letter of credit. This holding is included in certificates of deposit and is valued at \$139,403 as of September 30, 2025 and 2024.

Net investment returns disclosed net of internal direct investment expenses of \$13,839 and \$15,888 in 2025 and 2024, respectively are included in other income in the accompanying statements of activities for the fiscal years ended September 30, 2025 and 2024 and consists of the following:

	2025	2024
Interest and dividends	\$ 1,529,510	\$ 1,034,928
Unrealized gain	396,045	1,404,035
Realized gain	15,389	29,005
Total net investment return	\$ 1,940,944	\$ 2,467,968

4. FAIR VALUE MEASUREMENTS

The carrying amounts of financial instruments, including cash and cash equivalents not subject to fair value measurements, receivables, accounts payable and accrued expenses, approximate fair value as of September 30, 2025 and 2024 because of the relatively short duration of these instruments.

The MSRB carries certain financial instruments at fair value which it defines as the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The MSRB is responsible for the determination of the value of the investments carried at fair value and the supporting methodologies and assumptions.

The degree of judgment used in measuring the fair value of financial instruments generally inversely correlates with the level of observable valuation inputs. The MSRB maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Financial instruments with quoted prices in active markets generally have more pricing observability, and less judgment is used in measuring fair value. Conversely, financial instruments for which no quoted prices are available have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgment. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, and the characteristics specific to the transaction, liquidity and general market conditions.

The MSRB's policy uses the GAAP framework for measuring fair value, which provides a fair value hierarchy based on observable inputs. The hierarchy reflects three levels based on the transparency of inputs as follows:

Level 1 — Fair value measurements that are based on quoted prices (unadjusted) in active markets that the MSRB has the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets.

Level 2 — Fair value measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 — Fair value measurements based on valuation techniques that use significant inputs that are unobservable. Both observable and unobservable inputs may be used to determine the fair values of positions classified in level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, the MSRB would make assumptions about the inputs a hypothetical market participant would use to value that asset or liability. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The MSRB considers observable market data to be readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The MSRB's Level 2 investments include U.S. Treasury notes, obligations of U.S. government sponsored enterprises fully guaranteed by the U.S. Government and certificates of deposit.

The MSRB bases the fair value on pricing obtained from the MSRB's investment brokers. The MSRB does not adjust for or apply any additional assumptions or estimates to the pricing information it receives from its brokers. The brokers' pricing is compared to industry standard data providers or current yields available on comparable securities for reasonableness. The MSRB considers this the most reliable information available for the valuation of investments.

Investments were recorded at fair value as of September 30, 2025 and 2024, based on the following levels of hierarchy:

2024		Level 1	Level 2	Level 3	Total
U.S. Treasury notes	\$	–	\$ 48,412,904	\$ –	\$ 48,412,904
Certificates of deposit		–	8,187,570	–	8,187,570
Government-guaranteed agency securities		–	–	–	–
Total investments	\$	–	\$ 56,600,474	\$ –	\$ 56,600,474

2024		Level 1	Level 2	Level 3	Total
U.S. Treasury notes	\$	–	\$ 36,407,348	\$ –	\$ 36,407,348
Certificates of deposit		–	7,668,808	–	7,668,808
Government-guaranteed agency securities		–	500,298	–	500,298
Total investments	\$	–	\$ 44,576,454	\$ –	\$ 44,576,454

5. ACCOUNTS RECEIVABLE

Accounts receivable as of September 30, 2025, and 2024 consist of the following:

	2025	2024
Billed accounts receivable	\$ 5,136,883	\$ 5,750,972
Unbilled accounts receivable	3,608,758	2,816,233
	8,745,641	8,567,205
Less: allowance for credit losses	(241,439)	(205,520)
Total accounts receivable — net	\$ 8,504,202	\$ 8,361,685

Changes in the MSRB's allowance for credit losses for accounts receivable are as follows:

Year ended September 30, 2025						
	Broker-dealer fees	Municipal advisor fees	Data subscriber fees	Annual fees	Late Fees	Total
Beginning of period balance	\$ 13,814	\$ 54,060	\$ 2,749	\$ 45,920	\$ 88,977	\$ 205,520
Provision for / (recovery of) expected credit losses	(1,852)	2,461	10,307	44,880	20,536	76,332
Write-offs	–	(2,120)	(11,000)	(18,000)	(9,293)	(40,413)
End of period balance	\$ 11,962	\$ 54,401	\$ 2,056	\$ 72,800	\$ 100,220	\$ 241,439

Year ended September 30, 2024

	Broker-dealer fees	Municipal advisor fees	Data subscriber fees	Annual fees	Late Fees	Total
Beginning of period balance	\$ 9,769	\$ 36,102	\$ 8,711	\$ 40,666	\$ 63,328	\$ 158,576
Provision for / (recovery of expected credit losses)	5,080	17,958	913	15,254	29,557	68,762
Write-offs	(1,035)	–	(6,875)	(10,000)	(3,908)	(21,818)
End of period balance	\$ 13,814	\$ 54,060	\$ 2,749	\$ 45,920	\$ 88,977	\$ 205,520

Unbilled receivables as of September 30, 2025, and 2024 consist primarily of September transaction and trade count fees billed in early November.

6. PREPAID AND OTHER ASSETS

Prepaid and other assets as of September 30, 2025 and 2024 consist of the following:

	2025	2024
Prepaid assets	\$ 2,233,093	\$ 2,260,914
Deposits	31,126	15,211
Total prepaid and other assets	\$ 2,264,219	\$ 2,276,125

7. FIXED ASSETS

Fixed assets as of September 30, 2025 and 2024 consist of the following:

	2025	2024
Capitalized software costs	\$ 56,418,582	\$ 55,014,453
Leasehold improvements	4,455,823	4,443,677
Computer and office equipment	1,604,994	1,483,904
Furniture and fixtures	1,737,163	1,737,163
Total fixed asset acquisition costs	64,216,562	62,679,197
Less accumulated depreciation and amortization:		
Capitalized software costs	(39,783,575)	(39,016,145)
Leasehold improvements	(2,869,707)	(2,567,958)
Computer and office equipment	(1,411,511)	(1,293,404)
Furniture and fixtures	(1,637,378)	(1,586,709)
Total fixed asset accumulated depreciation and amortization	(45,702,171)	(44,464,216)
Total fixed assets - net	\$ 18,514,391	\$ 18,214,981

Depreciation expense and amortization expense during fiscal years 2025 and 2024 are as follows:

	2025	2024
Depreciation expense	\$ 187,577	\$ 226,509
Amortization expense for capitalized software cost and leasehold improvements	2,835,947	4,306,338
Total depreciation and amortization expense	\$ 3,023,524	\$ 4,532,847

Impairment of long-lived assets — Through regular review of long-lived assets, in fiscal years 2025 and 2024 no estimated impairment loss was recognized.

Leasehold improvements — In conjunction with the Washington, D.C. office lease, the landlord provided up to \$4.4 million in landlord incentives, of which \$4.03 million funded leasehold improvements and \$323,000 offset future rent payments.

Capitalized software costs — For the fiscal years ended September 30, 2025 and 2024, \$13.8 million and \$10.5 million, respectively, of internally developed work-in-process costs for software not yet implemented are included in capitalized software costs.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities as of September 30, 2025 and 2024 consist of the following:

	2025	2024
Accounts payable and accrued expenses	\$ 1,279,907	\$ 1,518,033
Salaries, taxes and benefits payable	3,223,854	3,132,451
Total accounts payable and accrued liabilities	\$ 4,503,761	\$ 4,650,484

9. LEASES

Operating Leases — The MSRB leases office space under operating lease arrangements. The MSRB moved to new office space in Washington, D.C. in December 2015 and the lease will expire in fiscal year 2031.

The MSRB elected certain practical expedients when implementing the standard. These expedients allow the MSRB to avoid reassessing whether expired or existing contracts constitute leases, the lease classification of such leases, and the initial direct costs of existing leases as of the effective date. The MSRB also elected to combine lease and related non-lease components and to exclude a ROU asset or liability for short-term contracts, defined as those with a term of twelve months or less.

Maturities of operating lease liabilities are as follows:

Years Ending September 30	
2026	\$ 1,966,188
2027	2,015,352
2028	2,065,692
2029	2,117,388
2030	2,170,440
2031 and beyond	1,098,630
Total operating lease payments	\$ 11,433,690
Less interest	(1,869,417)
Operating lease liability	\$ 9,564,273

Included in fiscal years 2025 and 2024 furniture and fixtures is the capitalized lease of a postage meter with a cost of \$4,536 and recognized amortization expense of \$864 in fiscal year ended September 30, 2025 and 2024.

Maturities of capital lease liabilities for the year ended September 30, 2025 totaled \$97.

Supplemental information related to leases is presented in the table below:

Year ended September 30	2025	2024
Amortization of right-of-use assets - finance lease	\$ 877	\$ 877
Interest on lease liabilities - finance lease	74	200
Operating lease cost	1,386,953	1,386,953
Variable lease cost (common charges)	1,022,523	1,015,643
Total Lease Cost	\$ 2,410,427	\$ 2,403,673
Finance lease - operating cash flows	\$ 74	\$ 200
Operating lease - operating cash flows (fixed payments)	1,918,188	1,871,346
Operating lease - operating cash flows (liability reduction)	\$ 1,246,363	\$ 1,118,894

As of September 30	2025	2024
Weighted Average Lease Term - Finance Leases	N/A	1.00 yrs
Weighted Average Lease Term - Operating Leases	5.50 yrs	6.50 yrs
Weighted Average Discount Rate - Finance Leases	12.25%	12.25%
Weighted Average Discount Rate - Operating Leases	6.65%	6.65%

10. RETIREMENT PLAN

The MSRB has a defined contribution retirement plan for all employees. Participation commences upon date of hire as described in the plan document. For all active participants employed on the first day of the calendar quarter, the MSRB makes a quarterly contribution as required by the plan document. The contribution percentage ranges from 7% to 9% depending on the length of service as set forth in the plan document.

Each employee is fully vested upon being credited with three plan years of service. Employees may also make voluntary contributions to the plan. The MSRB made contributions to the plan totaling \$1,811,099 and \$1,617,338 for the years ended September 30, 2025 and 2024, respectively.

All administrative expenses of the plan are paid by the MSRB. Administrative expenses total \$1,250 for the years ended September 30, 2025 and 2024.

11. INCOME TAXES

MSRB follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

MSRB is exempt from federal income tax under IRC section 501(c)(6), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. MSRB has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. MSRB has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

12. AVAILABILITY OF RESOURCES AND LIQUIDITY

The following represents the MSRB's financial assets at September 30, 2025 and 2024:

	2025	2024
Cash and cash equivalents	\$ 5,416,727	\$ 3,867,525
Investments	56,600,474	44,576,454
Accounts receivable - net	8,504,202	8,361,685
Accrued interest receivable	434,828	294,420
Total financial assets	70,956,231	57,100,084
Less amounts not available to be used within one year:		
Certificate of deposit held as collateral for lease letter of credit	139,430	139,403
Board designated net assets	7,905,347	2,253,717
	8,044,777	2,393,120
Financial assets available to meet general expenditures over the next twelve months	\$ 62,911,454	\$ 54,706,964

Organizational reserves are maintained to ensure the MSRB has appropriate resources to support mission objectives, respond to regulatory requirements and pursue opportunities, to enable the organization to be fiscally prepared regardless of economic conditions, to provide the MSRB with the requisite level of liquidity to fund ongoing operations, and to ensure the long-term financial sustainability of the organization. The MSRB determines the target for organizational reserves by conducting a detailed and comprehensive analysis of the liquidity needs in four categories: Working Capital, Risk Reserves, Strategic Investment Reserves and Regulatory Reserves.

Certain funding priorities exist based on the MSRB's responsibilities as an SRO. These priorities include:

- funding to maintain modern and informed regulation of dealers and municipal advisors that reflects current market practices and protects investors, issuers and the public interest, including by conducting economic analysis, establishing and maintaining a professional qualifications program, and providing coordination and support to the regulatory authorities that examine compliance with and enforce the MSRB rules;
- funding to establish, maintain, and enhance information systems for the municipal securities market and provide market transparency for issuers, institutions, and the investing public, including transaction-related data and documents and data related to bond issuances;
- funding to provide high quality market data to enable comprehensive analysis of the municipal securities market, including developing data products and services that provide value for investors, issuers and all market participants to strengthen market efficiency and fairness;
- funding to ensure the MSRB fulfills its obligation to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest, including by fostering dialog and working collaboratively with all market participants and the broader community we serve;
- funding for stakeholder engagement activities and education, including receiving information from municipal market participants and other stakeholders to provide input that informs the rulemaking process, as well as ensuring that these stakeholders are aware of regulatory developments that may affect them and are educated on the MSRB rules;
- funding to support the internal administrative functions of the MSRB and to administer the activities of the Board and its committees; and
- funding sufficient to maintain a prudent level of liquid reserves, taking into consideration a range of reasonably foreseeable market conditions and expected expenditures over a three-year time horizon.

As discussed in note 13, certain unrestricted net assets have been designated by the Board for specific strategic objectives. These assets are restricted to use by self-imposed limits by action of the Board and are not available for general expenditures. The Board designation can be changed by the Board and the net assets can be made available for general expenditures.

13. BOARD DESIGNATED NET ASSETS

In July 2020, in conjunction with the fiscal year 2021 budget recommendation, the Board approved a \$10 million designation of undesignated net assets to fund a multi-year strategic investment to modernize its market transparency systems to leverage the power of the cloud. In July 2021 and 2023, the Board approved an additional \$7.5 million and \$3.5 million, respectively, to increase this designation and provide sufficient funds to cover the planned spend of systems modernization initiatives.

In September 2025, the Board approved a \$7.5 million designation of undesignated net assets to fund the relocation of the DC office space. There was no spend of the office relocation fund during fiscal year 2025. See note 15 for further discussion of the DC office relocation.

	2025	2024
Designated, systems modernization fund — balance beginning of year	\$ 2,253,717	\$ 6,835,851
Systems modernization spend	(1,848,370)	(4,582,134)
Designated, systems modernization fund — balance at September 30, 2025	\$ 405,347	\$ 2,253,717

14. DATA SUBSCRIPTION CONTRACT LIABILITIES

Data subscription contract liabilities relate to payments received in advance of the satisfaction of performance under the data subscription contract. The MSRB receives payments from data subscribers based upon the terms established in its contracts.

The following table provides information about significant changes in the data subscription contracts paid in advance at September 30, 2025 and 2024.

	2025	2024
Data subscription fees paid in advance, beginning of year	\$ 336,070	\$ 359,508
Revenue recognized that was included in data subscription contract liabilities at the beginning of the year	(336,070)	(359,508)
Increase in data subscription contract liabilities due to cash received during the period	390,385	336,070
Data subscription fees paid in advance, end of the year	\$ 390,385	\$ 336,070

15. SUBSEQUENT EVENTS

On November 07, 2025, the MSRB signed a contract for the lease of new office space. The MSRB was required to make a payment towards a first month's rent of approximately \$177,000 to the new landlord in connection with securing alternative premises and provide a security deposit of \$532,122. The payment towards the first month's rent was made on November 07, 2025, the date the new contract was signed, and the security deposit payment was made on November 14, 2025. The anticipated lease commencement date is April 1, 2027.

In January 2026, the MSRB intends to provide formal notice to its landlord of its intent to exercise the early termination option under its existing lease agreement, with a termination effective April 1, 2027. In connection with this termination, the MSRB is obligated to pay a termination fee of \$3.5 million. The termination fee will be settled in two equal installments of \$1.75 million each, with the first installment paid in January 2026 (on the date notice is provided) and the second installment due March 2027.

As a result of the lease termination, management has identified impairment indicators under ASC 360, Property, Plant, and Equipment, and ASC 842, Leases. Based on its preliminary assessment, the MSRB estimates the following impairments:

- Furniture and fixtures impairment: approximately \$24,000
- Leasehold improvements impairment: \$1.2 million

Leasehold improvements will be written off in full upon the exercise of the early termination option, as the assets will no longer provide future economic benefit beyond the revised lease term.

Management has evaluated these subsequent events through December 16, 2025, the date the financial statements were available to be issued and determined that disclosure of the above matters is required. Refer to the Board Designated Net Assets footnote 13 for additional context.

ABOUT MSRB

The Municipal Securities Rulemaking Board (MSRB) was established by Congress in 1975 with the mission to protect investors, issuers and the public interest in a fair and efficient market. MSRB is a private, self-regulatory organization governed by an independent board of directors with market knowledge and expertise. MSRB does not receive federal appropriations and is funded primarily through fees paid by regulated entities. MSRB is overseen by Congress and the Securities and Exchange Commission.



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