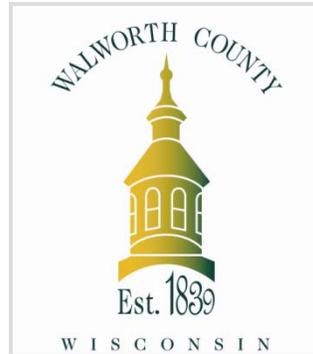

WALWORTH COUNTY, WISCONSIN

QUARTERLY INVESTMENT REPORT

June 30, 2013



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

<http://www.co.walworth.wi.us/Government%20Center/Finance/Investments/InvestmentHomePage.aspx>

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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.
- 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 specified agencies.
- Our investment portfolio is now almost entirely comprised of investments made during the low interest environment. The Federal Reserve's recent statements have impacted interest rates, causing them to rise. This is a speculative increase that may not continue in the long run. The Finance department continues to follow economic news and seek input from brokers and advisors on near and long-term investment yield potential.
- The Local Government Investment Pool (LGIP) yields continue to remain low. Rates have been under 0.25% since November, 2009. The annualized LGIP rate has a current average of 0.15%.
- Current collateralized money market yields are as follows Mid-America 0.59%, Associated 0.20%, and Chase 0.15%. The money markets provide the County with liquidity and offer a higher yield than a one year treasury currently yielding 0.14%.
- The investment portfolio with BMO is at \$5.1 million, yielding 0.78% annually, net of fees, not including market adjustments. Portfolio duration is currently 2.24 years to maturity, and contains \$3.9 million in agency securities and \$1.2 million in treasury notes.
- The brokered portfolio held at Pershing is at \$32.2 million, yielding 0.84% (not including market adjustments) annually which includes \$25.9 million in agency securities and \$6.3 million in municipal debt. Portfolio duration is currently 2.63 years to maturity.
- The OPEB Trust will be reviewed separately from our operating investment portfolio, as this information is invested with a different investment philosophy due to its long term nature.

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 is currently comprised of the following types of investments:

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. LGIP does not insure its Commercial Paper.

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.

MUNICIPAL DEBT—instruments of any county, city, drainage district, vocational college, village, town or school district of the State of Wisconsin.

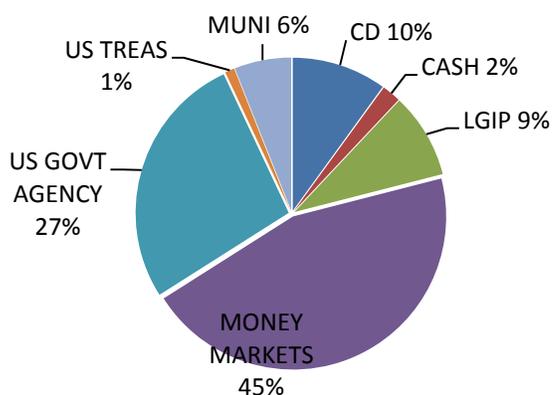
PUBLIC FUNDS MONEY MARKET ACCOUNT – The County has approved by resolution Public Funds money markets that are secured by collateral. These investments are used to provide short-term diversification and increase the current yields.

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 50% of the core portfolio, currently \$26,898,000.	Current investment holdings comply
Financial Institutions Limits	Investments held at any one institution shall be limited to 50% of the core portfolio, currently \$26,898,000.	All institutions comply
Debt Limits	Government debt held with any one entity shall be limited to \$3 million.	All institutions comply
Liquidity Risk	Liquid cash shall be maintained at \$10 million and available with 1 day notice.	\$ 54.3 million or 49%
Reinvestment Risk	Callable securities shall not exceed 50% of securities held.	\$ 11.8 million or 32%
Market Risk:		
Maturity Restrictions	Investments greater than 3 months and less than 1 year shall not exceed 95% of portfolio.	\$ 7.6 million or 7%
	Investments greater than 1 year and less than 5 years shall not exceed 50% of portfolio.	\$ 33.3 million or 30%

INVESTMENT CATEGORY	MAXIMUM MATURITY	AUTHORIZED LIMIT	ACTUAL PORTFOLIO
Certificates of Deposit	3 years	50%	10%
Operating Cash	N/A	N/A	2%
LGIP	N/A	75%	9%
Money Markets	N/A	95%	45%
U.S. Agency Securities	5 years	75%	27%
U.S. Treasury Securities	5 years	75%	1%
Municipal Debt	5 years	25%	6%

INVESTMENT TYPE	MARKET VALUE
Certificates of Deposit	\$ 10,775,000
Cash - Depository Bank	2,857,000
LGIP	10,079,000
Money Markets	49,608,000
Portfolio Money Markets	29,814,000
U.S. Gov. Agency Securities	1,243,000
U.S. Treasury Securities	6,293,000
Municipal Debt	10,775,000
Total	\$ 110,669,000



BUDGET PERFORMANCE

The first table below shows the actual and budgeted interest earned for the quarter ended June 30, 2013 by investment type. The second table below shows the actual and budgeted interest earned for the quarter ended June 30, 2013 by account. The interest shown is on the county's total cash and investment portfolio. All accounts receive interest income based on the LGIP interest rate or actual interest earned.

INVESTMENT TYPE	INTEREST EARNED	2nd QTR 2013 BUDGET
Certificate of Deposit	\$ 32,481	\$ 32,000
U.S. Treasury/Govt. Agency	132,718	134,500
Local Gov Inv Pool (LGIP)	10,603	5,000
Depository Bank (Sweep)	1,704	1,500
Money Markets	53,380	52,930
Other Accounts Allocated Interest	(24,058)	(13,430)
TOTAL NON-DEPT	\$ 206,828	\$ 212,500
YTD Unrealized Gain/(Loss)*	(\$ 203,604)	N/A

*Per County ordinance, this market adjustment will add/subtract from the County's committed fund balance amount available for these temporary gains/losses and will not directly offset the investment income budget. Current available funds in the committed fund balance account are \$1,184,113.

ACCOUNT NAME	INTEREST EARNED	2nd QTR 2013 BUDGET
Non-Department	\$ 206,828	\$ 212,500
Children with Disabilities Ed Bd	7,762	2,308
DPW Buildings Reserve	221	190
DPW Equipment Reserve	1,489	600
Health Insurance	10,287	7,000
Dental Insurance	356	200
Workers Compensation	1,549	1,150
Risk Management	2,394	1,000
TOTAL PORTFOLIO	\$ 230,886	\$ 224,948
Budget to Actual Variance		\$ 5,939

- The non-departmental budget through the second quarter is \$212,500; returns were short of expectations by \$5,672. The shortfall is due to greater than expected department balances that are allocated a higher than expected LGIP interest rate. Conversely, total portfolio income beat expectations by \$5,939.
- By diversifying into other investment vehicles, we have been able to increase the County's yields by more than three times the LGIP benchmark. If the entire portfolio was invested at the benchmark rate, the forecasted interest earned to date in 2013 would have approximated \$64,900.
- Certificates of deposit currently held on June 30, 2013 have an average return of 0.53%.
- Securities held on June 30, 2013 have a yield to maturity at cost of 0.84% for our brokered securities and 0.78% at the BMO managed portfolio, net of investment fees.

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 yields are as of June 30, 2013. The interest income amount does not include unrealized gains or losses.

Investment Portfolio	Benchmark (LGIP)	Actual
Current Holdings – Yield to Maturity at Cost	0.08%	0.45%
Year to Date Interest Income Net of Fees	\$ 64,900	\$ 228,294
2nd Quarter Average Return at Cost	0.03%	0.10%
Rolling 1 Year Average Return at Cost	0.15%	0.48%

The results show that the County is currently exceeding expectations in comparison to the benchmark. The County expects interest rates to continue to remain low into the next year. The change in strategy to include more diversity of investment types and maturity lengths has proven an increased yield compared to the benchmark.

BMO Benchmark

To review the performance of the BMO 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 BMO Short-term Portfolio holdings allow by the County's investment policy. The following shows the comparison of the BMO Short-term Portfolio to the benchmark selected, net of investment fees.

Time Period	Benchmark*	Actual*
2012, 3 rd Quarter	0.26%	0.49%
2012, 4 th Quarter	0.15%	0.10%
2013, 1 st Quarter	0.12%	0.06%
2013, 2nd Quarter	(0.11)%	(0.64)%

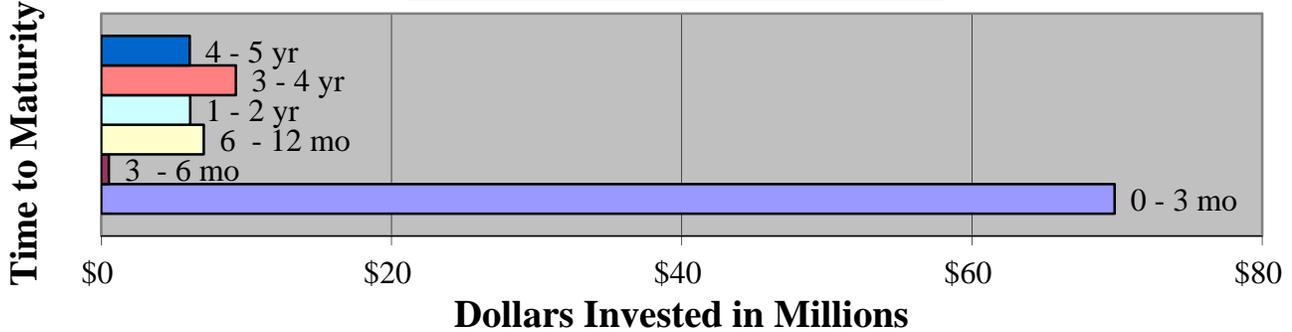
***Note:** Yields shown include unrealized gains or losses on securities which are usually not sold prior to maturity or estimated life of the security. See the U.S Government Agency/Treasury Securities Overview section on page 10 for actual return on investment.

Portfolio Advisor Response: "For the quarter, and the month of June in particular, the portfolio's slightly longer than benchmark duration (of 2.2 vs. 1.9 years) caused underperformance relative to the index. The bond market shuddered with the uncertainty surrounding the beginning of the end of the Federal Reserve's quantitative easing program. Investors have been informed by the Fed to expect the program to taper off and finally conclude, but the imminence of such a change caused nervousness throughout the financial markets (from U.S. Treasuries on down to emerging markets equities). That duration underlies short-term underperformance is confirmed by the slight outperformance relative to the benchmark in the subsequent month of July. Through the course of this year we have begun to purchase some securities inside the maximum five year maturity in order to begin adjusting duration downward. The slight elevation of rates in the two-year time frame now allows us to consider somewhat shorter term securities in reinvesting maturities in the portfolio. When selecting new holdings, we are cognizant of the need to achieve a yield higher than the 0.20% fee and now are able to do so with bonds at the short end of the allowable maturity range. As we now appear to have achieved the low point of interest rates, we anticipate gradually reducing duration relative to the benchmark though, with the Fed Funds rate forecast to remain stable until 2015, we are doing so over time, rather than to make a dramatic change now."

- John Benjamin, BMO Wealth Management, September 9, 2013

TOTAL PORTFOLIO OVERVIEW

Total Investments by Maturity



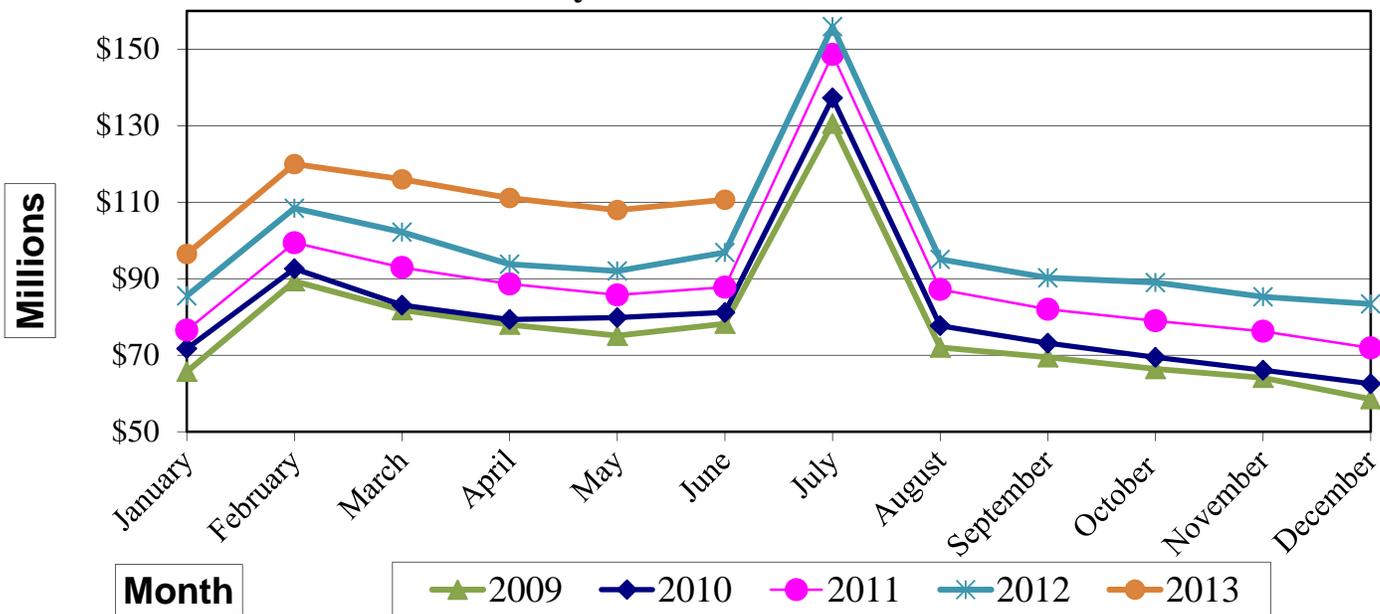
TOTAL PORTFOLIO OVERVIEW – HISTORICAL BALANCES

The following chart shows the historic cash balances of the County portfolio (excluding restricted accounts) with a one year average and 3 year average cumulative cash balance based on monthly balances.

Average Balance	2011	2012	2013
Cash (1 year)	\$89,670,000	\$98,145,000	\$105,091,000
Cumulative Cash (3 year)	\$82,758,000	\$89,660,000	\$ 94,504,000

CASH FLOW HISTORY

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

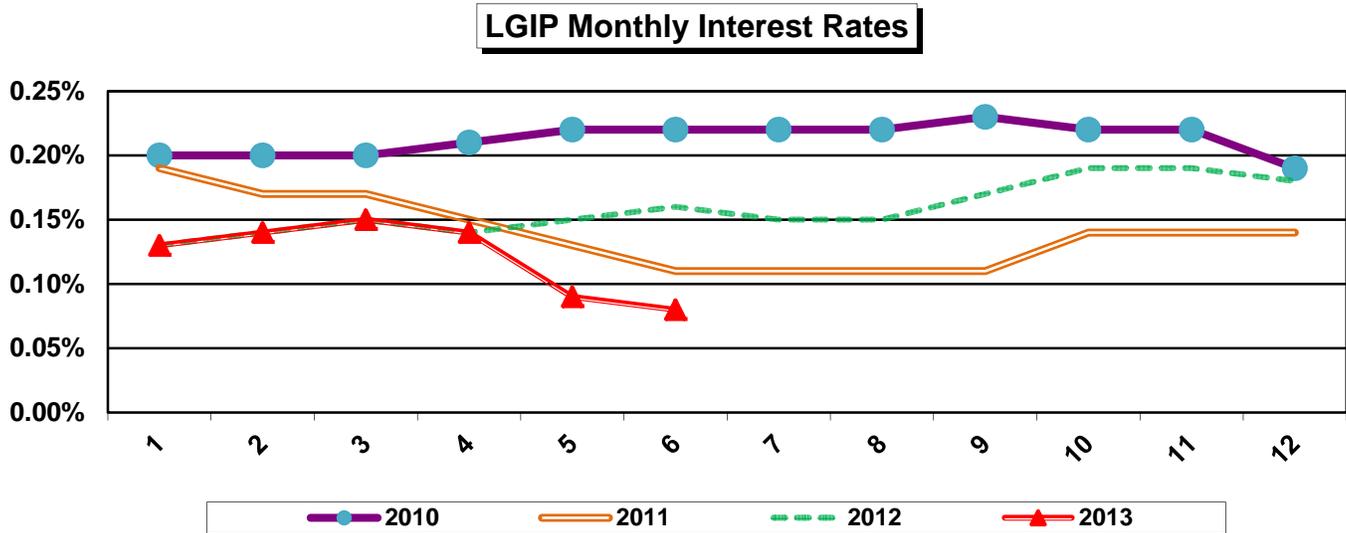
The primary objective of the LGIP is to provide for the prudent management of public funds on behalf of the local government investor. The strategy for meeting this objective is to apply the prudent investor standard and insure that the investment of pool assets is prioritized as follows: safety of principal, 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 maintains a cash balance with the LGIP as it offers same day liquidity. Over the past twelve months, the LGIP balance has averaged \$16.6 million. The County's cash flow spikes in February and July occur as a result of temporary investment of property tax receipts. These receipts may be reinvested into securities when interest rates allow for a better return than LGIP.

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



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 following is a summary of the current investment portfolios and money market accounts.

Financial Institution/Manager	Type of Account	Current Rate	Amount
Mid America	Collateralized Money Market	0.59%	\$ 8,257,836
JPMorgan Chase Bank	Collateralized Money Market	0.15%	21,091,322
Associated Bank	Collateralized Money Market	0.20%	20,222,310
BMO Portfolio Money Market	Government Money Market	0.01%	34,491
Pershing Money Market	Portfolio Money Market	0.00%	2,500
Total Money Market		0.24%	\$ 49,608,459

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 0.50% higher than the prior month LGIP rate. These funds are collateralized and available with one week notice.

JP Morgan and Associated Bank Money Markets

Rates are established by each bank and are reviewed and adjusted based on the market, with the intent to exceed the LGIP rate. Investment is collateralized at a cost included in the earned interest rate. These accounts can be withdrawn with one day’s notice, up to 6 times per month.

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.

Financial Institution	Purchase Date	Maturity Date	Amount	Rate %
Associated Bank	6/3/2011	7/3/2013	\$ 1,000,000	0.60
Associated Bank	2/22/2013	8/1/2013	1,000,000	0.20
Citizens Bank of Mukwonago	8/5/2011	8/5/2013	225,000	1.30
FirstMerit Bank	8/23/2012	8/22/2013	1,000,000	0.23
FirstMerit Bank	12/7/2011	12/7/2013	225,000	1.06
Citizens Bank of Mukwonago	1/8/2012	1/8/2014	225,000	1.00
FirstMerit Bank	2/8/2012	2/8/2014	225,000	0.76
Associated Bank	2/22/2013	2/22/2014	1,000,000	0.20
FirstMerit Bank	2/26/2013	2/26/2014	1,000,000	0.20
Talmer Bank & Trust	4/25/2013	4/25/2014	225,000	0.20
Associated Bank	6/28/2012	6/27/2014	1,000,000	0.46
Talmer Bank & Trust	8/16/2012	8/6/2014	225,000	0.45
First Citizens State Bank	8/16/2012	8/16/2014	225,000	0.85
Associated Bank	11/17/2011	11/13/2014	1,500,000	1.21
Commercial Bank	12/7/2012	12/7/2014	225,000	0.30
Associated Bank	2/22/2013	2/23/2015	1,000,000	0.36
First Citizens State Bank	2/23/2013	2/23/2015	225,000	0.60
Southern Lakes Credit Union	1/15/2013	7/11/2015	250,000	0.80
<i>Yield to Maturity at June 30, 2013</i>			\$ 10,775,000	0.53%

During the second quarter, \$225,267 of certificates of deposit were purchased, and \$1,228,040 of certificates of deposit matured. The average duration of the certificates of deposit at June 30, 2013 is 0.79 years.

SECURITIES/DEBT PORTFOLIO 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. 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.

Government Debt Instruments of any county, city, drainage district, technical college district, village, town or school district of the State of Wisconsin, if the bond or security is rated in one of the two highest rating categories assigned by Standard and Poor’s Corporation, Moody’s Investors Service, Inc., or other nationally recognized rating agency.

Currently the County has agency securities and treasury notes with BMO and agency, treasury, and debt instruments with Pershing. Please see Appendix B and C for individual holding details.

PORTFOLIO SUMMARY

Institution	Book Value	Market Value	Total Unrealized Gain/(Loss)	YTD Unrealized Gain/(Loss)	Yield to Maturity at Cost	Average Duration
BMO Portfolio	\$ 5,167,498	\$ 5,188,516	\$ 21,018	\$ (50,200)	0.78%	2.24
Pershing Portfolio	32,421,079	32,197,845	(223,234)	(331,635)	0.84%	2.63
Total Securities	\$37,588,577	\$37,386,361	\$ (202,216)	\$ (381,835)		

General Investment Portfolio Information

The yield to maturity at cost and average duration are per the calculations computed in Tracker, our investment software, for the investments currently held.

BMO Short Term Investment Portfolio

This portfolio was established on July 29, 2009, within the current ordinance guidelines for the purchase of agency and treasury securities at an average of 1 to 3 years maturity. BMO does not charge commission fees per trade transaction. The cost is 20 basis points annually with a minimum balance of \$5 million.

Pershing Portfolio

The County works with four brokers to obtain quotes and bids on investments. The securities are held at Pershing, a subsidiary of Bank of New York Mellon, for safekeeping. During the second quarter, \$7,800,000 of agency securities were purchased, and \$3,400,000 were called. We also had \$1,025,000 of municipal debt mature.

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	INTEREST EARNED 2013	2nd QTR 2013 BUDGET
Land Information Fees	\$ 364	\$ 300
Risk Management	3,865	1,000
Clerk of Courts	572	1,750
Waddell Donations	51	42
Harrison Trust	24	-
Total	\$ 4,876	\$ 3,092

WALWORTH COUNTY INVESTMENT REPORT
VALUATION AT COST
As of 06/30/2013

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 Fees)

Time Period	Local Gov Investment Pool	Mid Amer Money Market	CD	Chase Money Market	Associated Bank Money Market	Pershing Portfolio	BMO Portfolio	JP Morgan Chase Banking	Total Investments
2012 3rd Quarter	0.04%	0.16%	0.21%	0.04%	0.06%	0.25%	0.16%	0.04%	0.12%
4th Quarter	0.05%	0.18%	0.20%	0.04%	0.06%	0.24%	0.21%	0.04%	0.15%
2013 1st Quarter	0.03%	0.16%	0.16%	0.04%	0.04%	0.21%	0.14%	0.04%	0.11%
2nd Quarter	0.03%	0.16%	0.13%	0.04%	0.05%	0.18%	0.24%	0.04%	0.10%
One Year Ending									
2012 3rd Quarter	0.16%	0.64%	1.14%	0.16%	0.25%	1.09%	0.75%	0.16%	0.64%
4th Quarter	0.17%	0.66%	1.03%	0.16%	0.24%	1.03%	0.74%	0.16%	0.59%
2013 1st Quarter	0.16%	0.66%	0.88%	0.16%	0.22%	0.97%	0.71%	0.16%	0.54%
2nd Quarter	0.15%	0.66%	0.70%	0.16%	0.21%	0.88%	0.75%	0.16%	0.48%

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

Time Period	Local Gov Investment Pool	Mid Amer Money Market	CD	Chase Money Market	Associated Bank Money Market	Pershing Portfolio	BMO Portfolio	JP Morgan Chase Banking	Total Investments
2012 3rd Quarter	9,369	13,372	24,843	6,225	10,782	68,740	8,373	1,803	143,507
4th Quarter	3,990	14,462	22,785	2,156	10,437	66,199	10,961	893	131,883
2013 1st Quarter	6,735	12,925	16,986	4,004	7,046	57,634	7,510	905	113,745
2nd Quarter	3,869	12,914	15,495	7,623	8,865	52,321	12,662	799	114,548
One Year Ending									
2012 3rd Quarter	18,434	61,959	142,319	18,047	39,196	267,258	38,964	4,399	590,576
4th Quarter	20,587	60,482	125,746	17,523	41,553	261,984	38,516	4,434	570,825
2013 1st Quarter	22,520	57,169	102,232	17,869	39,905	256,516	37,203	4,465	537,879
2nd Quarter	23,962	53,673	80,109	20,008	37,130	244,895	39,507	4,400	503,684

Average Daily Balance

Time Period	Local Gov Investment Pool	Mid Amer Money Market	CD	Chase Money Market	Associated Bank Money Market	Pershing Portfolio	BMO Portfolio	JP Morgan Chase Banking	Total Investments
2012 3rd Quarter	24,722,637	8,209,020	11,972,892	16,508,705	17,157,385	27,273,043	5,133,807	4,702,361	115,679,850
4th Quarter	8,402,485	8,222,540	11,606,053	5,529,619	17,168,165	28,087,897	5,219,532	2,329,385	86,565,677
2013 1st Quarter	19,356,880	8,236,721	10,860,980	11,263,883	18,222,416	27,624,872	5,219,607	2,412,503	103,197,863
2nd Quarter	14,012,276	8,249,688	11,827,028	20,487,538	19,256,611	28,982,579	5,225,594	2,107,497	110,148,810
One Year Ending									
2012 3rd Quarter	12,463,216	9,631,261	12,470,892	12,019,847	15,164,440	24,680,461	5,118,703	2,884,350	94,433,170
4th Quarter	13,262,510	9,146,093	12,192,145	11,673,311	16,762,011	25,865,142	5,192,487	2,907,188	97,000,887
2013 1st Quarter	14,723,011	8,664,790	11,670,606	11,999,847	17,813,964	26,807,664	5,206,215	2,935,549	99,821,647
2nd Quarter	16,615,747	8,229,397	11,569,892	13,440,113	17,946,081	28,017,166	5,217,490	2,892,680	103,928,566

Comparison to Benchmark:

Description	LGIP	Portfolio
Rate of Return - Quarterly	0.03%	0.10%
Rate of Return - Annualized	0.15%	0.48%

Walworth County Investment Report
Portfolio Holdings as of 06/30/2013
Pershing (Custodian for Broker/Dealer Transactions)

Description	Maturity	Quantity	Cost	Market	Unrealized Gain/Loss-BV
Pershings MM	N/A	2,500	\$ 2,500	\$ 2,500	\$ -
Subtotal Cash & Cash Equivalent		2,500	\$ 2,500	\$ 2,500	\$ -

FAMC 2 7/27/2016	7/27/2016	500,000	\$ 521,800	\$ 516,450	\$ (5,350)
FFCB 0.36 8/14/2015	8/14/2015	500,000	500,280	498,310	(1,970)
FFCB 0.6 4/25/2017	4/25/2017	1,000,000	999,064	978,110	(20,954)
FFCB 1.05 3/28/2016	3/28/2016	1,000,000	999,931	1,010,450	10,519
FHLB 1 9/13/2013	9/13/2013	1,000,000	999,893	1,001,720	1,827
FHLB 1.375 12/11/2015	12/11/2015	500,000	511,927	509,875	(2,052)
FHLB 2.125 6/10/2016	6/10/2016	1,000,000	1,045,433	1,040,060	(5,373)
FHLMC 0.45 11/24/2015	11/24/2015	1,000,000	1,001,240	997,130	(4,110)
FHLMC 0.7 5/8/2017-15	5/8/2017	1,500,000	1,501,084	1,465,335	(35,749)
FHLMC 1 3/14/2016-14	3/14/2016	1,000,000	997,620	1,003,950	6,330
FHLMC 1 6/29/2017	6/29/2017	500,000	494,465	495,515	1,050
FHLMC 1 9/27/2017-13	9/27/2017	1,000,000	1,002,339	982,450	(19,889)
FHLMC 1 9/29/2017	9/29/2017	500,000	490,255	494,050	3,795
FNMA 0.375 12/21/2015	12/21/2015	1,000,000	999,387	994,410	(4,977)
FNMA 0.5 9/28/2015	9/28/2015	1,000,000	1,000,087	999,550	(537)
FNMA 0.6 7/17/2015-13	7/17/2015	1,000,000	1,000,000	1,000,180	180
FNMA 1 2/27/2017-15	2/27/2017	1,000,000	1,006,760	995,320	(11,440)
FNMA 1 4/25/2017	4/25/2017	1,000,000	1,000,000	982,430	(17,570)
FNMA 1 6/27/2016-13	6/27/2016	500,000	503,085	501,590	(1,495)
FNMA 1 9/23/2013	9/23/2013	1,000,000	999,886	1,001,910	2,024
FNMA 1.125 4/27/2017	4/27/2017	1,000,000	1,012,958	996,530	(16,428)
FNMA 1.25 1/30/2017	1/30/2017	500,000	510,400	503,060	(7,340)
FNMA 1.25 8/20/2013	8/20/2013	1,000,000	1,000,927	1,001,470	543
FNMA 1.5 10/28/2016-13	10/28/2016	1,000,000	1,000,000	1,003,380	3,380
FNMA 1.625 10/26/2015	10/26/2015	1,000,000	1,026,332	1,024,790	(1,542)
FNMA Step 5/15/2018-13	5/15/2018	2,000,000	1,999,123	1,948,020	(51,103)
FNMA Step 7/26/2017-13	7/26/2017	1,000,000	1,000,000	979,620	(20,380)
FNMA Step 7/26/2017-13	7/26/2017	1,000,000	999,796	977,030	(22,766)
Subtotal Government Agency Coupon Securities		26,000,000	\$ 26,124,072	\$ 25,902,695	\$ (221,377)

City of Monona 2 10/1/2017	10/1/2017	300,000	\$ 312,446	\$ 304,779	\$ (7,667)
Milwaukee Area Tech College 2 6/1/2014	6/1/2014	350,000	355,150	354,907	(243)
Milwaukee Area Tech College 2 6/1/2015	6/1/2015	500,000	513,547	511,675	(1,872)
Milwaukee Area Tech College 2 6/1/2016	6/1/2016	355,000	368,001	364,282	(3,719)
Outagamie County 1.3 9/1/2013	9/1/2013	825,000	825,000	826,073	1,073
Pewaukee Wisconsin 2 3/1/2014	3/1/2014	110,000	110,000	111,117	1,117
Racine County School District 2.55 6/1/2015	6/1/2015	285,000	285,000	293,616	8,616
Waupaca County 2 3/1/2014	3/1/2014	930,000	936,132	939,523	3,391
Winnebago County 2 4/1/2014	4/1/2014	1,255,000	1,270,190	1,270,851	661
Winnebago County 2 4/1/2015	4/1/2015	1,285,000	1,319,041	1,315,827	(3,214)
Subtotal Municipal Debt		6,195,000	\$ 6,294,507	\$ 6,292,650	\$ (1,857)

TOTAL PERSHING PORTFOLIO		32,197,500	\$ 32,421,079	\$ 32,197,845	\$ (223,234)
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Diversification:					
Cash & Cash Equivalents	1%	2,500	\$ 2,500	\$ 2,500	\$ -
Government Agency Securities	80%	26,000,000	26,124,072	25,902,695	(221,377)
US Treasury Notes	0%	-	-	-	-
Municipal Debt	19%	6,195,000	6,294,507	6,292,650	(1,857)
Total PERSHING PORTFOLIO	100%	32,197,500	\$ 32,421,079	\$ 32,197,845	\$ (223,234)

Breakout by Security Type:

FAMC	\$ 516,450
FFCB	2,486,870
FHLB	2,551,655
FHLMC	5,438,430
FNMA	14,909,290
Municipal Debt	6,292,650
	\$ 32,195,345

Maturity Schedule (assumes no-call)

0-3 month	\$ 3,833,673
3 - 6 month	-
6 - 12 month	2,676,397
1 - 2 year	2,121,118
2 - 3 year	9,944,578
3 - 4 year	7,936,130
4 - 5 year	5,685,949
	\$ 32,197,845

Portion Callable or Mature within 2 years

Callable	\$ 11,839,305
Maturity	8,631,188
	\$ 20,470,493

Walworth County Investment Portfolio
Portfolio Holdings as of 06/30/2013
BMO Portfolio

Description	Maturity Date	Quantity	Cost	Market	Unrealized Gain/Loss
BMO Cash	N/A	2	\$ 2	\$ 2	\$ -
BMO Government MM	N/A	34,491	34,491	34,491	-
Subtotal Cash & Cash Equivalent			\$ 34,493	\$ 34,493	\$ -

FHLB 0.5 11/20/2015	11/20/2015	100,000	\$ 100,009	\$ 99,950	\$ (59)	
FHLB 1 6/21/2017	6/21/2017	175,000	176,814	172,748	(4,066)	
FHLB 1.375 12/11/2015	12/11/2015	150,000	152,661	152,962	301	
FHLB 1.375 5/28/2014	5/28/2014	100,000	100,825	101,070	245	
FHLB 1.625 9/28/2015	9/28/2015	150,000	152,228	153,825	1,597	
FHLB 1.63 8/20/2015	8/20/2015	200,000	203,494	205,334	1,840	
FHLB 2.125 6/10/2016	6/10/2016	100,000	102,615	104,006	1,391	
FHLB 2.5 6/13/2014	6/13/2014	80,000	81,186	81,746	560	
FHLMC 0.875 3/7/2018	3/7/2018	100,000	100,306	96,879	(3,427)	
FHLMC 1 3/8/2017	3/8/2017	150,000	149,698	149,265	(433)	
FHLMC 1 8/27/2014	8/27/2014	150,000	150,855	151,368	513	
FHLMC 1.75 9/10/2015	9/10/2015	150,000	152,847	154,189	1,342	
FHLMC 2 8/25/2016	8/25/2016	150,000	153,316	155,398	2,082	
FHLMC 2.875 2/9/2015	2/9/2015	125,000	126,754	130,109	3,355	
FNMA 0.5 3/30/2016	3/30/2016	150,000	150,154	149,262	(892)	
FNMA 0.875 10/26/2017	10/26/2017	200,000	200,287	195,720	(4,567)	
FNMA 0.875 12/20/2017	12/20/2017	120,000	119,963	117,029	(2,934)	
FNMA 1 9/23/2013	9/23/2013	100,000	100,078	100,191	113	
FNMA 1.125 10/8/2013	10/8/2013	150,000	150,273	150,408	135	
FNMA 1.125 6/27/2014	6/27/2014	85,000	85,094	85,790	696	
FNMA 1.25 1/30/2017	1/30/2017	300,000	299,912	301,836	1,924	
FNMA 1.25 9/28/2016	9/28/2016	150,000	152,066	151,836	(230)	
FNMA 1.25 9/28/2016	9/28/2016	100,000	100,041	101,224	1,183	
FNMA 1.35 2/24/2014	2/24/2014	65,000	65,085	65,490	405	
FNMA 1.375 11/15/2016	11/15/2016	150,000	151,686	152,188	502	
FNMA 1.375 11/15/2016	11/15/2016	150,000	152,078	152,189	111	
FNMA 1.5 10/28/2015	10/28/2015	100,000	101,209	102,064	855	
FNMA 1.5 9/8/2014	9/8/2014	175,000	176,885	177,279	394	
Subtotal Government Agency Coupon Securities			\$ 3,875,000	\$ 3,908,419	\$ 3,911,355	\$ 2,936

T-Note 0.75 12/15/2013	12/15/2013	150,000	149,728	150,446	718	
T-Note 0.75 6/15/2014	6/15/2014	150,000	150,002	150,803	801	
T-Note 0.75 9/15/2013	9/15/2013	100,000	100,002	100,141	139	
T-Note 0.75 9/15/2013	9/15/2013	25,000	24,994	25,035	41	
T-Note 1.25 10/31/2015	10/31/2015	50,000	49,225	50,926	1,701	
T-Note 1.25 10/31/2015	10/31/2015	75,000	73,761	76,389	2,628	
T-Note 1.25 4/15/2014	4/15/2014	150,000	150,650	151,281	631	
T-Note 1.5 6/30/2016	6/30/2016	150,000	148,988	153,639	4,651	
T-Note 1.75 1/31/2014	1/31/2014	75,000	75,184	75,713	529	
T-Note 1.75 7/31/2015	7/31/2015	60,000	60,681	61,704	1,023	
T-Note 1.75 7/31/2015	7/31/2015	50,000	49,783	51,420	1,637	
T-Note 1.75 7/31/2015	7/31/2015	40,000	39,998	41,136	1,138	
T-Note 2.375 9/30/2014	9/30/2014	100,000	101,011	102,690	1,679	
T-Note 2.375 9/30/2014	9/30/2014	50,000	50,579	51,345	766	
Subtotal US Treasury Notes			\$ 1,225,000	\$ 1,224,586	\$ 1,242,668	\$ 18,082

TOTAL BMO WEALTH MANAGEMENT PORTFOLIO	5,134,493	\$ 5,167,498	\$ 5,188,516	\$ 21,018
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Diversification:					
Cash & Cash Equivalents	2%	34,493	\$ 34,493	\$ 34,493	\$ -
Government Agency Securities	74%	3,875,000	3,908,419	3,911,355	2,936
US Treasury Notes	24%	1,225,000	1,224,586	1,242,668	18,082
Municipal Debt	0%	-	-	-	-
Total BMO PORTFOLIO	100%	5,134,493	\$ 5,167,498	\$ 5,188,516	\$ 21,018

Breakout by Security Type:	
FHLB	\$ 1,071,641
FHLMC	837,208
FNMA	2,002,506
US Treasury Notes	1,242,668
	\$ 5,154,023

Maturity Schedule (assumes no-call)

0-3 month	\$ 259,860
3 - 6 month	300,854
6 - 12 month	711,892
1 - 2 year	612,790
2 - 3 year	1,556,807
3 - 4 year	1,336,684
4 - 5 year	409,629
	\$ 5,188,516

Portion Callable or Mature within 2 years	
Callable	\$ -
Maturity	1,885,396
	\$ 1,885,396