

Rate Mitigation Fund  
Quarterly Portfolio Report  
September 30, 2015

Portfolio Book Value - October 1, 2014		\$176,323,378
Transfers (to) from GP&L Operating Fund		0
Transfers (to) from GP&L Operating Fund		0
Interest income:		
October 1 - December 31	\$203,112	
January 1 - March 31	205,034	
April 1- June 30	218,513	
July 1- September 30	0	
Total interest income recognized - fiscal year-to-date	\$626,659	
Adjustment for beginning and ending accruals	91,137	
Total interest income received - fiscal year-to-date		717,796
Portfolio Book Value - June 30, 2015		<u>\$177,041,174</u>

Portfolio Book Value is the value of the entire portfolio that is recorded in the financial records. The interest income received in each quarter increases the portfolio book value. The adjustment for the beginning and ending accruals is an accounting entry.

Portfolio Book Value - June 30, 2015		\$177,041,174
Future interest income to be earned		<u>-4,522</u>
Portfolio Par Value - June 30, 2015		<u>\$177,036,652</u>

Portfolio Par Value is the face value, at maturity, of the various securities held in the portfolio. The variance between Book Value and Par Value is one component of future income that will be earned as each security matures. Unlike Book Value, Par Value is not recorded in the financial records. It is reported for informational purposes only.

Portfolio Book Value - June 30, 2015		\$177,041,174
Unrealized gain (loss)		<u>-9,824</u>
Portfolio Market Value - June 30, 2015		<u>\$177,031,350</u>

Portfolio Market Value is the current Fair Market Value of the various securities in the portfolio. Generally, Fair Market Value of a fixed income security will decline as interest rates rise. Conversely, as interest rates fall, the Fair Market Value of a fixed income security will increase. Governmental financial reporting standards require that Fair Market Value and the changes in Fair Market Values be reported in year-end financial statements.

It should be noted that declines of Fair Market Value below Book Value are reported as Unrealized Losses for informational purposes. The City does not realize investment losses because securities are held to maturity.