

AUGUST 2012

CONTINUING DISCLOSURE STATISTICAL SUMMARY

Prepared by the MUNICIPAL SECURITIES RULEMAKING BOARD



MSRB

Municipal Securities
Rulemaking Board

OVERVIEW

This edition of the MSRB's Continuing Disclosure Statistical Summary analyzes three years of disclosure documents submitted to the Municipal Securities Rulemaking Board (MSRB) since it became the centralized, electronic repository for such documents in July 2009.

The MSRB collects and makes available to investors for free, through its Electronic Municipal Market Access (EMMA) website, disclosure documents associated with virtually all municipal bonds. Issuers, obligated persons and those that act on their behalf submit continuing disclosure documents to EMMA, including such items as annual financial and operating information about issuers and obligated persons, audited financial statements, notices of material events, quarterly financial statements and budgets.¹ The disclosures generally reflect the financial or operating condition of the issuer or obligated person over time, as well as specific events occurring after issuance that can have an impact on the ability of the issuer or obligated person to repay the bond, the value of the bond if it is bought or sold prior to its maturity, the timing of repayment of principal, and any number of other key features of the bond.

Continuing disclosures can be provided either as disclosures contractually required to be provided by municipal issuers and obligated persons as contemplated by Rule 15c2-12 of the Securities and Exchange Commission or as voluntary disclosures. Subject to certain exemptions,² such contractual agreements exist for most securities issued after July 3, 1995, although some issuers and obligated persons voluntarily provide continuing disclosures for older securities or for securities otherwise exempt from Rule 15c2-12. Continuing disclosures generally are divided between those made to update financial or operating information about the issuer or obligated person and those that disclose specific events that may have an impact on the bonds.³

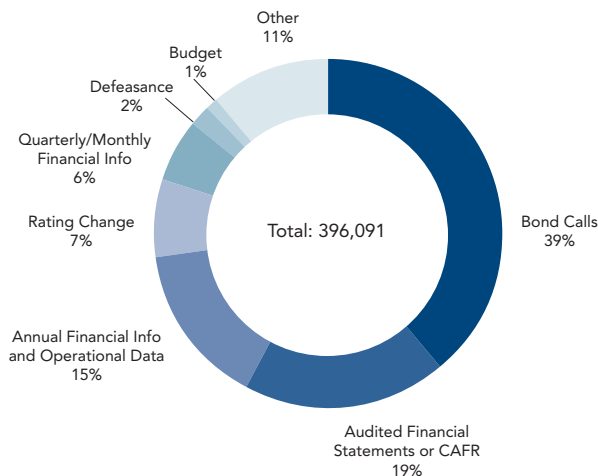
Between July 2009 and June 2012, the MSRB received 396,091 continuing disclosure documents. Disclosures submitted in the 12 months beginning July 2009 totaled 124,206, while disclosure submissions totaled 132,842 and 139,043 in the subsequent two 12-month periods. Approximately 53 percent, or 208,642, of all submitted continuing disclosure documents from July 2009 through June 2012 were for event disclosures and 47 percent, or 187,449, were for financial and operating disclosure documents. Audited financial statements or CAFRs (Comprehensive Annual Financial Report) accounted for 40 percent of all financial and operating disclosures, while annual financial information and operating data and quarterly/monthly financial information accounted for 32 percent and 13 percent, respectively. For event disclosures submitted between July 2009 and June 2012, bond calls accounted for 73 percent of all submissions and rating changes accounted for 14 percent.

¹ Continuing disclosure definitions are available beginning on page 10.

² Continuing disclosure information generally is not provided for an issue where the size of the issue is \$1 million or less; where bonds are sold to investors in units of no smaller than \$100,000 (\$100,000 minimum denomination) and are sold to no more than 35 "sophisticated" investors; where bonds are sold in \$100,000 minimum denomination and mature in nine months or less from initial issuance; or where bonds were sold prior to December 1, 2010 in \$100,000 minimum denomination and the bond owners can require the issuer to purchase back the bonds at face value every nine months or more frequently (demand securities). However, continuing disclosure agreements generally will be entered into for demand securities issued on or after December 1, 2010, and for previously-issued demand securities that undergo certain conversions in interest-rate mode on or after December 1, 2010.

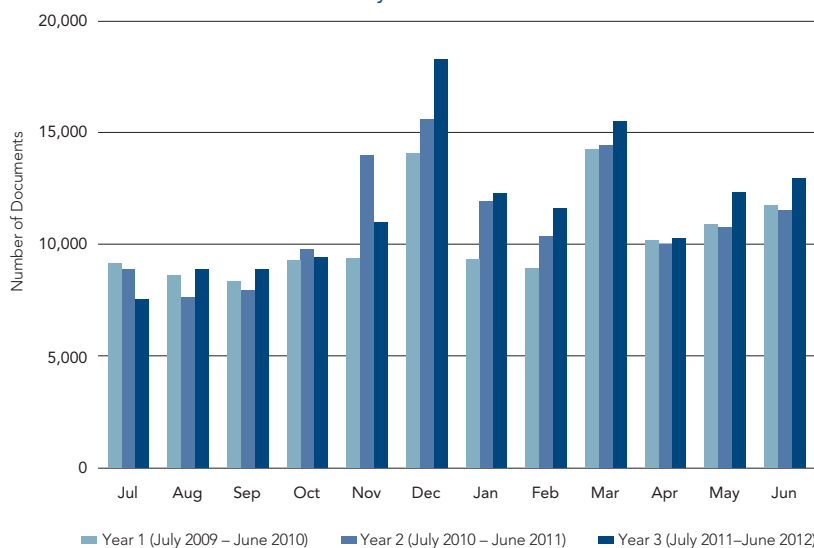
³ A complete listing of continuing disclosure categories, including identification of which categories are subject to the contractual requirement and which are voluntary, appears at the end of this report.

OVERALL NUMBER OF CONTINUING DISCLOSURE DOCUMENTS
July 2009 – June 2012



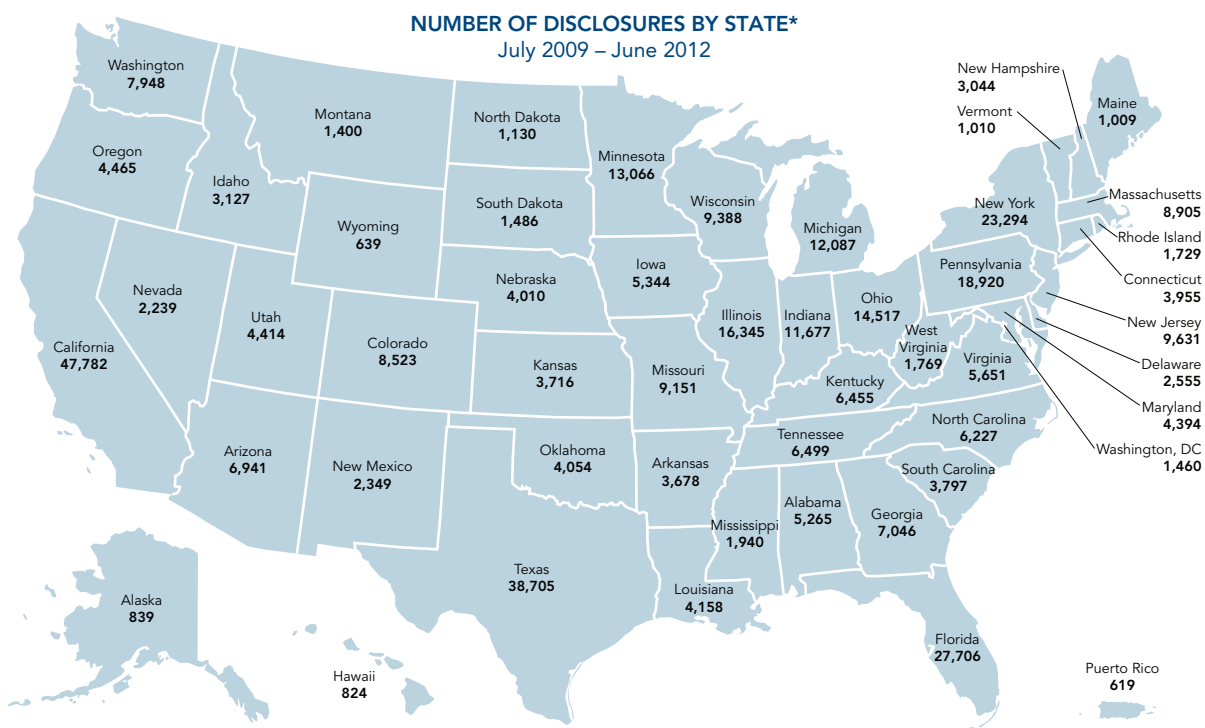
On a month-over-month basis, the number of continuing disclosures received by the MSRB has generally increased since it began collecting the documents. Between July 2011 and June 2012, the number of submissions was higher in nine out of 12 months when compared to the same month in the previous 12-month periods. March and December have typically been the busiest months in terms of the number of submissions received, primarily due to sharp increases in submissions of annual financial and operating information as well as audited financial statements occurring approximately six months after September 30 and June 30, which are the fiscal year-end dates for many municipal issuers.

OVERALL NUMBER OF CONTINUING DISCLOSURE DOCUMENTS
July 2009 – June 2012



The State of California and its municipalities continued to submit most of the continuing disclosure documents to the MSRB, accounting for nearly 12 percent of all disclosures between July 2009 and June 2012. Since issuers in California account for nearly 10 percent of all municipal securities outstanding as of July 31, 2012, the higher number of disclosure submissions is not unexpected.⁴ Texas, Florida, New York and Pennsylvania rounded up the top five states in terms of number of disclosures, accounting for 10, 7, 6, and 5 percent, respectively.

⁴ According to Bloomberg, LLC. Excludes derivatives, warrants and remarketings.



* Excludes disclosures that could not be categorized based on available state designation.

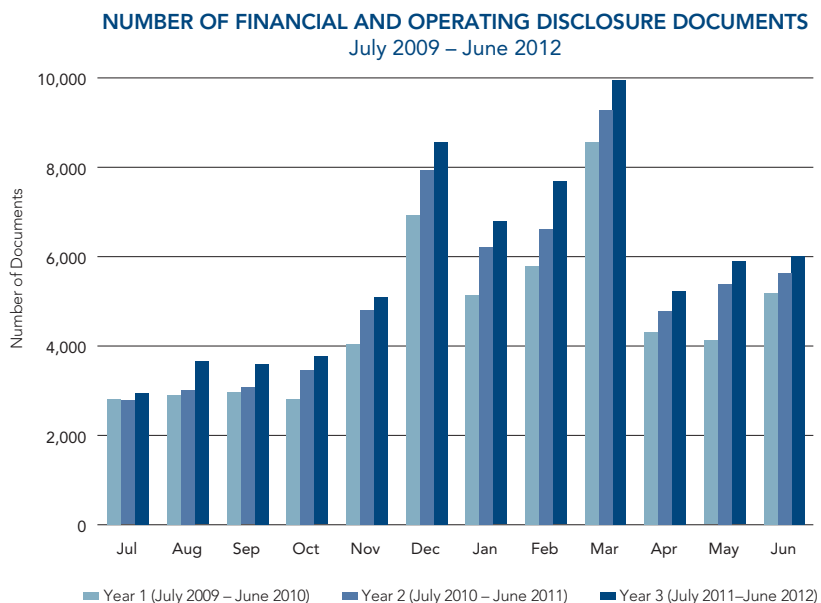
FINANCIAL AND OPERATING DISCLOSURES

Financial and operating disclosures accounted for about 47 percent of all submitted disclosures submitted to the MSRB during the three-year period beginning in July 2009.

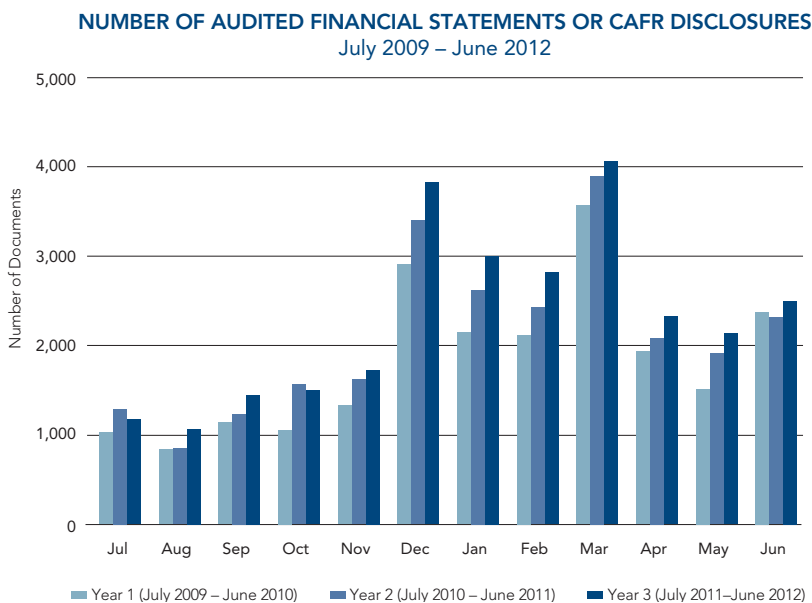
For most new offerings of municipal securities, continuing disclosure agreements entered into as contemplated by SEC Rule 15c2-12 require that these types of financial and operating disclosures be provided to the MSRB's EMMA system:

- Annual financial information and operating data
- Audited financial statements or CAFRs (Comprehensive Annual Financial Report)
- Failure to provide annual financial information

With the exception of the month of July, the number of financial and operating disclosure submissions received by the MSRB over the last three years has increased every month over the same month in the previous year.

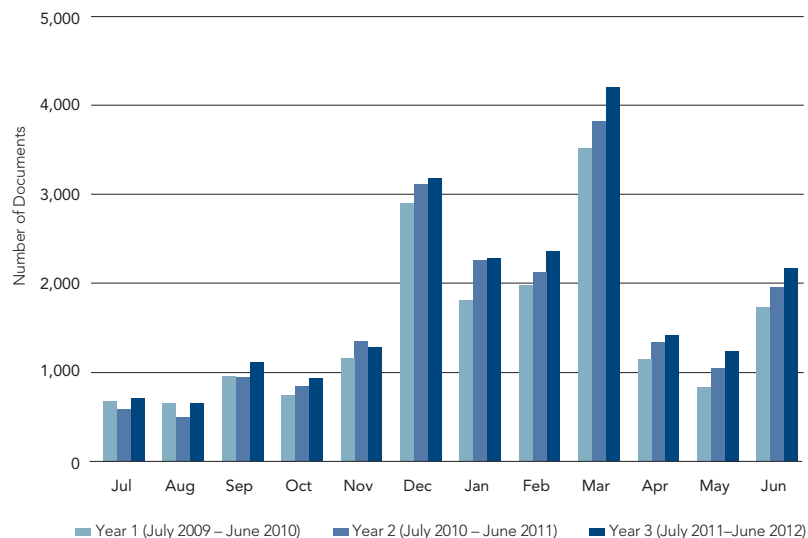


Audited financial statements or CAFRs accounted for 40 percent, or 74,677 disclosures, of all submitted financial and operating disclosures since July 2009. Nearly half of all submissions for audited financial statements or CAFRs have occurred between December and March. The higher number of submissions in this four-month period is likely directly related to fiscal year-end dates for many municipal issuers.



As expected, annual financial information and operating data disclosures follow a similar pattern to that of audited financial statements, with approximately 56 percent of all submissions coming in between the months of December and March. Since July 2009, nearly 60,000 annual financial information and operating data disclosures were submitted to the MSRB.

NUMBER OF ANNUAL FINANCIAL INFORMATION AND OPERATING DATA DISCLOSURES
July 2009 – June 2011



Submissions of notices of failure to provide annual financial information totaled 5,289 from July 2009 through June 2012, with 1,562 submissions in the first 12-month period, 1,856 in the second and 1,871 in the third.

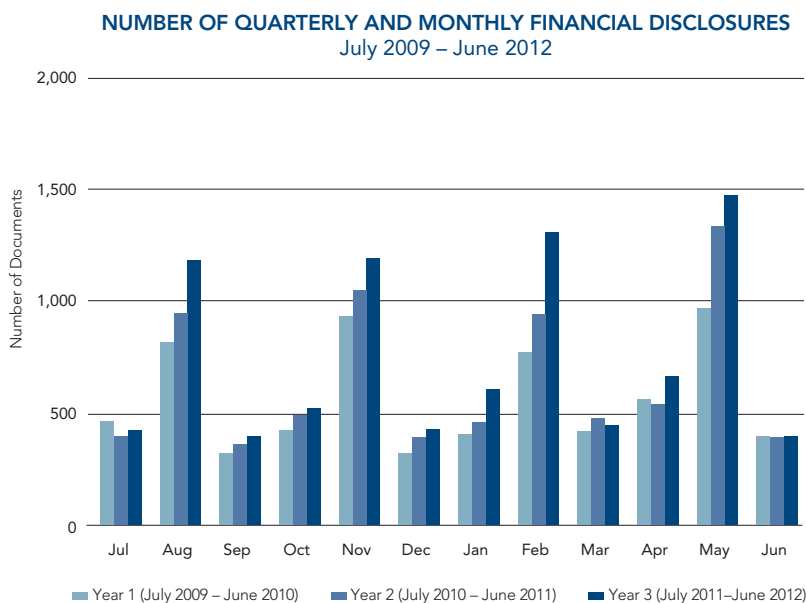
In addition to disclosures contemplated under SEC Rule 15c2-12, some issuers and obligated persons provide other financial and operating disclosures after the initial issuance, including:

- Quarterly/monthly financial information
- Timing of annual disclosure (120/150 days)⁵
- Change in fiscal year/timing of annual disclosure
- Accounting standard (GAAP-GASB/FASB)⁶
- Change in accounting standard
- Interim/additional financial information/operating data
- Budget
- Investment/debt/financial policy
- Information provided to rating agency, credit/liquidity provider or other third party
- Consultant reports
- Other financial/operating data

Quarterly and monthly financial information disclosures accounted for nearly 13 percent of all financial and operating disclosures since July 2009 with 23,613 submissions. During that period, the number of these disclosures has increased most months when compared to the same period of the preceding year. The volume of these types of disclosures spikes every February, May, August and November.

⁵ New type of disclosure as of May 23, 2011.

⁶ New type of disclosure as of May 23, 2011.



The number of submissions for the remaining financial and operating disclosure categories can be found below.

OTHER FINANCIAL AND OPERATING DISCLOSURES

DISCLOSURE TYPE	NUMBER OF DOCUMENTS		
	YEAR 1 (July 2009–June 2010)	YEAR 2 (July 2010–June 2011)	YEAR 3 (July 2011–June 2012)
Budget	1,105	1,605	1,875
Change in Accounting Standard	4	2	3
Change in Fiscal Year/Timing of Annual Disclosure	25	8	28
Consultant Reports	113	174	190
Information Provided to Rating Agency, Credit/Liquidity Provider or Other Third Party	156	98	157
Interim/Additional Information/Operating Data	356	304	479
Investment/Debt/Financial Policy	31	33	102
Other Financial and Operating Data	5,558	6,361	6,635

EVENT DISCLOSURES

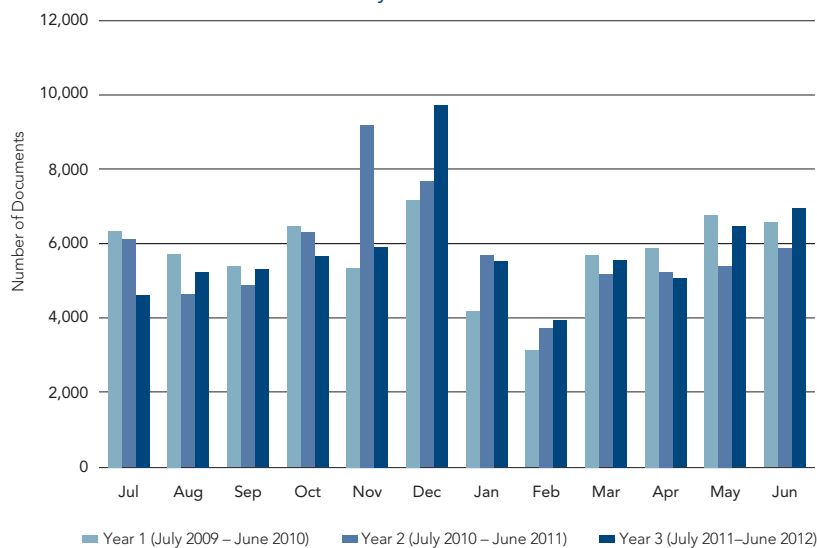
Event-based disclosures concern the occurrence of specific events that may have an impact on the issuer's related securities.

Material event notices contemplated under SEC Rule 15c2-12 include:

- Principal and interest payment delinquency
- Non-payment related default
- Unscheduled draw on debt service reserve
- Unscheduled draw on credit enhancement
- Substitution of credit or liquidity provider or its failure to perform
- Adverse tax opinion or event affecting tax-exempt status
- Modification to the rights of security holders
- Bond call
- Tender offer/secondary market purchases⁷
- Defeasance
- Release, substitution or sale of property
- Rating change
- Bankruptcy, insolvency, receivership⁸
- Merger, consolidation, acquisition and sale of assets⁹
- Successor, additional or change in trustee¹⁰

Approximately 53 percent, or 208,642, of all disclosures submitted to the MSRB from July 2011 through June 2012 were in the form of event disclosures. There is no clear pattern for event disclosure submissions and the volume tends to vary from month-to-month or year-to-year.

NUMBER OF EVENT DISCLOSURES
July 2009 – June 2012



⁷ This type of disclosure was voluntary prior to December 1, 2010.

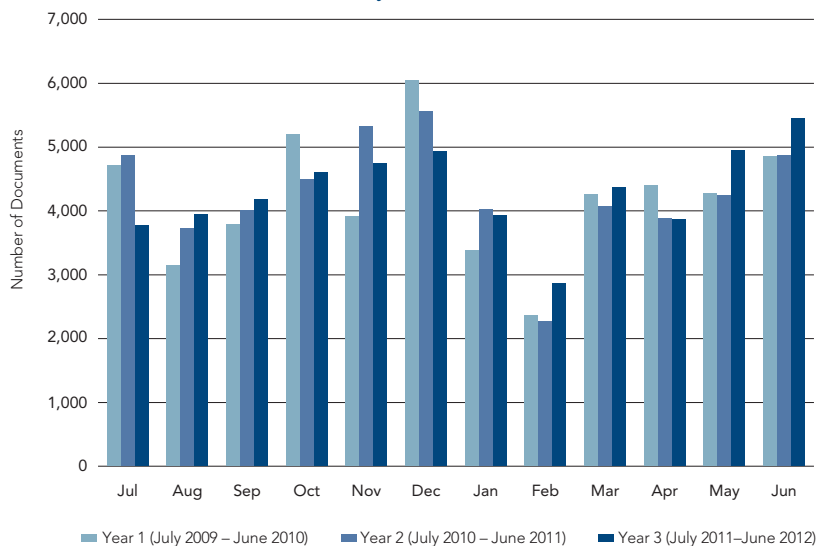
⁸ This type of disclosure was voluntary prior to December 1, 2010.

⁹ This type of disclosure was voluntary prior to December 1, 2010.

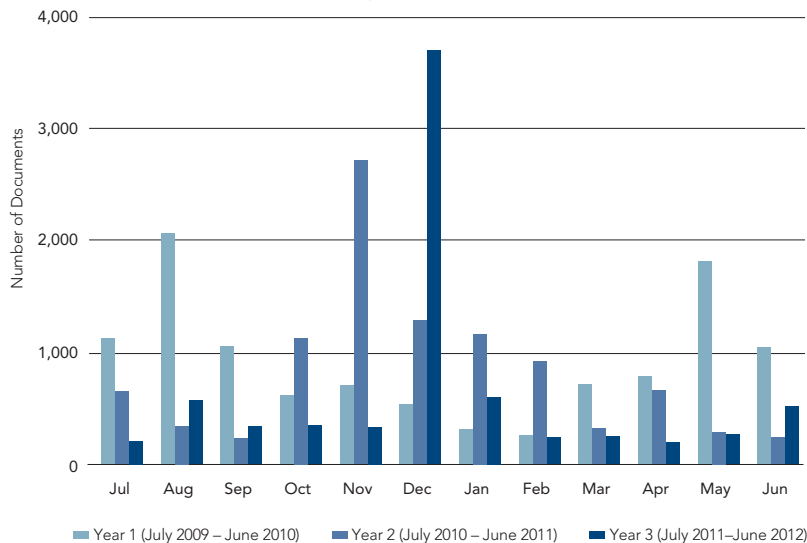
¹⁰ This type of disclosure was voluntary prior to December 1, 2010.

The vast majority of event disclosures submitted since July 2009 were for bond calls and rating changes. About 73 percent, or 153,092, of all event disclosures submitted from July 2009 through June 2012 were bond calls and 14 percent, or 28,509, were rating changes. The spike in rating change disclosures in November 2010 and December 2011 were likely due to the number of disclosures associated with the downgrade of municipal bond insurers.

NUMBER OF BOND CALL DISCLOSURES
July 2009 – June 2012



NUMBER OF RATING CHANGE DISCLOSURES
July 2009 – June 2012



The number of submissions for the remaining event disclosures can be found below.

OTHER EVENT-BASED DISCLOSURES

DISCLOSURE TYPE	NUMBER OF DOCUMENTS		
	YEAR 1 (July 2009–June 2010)	YEAR 2 (July 2010–June 2011)	YEAR 3 (July 2011–June 2012)
Adverse Tax Opinion or Event Affecting Tax-Exempt Status	5	14	13
Amendment to Continuing Disclosure Undertaking	77	39	40
Bankruptcy, Insolvency, Receivership	0	27	81
Bid for Auction Rate or Other Securities	812	548	462
Capital or Other Financing Plan	7	15	22
Change in Obligated Person	7	18	10
Change of Tender Agent, Remarketing Agent, or Other On-Going Party ¹¹	151	173	85
Communication From the Internal Revenue Service	26	36	44
Defeasance	1,499	2,001	3,676
Derivative or Other Similar Transaction	1	2	4
Litigation/Enforcement Action	41	19	22
Merger, Consolidation, Acquisition and Sale of Assets	47	45	50
Modification to the Rights of Security Holders	44	57	63
Non-payment Related Default	176	172	145
Notice to Investor Pursuant to Bond Documents	459	559	725
Other Event-Based Disclosures	2,591	3,389	3,764
P&I Payment Delinquency	276	188	195
Release, Substitution or Sale of Property	55	61	69
Substitution of Credit or Liquidity Provider or Its Failure to Perform	241	279	261
Successor, Additional or Change in Trustee	N/A	71	118
Tender Offer/Secondary Market Purchases	356	386	428
Unscheduled Draw on Credit Enhancement	37	41	58
Unscheduled Draw on Debt Service Reserve	296	251	224

¹¹ Disclosures regarding "Change of Tender Agent, Remarketing Agent, or Other On-Going Party" and "Successor, Additional or Change in Trustee" were originally in a single category. Submissions made while they were a single category are included only in the figures for "Change of Tender Agent, Remarketing Agent, or Other On-Going Party."

CONTINUING DISCLOSURE DEFINITIONS

Set forth below are descriptions of the various categories of continuing disclosure that submitters of such documents may select for display to the public through EMMA. Although these descriptions consist of the MSRB's understanding and intent as to the nature of disclosures submitted under each category, the MSRB does not review or verify the appropriateness of the category selected by submitters of continuing disclosure documents and there is no assurance that a document that is listed within a particular category of continuing disclosure necessarily provides the type of information described below.

FINANCIAL/OPERATING-BASED DISCLOSURES

Rule 15c2-12-Based Financial/Operating Data

Annual Financial Information and Operating Data—issuer's/obligated person's financial information or operating data, of the type included in the original official statement, provided on at least an annual basis—see Exchange Act Rule 15c2-12(b)(5)(i)(A), 15c2-12(d)(2)(ii)(A) and 15c2-12(f)(9).

Audited Financial Statements or CAFR— issuer's/obligated person's audited financial statements or Comprehensive Annual Financial Report, if not included in annual financial information and operating data—see Exchange Act Rule 15c2-12(b)(5)(1)(B).

Failure to Provide Annual Financial Information—notice that issuer's/obligated person's annual financial information and operating data not submitted by date specified in the continuing disclosure undertaking—see Exchange Act Rule 15c2-12(b)(5)(i)(D).

Additional/Voluntary Financial/Operating Data

Quarterly/Monthly Financial Information—issuer's/obligated person's financial information provided on a quarterly or monthly basis.

Change in Fiscal Year/Timing of Annual Disclosure—notice that issuer's/obligated person's fiscal year has changed or the date specified in the continuing disclosure undertaking for submitting annual financial information and operating data has changed.

Change in Accounting Standard—notice that issuer's/obligated person's accounting standards pursuant to which it prepares its financial information have changed.

Interim/Additional Financial Information/Operating Data—additional financial or operating data of issuer/obligated person supplementing annual financial information or operating data or providing such information or data on an interim basis in addition to the annual submission.

Budget—issuer's/obligated person's budget document or other information relating to its budget.

Investment/Debt/Financial Policy—issuer's/obligated person's policy on its investment activities, debt incurrence or other financial matters.

Information Provided to Rating Agency, Credit/Liquidity Provider or Other Third Party—information that issuer/obligated person has provided to a rating agency, provider of a credit or liquidity facility or other entity that the issuer/obligated person wishes to be made available publicly.

Consultant Reports—report prepared for or about an issuer/obligated person by a third party in connection with the issuer's/obligated person's issue of securities or other financial or operating matters.

Other Financial/Operating Data—any financial information or operating data of the issuer/obligated person not otherwise described in another category.

EVENT-BASED DISCLOSURES

Rule 15c2-12 Material Event Notices

P&I Payment Delinquency—a delinquency in scheduled payment of principal of or interest on municipal securities—see Exchange Act Rule 15c2-12(b)(5)(i)(C)(1).

Non-payment Related Default—a default relating to municipal securities other than a delinquency in payment of principal or interest, if material—see Exchange Act Rule 15c2-12(b)(5)(i)(C)(2).

Unscheduled Draw on Debt Service Reserve—an unscheduled draw on any debt service reserve fund/account that reflects financial difficulties of the issuer/obligated person or in connection with the municipal securities—see Exchange Act Rule 15c2-12(b)(5)(i)(C)(3).

Unscheduled Draw on Credit Enhancement—an unscheduled draw on credit enhancement for municipal securities reflecting financial difficulties of the issuer/obligated person or in connection with the municipal securities—see Exchange Act Rule 15c2-12(b)(5)(i)(C)(4).

Substitution of Credit or Liquidity Provider or Its Failure to Perform—a change in the entity providing any credit enhancement or liquidity support for the municipal securities, or any failure by such entity to perform its obligations under such credit enhancement or liquidity support—see Exchange Act Rule 15c2-12(b)(5)(i)(C)(5).

Adverse Tax Opinion or Event Affecting Tax-Exempt Status—notice of an adverse tax opinion, issuance by the Internal Revenue Service of proposed or final determination of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notice of determination with respect to the tax status of the municipal securities, or other material event affecting the tax status of the municipal securities—see Exchange Act Rule 15c2-12(b)(5)(i)(C)(6).

Modification to the Rights of Security Holders—a modification to the rights of holders of the municipal securities, if material—see Exchange Act Rule 15c2-12(b)(5)(i)(C)(7).

Bond Call—a notice that municipal securities are called for redemption, if material—see Exchange Act Rule 15c2-12(b)(5)(i)(C)(8).

Tender Offer/Secondary Market Purchases—a notice that the issuer/obligated person is seeking offers to tender municipal securities for purchase or redemption by the issuer/obligated person, or that the issuer/obligated person has or seeks to purchase its securities in the secondary market—see Exchange Act Rule 15c2-12(b)(5)(i)(C)(8).

Defeasance—a notice that municipal securities have been defeased, typically by establishment of an escrow to pay principal and interest and the release of the covenants and original security lien—see Exchange Act Rule 15c2-12(b)(5)(i)(C)(9).

Release, Substitution or Sale of Property—a notice that there has been a release, substitution or sale of property securing repayment of the municipal securities, if material—see Exchange Act Rule 15c2-12(b)(5)(i)(C)(10).

Rating Change—a notice that a rating assigned by a rating agency on the municipal securities, the issuer of municipal securities, an obligated person or other rating relating to the municipal securities has been changed—see Exchange Act Rule 15c2-12(b)(5)(i)(C)(11).

Bankruptcy, Insolvency, Receivership—a notice of bankruptcy, insolvency, receivership or similar event of the issuer/obligated person—see Exchange Act Rule 15c2-12(b)(5)(i)(C)(12).

Merger, Consolidation, Acquisition and Sale of Assets—a notice of the consummation of a merger, consolidation, or acquisition involving an issuer/obligated person, or the sale of all or substantially all of the assets of the issuer/obligated person, if material—see Exchange Act Rule 15c2-12(b)(5)(i)(C)(13).

Successor, Additional or Change in Trustee—a notice of the appointment of a successor or additional trustee, or the change of name of a trustee, if material—see Exchange Act Rule 15c2-12(b)(5)(i)(C)(14).

Additional/Voluntary Event-Based Disclosures

Amendment to Continuing Disclosure Undertaking—a notice that the issuer/obligated person has amended the continuing disclosure undertaking relating to its municipal securities.

Change in Obligated Person—a notice that a new obligated party for whom continuing disclosures will be provided has been added with respect to municipal securities and, if applicable, an existing obligated person has been released from its continuing disclosure obligation.

Notice to Investor Pursuant to Bond Documents—a notice required or authorized to be provided under the legal documents relating to the municipal securities.

Communication From the Internal Revenue Service—a notice of any communication from the Internal Revenue Service to the issuer/obligated person other than the items covered by “Adverse Tax Opinion or Event Affecting Tax-Exempt Status” above.

Bid for Auction Rate or Other Securities—a notice of a bid placed by the issuer/obligated person to purchase auction rate securities through the auction rate setting procedure or the purchase of any other of its securities.

Capital or Other Financing Plan—disclosure regarding an issuer’s/obligated person’s capital improvement plans or other financing or refinancing plans.

Litigation/Enforcement Action—disclosure regarding any litigation involving the issuer/obligated person or any other relevant party that has the potential to have a material impact on the municipal securities, or any regulatory enforcement action that may have such an impact.

Change of Tender Agent, Remarketing Agent, or Other On-Going Party—a notice of a change in the tender agent, remarketing agent, or other market participant that provides on-going services in connection with the issuer’s/obligated person’s municipal securities.

Derivative or Other Similar Transaction—any notice, disclosure or other document relating to derivatives or other financial products or structures used in connection with the issuer’s/obligated person’s municipal securities.

Other Event-Based Disclosures—any notice, disclosure or other document relating to the occurrence of an event or other non-financial matter relating to the issuer’s/obligated person’s municipal securities not otherwise described in another category.

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