
WALWORTH COUNTY, WISCONSIN

QUARTERLY INVESTMENT REPORT

December 31, 2009



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

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EXECUTIVE SUMMARY

The County's total investment portfolio shall be defined as all county cash and investments not reserved in a separately maintained account for a specific purpose. Funds are valued in this report at bank statement value as of the date specified. Accounts not included in the total investment portfolio are restricted by a third party.

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. Cash flow projections match revenues with expenditures to ensure prudent investment principles to 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 currently in compliance with Wisconsin statutes, the Walworth County Code of Ordinances and the County's Administrative Procedures Manual with the exception below.
 - The County's policy regarding collateral of at least 102% of investments held was temporarily not met at Mid America Bank for the County's collateralized money market at December 31, 2009. Steps have been taken with Mid America to ensure they better monitor levels of collateral so securities maturing are immediately replaced rather than waiting a day. County staff now receives collateral statements daily to ensure this occurs. This breach of policy will need to be reported in the County's financial statements. Further violations by Mid America will result in removal of funds from this account.
- Walworth County's investment portfolio has been maintained to provide safety of investments and cash flow needs. Investments are diversified into different investment vehicles to provide safety. In addition, 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.
- The Local Government Investment Pool (LGIP) yields have fallen drastically. In January, 2009, the LGIP rate was 1.03%. Rates have fallen to .21% in December, 2009. LGIP is no longer insured against credit loss, and the county has diversified into other safe and liquid vehicles with higher yields.
- 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 while providing the county with a liquid investment.
- The result of the weakening economy has greatly affected the County's budgeted interest income; based on revised forecast budget interest was reduced by \$600,000 or half the original projected interest in the non-departmental budget. Other county-wide interest accounts were also amended for declining rates.
- CD investments now include the CDARS program.
- We continue to diversify by purchasing US Government Agency securities. At the November finance committee meeting, a list of prequalified broker/dealers was approved.
- An investment portfolio with M&I Trust includes \$5 million yielding 1.84% annually since inception.

FUTURE CONSIDERATIONS

Staff are currently establishing internal procedures for a bid process related to security purchases, as well as reviewing other options that may be available through broker/dealer services including Build America bonds issued by governments in the top two rating categories and the Temporarily Liquidity Debt Program which is FDIC guaranteed.

Staff are continually developing and refining administrative procedures and policies. The following administrative policy guidelines are currently under consideration to assist with diversification and levels of risk. This will replace the Requirements and Compliance section of this report found on page 6 in the next quarterly report.

ITEM	DESCRIPTION OF REQUIREMENT	ACTUAL PORTFOLIO
Credit Risk:		
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.	Temporarily not met at December 31, 2009 at Mid America Bank. Steps have been taken to remedy this issue.
Security Diversification	No single agency shall hold more than 75% of the total agency securities held.	Current investment holdings comply
Financial Institutions Limits	Investments held at any one institutions shall be limited to 50% of the core portfolio, currently at \$21,942,600.	All institutions comply
Liquidity Risk	Liquid cash shall be maintained at \$10 million and available with 1 day notice.	\$39.9 million or 68%
Reinvestment Risk	Callable securities shall not exceed 50% of agency securities held.	34%
Market Risk:		
Maturity Restrictions	Investments greater than 3 months and less than 1 year shall not exceed 95% of portfolio.	\$5.4 million or 9%
	Investments greater than 1 year and less than 5 years shall not exceed 50% of portfolio.	\$10.8 million or 18.5%

INVESTMENT CATEGORY	MAXIMUM MATURITY	AUTHORIZED LIMIT	ACTUAL PORTFOLIO
Money Markets (w/LGIP)	N/A	95%	60.7%
LGIP	N/A	\$5 million min/75% max	10.5%
US Treasuries	5 years	75%	0%
Agency Securities	5 years	50%	14.3%
Certificates of Deposit	3 years	50%	17.5%
Operating Cash	N/A	N/A	7.5%
Other	5 years	25%	0%

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.	\$39.9 million or 68%
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/ Money Market compliance issue – see page 3 for description

PORTFOLIO INVESTMENT RESTRICTIONS

INVESTMENT CATEGORY	MAXIMUM MATURITY	QUALITY LIMITS S&P/MOODY'S	AUTHORIZED LIMIT	ACTUAL PORTFOLIO
LGIP	10 Years		No Limit	10.49%
Certificates of Deposit	3 Years		< 1 year Maximum 95%	13.72%
Certificates of Deposit	3 Years		1-3 years Maximum 50%	3.80%
Money Market Funds	N/A	AAA	No Limit	50.15%
U.S. Treasury/ Government Agency	5 Years		No Limit	14.33%
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	7.51%
			Total	100.00%

INVESTMENT SUMMARY

INVESTMENT TYPE	BOOK/MARKET VALUE
Certificates of Deposit	\$10,250,000
Depository Bank	\$4,394,000
LGIP	\$6,139,000
Money Markets	\$29,232,000
M&I Portfolio Money Market	\$119,000
U.S. Gov. Agency Securities	\$8,381,000
CMOs	\$3,000
Total	\$58,518,000

BUDGET PERFORMANCE

The first table below shows the interest earned through the fourth quarter and the forecasted interest for 2009. The second table below shows interest earned by account including revised budgeted interest. The interest shown is on the county's total cash and investment portfolio. All accounts other than the non-departmental account receive interest based on the LGIP rate only.

2009 INTEREST EARNED AND FORECASTED

INVESTMENT TYPE	INTEREST EARNED	FORECASTED INTEREST
LGIP	\$ 220,296	\$ 210,000
Certificates of Deposit	294,618	288,500
U.S. Treasury/Govt. Agency	89,161	78,600
Depository Bank	3,618	3,500
Money Markets	126,491	129,000
Unrealized Gain/(Loss)	(5,757)	-
TOTAL PORTFOLIO	\$ 728,427	\$ 709,600

ACCOUNT NAME	INTEREST EARNED	REVISED BUDGET
Non-departmental	\$ 621,662	\$ 602,000
Children with Disabilities Ed Bd	34,730	13,304
School Donations Reserve	488	-
DPW Equipment Reserve	4,358	4,000
DPW Buildings Reserve	4,953	4,749
Health Insurance	37,888	37,500
Dental Insurance	1,795	1,900
Workers Compensation	10,448	11,100
Risk Management	17,862	17,800
SUBTOTAL PORTFOLIO	734,184	692,353
Unrealized Gain/(Loss)	(5,757)	-
TOTAL PORTFOLIO	\$ 728,427	\$ 692,353
Budget to Forecast Variance		\$ 17,247

- The original non-departmental budget was revised from \$1,200,000.
- By diversifying into other investment vehicles, we have been able increase the County's yields by twice as much as the LGIP benchmark and prior year strategy. If the County's initial portfolio as of January 2009 had been maintained, the forecasted interest for 2009 would have approximated \$367,440, or only 30% of the original budget of \$1.2 million.
- Currently our CD's in the 4th quarter are averaging 1.80%, while the LGIP has decreased to .21%.
- Security annualized yields at cost are 2.02% at Piper Jaffrey and 2.16% at M&I Trust.

INVESTMENT BENCHMARKS

Overall Investment Portfolio Benchmark

The county has selected the Local Government Investment Pool rate as the benchmark for achievement for the investment portfolio. The following rates and amounts are based on the daily average one year rolling portfolio balance and rate. This amount does not include unrealized gains or losses or premium adjustments.

	Benchmark (LGIP)	Actual
Average rate	0.48%	0.96%
Average daily account balance	\$76,550,000	\$76,550,000
12 month income to date	\$367,440	\$734,184

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 remain low into the next year. The change in strategy should continue to increase the gap between the benchmark and actual investment returns.

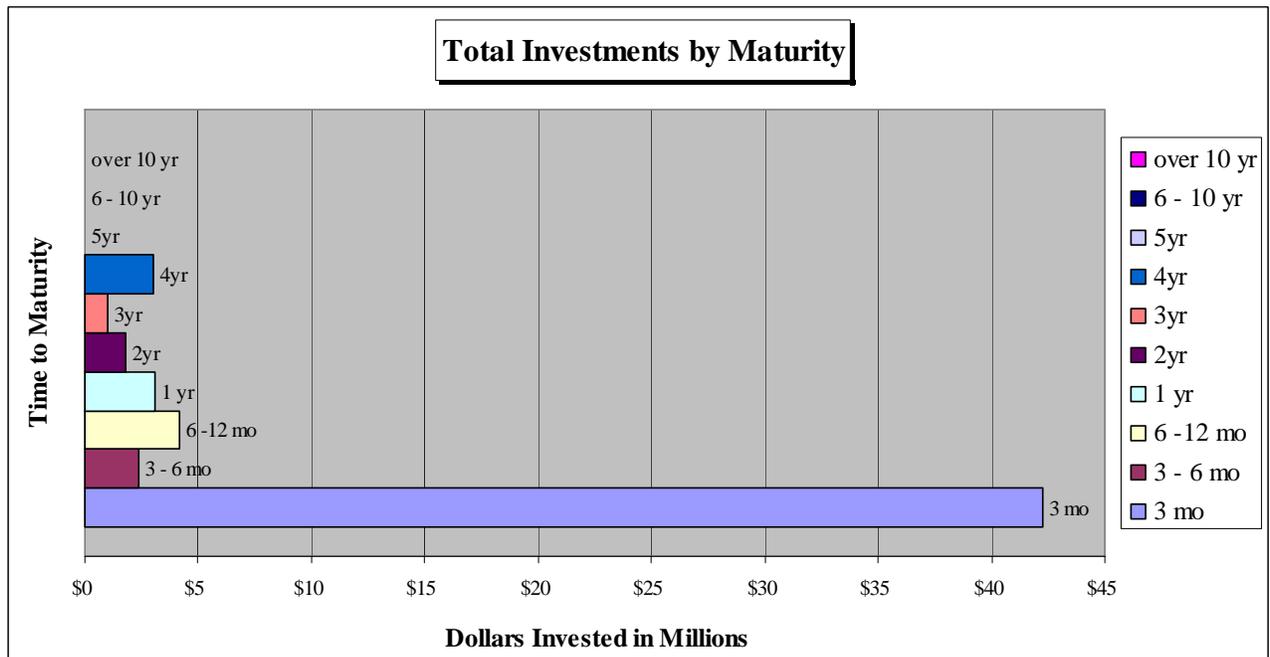
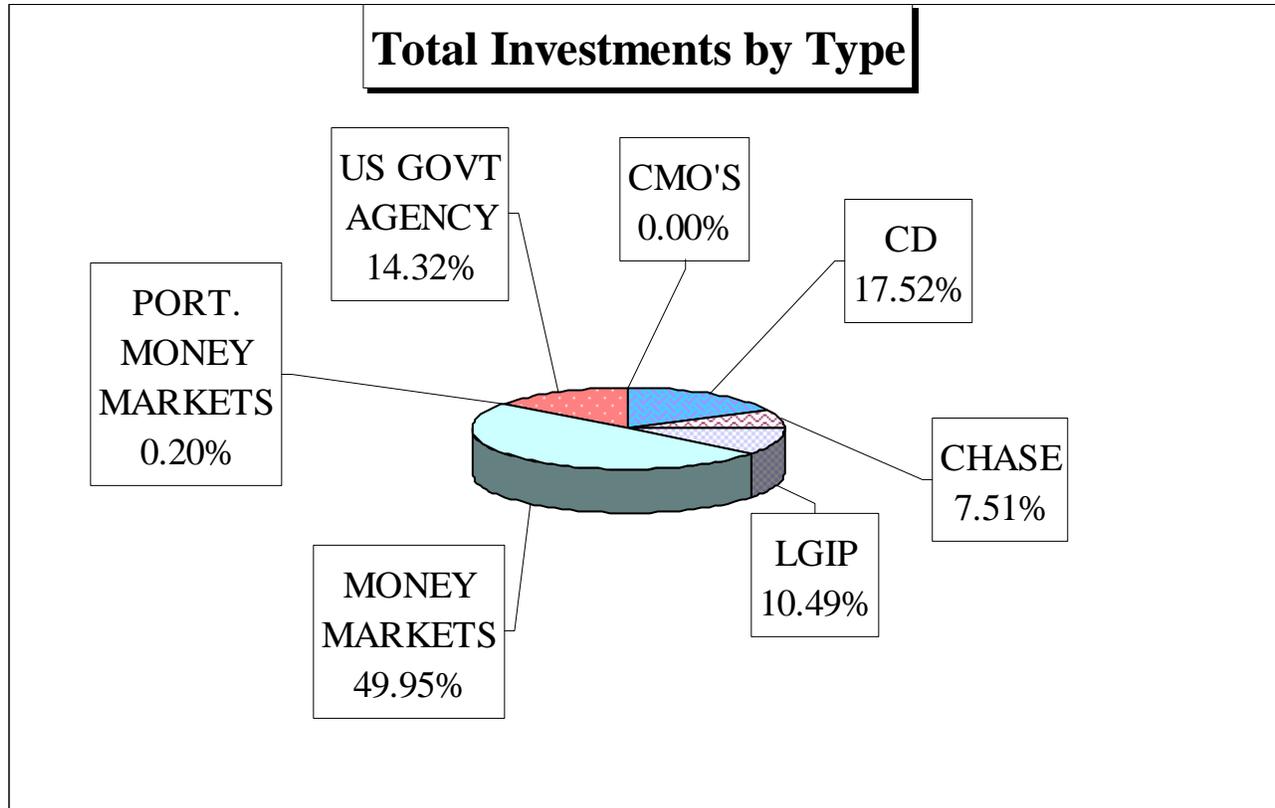
M&I Benchmark

To review the performance of the M&I Short-term Portfolio, the Barclay 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 exceeded the benchmark for the quarter.

	Benchmark	Actual
Time Period	Barclay 1-3YR Government	M&I Short-term Portfolio
2009 4th Quarter	0.09%	0.20%

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.

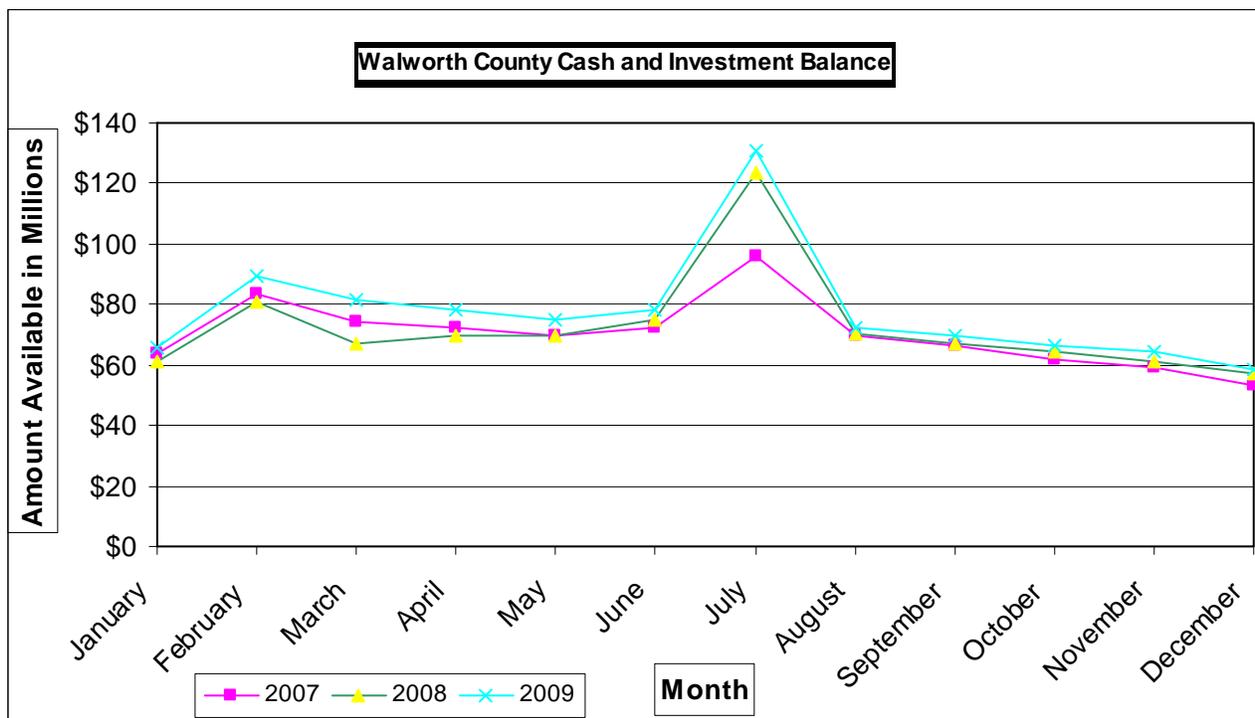
TOTAL PORTFOLIO OVERVIEW



TOTAL PORTFOLIO OVERVIEW – HISTORICAL BALANCES

The following chart shows the historic cash balances with the average cumulative cash balance for the previous three years based on monthly balances.

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Average Cash Balance	\$70,201,000	\$72,171,000	\$77,439,000
Average Cumulative Cash Balance			\$73,270,000
* Excludes Restricted Accounts			



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.

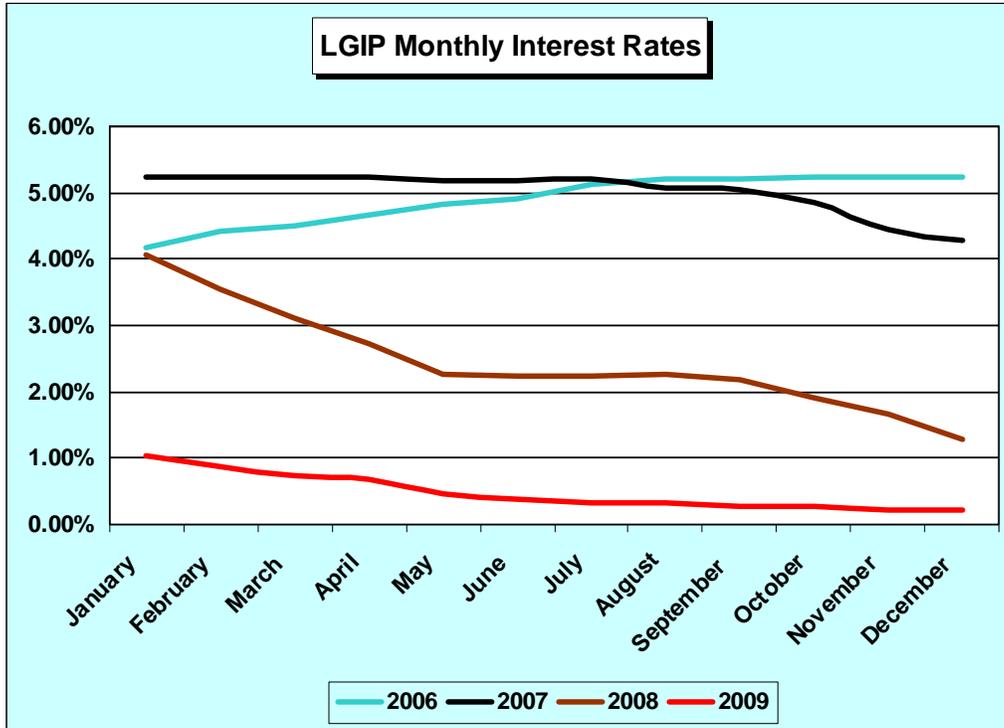
Over the past twelve months, the LGIP balance has averaged \$39 million. The spikes in February and July are the result of the temporary investment of property tax receipts. Most of these receipts are reinvested into securities within a month and no securities were required to be sold short in order to meet cash flow requirements.

Other Considerations

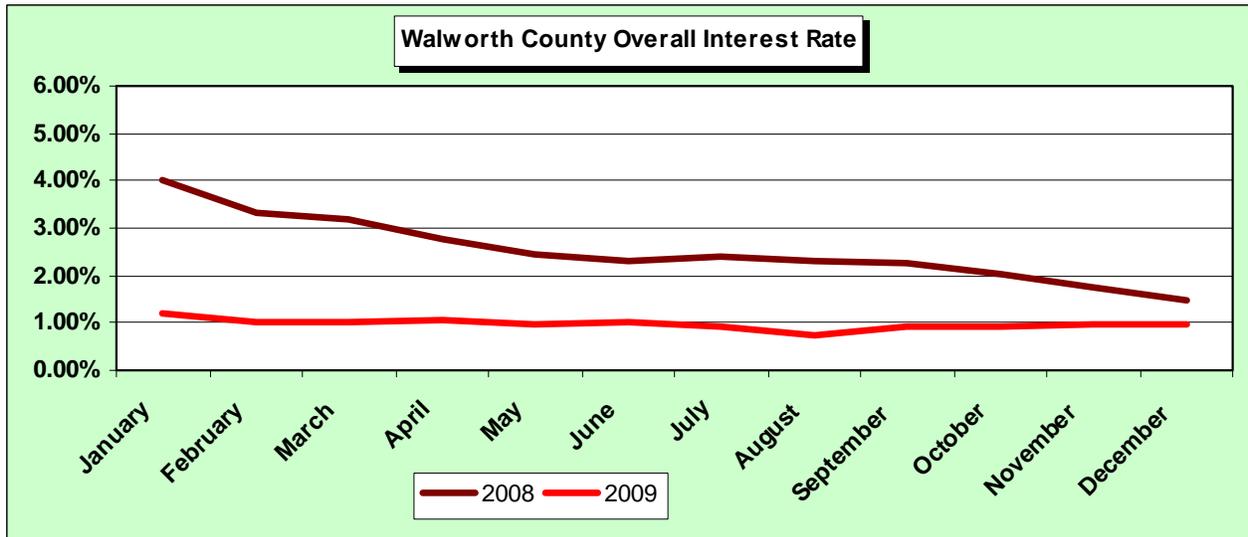
During the past year the investment yield of the LGIP has dropped significantly, similar to most major market returns. This coupled with the LGIP losing their insurance on commercial paper and certificate of deposits, resulted in the county looking at other investment vehicles, in order to diversify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

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

• LGIP data provided from the Office of the State Treasurer



COUNTY'S OVERALL INTEREST RATE



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 three 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
Community Bank of Delavan	\$ 225,000	3.00%	1/9/2009	1/8/2010
Citizens Bank of Mukwonago	225,000	3.05%	2/06/2009	2/6/2010
Mid America Bank	500,000	1.05%	8/13/2009	2/11/2010
Community Bank of Delavan Associated Bank	500,000	1.05%	9/10/2009	3/11/2010
M & I Bank	225,000	1.70%	3/27/2009	3/27/2010
M & I Bank	500,000	1.79%	3/27/2009	3/29/2010
M & I Bank	225,000	1.79%	3/27/2009	3/29/2010
M & I Bank	500,000	1.73%	4/13/2009	4/13/2010
Mid America Bank	500,000	1.91%	4/13/2009	4/13/2010
M & I Bank	1,000,000	1.76%	5/11/2009	5/11/2010
First Banking Center	225,000	2.00%	6/8/2009	6/8/2010
Citizens Bank , Whitewater	225,000	2.00%	6/8/2009	6/8/2010
Walworth State Bank	225,000	1.11%	8/10/2009	8/9/2010
Mid America Bank	500,000	1.35%	8/13/2009	8/12/2010
Community Bank of Delavan	500,000	1.89%	8/13/2009	8/12/2010
Community Bank of Delavan	500,000	1.75%	9/10/2009	9/10/2010
Community Bank of Delavan	500,000	1.30%	10/15/2009	10/14/2010
Commercial Bank	225,000	1.32%	11/6/2009	11/6/2010
Mid America Bank	1,000,000	1.87%	11/12/2009	11/12/2011
Citizens Bank, Whitewater	225,000	2.00%	12/7/2009	12/7/2011
M & I Bank	1,000,000	2.66%	6/8/2009	6/8/2012
Total Certificates of Deposit	\$ 10,250,000			
Rolling One Year Rate for CDs through 4 th Qtr		1.92%		
4 th Quarter Average Yield		1.80%		

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	\$4,874,238	\$4,894,068	\$19,830	0.52%	* 0.87%
Piper Jaffray	\$3,513,046	\$3,487,350	(\$25,696)	0.67%	3.34%
Edward Jones	\$2,490	\$2,605	\$115	2.33%	9.08%
Total Securities	\$8,389,774	\$8,384,023	\$5,751		

* M&I Portfolio has only been active since August thus rolling 1 year is since portfolio’s inception.

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 1.84% annually since inception, adjusted to market. 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	\$13,095,052
M&I Bank	Collateralized Money Market	\$16,136,907
M&I Portfolio Money Market	Government Money Market	\$118,764
Total Money Market		\$29,350,723

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, WISCONSIN**Quarterly Investment Report****RESTRICTED ACCOUNTS OVERVIEW**

The January Finance Committee meeting shall include a suggested investment advisor for the county's other post employment benefit (OPEB) funds. Staff will meet with the new advisor to establish and recommend an investment strategy and performance benchmarks for these funds.

RESTRICTED ACCOUNT BUDGET PERFORMANCE SUMMARY

Restricted cash and investments in funds/departments receive interest income based on the LGIP interest rate or actual interest earned based on investments held by fiscal agents.

ACCOUNT NAME	YEAREND INVESTMENT BALANCE	INTEREST EARNED TO DATE	REVISED BUDGET
Land Information Fees	\$ 539,244	\$ 2,656	\$ 2,600
WMMIC Risk Management	2,159,949	10,911	11,300
Capital Project Bond Proceeds	1,888,717	3,765	-
Clerk of Courts	569,035	3,010	2,800
Other Post Employment Benefits	8,212,850	2,548	-
Waddell Donations	84,416	405	500
Harrison Trust	39,973	192	-
Total	\$ 13,494,184	\$ 23,487	\$ 17,200

**WALWORTH COUNTY INVESTMENT REPORT
VALUATION AT COST**

As of 12/31/2009

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.

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
2009									
1st Quarter	0.21%	-	-	0.54%	2.20%	0.56%	-	0.01%	0.27%
2nd Quarter	0.13%	⁵ 0.05%	⁵ 0.15%	0.47%	2.24%	0.68%	-	0.04%	0.23%
3rd Quarter	0.08%	0.23%	0.22%	0.48%	2.37%	0.46%	⁵ 0.31%	0.04%	0.20%
4th Quarter	0.06%	0.23%	0.19%	0.44%	2.33%	0.41%	⁵ 0.54%	0.04%	0.24%
One Year Ending 2009									
1st Quarter	1.84%	-	-	3.06%	8.50%	3.40%	-	0.76%	1.94%
2nd Quarter	1.46%	⁵ 0.05%	⁵ 0.15%	2.37%	8.64%	3.67%	-	0.49%	1.39%
3rd Quarter	0.89%	⁵ 0.28%	⁵ 0.36%	2.04%	8.84%	3.59%	⁵ 0.35%	0.11%	0.94%
4th Quarter	0.57%	⁵ 0.51%	⁵ 0.55%	1.91%	9.08%	2.02%	⁵ 0.85%	0.13%	0.83%

Investment Revenue (Net of Management Fees/Gross of Market Adjustments)

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
2009									
1st Quarter	125,553	-	-	54,986	98	16,800	-	177	197,614
2nd Quarter	57,046	2,740	12,183	115,012	82	8,935	-	936	196,934
3rd Quarter	37,171	25,287	26,110	78,313	68	7,581	15,520	1,614	191,664
4th Quarter	9,285	34,787	25,384	46,307	59	13,185	26,833	891	156,731
One Year Ending 2009									
1st Quarter	1,220,361	-	-	139,366	444	110,738	-	20,400	1,491,308
2nd Quarter	874,415	2,740	12,183	223,817	400	94,997	-	13,119	1,221,671
3rd Quarter	453,386	28,027	38,293	274,299	353	80,602	17,477	3,007	895,444
4th Quarter	220,296	62,814	63,677	294,618	307	46,501	42,353	3,618	734,184

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
2009									
1st Quarter	58,624,010	-	-	10,231,111	4,464	2,999,081	-	2,159,475	74,018,141
2nd Quarter	42,832,983	5,000,137	7,918,630	24,510,989	3,664	1,313,453	-	2,469,317	84,049,173
3rd Quarter	45,888,680	11,135,528	11,860,476	16,324,457	2,871	1,652,070	4,982,653	4,210,422	96,057,158
4th Quarter	15,499,354	15,335,265	13,074,136	10,545,109	2,529	3,252,767	4,989,036	2,324,338	65,022,534
One Year Ending 2009									
1st Quarter	66,154,908	-	-	4,561,301	5,222	3,253,078	-	2,700,358	76,674,867
2nd Quarter	60,071,459	5,000,137	7,918,630	9,443,038	4,629	2,586,197	-	2,675,030	87,699,120
3rd Quarter	51,085,158	10,039,923	10,508,986	13,429,521	3,991	2,248,164	4,982,653	2,789,447	95,087,842
4th Quarter	38,833,045	12,428,018	11,526,201	15,406,301	3,382	2,304,343	4,985,845	2,795,229	88,282,364

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 12/31/2009

M&I PORTFOLIO

Description	Maturity	Quantity	Cost	Market	Unrealized Gain/(Loss)
Cash & Cash Equivalents					
Marshall Government Money Market Fund		118,764	\$ 118,764	\$ 118,764	\$ -
Subtotal Cash & Cash Equivalents		118,764	\$ 118,764	\$ 118,764	\$ -

Government Agency Coupon Securities

FHLMC, 2.875%	11/23/2010	300,000	\$ 305,733	\$ 306,405	\$ 672
FHLB 3.625%	12/17/2010	300,000	308,096	308,719	623
FHLB 1.625%	1/21/2011	300,000	302,475	303,375	900
FHLMC, 3.250%	2/25/2011	300,000	307,771	308,345	574
FNMA, 1.750%	3/23/2011	300,000	302,431	303,750	1,319
FNMA, 1.380%	4/28/2011	300,000	300,991	302,345	1,354
FHLB 1.375%	5/16/2011	300,000	300,866	302,250	1,384
FHLB 1.625%	7/27/2011	300,000	301,559	303,000	1,441
FFCB, 3.875%	8/25/2011	300,000	312,239	313,734	1,495
FHLB 3.625%	9/16/2011	300,000	311,549	313,173	1,624
FFCB, 3.500%	10/3/2011	300,000	310,860	312,188	1,328
FNMA, 2.000%	1/9/2012	300,000	303,015	304,548	1,533
FHLMC, 2.125%	3/23/2012	300,000	302,931	304,780	1,849
FHLB 2.250%	4/13/2012	300,000	303,646	305,579	1,933
FHLB 1.875%	6/20/2012	300,000	300,190	302,251	2,061
FNMA, 2.000%, Callable 9/28/2010	9/28/2012	300,000	299,886	299,626	(260)
Subtotal Government Agency Coupon Securities		4,800,000	\$ 4,874,238	\$ 4,894,068	\$ 19,830

TOTAL M&I PORTFOLIO		4,918,764	\$ 4,993,002	\$ 5,012,832	\$ 19,830
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Diversification:

Cash & Cash Equivalents	2%	118,764	\$ 118,764	\$ 118,764	\$ -
Government Agency Coupon Securities	98%	4,800,000	4,874,238	4,894,068	19,830
Total M&I PORTFOLIO		100%	4,918,764	\$ 4,993,002	\$ 5,012,832

Breakout by Agency Type:

FHLB = Federal Home Loan Bank	\$ 2,138,347
FFCB = Federal Farm Credit Bank	625,922
FHLMC = Federal Home Loan Mortgage Corp	919,530
FNMA = Federal National Mortgage Association	1,210,269
	<u>\$ 4,894,068</u>

Maturity Schedule as of 12/31/2009

3 mo	\$ 118,764
3 - 6 mo	\$ -
6 - 12 mo	\$ -
1 yr	\$ 3,377,284
2yr	\$ 1,516,784
3yr	\$ -
4yr	\$ -
5yr	\$ -
6 - 10 yr	\$ -
over 10 yr	\$ -
Total	\$ 5,012,832

Portfolio Holdings as of 12/31/2009

Piper Jaffray (Broker/Dealer)

Description	Maturity	Quantity	Cost	Market	Unrealized Gain/(Loss)
Cash & Cash Equivalents					
First American Funds -Gov't Money Market	N/A	-	\$ 1	\$ 1	\$ -
Subtotal Cash & Cash Equivalents		-	\$ 1	\$ 1	\$ -

Government Agency Coupon Securities

FHLMC, 4.000, Callable 3/19/2010 @ 1% YLD	9/19/2014	1,000,000	\$ 1,006,441	\$ 1,007,660	\$ 1,219
FHLB, 2%, Callable 11/18/2011, Step to 4.2%	11/18/2014	500,000	500,000	496,250	(3,750)
FHLB, 2%, Callable 12/17/2010	6/17/2013	1,000,000	1,006,605	988,440	(18,165)
FHLB, 1.75%	12/14/2012	1,000,000	1,000,000	995,000	(5,000)
Subtotal Fixed Rate Mortgage Securities		3,500,000	\$ 3,513,046	\$ 3,487,350	\$ (25,696)
TOTAL Piper Jaffray		3,500,000	\$ 3,513,047	\$ 3,487,351	\$ (25,696)

Diversification:

Cash & Cash Equivalents	0%	-	\$ 1	\$ 1	\$ -
Government Agency Coupon Securities	100%	3,500,000	3,513,046	3,487,350	(25,696)
Total Piper Jaffray		100%	3,500,000	\$ 3,513,047	\$ 3,487,351

Breakout by Agency Type:

FHLB = Federal Home Loan Bank	\$ 2,479,690
FFCB = Federal Farm Credit Bank	-
FHLMC = Federal Home Loan Mortgage Corp	1,007,660
FNMA = Federal National Mortgage Association	-
	<u>\$ 3,487,350</u>

Maturity Schedule as of

12/31/2009

3 mo	\$ 1
3 - 6 mo	\$ -
6 - 12 mo	\$ -
1 yr	\$ -
2yr	\$ -
3yr	\$ 995,000
4yr	\$ 2,492,350
5yr	\$ -
6 - 10 yr	\$ -
over 10 yr	\$ -
Total	\$ 3,487,351

Portfolio Holdings as of 12/31/2009

Edward Jones

DESCRIPTION	MATURITY	QUANTITY	INTEREST RATE	Cost	Market Value	Unrealized Gain/Loss
GNMA #106329	11/15/2013	100,000	12.50%	\$ 87	\$ 88	\$ 1
GNMA #259921	7/15/2014	25,000	12.00%	91	92	1
GNMA #221664	7/15/2017	25,000	9.00%	73	77	4
GNMA #221043	8/15/2017	25,000	8.50%	796	838	42
GNMA II #001074	10/20/2018	40,000	10.00%	141	147	6
GNMA #228571	12/15/2019	25,000	9.00%	118	123	5
GNMA #285137	1/15/2020	25,000	9.00%	1,174	1,230	56
Federal National Mortgage	2/25/2022	9,000	7.00%	10	10	-
Total Edward Jones		356,000		\$ 2,490	\$ 2,605	\$ 115