



MNTRUST | INVESTMENT SHARES SERIES 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.

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