

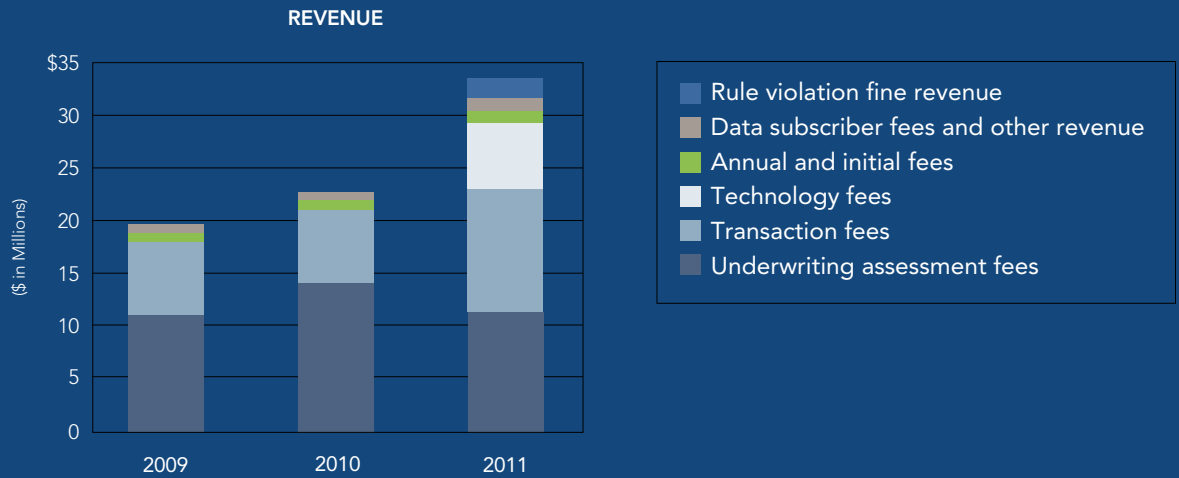
Financial Highlights

REVENUE

The MSRB's mission of protecting investors, issuers of municipal securities and public pension plans by promoting a fair and efficient marketplace requires that the organization have stable and sufficient funding. Accordingly, the MSRB has worked to ensure adequate funding aligned with the associated costs of fulfilling this mission and the organization's regulatory mandate, both of which were expanded in 2011 as a result

of the Dodd-Frank Wall Street Reform and Consumer Protection Act. In 2011, the MSRB diversified its revenue sources to ensure more balanced and equitable funding. FY 2011 reflects growth in total revenue as a result of targeted efforts to adequately fund operations, coupled with new revenues. Transaction fees paid by municipal securities dealers doubled from \$.005 to \$.01 per \$1,000 par value on January 1, 2011 for most municipal securities sales transactions

reported to the MSRB. In addition, technology fees were introduced beginning January 1, 2011, requiring municipal securities dealers to pay a \$1.00 per transaction fee for all sales transactions to update, replace, and maintain the MSRB technology systems. The Dodd-Frank Act provides that fines collected by the SEC and/or FINRA for violation of MSRB rules be shared with the MSRB. Accordingly, fine revenue appears for the first time in FY 2011.

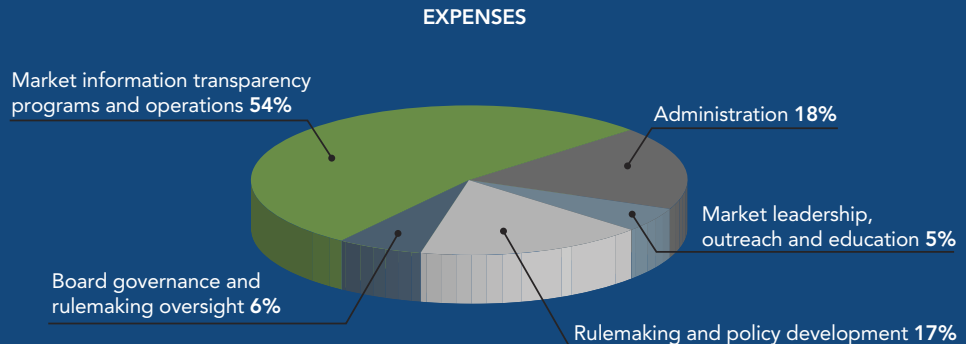


EXPENSES

The MSRB expenses reflect its core mission: rulemaking and policy development; board governance

and rulemaking oversight; market information transparency programs and operations; market leadership, outreach and education; and

administration. In FY 2011, operating expenses totaled \$26,075,879.





2011 FINANCIAL HIGHLIGHTS

<i>September 30,</i>	2011	2010	2009
Statements of Financial Position			
Total Assets	\$36,651,410	\$29,760,889	\$30,777,664
Total Liabilities	3,312,474	3,825,563	4,391,176
Total Net Assets—Unrestricted	33,338,936	25,935,326	26,386,488
Statements of Activities			
Revenue:			
Underwriting assessment fees	11,368,394	13,984,780	10,837,652
Transaction fees	11,348,228	6,940,551	7,150,905
Technology fees	6,280,060	—	—
Annual and initial fees	1,281,200	1,018,821	631,100
Data subscriber fees and other revenue	1,217,774	736,094	1,008,327
Rule violation fine revenue	1,983,833	—	—
Total Revenue	33,479,489	22,680,246	19,627,984
Expenses	26,075,879	23,131,408	21,281,260
Change in Net Assets	\$ 7,403,610	\$ (451,162)	\$ (1,653,276)
Statements of Cash Flows			
Cash Provided from Operating Activities	\$ 8,572,169	\$ 2,563,789	\$ 41,699
Investment in Technology Systems and Other Fixed Assets	\$ 4,236,002	\$ 3,819,043	\$ 5,065,567