



NPAIT | TRUST PORTFOLIO IS IN COMPLIANCE WITH GASB 79

BACKGROUND

Statement No. 79 of the Governmental Accounting Standards Board “addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price.” (GOVERNMENTAL ACCOUNTING STANDARDS BOARD, 2015.)

In accordance with GASB 79, portfolio securities are valued at amortized cost, which approximates market value. The amortized cost method involves valuing a security at its cost of purchase and recording a constant amortization or accretion to maturity of any discount or premium. The market value of the securities held by the Fund are evaluated on at least a weekly basis utilizing process supplied from an independent pricing service. These values are compared to the amortized cost of the securities. Repurchase agreements are valued at original cost, which combined with accrued interest, generally approximates market value.

IMPORTANT GASB 79 REQUIREMENTS

- All securities must be rated in the highest category of short-term ratings.
- With the exception of U.S. government securities, the portfolio should hold no more than 5 percent of its total assets in investments of any one issuer of securities.
- Portfolio securities must have a maturity of 397 days or less.
- Weighted average maturity of the portfolio must be 60 days or less.
- The portfolio of a qualifying external investment pool should maintain a weighted average life of 120 days or less.

For complete details of GASB 79, [please click here](#).

If you have any questions or need any additional information, please do not hesitate to contact us.

Contact Information

WALKER ZULKOSKI

Vice President, Investment Services

wzulkoski@pmanetwork.com

Disclaimer
Securities, public finance services and municipal advisory institutional brokerage services are offered through PMA Securities, LLC. PMA Securities, LLC is a broker-dealer and municipal advisor registered with the SEC and MSRB, and is a member of FINRA and SIPC. PMA Asset Management, LLC, an SEC registered investment adviser, provides investment advisory services to local government investment pools and separate accounts. All other products and services are provided by PMA Financial Network, LLC. PMA Financial Network, LLC, PMA Securities, LLC and PMA Asset Management (collectively “PMA”) are under common ownership. Securities offered through PMA Securities, LLC are available in CA, CO, FL, IL, IN, IA, MI, MN, MO, NE, NY, OH, OK, PA, SD, TX and WI. This document is not an offer of services available in any state other than those listed above, has been prepared for informational and educational purposes and does not constitute a solicitation to purchase or sell securities, which may be done only after client suitability is reviewed and determined. All investments mentioned herein may have varying levels of risk, and may not be suitable for every investor. PMA and its employees do not offer tax or legal advice. Individuals and organizations should consult with their own tax and/or legal advisors before making any tax or legal related investment decisions. Additional information is available upon request. ©2023 PMA Financial Network, LLC. All rights reserved. For Institutional Use Only.