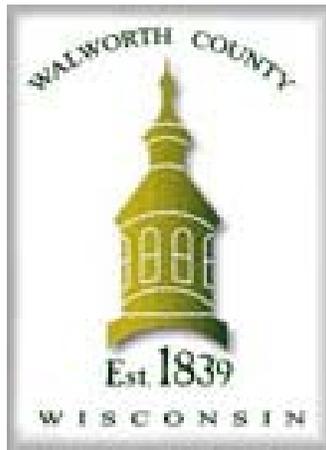


WALWORTH COUNTY, WISCONSIN

QUARTERLY INVESTMENT REPORT

September 30, 2009



**WALWORTH COUNTY FINANCE OFFICE
100 W. WALWORTH
ELKHORN, WI 53121**

www.co.walworth.wi.us/Finance/Website/Investments/Investments_main.htm

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EXECUTIVE SUMMARY

The key objectives in managing the County's Total Investment Portfolio are to provide safety of principal, to ensure liquidity to meet operating requirements, to generate a market rate of return ("Yield") on the investments, and to manage the portfolio within applicable laws. Using cash flow projections to match revenues with expenditures ensures prudent investment principles that will enable the County to soundly meet its financial obligations. The Investment Portfolio shall be structured in relation to prevailing budgetary and economic environments, taking into account the County's investment risk constraints and cash flow characteristics.

- Walworth County's investment portfolio is in compliance with Wisconsin statutes, the Walworth County Code of Ordinances and the County's Administrative Procedures Manual.
- Walworth County's investment portfolio has been maintained to provide safety of investments and cash flow needs.
 - All securities held are either backed by the U.S. Government or meet minimum ratings set by either Standard and Poor's or Moody's Investor Service.
 - Investments are being diversified into more investment vehicles.
- The Local Government Investment Pool (LGIP) yields have fallen drastically the past two years. In January, 2009, the LGIP rate was 1.03%. Rates have fallen each month of 2009 and are currently down to .27% in September 2009.
- The Local Government Investment Pool has announced that effective February 15, 2009 their negotiable certificates of deposit and commercial paper are no longer insured against credit loss.
- The result of the weakening economy has greatly affected the County's budgeted interest income; based on revised forecast a budget amendment reduced the budgeted interest by \$600,000 or half the original projected interest in the non-departmental budget. Individual interest accounts around the county were also amended for declining rates.
- Our investing in CD's has continued with the additional use of the CDARS program.
- We continue to diversify by purchasing US Government Agency securities.
- We have diversified into Mid America and M&I Bank collateralized money markets with yields respectively 0.50% plus prior month's LGIP rate and 0.90%. The money markets provide a higher yield plus provide the county with a liquid investment.
- We have diversified into a short-term investment portfolio with M&I Trust with annual yield of 1.52% for the 3rd quarter.
- We are currently reviewing proposals for services of broker/dealers for more investment options.
- We are currently investigating other portfolio management options with investment advisors.

INVESTMENT OVERVIEW AND OBJECTIVES

As is mentioned above, the main objectives in managing the County's Total Investment Portfolio are to provide safety of principal, to ensure liquidity to meet operating requirements, to generate a market rate of return ("Yield") on the investments, and to manage the portfolio with applicable laws. The County's Total Investment Portfolio currently has four separate investment portfolios. They are as follows:

LOCAL GOVERNMENT INVESTMENT POOL – The primary objective of the LGIP is to provide for the prudent management of public funds on behalf of the local government investor. The investment strategy of this fund is prioritized as: safety of the principal, liquidity, and the rate of return. The funds in LGIP may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities, and Repurchase Agreements (Repo) secured by the U.S. Government.

CERTIFICATES OF DEPOSIT – Certificates of deposit and other evidences of deposits from county board approved financial institutions which are authorized to transact business in the state, which time deposits mature in not more than three years.

THE CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SERVICES, (CDARS) - Financial institutions can offer CDARS because they are members of a special network. When a large deposit is placed with a network member, that institution uses CDARS to place the funds into certificates of deposit issued by banks in the network. This occurs in increments of less than the standard FDIC insurance maximum to ensure that both principal and interest are eligible for full FDIC insurance.

With the help of a sophisticated matching system, network members exchange funds. This exchange occurs on a dollar-for-dollar basis, so that the equivalent of the original deposit comes back to the respective institution and effectively stays local (meaning the full amount can support lending initiatives that build a stronger local community). The full amount of the original deposit becomes eligible for complete FDIC protection, and the institution receives just one regular statement detailing all your holdings.

U.S. GOVERNMENT/TREASURY SECURITIES – Obligations of the United States of America, its agencies and instrumentalities, provided payment of the principal and interest is fully guaranteed by the issuer.

PUBLIC FUNDS MONEY MARKET ACCOUNT - The County has approved by resolution Public Funds money markets that are secured by collateral. These investments are used to provide short-term diversification and increase the current yields.

WALWORTH COUNTY, WISCONSIN**Quarterly Investment Report****REQUIREMENTS AND COMPLIANCE**

ITEM	REQUIREMENTS	ACTUAL PORTFOLIO
Liquidity Risk	At a minimum, liquid cash shall be maintained at a level between \$5 and \$10 million. Generally, liquid cash is considered to be held in overnight instruments at the LGIP, or as marketable securities which can be sold in one day's notice.	\$58.3 or 77%
Collateral Policy	Investments other than U.S. Treasury backed securities or investments not under the FDIC or WI guarantee shall be collateralized for a minimum of 102-110% of the deposits	100% of CD's collateralized via FDIC or 3 rd Party

TOTAL PORTFOLIO

INVESTMENT CATEGORY	MAXIMUM MATURITY	QUALITY LIMITS S&P/MOODY'S	AUTHORIZED LIMIT	ACTUAL PORTFOLIO
LGIP	10 Years		No Limit	33.35%
Certificates of Deposit	3 Years		< 1 year Maximum 95%	11.85%
Certificates of Deposit	3 Years		1-3 years Maximum 50%	0.66%
Money Market Funds	N/A	AAA	No Limit	37.29%
U.S. Treasury/ Government Agency	5 Years		No Limit	10.47%
Collateralized Mortgage Obligations	N/A	AAA/Aaa	Existing level	0.00%
Asset Backed Securities	N/A	AAA/Aaa	1-5 years Maximum 20%	0.00%
Depository Cash	N/A		4-100% Minimum Cash Balance	6.38%
			Total	100.00%

NON-DEPARTMENTAL PERFORMANCE

The table below shows the interest earned through the third quarter and the forecasted interest for 2009. The table also includes the revised budgeted interest of \$600,000 compared to the forecasted interest.

INTEREST EARNED THIRD QUARTER AND FORECAST 2009		
INVESTMENT TYPE	INTEREST EARNED AS OF Q3	FORECAST INTEREST
LGIP	\$109,940	\$110,000
Certificate's of Deposit	248,868	288,500
U.S. Treasury/ Govt. Agency	50,212	78,600
Depository Bank	2,727	3,500
Money Markets	67,079	129,000
SUBTOTAL NON-DEPT	478,826	609,600
Unrealized Gain/Loss	30,000	0
TOTAL NON-DEPT	\$508,826	\$609,600
Revised Budget		600,000
Budget to Forecast Variance		\$ 9,600

- Budget reduced from \$1,200,000 to \$600,000 per the September budget amendments totaling \$600,000.
- Variance of revised budget of \$600,000 to forecast of 609,600 is \$6,906.
- By diversifying into additional certificates of deposit, we have been able increase the County's yields by over three times as much as the LGIP returns are forecasted.
- Currently our CD's of record are averaging 1.94%, while the LGIP has decreased to .27%.
- Currently our securities are yielding with Piper Jaffray 1.68% and M&I 1.52%.
- If the County's initial portfolio as of January 2009 had been maintained, the forecasted interest for the non-departmental accounts for 2009 would have approximated \$373,000, or only 31% of the original budget of 1.2 million.

INVESTMENT BENCHMARKS

Overall Non-Departmental Benchmark

The county has selected the Local Government Investment Pool rate as the benchmark for achievement for the non-departmental account. The following rates and amounts are based on the average for the first nine months. This amount does not include unrealized gains or losses.

	Benchmark (LGIP)	Actual
Average rate	0.57%	0.73%
Average account balance	\$72,113,000	\$72,113,000
9 month income to date	\$411,000	\$525,000

The results show that the county is currently exceeding expectations in comparison to the benchmark. The county has begun to change its investment strategy and expects interest rates to continue to drop for the remainder of the year. The change in strategy should continue to increase the gap between the benchmark and actual investment returns.

M&I Benchmark

To review the performance of the M&I Short-term Portfolio, the Merrill Lynch Government 1-3 year index has been chosen. The investments within the index included US Treasury and Agency securities, which the M&I Short-term Portfolio holdings allow by the County's investment policy. The following shows the comparison of the M&I Short-term Portfolio to the benchmark selected, net of investments. The M&I Portfolio was started at the end of July, thus only has two months of the quarter for reporting results. The portfolio did not meet the benchmark for the entire quarter, but does meet the benchmark when comparing 2/3 of the benchmark to 2 months of actual reported results.

	Benchmark	Actual
Time Period	Merrill Lynch 1-3YR Government	M&I Short-term Portfolio
2009		
2 Months of Quarter	0.55%	0.75%

Note: Yields shown include unrealized gains or losses on securities which are usually not sold prior to maturity or estimated life of the security. See the U.S Government Agency/Treasury Securities Overview section on page 14 for actual return on investment.

WALWORTH COUNTY, WISCONSIN**Quarterly Investment Report****TOTAL PORTFOLIO OVERVIEW****TOTAL COUNTY-WIDE BUDGET PERFORMANCE SUMMARY**

Funds/departments, excluding non-departmental and clerk of courts, receive interest income based on the LGIP interest rate. Non-departmental, clerk of courts, and risk management accounts held by fiscal agents receive actual interest income recorded based on investments held.

THIRD QUARTER 2009

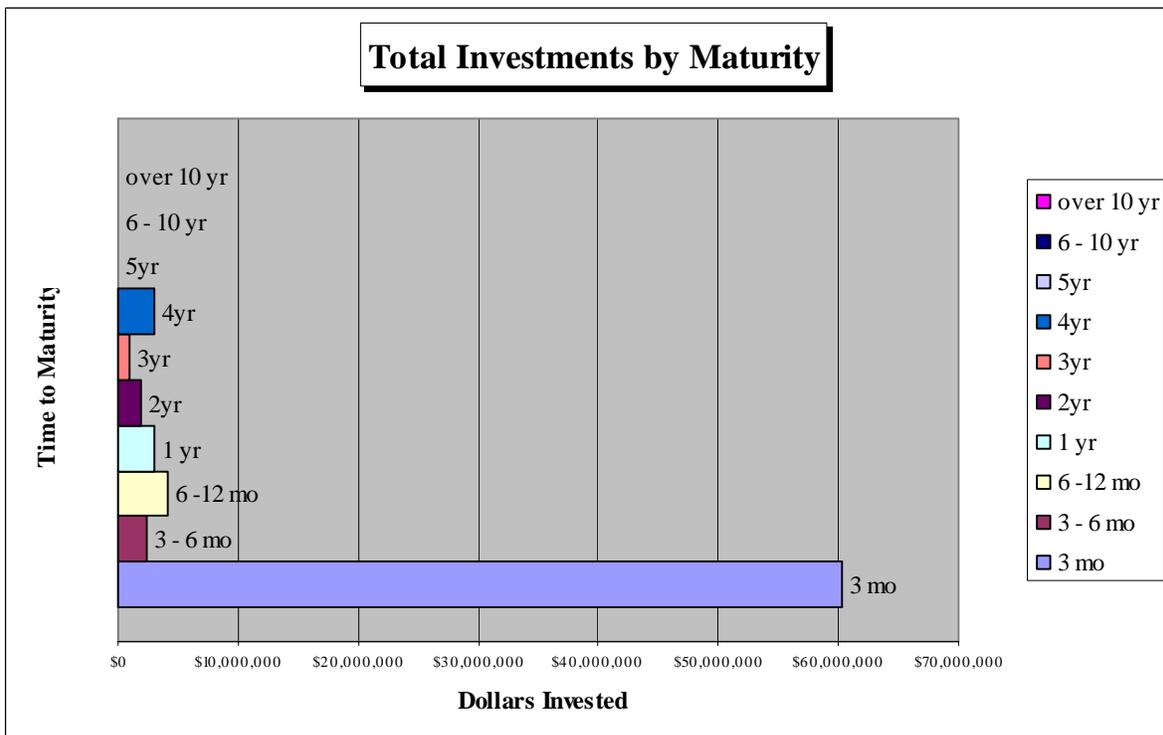
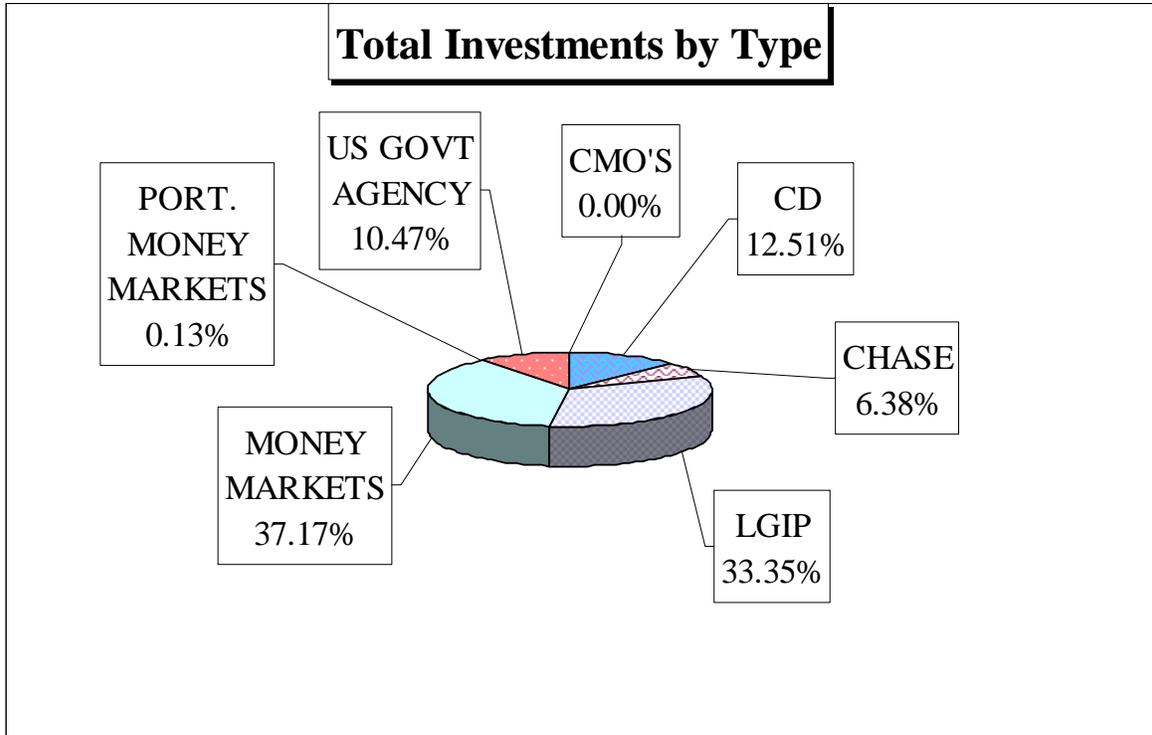
FUND/DEPT	INTEREST EARNED TO DATE	FORECAST INTEREST	REVISED BUDGETED INTEREST	FORECAST TO BUDGET VARIANCE
Non-Departmental*	\$496,900	\$609,600	\$600,000	\$9,600
Health Insurance	32,500	38,200	43,500	(5,300)
Dental Insurance	1,600	1,900	1,900	0
Workers Compensation	9,200	10,600	11,100	(500)
Risk Management	24,700	30,200	29,100	1,100
Clerk of Courts	2,500	3,400	2,800	600
Land Information	2,300	2,700	2,600	100
Lakeland Hlth Care Ctr	360	500	500	0
Public Works	8,600	9,600	8,000	1,600
Sheriff	60	60	210	(150)
All Others**	34,300	39,100	-	39,100
TOTAL PORTFOLIO	613,020	745,860	699,710	46,150

* The Non-departmental category included unrealized gain or loss due to mark to market adjustments.

** The "All Others" category includes debt service and Children with Disabilities Education Board fund.

INVESTMENT TYPE	BOOK/MARKET VALUE
Certificates of Deposit	\$9,475,000
Depository Bank	\$4,832,000
LGIP	\$25,261,000
Money Markets	\$28,154,000
M&I Portfolio Money Market	\$95,000
U.S. Gov. Agency Securities	\$7,931,000
CMOs	\$3,000
Total	\$75,751,000

TOTAL PORTFOLIO OVERVIEW (Continued)

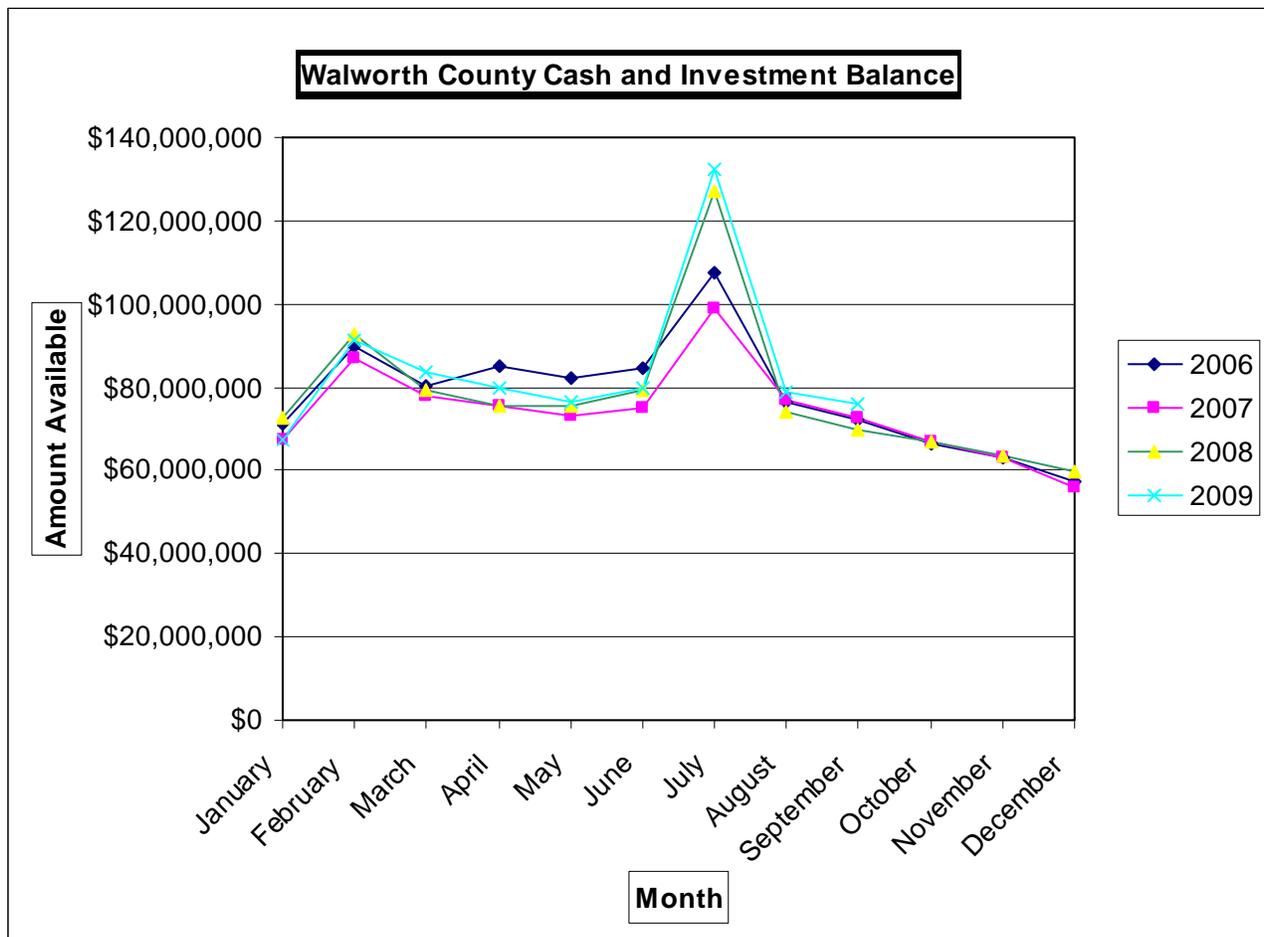


TOTAL PORTFOLIO OVERVIEW – HISTORICAL BALANCES

The following chart shows the historic cash balances with the average cumulative cash balance for the previous four years. The average cash balance in 2009 is higher due to tax collections across nine months compared to twelve months for the previous years.

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Average Cash Balance	\$77,982,000	\$74,152,000	\$77,973,000	\$84,986,000
Average Cumulative Cash Balance		\$76,067,144	\$76,702,299	\$78,359,000

* Excludes Trust Funds



LOCAL GOVERNMENT INVESTMENT POOL (LGIP*) OVERVIEW**Overview of Fund**

The Wisconsin Local Government Investment Pool (LGIP) was created in 1975 to give local governments the opportunity to combine their idle cash to make short-term investments equal to those afforded to state government or large local governments. The LGIP has been designed to consistently maintain the integrity of local funds within a diversified and safe portfolio, provide liquidity, and offer rates of return competitive with comparable investments. The funds from the LGIP are combined with the cash balances of the State of Wisconsin and its agencies, the excess cash of the retirement funds invested by the State of Wisconsin Investment Board (SWIB) and managed as one fund called the State Investment Fund (SIF).

Investment Objectives

The primary objective of the LGIP is to provide for the prudent management of public funds on behalf of the local government investor. The strategy for meeting this objective is to apply the prudent investor standard and insure that the investment of pool assets is prioritized as follows: safety of principal, liquidity, and rate of return.

Liquidity Considerations

The investment portfolio needs to remain liquid to meet the daily operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands.

Walworth County expends approximately \$10 million per month. In order to keep cash in our checking account low and still pay bills on time, the County has invested largely with the LGIP as it offers same day liquidity.

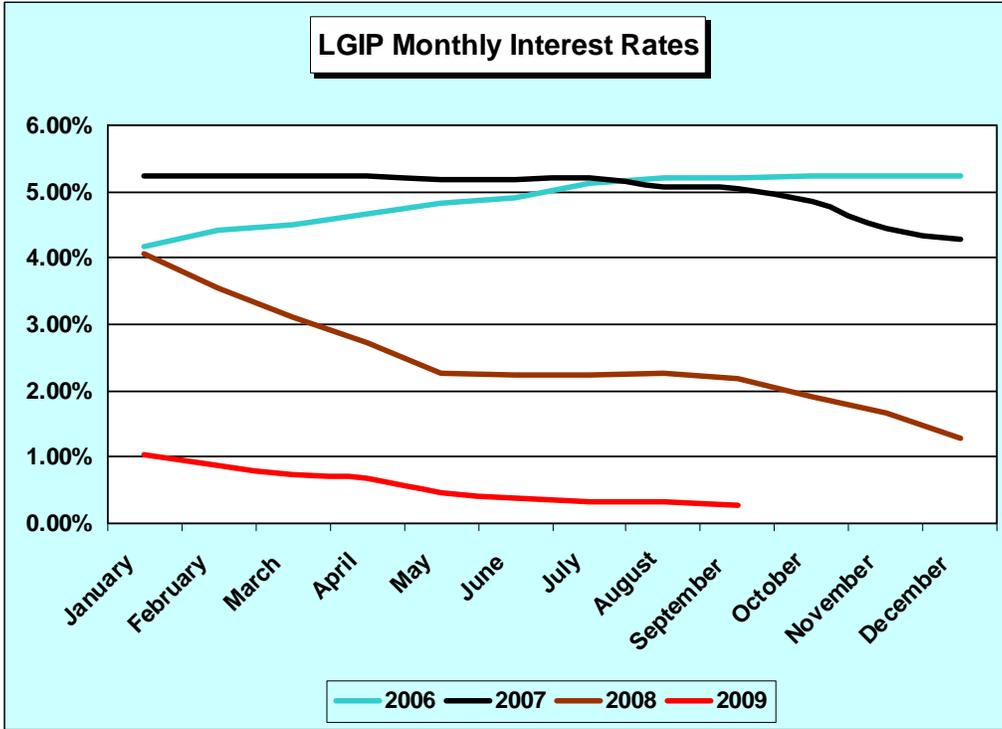
Over the past twelve months, the LGIP balance has averaged \$51 million. The spikes in February and July are the result of the temporary investment of property tax receipts. Most of these receipts are reinvested into securities within a month and no securities were required to be sold short in order to meet cash flow requirements.

Other Considerations

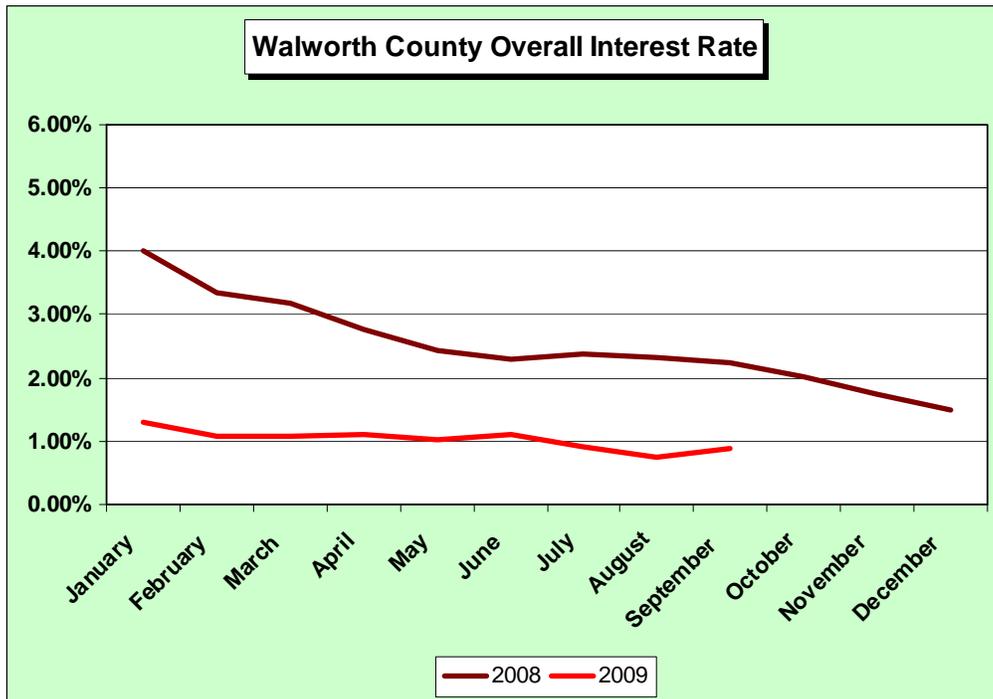
During the past year the investment yield of the LGIP has dropped significantly similarly to most major market returns. This coupled with the LGIP losing their insurance on commercial paper and certificate of deposits, resulted in the county looking at other investment vehicles, in order to diversify the portfolio.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP*) OVERVIEW (Continued)

* LGIP data provided from the Office of the State Treasurer



COUNTY'S OVERALL INTEREST RATE



WALWORTH COUNTY, WISCONSIN**Quarterly Investment Report****CERTIFICATES OF DEPOSIT OVERVIEW**

CERTIFICATES OF DEPOSIT are short or medium-term, interest-bearing, FDIC-insured debt instrument offered by banks and savings and loans. CDs offer higher rates of return than most comparable investments, in exchange for tying up invested money for the duration of the certificate's maturity. Money removed before maturity is subject to a penalty. CDs are low risk, low return investments, and are also known as "time deposits", because the account holder has agreed to keep the money in the account for a specified amount of time, anywhere from three months to six years.

Due to the decreased yield with the LGIP, the County has been going out to bid with approved banks on at least a monthly basis in an attempt to increase return during this volatile time. This has increased our return dramatically on these dollars without affecting our ability to be liquid to meet operating needs.

INSTITUTION	AMOUNT	YIELD	PURCHASE DATE	MATURITY DATE	PROJECTED 2009 INTEREST
People's Bank	\$225,000	4.06%	10/09/08	10/09/09	\$9,135
Commercial Bank	225,000	1.41%	05/08/09	11/06/09	1,569
Mid America Bank	225,000	4.06%	11/10/08	11/10/09	9,135
Citizens Bank of Mukwonago	225,000	3.50%	12/06/08	12/07/09	7,897
M & I Bank	1,000,000	1.52%	05/11/09	12/10/09	8,824
Community Bank of Delavan	225,000	3.00%	01/09/09	01/08/10	6,600
Citizens Bank of Mukwonago	225,000	3.05%	02/06/09	02/06/10	6,195
Mid America Bank	500,000	1.05%	8/13/2009	2/11/2010	2,013
Community Bank of Delavan	500,000	1.05%	9/10/2009	3/11/2010	1,619
Associated Bank	225,000	1.70%	03/27/09	03/27/10	2,911
M & I Bank	500,000	1.79%	03/27/09	03/29/10	6,812
M & I Bank	225,000	1.79%	03/27/09	03/29/10	3,065
M & I Bank	500,000	1.73%	04/13/09	04/13/10	6,199
Mid America Bank	500,000	1.91%	04/13/09	04/13/10	6,844
M & I Bank	1,000,000	1.76%	05/11/09	05/11/10	11,244
First Banking Center	225,000	2.00%	6/8/2009	6/8/2010	2,538
Citizens Bank , Whitewater	225,000	2.00%	6/8/2009	6/8/2010	2,538
Walworth State Bank	225,000	1.11%	8/10/2009	8/9/2010	978
Mid America Bank	500,000	1.35%	8/13/2009	8/12/2010	2,588
Community Bank of Delavan	500,000	1.89%	8/13/2009	8/12/2010	3,623
Community Bank of Delavan	500,000	1.75%	9/10/2009	9/10/2010	2,698
M & I Bank	1,000,000	2.66%	6/8/2009	6/8/2012	14,999
TOTAL CERTIFICATES OF DEPOSIT	\$9,475,000				\$120,024
Weighted Average CD Rate		1.94%			

U.S. GOVERNMENT AGENCY/TREASURY SECURITIES OVERVIEW

U.S. Treasury Securities - such as bills, notes and bonds are debt obligations of the U.S. government. When you buy a treasury security, you are lending money to the federal government for a specific period of time. Because these debt obligations are backed by the “full faith and credit” of the government, they are considered the safest of all investments. The primary advantage of the Treasury securities is safety, however, in addition Treasuries generally do not have a “call” provision.

U.S Government Agency Securities are debt obligations issued by federal agencies or federally sponsored agencies. Federal agencies are direct arms of the U.S. government; federally sponsored agencies are privately owned and publicly chartered organizations which were created by acts of Congress to support a specific public purpose.

Currently the County has agency securities with M&I Trust and Piper Jaffray, and bonds and collateral backed mortgage obligations with Edward Jones. The Edward Jones investments are immaterial in regards to the total portfolio, however, do not mature for four to fourteen years.

U.S. GOVERNMENT AGENCY/TREASURY SECURITIES SUMMARY

Institution	Cost	Market Value	Unrealized Gain/(Loss)	Quarterly Yield	Rolling 1 Year Yield
M&I Portfolio	\$4,887,511	\$4,913,265	\$25,754	0.38%	* 0.38%
Piper Jaffray	\$3,013,872	\$3,017,640	\$3,768	0.74%	3.64%
Edward Jones	\$2,663	\$2,785	\$121	2.39%	8.86%
Total Securities	\$7,904,046	\$7,933,690	\$29,643		

* M&I Portfolio has only been active for 2 months thus rolling 1 year is the same as the quarterly yield.

Please see Appendix B, C, and D for detail behind the securities.

General Investment Portfolio Information

Further research and potential ordinance changes may be required to allow for additional investment types as well as safeguards on funds managed by non-county investment managers. Additional investment managers will also be researched to allow for diversification of fund management.

Finance has created additional investment summaries for comparison and review of the current investment tools. These can be found as appendixes to this report.

M& I Trust Short Term Investment Portfolio

This portfolio was established on July 29, 2009, within the current ordinance guidelines with the purchase of agency and treasury securities at an average of 1 to 3 years maturity. M&I Trust, separate from M&I Bank, does not charge commission fees per trade transaction. The cost is 20 basis points annually with a minimum balance of \$5 million. This account is yielding about 1.52% in the current market conditions. The funds can be sold upon a day’s notice, however the more advance notice that can be given, the less chance of market volatility during the sale of the funds.

MONEY MARKET OVERVIEW

Money markets allow for liquid investments similar to the local government investment pool that may be drawn upon with less than one week advance notice. Open money markets are restricted to investments within the Wisconsin Statutes Section 66.063(1m) and limited to an average maturity of one hundred twenty days or less. The county also allows for collateralized public investment money markets with allowable investment types.

The county has begun to invest in money markets. The following is a summary of the current investment portfolios and money market accounts.

Financial Institution/Manager	Type of Account	Amount
Mid-America	Collateralized Money Market	\$13,060,523
M&I Bank	Collateralized Money Market	\$15,093,169
M&I Portfolio Money Market	Government Money Market	\$95,576
Total Money Market		\$28,249,268

Mid-America Money Market

Rates are established by Mid-America Bank at the end of each month based on the LGIP rate. Mid-America has guaranteed to be at least .5% higher than the LGIP rate. These funds are collateralized and available with one week notice.

M&I Bank Business Money Market

Rates are established by M&I Bank and may be changed several times a month based on the market. Current rate is at 1% for holdings of at least \$5 million. Investment is collateralized at a cost of 10 basis points leaving a net of 0.9% for the current return. This account can be withdrawn with one day's notice.

WALWORTH COUNTY INVESTMENT REPORT
VALUATION AT COST
As of 9/30/2009

Definitions of each section below:

Investment Yield is the investment revenue divided by the average daily balance to show the quarterly yield and a one year rolling yield.

Investment Revenue shows the interest earned by each investment tool on a quarterly and one year rolling period. The revenue is not specific to any department or fund.

Average Daily Balance shows the average daily cash balance invested for each investment tool on a quarterly and one year rolling period.

Investment Yield (Net of Management and Banking Service Fees)										
Time Period	State Investment Pool	M&I Money Market ¹	Mid Amer Money Market ²	CD	Edward Jones	Piper Jaffrey ³	M&I Portfolio ⁴	JP Morgan Chase Banking	Total Investments	
2008										
4th Quarter	0.41%	-	-	0.96%	2.13%	0.92%	-	0.06%	0.44%	
2009										
1st Quarter	0.21%	-	-	0.54%	2.19%	0.93%	-	0.01%	0.28%	
2nd Quarter	0.13%	⁵ 0.05%	⁵ 0.15%	0.47%	2.23%	1.04%	-	0.04%	0.24%	
3rd Quarter	0.08%	0.23%	0.22%	0.49%	2.39%	0.74%	⁵ 0.38%	0.04%	0.21%	
One Year Ending										
2008										
4th Quarter	2.46%	-	-	4.37%	8.41%	3.71%	-	1.38%	2.53%	
2009										
1st Quarter	1.84%	-	-	3.06%	8.50%	3.74%	-	0.76%	1.96%	
2nd Quarter	1.46%	⁵ 0.05%	⁵ 0.15%	2.37%	8.64%	3.87%	-	0.49%	1.40%	
3rd Quarter	0.89%	⁵ 0.28%	⁵ 0.25%	2.05%	8.86%	3.64%	⁵ 0.38%	0.11%	0.94%	
Investment Revenue (Net of Management and Banking Service Fees)										
Time Period	State Investment Pool	M&I Money Market ¹	Mid Amer Money Market ²	CD	Edward Jones	Piper Jaffrey ³	M&I Portfolio ⁴	JP Morgan Chase Banking	Total Investments	
2008										
4th Quarter	233,616	-	-	25,988	105.53	27,812	-	1,352	288,875	
2009										
1st Quarter	125,553	-	-	54,986	97.71	27,812	-	177	208,627	
2nd Quarter	57,046	2,739.73	12,183	115,011	81.62	17,396	-	936	205,393	
3rd Quarter	37,171	25,287.62	26,109	79,636	68.61	12,314	19,021	1,614	201,222	
One Year Ending										
2008										
4th Quarter	1,670,178	-	-	118,106	486.02	129,625	-	46,121	1,964,516	
2009										
1st Quarter	1,220,361	-	-	139,366	444.12	121,750	-	20,400	1,502,321	
2nd Quarter	874,415	2,739.73	12,183	223,816	399.90	103,458	-	13,119	1,230,130	
3rd Quarter	453,386	28,027.35	26,109	275,622	353.47	85,335	19,021	3,007	890,861	
Average Daily Balance										
Time Period	State Investment Pool	M&I Money Market ¹	Mid Amer Money Market ²	CD	Edward Jones	Piper Jaffrey ³	M&I Portfolio ⁴	JP Morgan Chase Banking	Total Investments	
2008										
4th Quarter	57,069,150	-	-	2,702,446	4,964.66	3,028,051	-	2,301,399	65,106,010	
2009										
1st Quarter	58,624,010	-	-	10,231,111	4,463.81	2,999,081	-	2,159,475	74,018,140	
2nd Quarter	42,832,983	5,000,137	7,918,630	24,510,989	3,664.22	1,669,012	-	2,469,317	84,404,732	
3rd Quarter	45,888,680	11,135,528	11,860,476	16,324,457	2,871.12	1,671,774	4,976,812	4,210,422	96,071,021	
One Year Ending										
2008										
4th Quarter	67,954,276	-	-	2,705,533	5,778.34	3,496,702	-	3,340,286	77,502,575	
2009										
1st Quarter	66,154,908	-	-	4,561,301	5,222.34	3,253,078	-	2,700,358	76,674,868	
2nd Quarter	60,071,459	5,000,137	7,918,630	9,443,038	4,629.43	2,675,086	-	2,675,030	87,788,010	
3rd Quarter	51,085,158	10,039,923	10,508,986	13,429,521	3,990.95	2,341,979	4,976,812	2,789,447	95,175,817	

¹ M&I Money Market fund was funded on June 11, 2009 with rate currently of 90 basis points.

² Mid America Money Market was funded May 14, 2009 with rate of 50 basis points (bps) above LGIP.

³ Broker of Securities based on County's purchases.

⁴ M&I Portfolio was funded in on July 29, 2009.

⁵ Due to the start of using these tools the rates are based the start date, thus do not include a full quarter or one year.

Portfolio Holdings as of 9/30/2009

M&I PORTFOLIO

Description	Maturity	Quantity	Cost	Market	Unrealized Gain/(Loss)
Cash & Cash Equivalents					
Marshall Government Money Market Fund		95,576	\$ 95,576	\$ 95,576	\$ -
Subtotal Cash & Cash Equivalents		95,576	\$ 95,576	\$ 95,576	\$ -
Government Agency Coupon Securities					
FHLB 3.625%	12/17/2010	300,000	\$ 310,208	\$ 310,782	\$ 574
FHLB 1.625	1/21/2011	300,000	\$ 303,063	\$ 304,032	\$ 969
FHLB 1.375%	5/16/2011	300,000	\$ 301,023	\$ 302,954	\$ 1,930
FHLB 1.625%	7/27/2011	300,000	\$ 301,807	\$ 303,609	\$ 1,802
FFCB, 3.875	8/25/2011	300,000	\$ 314,097	\$ 315,423	\$ 1,326
FHLB 3.625%	9/16/2011	300,000	\$ 313,242	\$ 315,984	\$ 2,742
FFCB, 3.500	10/3/2011	300,000	\$ 312,409	\$ 313,923	\$ 1,514
FHLB 2.250%	4/13/2012	300,000	\$ 304,046	\$ 306,752	\$ 2,706
FHLB 1.875%	6/20/2012	300,000	\$ 300,209	\$ 303,095	\$ 2,886
Subtotal Government Agency Coupon Securities		2,700,000	\$ 2,760,105	\$ 2,776,553	\$ 16,448
Fixed Rate Mortgage Securities					
FHLMC, 2.875	11/23/2010	300,000	\$ 307,340	\$ 307,692	\$ 352
FHLMC, 3.250	2/25/2011	300,000	\$ 309,464	\$ 310,173	\$ 709
FNMA, 1.750	3/23/2011	300,000	\$ 302,927	\$ 304,595	\$ 1,667
FNMA, 1.380	4/28/2011	300,000	\$ 301,178	\$ 302,720	\$ 1,542
FNMA, 2.000	1/9/2012	300,000	\$ 303,388	\$ 305,345	\$ 1,957
FHLMC, 2.125	3/23/2012	300,000	\$ 303,260	\$ 305,720	\$ 2,459
FNMA, 2.000, Callable 9/28/2010	9/28/2012	300,000	\$ 299,848	\$ 300,470	\$ 621
Subtotal Fixed Rate Mortgage Securities		2,100,000	\$ 2,127,406	\$ 2,136,713	\$ 9,306
TOTAL M&I PORTFOLIO		4,895,576	\$ 4,983,086	\$ 5,008,841	\$ 25,754
Diversification:					
Cash & Cash Equivalents	2%	95,576	\$ 95,576	\$ 95,576	\$ -
Government Agency Coupon Securities	55%	2,700,000	\$ 2,760,105	\$ 2,776,553	\$ 16,448
Fixed Rate Mortgage Securities	43%	2,100,000	\$ 2,127,406	\$ 2,136,713	\$ 9,306
Total M&I PORTFOLIO		100%	4,895,576	\$ 4,983,086	\$ 5,008,841

Abbreviations:

FHLB = Federal Home Loan Bank

FFCB = Federal Farm Credit Bank

FHLMC = Federal Home Loan Mortgage Corporation

FNMA = Federal National Mortgage Association

Maturity Schedule as of	9/30/2009
3 mo	\$ 95,576
3 - 6 mo	\$ -
6 - 12 mo	\$ -
1 yr	\$ 3,077,963
2yr	\$ 1,835,303
3yr	\$ -
4yr	\$ -
5yr	\$ -
6 - 10 yr	\$ -
over 10 yr	\$ -
Total	\$ 5,008,841

Portfolio Holdings as of 9/30/2009

Piper Jaffray (Broker/Dealer)

Description	Maturity	Quantity	Cost	Market	Unrealized Gain/(Loss)
Cash & Cash Equivalents					
None		-	-	-	-
Subtotal Cash & Cash Equivalents		-	-	-	-
Government Agency Coupon Securities					
FHLB 2.500%, Callable 8/27/2011	8/27/2014	2,000,000	\$ 2,000,000	\$ 2,003,120	\$ 3,120
Subtotal Government Agency Coupon Securities		2,000,000	\$ 2,000,000	\$ 2,003,120	\$ 3,120
Fixed Rate Mortgage Securities					
FHLMC, 4.000, Callable 3/19/2010 @ 1% YLD	9/19/2014	1,000,000	\$ 1,013,872	\$ 1,014,520	\$ 648
Subtotal Fixed Rate Mortgage Securities		1,000,000	\$ 1,013,872	\$ 1,014,520	\$ 648
TOTAL Piper Jaffray		3,000,000	\$ 3,013,872	\$ 3,017,640	\$ 3,768
Diversification:					
Cash & Cash Equivalents	0%	-	\$ -	\$ -	\$ -
Government Agency Coupon Securities	66%	2,000,000	\$ 2,000,000	\$ 2,003,120	\$ 3,120
Fixed Rate Mortgage Securities	34%	1,000,000	\$ 1,013,872	\$ 1,014,520	\$ 648
Total Piper Jaffray		100%	\$ 3,013,872	\$ 3,017,640	\$ 3,768

Abbreviations:

FHLB = Federal Home Loan Bank

FFCB = Federal Farm Credit Bank

FHLMC = Federal Home Loan Mortgage Corporation

FNMA = Federal National Mortgage Association

Maturity Schedule as of	9/30/2009
3 mo	\$ -
3 - 6 mo	\$ -
6 - 12 mo	\$ -
1 yr	\$ -
2yr	\$ -
3yr	\$ -
4yr	\$ 3,017,640
5yr	\$ -
6 - 10 yr	\$ -
over 10 yr	\$ -
Total	\$ 3,017,640

Portfolio Holdings as of 9/30/2009

Edward Jones

DESCRIPTION	MATURITY	QUANTITY	INTEREST RATE	Cost	Market Value	Unrealized Gain/Loss
GNMA #106329	11/15/2013	100,000	12.50%	\$ 127	\$ 128	\$ 2
GNMA #259921	7/15/2014	25,000	12.00%	\$ 109	\$ 110	\$ 2
GNMA #221664	7/15/2017	25,000	9.00%	\$ 78	\$ 82	\$ 3
GNMA #221043	8/15/2017	25,000	8.50%	\$ 854	\$ 897	\$ 43
GNMA II #001074	10/20/2018	40,000	10.00%	\$ 144	\$ 149	\$ 6
GNMA #228571	12/15/2019	25,000	9.00%	\$ 119	\$ 125	\$ 5
GNMA #285137	1/15/2020	25,000	9.00%	\$ 1,192	\$ 1,246	\$ 54
Federal National Mortgage	2/25/2022	9,000	7.00%	\$ 34	\$ 34	\$ 0
Federal National Mortgage	12/25/2023	37,000	6.55%	\$ 6	\$ 13	\$ 7
Total Edward Jones		356,000		\$ 2,663	\$ 2,785	\$ 121