



Financial Statement Disclosures for June 30, 2022

The following is the Public Trust Advisors, LLC (Fund Administrator) interpretation of your disclosure responsibilities related to your participation in the FLCLASS governmental investment pool and the responsibilities of Public Trust Advisors, LLC (Public Trust) to provide you information needed to make your disclosure. Please consult your accounting/auditor experts for additional information regarding your specific reporting requirements.

General Description

If an external investment pool meets the criteria in GASB 79 Paragraph 4 and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in Paragraph 4, the pool's participants should measure their investments in the pool at fair value as provided in Paragraph 11 of GASB Statement 31, as amended.

FLCLASS follows Financial Accounting Standards Board (FASB) Accounting Standards Topic (ASC) 820 *Fair Value Measurement and Disclosure* for financial reporting purposes. ASC 820 defines fair value, establishes a single framework for measuring fair value, and requires disclosures about fair value measurement. FLCLASS does not meet all of the specific criteria outlined in GASB 79 Paragraph 4 therefore FLCLASS Participants should measure their investments in FLCLASS at fair value as provided in Paragraph 11 of GASB Statement 31, as amended. FLCLASS reports the amortized cost of investments, which approximates fair value, to its Participants.

Public Trust interprets GASB 31, as amended by GASB 79, to mean that FLCLASS should measure all of the investments in FLCLASS at fair value. Therefore, your Participant balance should be considered the fair value of your investment in FLCLASS. This information provided may be required for the financial reporting of Participants in FLCLASS. Participants should consult their auditing and accounting professionals regarding their specific reporting requirements.

GASB 72 Note Disclosure Requirement for FLCLASS

FLCLASS measures its investments at fair value in accordance with Paragraph 41 of Statement 79 and Paragraph 11 of Statement 31, and therefore a Participant's investment in FLCLASS is not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of Statement 72*.

*Source: GASB Implementation Guide No 2017-1 April 2017

Credit Quality Disclosure

FLCLASS is rated by S&P Global Ratings. The current rating is 'AAAm.'

FLCLASS Enhanced Cash is rated by FitchRatings. The current rating is 'AAAf/S1.'

Interest Rate Risk Disclosure

The dollar weighted average days to maturity (WAM) of FLCLASS at June 30, 2022, is 34 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of FLCLASS at June 30, 2022, is 66 days.

Interest Rate Risk Disclosure – FLCLASS Enhanced Cash

FLCLASS Enhanced Cash is a variable net asset value (NAV) local government investment pool that offers weekly liquidity to Participants. Enhanced Cash is suitable for a local government's strategic reserves/non-operating funds and has a NAV that is managed to approximate a \$10.00 transactional share price. FLCLASS Enhanced Cash measures its investments at fair value so investments in



Enhanced Cash are not required to be categorized within the fair value hierarchy. The dollar weighted average days to maturity (WAM) of FLCLASS Enhanced Cash at June 30, 2022, is 95 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of FLCLASS Enhanced Cash at June 30, 2022, is 153 days.

This document is for informational purposes only. All information is assumed to be correct, but the accuracy has not been confirmed and therefore is not guaranteed to be correct. Information is obtained from third party sources that may or may not be verified. The information presented should not be used in making any investment decisions. It is not a recommendation to buy, sell, implement, or change any securities or investment strategy, function, or process. Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. All comments and discussion presented are purely based on opinion and assumptions, not fact. These assumptions may or may not be correct based on foreseen and unforeseen events. **Past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.**

A 'AAAm' rating by S&P Global Ratings is obtained after S&P evaluates a number of factors including credit quality, market price exposure, and management. Ratings are subject to change and do not remove credit risk. [Click here](#) for more information

The 'AAAF' rating is Fitch's opinion on the overall credit profile within a fixed-income fund/portfolio and indicates the highest underlying credit quality of the pool's investments. The 'S1' volatility rating is Fitch's opinion on the relative sensitivity of a portfolio's total return and/or net asset value to assumed changes in credit spreads and interest rates. The 'S1' volatility rating indicates that the fund possesses a low sensitivity to market risks. For a full description on rating methodology, please visit www.fitchratings.com. Ratings are subject to change and do not remove credit risk. Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.

Weighted Average Maturity (WAM) is the weighted average amount of time until the maturities on mortgages in a mortgage-backed security (MBS) mature. This term is used more broadly to describe maturities in a portfolio of debt securities, including corporate debt and municipal bonds. The higher the WAM, the longer it takes for all of the mortgages or bonds in the portfolio to mature. WAM is used to manage debt portfolios and to assess the performance of debt portfolio managers. (Source: [Investopedia](#))

Weighted Average Life (WAL) is the average length of time that each dollar of unpaid principal on a loan, a mortgage, or an amortizing bond remains outstanding. Calculating the WAL shows an investor, an analyst, or a portfolio manager how many years it will take to receive half the amount of the outstanding principal. (Source: [Investopedia](#))