
WALWORTH COUNTY, WISCONSIN

QUARTERLY INVESTMENT REPORT

March 31, 2010



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

TABLE OF CONTENTS

EXECUTIVE SUMMARY3

INVESTMENT OVERVIEW AND OBJECTIVES4

REQUIREMENTS & COMPLIANCE.....5

BUDGET PERFORMANCE.....6

INVESTMENT BENCHMARK7

TOTAL PORTFOLIO OVERVIEW 8-9

LOCAL GOVERNMENT INVESTMENT POOL OVERVIEW 10-11

CERTIFICATES OF DEPOSIT OVERVIEW12

U.S. GOVERNMENT SECURITIES OVERVIEW13

MONEY MARKET OVERVIEW14

RESTRICTED ACCOUNTS OVERVIEW15

APPENDIX

VALUATION AT COSTA

M&I PORTFOLIO HOLDINGSB

PERSHING HOLDINGS.....C

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. The County's policy regarding collateral was temporarily not met at the county's Mid America Bank money market at December 31, 2009. Steps have been taken to ensure they better monitor levels of collateral, so matured securities are immediately replaced.
- 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 .20% in January, 2010. 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 further into not only Mid America and M&I Bank collateralized money markets, but also JP Morgan Chase with yields respectively 0.50% plus prior month's LGIP rate, 0.70%, and .30%. 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; the 2010 non-departmental budget has been set at \$600,000 which is half the original 2009 budget.
- An investment portfolio with M&I Trust includes \$5 million yielding 1.87% annually since inception.
- CD bids received have included low rates and few to no bids. We are currently proposing new language to expand the approved financial institution list to include credit unions.
- We continue to diversify by purchasing US Government Agency securities. We have completed 2 successful bids with our new brokers, purchasing \$6 million in agency securities with yields between 1.75% and 2% maturing in 2-3 years.
- Existing prohibited investments which have been held for several years have been sold at a loss of \$150.

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.

REQUIREMENTS AND COMPLIANCE

ITEM	DESCRIPTION OF REQUIREMENT	ACTUAL PORTFOLIO
Credit Risk:		
Collateral Policy	Investments other than U.S. Treasury backed securities or investments not under FDIC or WI guarantee shall be collateralized for a minimum of 102-110% of the deposits.	Current financial institutions comply
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 institution shall be limited to 50% of the core portfolio, currently \$22,430,000.	All institutions comply
Liquidity Risk	Liquid cash shall be maintained at \$10 million and available with 1 day notice.	\$62.4 million or 75.1%
Reinvestment Risk	Callable securities shall not exceed 50% of agency securities held.	32%
Market Risk:		
Maturity Restrictions	Investments greater than 3 months and less than 1 year shall not exceed 95% of portfolio.	\$2.9 million or 3.5%
	Investments greater than 1 year and less than 5 years shall not exceed 50% of portfolio.	\$14.6 million or 17.6%

INVESTMENT CATEGORY	MAXIMUM MATURITY	AUTHORIZED LIMIT	ACTUAL PORTFOLIO
Money Markets (w/LGIP)	N/A	95%	71.3%
LGIP	N/A	\$5 million min/75% max	15.2%
US Treasuries	5 years	75%	0%
Agency Securities	5 years	50%	13.7%
Certificates of Deposit	3 years	50%	11.2%
Operating Cash	N/A	N/A	3.7%
Other	5 years	25%	0%

INVESTMENT SUMMARY

INVESTMENT TYPE	BOOK/MARKET VALUE
Certificates of Deposit	\$9,300,000
Depository Bank	\$3,084,000
LGIP	\$12,625,000
Money Markets	\$46,530,000
M&I Portfolio Money Market	\$149,000
U.S. Gov. Agency Securities	\$11,411,000
Total	\$83,099,000

BUDGET PERFORMANCE

The first table below shows the actual and budgeted interest earned through the first quarter for 2010 by investment type. The second table below shows the actual and budgeted interest earned through the first quarter for 2010 by account. 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.

2010 FIRST QUARTER INTEREST EARNED AND BUDGETED

INVESTMENT TYPE	INTEREST EARNED	1st QUARTER BUDGET
LGIP	\$ 11,539	\$ 18,000
Certificates of Deposit	44,820	45,000
U.S. Treasury/Govt. Agency	30,185	39,600
Depository Bank	1,027	2,700
Money Markets	59,625	60,000
Unrealized Gain/(Loss)	8,891	-
TOTAL PORTFOLIO	\$ 156,387	\$ 165,300
Budget to Actual Variance		\$ 8,913

ACCOUNT NAME	INTEREST EARNED	1 st QUARTER BUDGET
Non-departmental	\$ 139,589	\$ 150,000
DPW Equipment Reserve	66	1,000
DPW Buildings Reserve	198	1,000
Health Insurance	4,545	6,563
Dental Insurance	172	325
Workers Compensation	1,069	3,750
Risk Management	1,857	4,500
SUBTOTAL PORTFOLIO	147,496	167,138
Unrealized Gain/(Loss)	8,891	-
TOTAL PORTFOLIO	\$ 156,387	\$ 167,138
Budget to Actual Variance		\$ 10,751

- The original annual budget is \$600,000 which we are forecasting to meet by year end.
- By diversifying into other investment vehicles, we have been able increase the County's yields by nearly three times as much as the LGIP benchmark. If the entire portfolio was invested at the benchmark rate, the forecasted interest for the 2010 first quarter would have approximated \$23,183, or only 38% of the actual interest earned.
- Our CD's averaged a 1.79% return for the first quarter 2010, while the LGIP has remained around .20%.
- Security annualized yields at cost are 1.32% for our brokered securities and 1.87% 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	0.35%	0.74%
Average daily account balance	\$94,390,000	\$94,390,000
12 month income to date	\$330,000	\$702,000

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 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

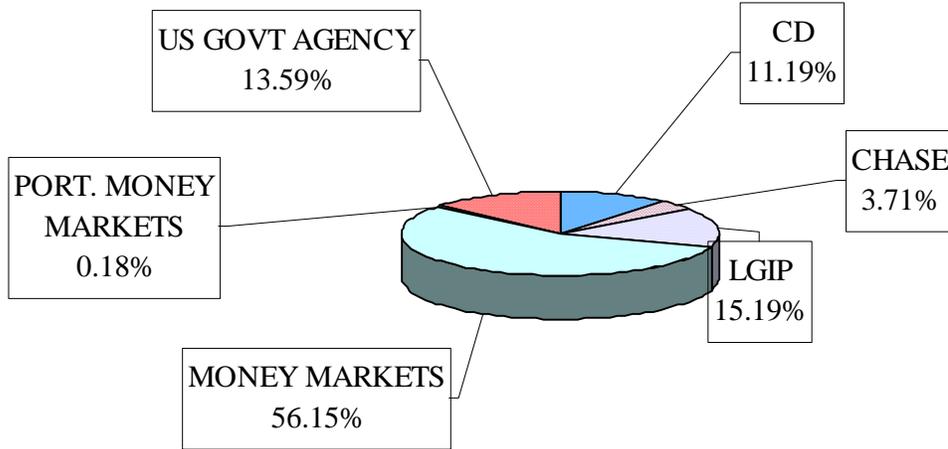
To review the performance of the M&I Short-term Portfolio, the Barclay Government 1-3 year index has been chosen. The investments within the index included US Treasury and Agency securities, which the M&I Short-term Portfolio holdings allow by the County’s investment policy. The following shows the comparison 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 full quarters available 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%
2010 1 st Quarter	0.72%	0.55%

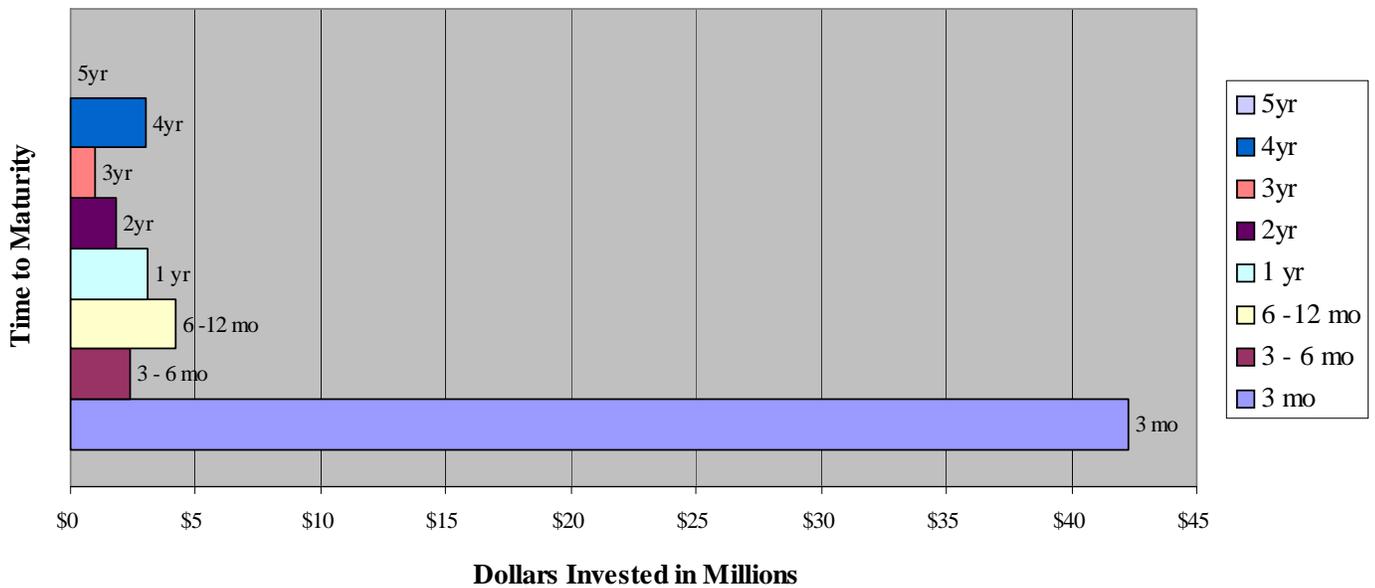
Note: Yields shown include unrealized gains or losses on securities which are usually not sold prior to maturity or estimated life of the security. See the U.S Government Agency/Treasury Securities Overview section on page 14 for actual return on investment.

TOTAL PORTFOLIO OVERVIEW

Total Investments by Type



Total Investments by Maturity



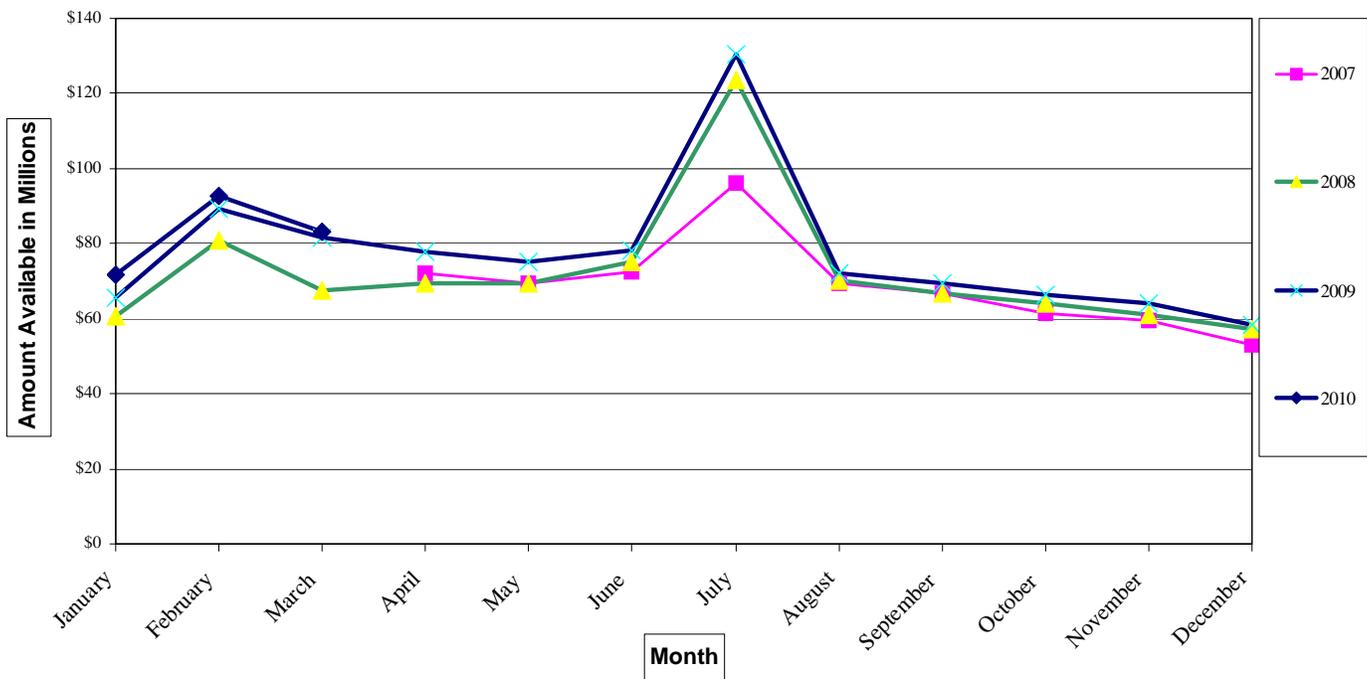
TOTAL PORTFOLIO OVERVIEW – HISTORICAL BALANCES

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

Average Balance	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Cash	\$70,201,000	\$72,171,000	\$77,439,000	\$82,477,000
Cumulative Cash			\$73,270,000	\$73,984,000

* Excludes Restricted Accounts

Walworth County Cash and Investment Balance



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.

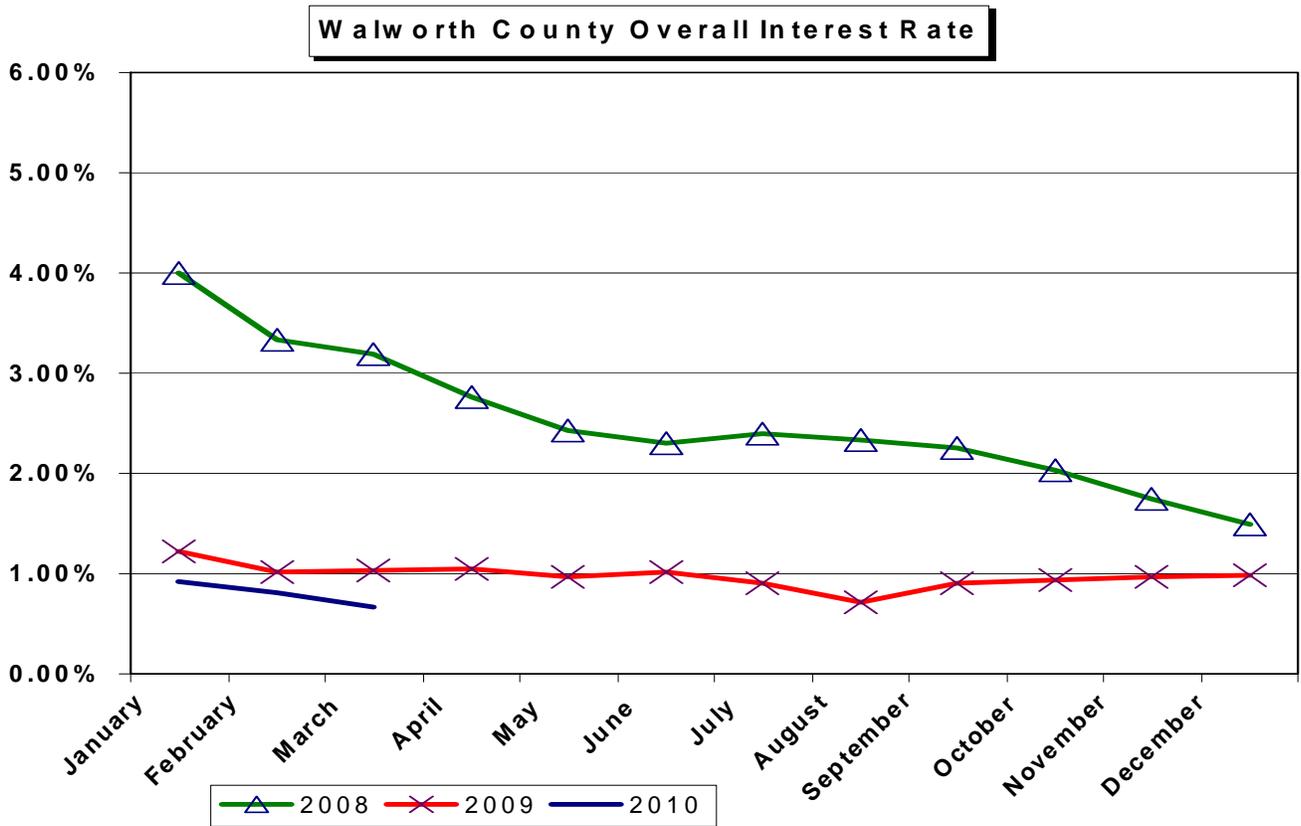
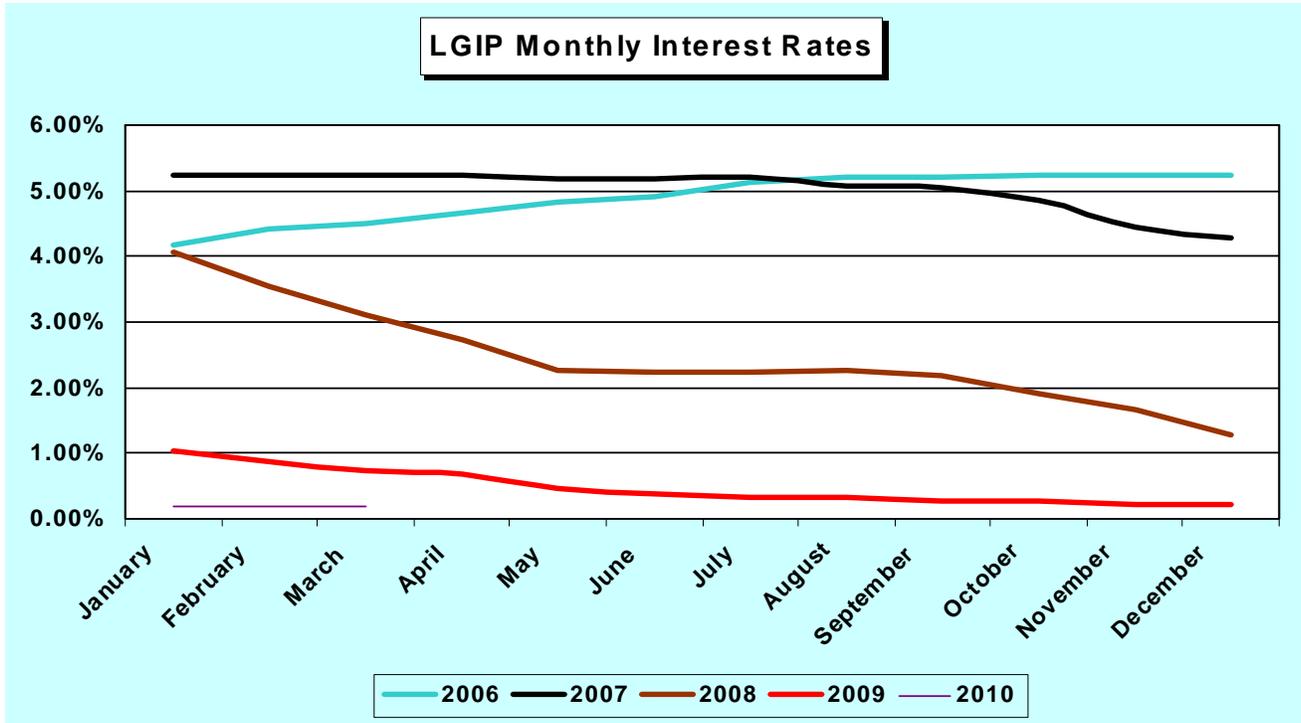
Over the past twelve months, the LGIP balance has averaged \$33 million. The spikes in February and July are the result of the temporary investment of property tax receipts. Most of these receipts are reinvested into securities within a month and no securities were required to be sold short in order 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



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
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
First Citizens Bank	225,000	.95%	10/13/2009	4/13/2010
Community Bank of Delavan	500,000	.90%	10/15/2009	4/15/2010
M&I Bank	1,000,000	1.76%	5/11/2009	5/11/2010
First Citizens State Bank	225,000	2.00%	6/8/2009	6/8/2010
First Banking Center	225,000	2.00%	6/8/2009	6/8/2010
Walworth State Bank	225,000	1.10%	8/10/2009	8/10/2010
Mid America Bank	500,000	1.35%	8/13/2009	8/12/2010
Community Bank Delavan	500,000	1.88%	8/13/2009	8/12/2010
Community Bank Delavan	500,000	1.75%	9/10/2009	9/9/2010
Community Bank Delavan	500,000	1.30%	10/15/2009	10/14/2010
M & I Bank	1,000,000	2.66%	6/8/2009	6/8/2012
Commercial Bank	225,000	1.32%	11/6/2009	11/12/2011
Mid America Bank	1,000,000	1.87%	11/12/2009	11/12/2011
Citizens Bank	225,000	1.85%	1/8/2010	1/8/2011
Citizens Bank of Mukwonago	225,000	1.85%	1/8/2010	1/8/2011
Citizens Bank of Mukwonago	225,000	1.20%	2/6/2010	2/6/2011
Mid America Bank	1,000,000	2.17%	2/18/2010	2/14/2013
TOTAL	\$ 9,300,000	1.79%	<i>1st Quarter Average Yield</i>	

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

U.S. GOVERNMENT AGENCY/TREASURY SECURITIES SUMMARY

Institution	Cost	Market Value	Unrealized Gain/(Loss)	Quarterly Yield	Rolling 1 Year Yield
M&I Portfolio	\$ 4,861,023	\$ 4,892,250	\$31,227	0.66%	* 1.87%
Pershing	\$ 6,549,191	\$ 6,519,070	(\$30,121)	0.14%	1.32%
Total Securities	\$11,410,214	\$11,411,320	\$1,106		

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

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 1.87% 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.

Pershing Portfolio

The County works with four brokers which are given the opportunity to bid on requested investments. The securities are then transferred to Pershing, a subsidiary of Bank of New York Mellon for safekeeping.

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	\$13,120,000
M&I Bank	Collateralized Money Market	16,910,000
Chase Bank	Collateralized Money Market	16,500,000
M&I Portfolio Money Market	Government Money Market	149,000
Total Money Market		\$46,679,000

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.

Chase Money Market

Rates are established by JPMorgan Chase and are adjusted once a month based on the market, with the intent to exceed the LGIP rate. Current rate is at 0.30%. Investment is collateralized at a cost included in the earned interest rate. This account can be withdrawn with one day's notice, up to 6 times per month.

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 0.80% for holdings of at least \$5 million. Investment is collateralized at a cost of 10 basis points leaving a net of 0.70% for the current return. This account can be withdrawn with one day's notice.

RESTRICTED ACCOUNTS OVERVIEW

PFM Advisors has been selected as the County’s OPEB investment advisor. The new investment advisor presented to the March Finance Committee meeting regarding the target long-term investment yield and the portfolio mix of equities to core/fixed income investments. The Finance Committee is expected to make a decision at the April meeting. Staff will then begin to meet with the new advisor to establish an investment strategy to achieve the Committee’s target return 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	CURRENT INVESTMENT BALANCE	INTEREST EARNED 2010	REVISED BUDGET 2010
Land Information Fees	\$ 526,080	\$ 91	\$ 3,000
WMMIC Risk Management	2,115,476	1,070	15,000
Capital Project Bond Proceeds	1,889,631	330	-
Clerk of Courts	569,311	244	3,500
Other Post Employment Benefits	8,902,339	144	-
Waddell Donations	84,456	15	500
Harrison Trust	39,992	20	-
Total	\$ 14,187,285	\$ 1,914	\$ 22,000

WALWORTH COUNTY INVESTMENT REPORT
VALUATION AT COST
As of 3/31/2010

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	Chase Money Market ⁶	Pershing ³	M&I Portfolio ⁴	JP Morgan Chase Banking	Total Investments
2009									
2nd Quarter	0.13%	⁵ 0.05%	⁵ 0.15%	0.47%	-	0.68%	-	0.04%	0.23%
3rd Quarter	0.08%	0.23%	0.22%	0.48%	-	0.46%	⁵ 0.31%	0.04%	0.20%
4th Quarter	0.06%	0.23%	0.19%	0.44%	-	0.41%	0.54%	0.04%	0.24%
2010									
1st Quarter	0.05%	0.22%	0.19%	0.44%	⁵	-	0.14%	0.66%	0.04%
One Year Ending									
2009									
2nd Quarter	1.46%	⁵ 0.05%	⁵ 0.15%	2.37%	-	3.67%	-	0.49%	1.39%
3rd Quarter	0.89%	0.28%	0.36%	2.04%	-	3.59%	⁵ 0.35%	0.11%	0.94%
4th Quarter	0.57%	0.51%	0.55%	1.91%	-	1.29%	0.85%	0.13%	0.81%
2010									
1st Quarter	0.35%	⁵ 0.97%	⁵ 0.91%	1.82%	⁵	-	1.32%	⁵ 1.87%	0.15%

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	Chase Money Market ⁶	Pershing ³	M&I Portfolio ⁴	JP Morgan Chase Banking	Total Investments
2009									
2nd Quarter	57,046	2,740	12,183	115,012	-	8,935	-	936	196,852
3rd Quarter	37,171	25,287	26,110	78,313	-	7,581	15,520	1,614	191,596
4th Quarter	9,285	34,787	25,384	46,307	-	13,185	26,833	891	156,672
2010									
1st Quarter	11,540	34,728	24,878	44,906	135	7,057	32,813	1,036	157,093
One Year Ending									
2009									
2nd Quarter	874,415	2,740	12,183	223,817	-	94,997	-	13,119	1,221,271
3rd Quarter	453,386	28,027	38,293	274,299	-	80,602	17,477	3,007	895,091
4th Quarter	220,296	62,814	63,677	294,618	-	29,701	42,353	3,618	717,077
2010									
1st Quarter	115,042	97,542	88,555	284,538	135	36,758	75,166	4,477	702,213

Average Daily Balance

Time Period	State Investment Pool	M&I Money Market ¹	Mid Amer Money Market ²	CD	Chase Money Market ⁶	Pershing ³	M&I Portfolio ⁴	JP Morgan Chase Banking	Total Investments
2009									
2nd Quarter	42,832,983	5,000,137	7,918,630	24,510,989	-	1,313,453	-	2,469,317	84,045,509
3rd Quarter	45,888,680	11,135,528	11,860,476	16,324,457	-	1,652,070	4,982,653	4,210,422	96,054,287
4th Quarter	15,499,354	15,335,265	13,074,136	10,545,109	-	3,252,767	4,989,036	2,324,338	65,020,005
2010									
1st Quarter	23,684,580	16,149,233	13,103,249	10,292,089	16,150,135	4,892,982	4,996,998	2,857,301	92,126,567
One Year Ending									
2009									
2nd Quarter	60,071,459	5,000,137	7,918,630	9,443,038	-	2,586,197	-	2,675,030	87,694,491
3rd Quarter	51,085,158	10,039,923	10,508,986	13,429,521	-	2,248,164	4,982,653	2,789,447	95,083,851
4th Quarter	38,833,045	12,428,018	11,526,201	15,406,301	-	2,304,343	4,985,845	2,795,229	88,278,982
2010									
1st Quarter	33,082,341	10,088,193	9,748,082	15,626,493	16,150,135	2,787,920	4,012,625	2,894,957	94,390,746

¹ M&I Money Market fund was funded on June 11, 2009 with rate currently of 70 basis points.

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

³ Custodian for brokered securities based on County's purchases.

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

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

⁶ Chase Money Market fund was funded March 31, 2010 with rate currently at 30 basis points.

Walworth County Investment Report
Portfolio Holdings as of 3/31/2010

M&I PORTFOLIO

Description	Maturity	Quantity	Cost	Market	Unrealized Gain/(Loss)
Cash & Cash Equivalents					
Marshall Government Money Market Fund		149,113	\$ 149,113	\$ 149,113	\$ -
Subtotal Cash & Cash Equivalents		149,113	\$ 149,113	\$ 149,113	\$ -

Government Agency Coupon Securities

FHLMC, 2.875%	11/23/2010	300,000	\$ 304,135	\$ 304,635	\$ 500
FHLB 3.625%	12/17/2010	300,000	305,996	306,516	520
FHLB 1.625%	1/21/2011	300,000	301,891	302,672	781
FHLMC, 3.250%	2/25/2011	300,000	306,085	306,891	806
FNMA, 1.750%	3/23/2011	300,000	301,937	303,470	1,532
FNMA, 1.380%	4/28/2011	300,000	300,804	302,486	1,681
FHLB 1.375%	5/16/2011	300,000	300,709	302,532	1,823
FHLB 1.625%	7/27/2011	300,000	301,312	303,423	2,111
FFCB, 3.875%	8/25/2011	300,000	310,388	312,891	2,503
FHLB 3.625%	9/16/2011	300,000	309,862	312,609	2,747
FFCB, 3.500%	10/3/2011	300,000	309,317	311,813	2,496
FNMA, 2.000%	1/9/2012	300,000	302,643	304,829	2,186
FHLMC, 2.125%	3/23/2012	300,000	302,603	305,579	2,976
FHLB 2.250%	4/13/2012	300,000	303,248	306,516	3,268
FHLB 1.875%	6/20/2012	300,000	300,170	303,798	3,628
FNMA, 2.000%, Callable 9/28/2010	9/28/2012	300,000	299,925	301,593	1,668
Subtotal Government Agency Coupon Securities		4,800,000	\$ 4,861,023	\$ 4,892,250	\$ 31,227

TOTAL M&I PORTFOLIO		4,949,113	\$ 5,010,136	\$ 5,041,363	\$ 31,227
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Diversification:

Cash & Cash Equivalents	3%	149,113	\$ 149,113	\$ 149,113	\$ -
Government Agency Coupon Securities	97%	4,800,000	4,861,023	4,892,250	31,227
Total M&I PORTFOLIO	100%	4,949,113	\$ 5,010,136	\$ 5,041,363	\$ 31,227

Breakout by Agency Type:

FHLB = Federal Home Loan Bank	\$ 2,138,066
FFCB = Federal Farm Credit Bank	624,704
FHLMC = Federal Home Loan Mortgage Corp	917,105
FNMA = Federal National Mortgage Association	<u>1,212,377</u>
	\$ 4,892,250

Maturity Schedule as of 3/31/2010

3 mo	\$ 149,113
3 - 6 mo	-
6 - 12 mo	1,524,183
1 yr - 2 yr	2,456,160
2yr - 3 yr	911,907
3yr - 4 yr	-
4yr - 5 yr	-
5yr - 6 yr	-
Total	\$ 5,041,363

Walworth County Investment Report
Portfolio Holdings as of 3/31/2010

Pershing (Custodian for Broker/Dealer Transactions)

Description	Maturity	Quantity	Cost	Market	Unrealized Gain/(Loss)
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Government Agency Coupon Securities

FHLB, 2%, Callable 11/18/2011, Step to 4.2%	11/18/2014	500,000	\$ 500,000	\$ 502,500	\$ 2,500
FHLB, 2%, Callable 12/17/2010	6/17/2013	1,000,000	1,000,000	996,560	(3,440)
FHLB, 1.75%	12/14/2012	1,000,000	1,006,233	1,003,130	(3,103)
FHLB, 1.75%	8/22/2012	2,000,000	2,028,472	2,015,000	(13,472)
FNMA, 1.75%	2/22/2013	2,000,000	2,014,486	2,001,880	(12,606)

Subtotal Government Agency Securities		6,500,000	\$ 6,549,191	\$ 6,519,070	\$ (30,121)
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TOTAL Brokered Security Account		6,500,000	6,549,191	6,519,070	(30,121)
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Diversification:

Government Agency Coupon Securities	100%	6,500,000	6,549,191	6,519,070	(30,121)
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Total Brokered Securities	100%	6,500,000	\$ 6,549,191	\$ 6,519,070	\$ (30,121)
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Breakout by Agency Type:

FHLB = Federal Home Loan Bank	\$ 4,517,190
FFCB = Federal Farm Credit Bank	-
FHLMC = Federal Home Loan Mortgage Corp	
FNMA = Federal National Mortgage Association	2,001,880
	<u>\$ 6,519,070</u>

Maturity Schedule as of 3/31/2010

3 mo	\$ -
3 - 6 mo	-
6 - 12 mo	-
1 yr - 2 yr	-
2yr - 3 yr	5,020,010
3yr - 4 yr	996,560
4yr - 5 yr	502,500
5yr - 6 yr	-
Total	\$ 6,519,070