



Municipal Securities Rulemaking Board

MAY 2024

Timing of Annual Financial Disclosures by Issuers of Municipal Securities

Figure 1A illustrates the average length of time between the end of the fiscal year and the date on which audited financial statements were submitted to EMMA for those submissions made within one year after the end of the fiscal year.¹⁹

Submission Date	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Jan	189	199	200	200	200	200	200	200	200	200	200	200	200	200
Feb	221	200	200	200	200	200	200	200	200	200	200	200	200	200
Mar	198	195	194	194	194	194	194	194	194	194	194	194	194	194
Apr	198	212	212	212	212	212	212	212	212	212	212	212	212	212
May	215	200	200	200	200	200	200	200	200	200	200	200	200	200
Jun	204	220	224	224	224	224	224	224	224	224	224	224	224	224
Jul	211	200	200	200	200	200	200	200	200	200	200	200	200	200
Aug	238	237	237	237	237	237	237	237	237	237	237	237	237	237
Sep	170	170	170	170	170	170	170	170	170	170	170	170	170	170
Oct	179	174	174	174	174	174	174	174	174	174	174	174	174	174
Nov	193	192	192	192	192	192	192	192	192	192	192	192	192	192
Dec	202	202	202	202	202	202	202	202	202	202	202	202	202	202
Average	202	201	201	201	201	201	201	201	201	201	201	201	201	201

Between January 2010 and December 2023, the MSRB received 354,214 audited financial statement submissions within one year from the end of the fiscal year, or 82.1% of all submissions, and the average number of days ranged from 164 to 238 days. Conversely, approximately 18% of all submissions occurred after one year from the end of the fiscal year. While the average number of days increased from 170 in 2010, the average number of days was 197 in 2018, and 200 in 2023. Since 2010, the average number of days increased each year after 2017, reaching 202 in 2023. Submissions during the month of November had the lowest average number of days, while September had the highest average at 238 days.

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Introduction¹

This report is an update and expansion of the Municipal Securities Rulemaking Board's (MSRB) previous report on the timing of financial disclosure submissions by municipal securities issuers and obligated persons to the MSRB's Electronic Municipal Market Access (EMMA®) system.² Similar to the previous report, it documents how many days, on average, after the end of an issuer's fiscal year that audited financial statements and annual financial information³ for that year were made available to the public.⁴ This updated report also compares the average timing of financial information submissions against the timing by which issuers and obligated persons have agreed to provide their audited financial statements and annual financial information under their continuing disclosure agreements (CDAs).

¹ The views expressed in the research papers are those of the author(s) and do not necessarily reflect the views and positions of the MSRB Board and other MSRB staff.

² The MSRB last published this report in February 2017. It can be found here: <https://www.msrb.org/sites/default/files/2022-09/MSRB-CD-Timing-of-Annual-Financial-Disclosures-2016.pdf>.

³ Rule 15c2-12 generally defines annual financial information as financial information or operating data, provided at least annually, of the type included in the official statement with respect to an issuer or obligated person for whom financial information or operating data is presented in the official statement.

⁴ Submissions of audited financial statements or ACFRs (Annual Comprehensive Financial Reports) submissions are hereinafter referred to as "audited financial statements" and annual financial information and operating data submissions are hereinafter referred to as "annual financial information."

The MSRB collects financial disclosure documents produced by municipal issuers and obligated persons and makes them available to investors for free through the EMMA website as well as through data feeds. These financial disclosures are contractually required to be provided to the MSRB by municipal issuers and obligated persons under their CDAs as contemplated by Rule 15c2-12 under the Securities Exchange Act of 1934 (Rule 15c2-12). Subject to certain exemptions established in Rule 15c2-12, CDAs exist for most municipal 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 15c2-12.⁵

Summary

This report provides information for audited financial statements and annual financial information submissions made between January 2010 and December 2023. The information in this report related to the timing of continuing disclosures is divided into three sections:

1. Audited financial statement and annual financial information submissions made within 365 days of the disclosed fiscal year.
2. All audited financial statement and annual financial information submissions made, including those made more than 365 days after the end of a fiscal year (“catch-up” submissions). In many instances, catch-up submissions are made by submitters to fill in earlier gaps in disclosures.
3. A breakdown of the timing by which issuers and obligated persons have agreed in their CDAs to provide annual financial information.

Between January 2010 and December 2023, the MSRB received approximately 431,000 audited financial statement submissions and over 388,000 annual financial information submissions. Excluding catch-up disclosures, the timing of audited financial statement submissions between 2010 and 2023 averaged 201 calendar days after the end of the applicable fiscal year. Since 2018, these averages have incrementally increased from 197 days to 209 days in 2023, the highest since the MSRB began analyzing this information. The timing of submissions of annual financial information has remained consistent since 2010, with submissions averaging between 187 and 190 days and an overall average of 189 calendar days after the end of the applicable fiscal year.

As expected, including all submissions (not excluding delayed “catch-up” submissions for earlier years), the average number of days between the end of the reporting period and submission date for audited financial statements increased to an average of 325 calendar days between 2010 and December 2023, while annual financial information submissions were made, on average, 268 calendar days after the end of the applicable fiscal year. The MSRB noted a spike in these catch-up submissions in the wake of the Securities and Exchange Commission’s (SEC) Municipalities Continuing Disclosure Cooperation (MCDC) Initiative in 2014, which encouraged issuers and underwriters to self-report and remedy materially inaccurate statements relating to

⁵ The provisions of the rule relating to financial disclosures, and the exemptions provided for under the rule, are described in the MSRB Market Transparency Advisory Notice 2013-18 (August 12, 2013).

prior compliance with the continuing disclosure obligations specified in Rule 15c2-12.⁶ In the years following MCDC, the number of submissions has gradually decreased to the period prior to the initiative.

In February 2011, the MSRB began collecting information about the expected timing of submissions of annual financial information by municipal issuers and obligated persons under their CDAs. Under MSRB Rule G-32, underwriters are required to provide the date by which issuers are expected to submit their annual financial information for issues subject to Rule 15c2-12 (referred to in this report as the “CDA commitment date”).⁷ From 2011 to December 2023, for submissions with an associated CDA commitment date, a plurality (38%) of issuers identified that they would submit financial information 180 days following the end of the fiscal year and 23% within 270 days.

Methodology

The data related to the timing of continuing disclosures used in this report were submitted by issuers, obligated persons or agents as part of the MSRB’s continuing disclosure submission process. With the submission of a financial disclosure document, the MSRB records the date the document was received from the submitter and posted on EMMA (document receipt date) as well as the end date for the reporting period associated with a particular disclosure document, as reported by the submitter. These dates were used to calculate the number of days a submitter took to submit a document after the end of the reporting period.⁸ A document submission is counted in the month and calendar year in which such submission was made to EMMA. The data do not differentiate between issuers and other obligated persons, or among different types of issuers or obligated persons, but instead represent an aggregation of all submitters. In addition, the data rely on each submitter’s categorization of the submission as either audited financial statements or annual financial information, and no attempt has been made to validate such categorization for purposes of this report.⁹ Some issuers and obligated persons submit both audited financial statements and annual financial information simultaneously as part of the same submission using the two separate categories, while others may submit them in separate submissions on the same day or on different days using the specific category applicable to each submission.

⁶ See <https://www.sec.gov/municipal/municipal-securities-cases-mcdc-initiative> and <https://www.sec.gov/divisions/enforce/municipalities-continuing-disclosure-cooperation-initiative.shtml>.

⁷ Depending on the particular CDA, the CDA commitment date also often applies to the expected timing of submission of audited financial statements.

⁸ A simple average formula was used to calculate monthly and annual averages.

⁹ The proper categorization of financial disclosures is discussed in the MSRB Market Transparency Advisory—Suggested Practices in Submitting of Financial Disclosures to EMMA, MSRB Notice 2013–18 (August 12, 2013). <https://www.msrb.org/MSRB-Market-Transparency-Advisory-Suggested-Practices-Submitting-Financial-Disclosures-EMMA>.

The first set of statistics includes only those submissions that were made within one full calendar year of the end of the fiscal year for which such documents were submitted. This data set aims to better understand the timing of submissions without the potentially distortive effects of delayed catch-up disclosures. Similar statistics on the full set of submissions regardless of how long after the end of a fiscal year a document relating to such fiscal year was submitted to EMMA are also provided.

The CDA commitment date is reported by underwriters as part of the MSRB Rule G-32 submission process. Submitters may provide the number of days or months after a specific end date of the issuer's or obligated person's fiscal year. The number of days provided was used to calculate the timing statistics in the CDA commitment section.

Exclusions

This report excludes submissions in which the document receipt date was before the reported end date for the disclosure since these likely represent erroneous submissions of data by the submitter (e.g., the submitter reported the wrong fiscal year). Additionally, this report excludes disclosures submitted prior to 2010.

Submissions Made Within One-Year of Fiscal Year

Audited Financial Statements

Since the MSRB became the official repository for continuing disclosures in 2009, over 80% of audited financial statements have been submitted, on average, within one year after the end of the submitter's preceding fiscal year. The statistics below include only those submissions that were made within one full calendar year of the end of the fiscal year for which such documents were submitted and excludes any delayed catch-up submissions of older documents, which may distort the average timing for submission of audited financial statements and annual financial information for submitters that submit such documents within, or reasonably close to (i.e., within one full calendar year of the end of the fiscal year), the timeframes set out in their contractual agreements.

However, it should be noted that not all submissions eliminated by the one-year screening necessarily represent catch-up submissions for earlier fiscal years but also likely include some normal-course submissions for the immediately preceding fiscal year that were made more than one year after the end of such fiscal year, as discussed later in this report.

Figure 1A illustrates the average length of time between the end of the fiscal year and the date on which audited financial statements were submitted to EMMA for those submissions made within one year after the end of the fiscal year.¹⁰

Figure 1A. Audited Financial Statement Submissions Made Within One Year of Fiscal Year
Average Number of Days Between Document Receipt Date and End of Fiscal Year

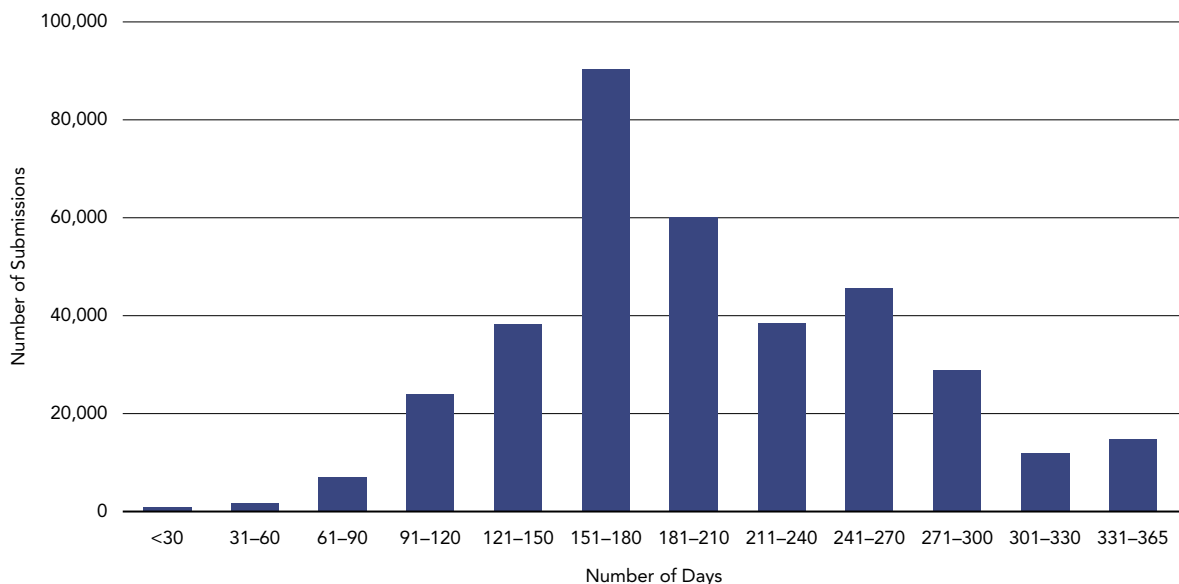
Submission Date	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Jan	189	189	187	186	191	192	189	190	192	192	193	193	192	192
Feb	199	202	200	203	202	203	201	202	203	207	204	206	205	205
Mar	221	225	224	220	220	218	219	217	218	218	220	222	224	226
Apr	198	200	208	198	203	190	203	191	193	200	202	206	207	224
May	198	195	194	190	204	194	192	192	198	202	194	203	202	213
Jun	215	212	214	220	219	211	223	217	211	216	217	228	230	228
Jul	204	200	212	207	204	203	204	198	205	205	204	207	205	208
Aug	211	220	224	223	219	224	225	227	225	222	219	220	223	228
Sep	238	237	225	225	223	233	227	227	233	239	238	236	245	245
Oct	170	170	180	174	169	165	171	170	167	171	191	197	193	185
Nov	179	174	173	171	175	172	174	164	169	165	176	174	171	176
Dec	193	192	185	185	186	181	182	182	179	181	188	184	186	186
Average	202	202	201	199	200	197	199	197	197	200	202	204	206	209

Between January 2010 and December 2023, the MSRB received 354,214 audited financial statement submissions within one year from the end of the fiscal year, or 82.1% of all audited financial statement submissions, and the average number of days ranged from 197 days to 209 days. Conversely, approximately 18% of all submissions occurred after one year from the end of the fiscal year. While the average number of days was 197 in 2017 and 2018, the lowest level since 2010, the average number of days increased each year after 2018, reaching 209 days in 2023. Since 2010, submissions during the month of November had the lowest average at 172 days, or about 5.5 months, while September had the highest average at 234 days, or just over 7.7 months.

¹⁰ These data exclude audited financial statement submissions between January 2010 and December 2023 in which the number of days between the date the MSRB received the document and the end of the fiscal year was higher than 365 (one year). As a result, 77,092 audited financial statement submissions were excluded from the full data set of approximately 431,306 audited financial statement submissions, constituting 17.9% of submissions to EMMA of audited financial statements. See Figure 4.

Figure 1B illustrates the frequency of audited financial statement disclosures made within one year of the end of the fiscal year between 2010 and 2023. Approximately 41.5% of all audited financial statement disclosures were submitted between 181 and 210 days after the end of the fiscal year. Furthermore, only 2.7% of the disclosures were submitted in the first 90 days after the end of the fiscal year, and 15.4% were submitted after 270 days.

Figure 1B. Frequency of Audited Financial Statement Submissions Made Within One Year of Fiscal Year (2010–2023)



Annual Financial Disclosures

For annual financial disclosures that exclude submissions occurring more than one year after the end of the fiscal year, the average number of days between the end of the fiscal year and the date of submission ranged from 187 days to 190 days. The average period to submit annual financial information between January 2010 and December 2023 was 184 days, or 17 days faster than audited financial information submissions.

Figure 2A sets out the average length of time between the end of the fiscal year and the date on which annual financial information for such fiscal year was submitted to EMMA for those submissions made within one year after the end of the fiscal year.¹¹

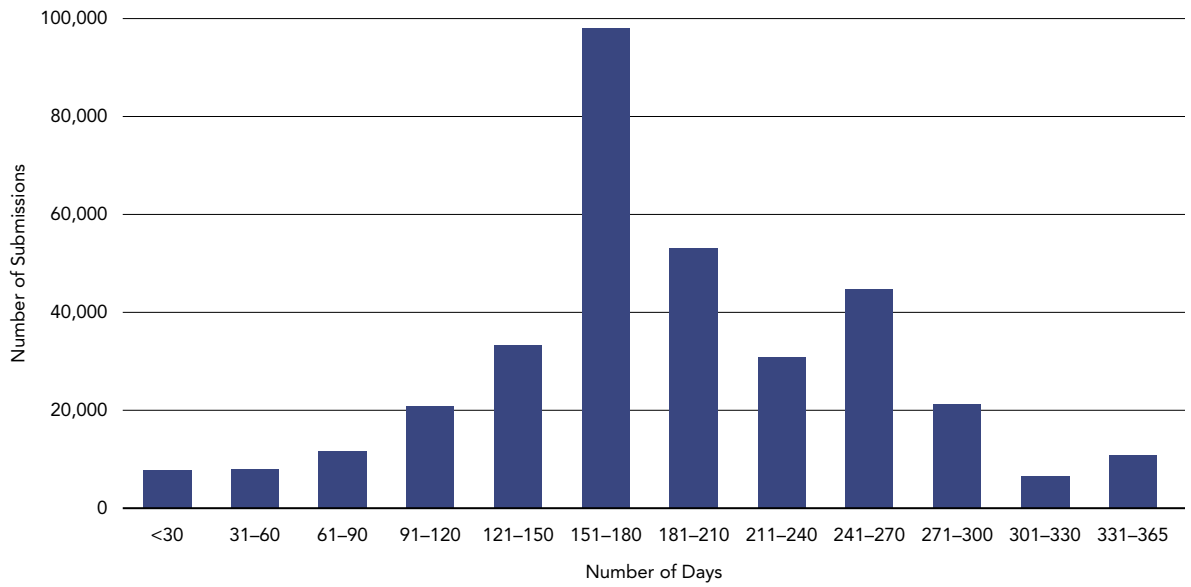
Figure 2A. Annual Financial Information Submissions Made Within One Year of Fiscal Year (2010–2023)
Average Number of Days Between Document Receipt Date and End of Fiscal Year

Submission Date	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Jan	181	177	185	186	183	187	186	185	187	190	182	184	185	181
Feb	187	187	185	189	190	192	190	193	189	194	191	188	183	175
Mar	218	214	219	215	216	221	216	216	219	217	215	218	216	208
Apr	180	188	192	195	182	172	180	182	176	191	177	188	178	177
May	187	183	182	186	182	179	178	180	177	175	163	165	171	167
Jun	194	197	202	194	196	198	199	199	200	199	199	207	211	210
Jul	182	178	171	181	195	195	191	193	191	191	180	184	182	171
Aug	183	179	179	183	194	196	200	193	192	185	178	190	174	170
Sep	200	195	197	196	198	200	204	198	201	201	199	205	208	203
Oct	157	146	153	155	153	150	148	149	147	131	144	143	134	143
Nov	161	161	163	161	167	159	156	154	155	155	154	157	157	157
Dec	184	180	184	179	182	177	180	178	175	179	180	178	179	179
Average	189	187	190	190	190	189	189	189	189	189	187	190	188	188

¹¹ These data exclude annual financial information submissions between January 2010 and December 2023 in which the number of days between the date the MSRB received the document, and the end of the fiscal year was higher than 365 (one year). As a result, 49,094 annual financial information submissions were excluded from the full data set of 388,010 annual financial information submissions, constituting 13.0% of submissions to EMMA of annual financial information. See Figure 4.

Figure 2B depicts the frequency distribution of annual financial submissions since 2010. In total, 37.9% of disclosures were submitted between 121 and 180 days, with another 13.9% of the submissions occurring in the first 120 days and 11.1% occurring after 270 days.

Figure 2B. Frequency of Annual Financial Information Submissions Made Within One Year of Fiscal Year (2010–2023)



Full Data Set of Submissions

Figure 3A sets out the average length of time between the end of the fiscal year and the date on which audited financial statements for such fiscal year were submitted to and made publicly available on EMMA, including catch-up submissions made by a submitter to fill in earlier gaps in disclosures.

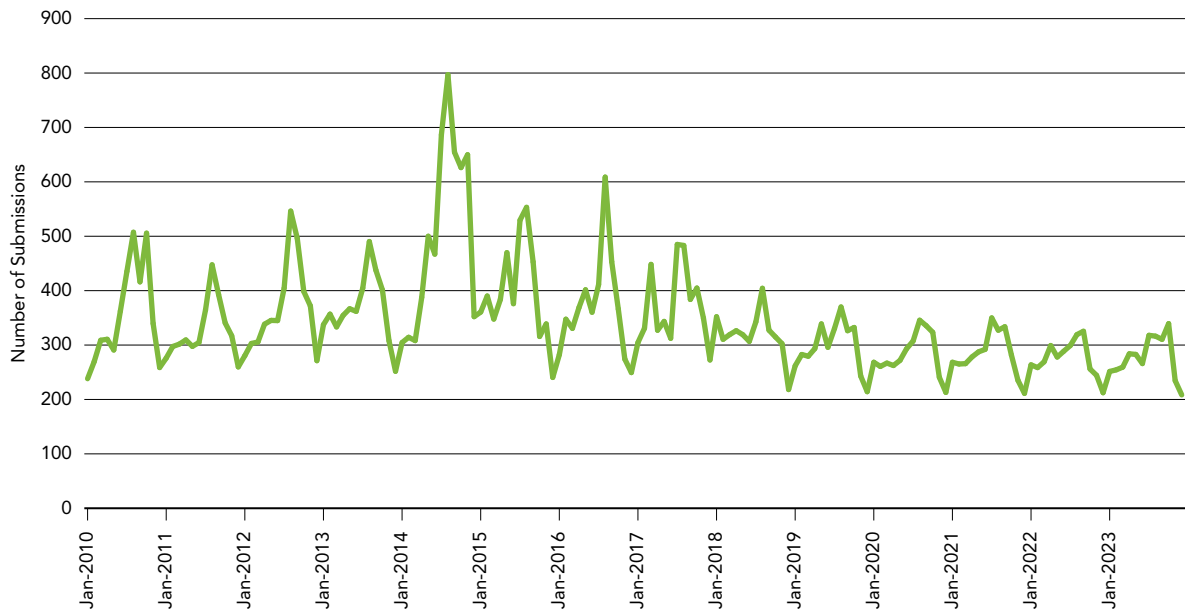
Figure 3A. Audited Financial Statements

Average Number of Days Between Document Receipt Date and End of Fiscal Year

Submission Date	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Jan	238	276	280	337	305	361	282	305	352	262	268	268	264	251
Feb	269	297	303	357	314	390	348	331	311	283	261	265	259	254
Mar	309	302	306	333	308	348	331	448	319	279	267	266	269	259
Apr	311	309	338	355	388	384	369	327	326	293	262	278	299	284
May	291	298	345	367	500	470	402	343	319	339	272	288	278	283
Jun	362	305	345	362	467	376	360	312	307	296	293	292	289	266
Jul	435	365	405	405	686	530	411	485	343	330	307	350	299	318
Aug	507	447	546	490	797	553	609	483	404	370	346	327	319	316
Sep	416	393	496	438	654	453	453	384	327	326	336	334	325	310
Oct	506	341	398	401	626	316	366	405	315	332	323	282	256	339
Nov	340	317	372	308	650	339	274	350	302	243	241	235	244	235
Dec	259	260	271	252	352	240	249	273	218	214	213	211	212	208
Average	331	310	344	351	474	370	345	359	310	283	270	271	268	262

Figure 3B illustrates the average length of time between the end of the fiscal year and the date on which these disclosures were submitted and published to EMMA. The chart visualizes the spike in submissions in 2014 followed by a gradual decline of the total number of submissions made until the end of 2023.

Figure 3B. Audited Financial Statements



The annual average length of time between the end of the fiscal year and the date on which audited financial statements were submitted to EMMA was 325 days between 2010 and December 2023, sharply above the average of 201 days for submissions made within one year of fiscal year. The annual average number of days spiked in 2014 to 474 days, coinciding with a significant increase in the number of audited financial statement submissions in the second half of the year likely due to issuers and underwriters participating in the SEC’s MCDC Initiative.¹² The initiative was announced in March 2014 and provided issuers and underwriters the opportunity to self-report materially inaccurate statements relating to prior compliance with the continuing disclosure obligations specified in Rule 15c2-12. After 2014, the average length of time for submissions decreased most years and reached a low of 262 days in 2023.

Figure 3C sets out the average length of time between the end of the fiscal year and the date on which annual financial information for such fiscal year was submitted to and made publicly available on EMMA, regardless of how long after the end of the fiscal year such annual financial information was submitted.

¹² See footnote 6.

Figure 3C. Annual Financial Information*Average Number of Days Between Document Receipt Date and End of Fiscal Year*

Submission Date	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Jan	214	199	239	282	237	299	230	249	343	239	221	227	236	207
Feb	224	220	213	261	253	341	296	277	261	245	228	209	205	215
Mar	235	236	256	286	246	306	267	350	270	250	238	238	232	222
Apr	207	233	267	325	320	355	358	379	283	274	225	239	216	218
May	226	217	292	303	408	416	366	353	297	286	240	209	217	215
Jun	237	244	259	269	347	298	262	262	250	246	235	255	240	233
Jul	300	291	281	343	722	580	437	496	337	310	270	274	252	293
Aug	299	229	406	359	718	455	516	465	308	319	294	252	232	267
Sep	253	267	330	290	570	375	342	303	263	288	257	258	244	248
Oct	245	235	308	294	523	323	325	355	269	254	283	195	184	245
Nov	212	224	250	259	642	275	245	318	243	230	193	216	179	182
Dec	220	206	209	217	317	217	252	250	198	199	194	197	192	191
Average	231	227	258	279	402	329	295	315	268	249	231	228	218	219

The annual average length of time between the end of the fiscal year and the date on which annual financial information for such fiscal year was submitted to EMMA also spiked in 2014, averaging 402 days compared to the overall average of 268 days between 2010 and December 2023. As previously noted for audited financial statements, the increase in the average number of days for annual financial statements in 2014 coincides with a significant increase in the number of annual submissions in the second half of the year due to issuers and underwriters participating in the SEC's MCDC Initiative.

Figure 4 outlines the percentage of all submissions made that are catch-up submissions, or submissions made more than 365 days after the end of the fiscal year. The rate of catch-up submissions for audited financial statements ranged from a high of 28% in 2014, likely due to the SEC's MCDC Initiative, to a low of 10% in 2020. For annual financial disclosures, the rate of catch-up submissions ranged from 21% in 2014 to 5% in 2021 and 2022.

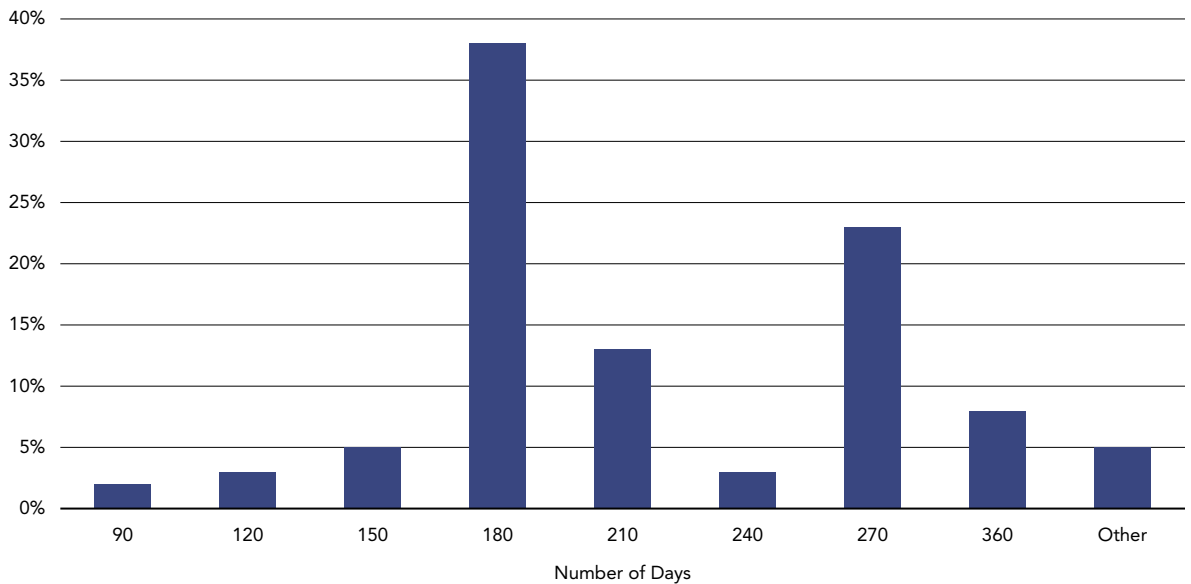
Figure 4. Percentage of Catch-Up Audited Financial Statement and Annual Financial Information Submissions Included in Full Data Set for Each Calendar Year (2010–2023)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Audited Financial	17%	16%	19%	20%	28%	19%	17%	18%	14%	12%	10%	11%	12%	12%
Annual Financial	6%	7%	10%	12%	21%	14%	11%	13%	9%	7%	6%	5%	5%	8%

Continuing Disclosure Agreement (CDA) Commitments

Figure 5 illustrates the most common CDA commitment periods for issuers and obligated persons to make continuing disclosures following the end of the fiscal year between 2011 and 2023.

Figure 5. Audited Financial Statement and Annual Financial Information Continuing Disclosure Agreement Commitments (2011–2023)



As noted before, for audited and annual financial statement submissions with an associated CDA commitment date, 180 days accounted for the majority of commitments, or 37.8%, while 23.2% had a commitment of 270 days and 13% had a commitment of 210 days.

Conclusion

The timeliness of audited financial statements and annual financial information to the EMMA website is critical for the overall transparency of the municipal securities market. The MSRB's EMMA website has been the official repository for municipal security disclosures since 2009. Since 2011, the MSRB's database has captured the submission date and period for which the disclosure is required.

Based on this analysis and excluding catch-up submissions, the MSRB identified that the average length of time for audited financial disclosures to be reported increased each year since 2018, while annual financials have remained relatively flat. From 2017 until 2023, the average length of time for audited financial disclosures increased from 199 days to 207 days.

One potential explanation for the recent growing length of time for audited financial documents could be a shortage of government finance officers. Retirements, the rise of contract workers and decreasing numbers of college accounting majors have resulted in a supply and demand imbalance.¹³ In 2023, the American Institute of CPAs identified a continuing shortage of accountants in the country. From 2016 to 2021, the number of CPA exam candidates decreased 33%.¹⁴ A shortage of accountants has been identified as a problem for corporate financial statements, as well. In some instances, statements have had to be refiled with the SEC due to errors.¹⁵

¹³ Charlie Francis, Adam Stone and Mike McCann, "Navigating the Talent Shortage: The Role of Just-in-Time-Talent and Virtual CFOs," *Government Finance Review* vol 39, No. 3 (June 2023): 30-34.

¹⁴ 2021 Trends: A report on accounting education, the CPA exam and public accounting firms' hiring of recent graduates, AICPA, https://micpa.org/docs/site/educator-assets/2021-trends-report.pdf?sfvrsn=bf9c261_2.

¹⁵ Mark Maurer, "The Accountant Shortage Is Showing Up in Financial Statements" *The Wall Street Journal*, July 11, 2023 <https://www.wsj.com/articles/the-accountant-shortage-is-showing-up-in-financial-statements-b14a6b94>.

ABOUT THE MSRB

The Municipal Securities Rulemaking Board (MSRB) protects and strengthens the municipal bond market, enabling access to capital, economic growth, and societal progress in tens of thousands of communities across the country. The MSRB fulfills this mission by creating trust in our market through informed regulation of dealers and municipal advisors that protects investors, issuers and the public interest; building technology systems that power our market and provide transparency for issuers, institutions, and the investing public; and serving as the steward of market data that empowers better decisions and fuels innovation for the future. The MSRB is a self-regulatory organization governed by a board of directors that has a majority of public members, in addition to representatives of regulated entities. The MSRB is overseen by the Securities and Exchange Commission and Congress.



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