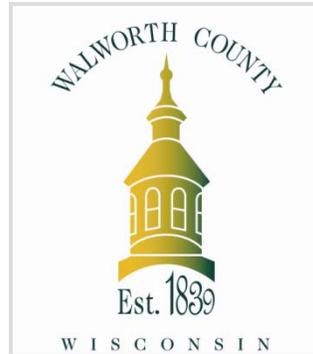

WALWORTH COUNTY, WISCONSIN

QUARTERLY INVESTMENT REPORT

December 31, 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 speculative rise in rates at the beginning of the fourth quarter mostly receded by the end of the quarter. 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 0.10%.
- Current collateralized money market yields are as follows Mid-America 0.59%, Associated 0.20%, and Chase 0.05%. The money markets provide the County with liquidity and offer a higher average yield than a one year treasury currently yielding 0.13%.
- The investment portfolio with BMO is at \$5.2 million, yielding 0.83% annually, net of fees, not including market adjustments. Portfolio duration is currently 2.21 years to maturity, and contains \$3.9 million in agency securities and \$1.3 million in treasury notes.
- The brokered portfolio held at Pershing is at \$37.7 million, yielding 0.82% (not including market adjustments) annually which includes \$30.6 million in agency securities and \$7.1 million in municipal debt. Portfolio duration is currently 2.59 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.
- During 2013, security investments saw a realized income of \$289,660, and ended the year with \$215,347 of unrealized market losses. These unrealized losses will not become reality if the investments are held to maturity. Reserves from prior years' unrealized market gains will cover this unrealized market loss.

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.

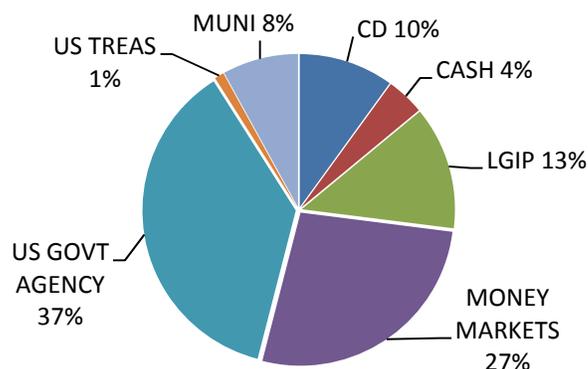
PUBLIC FUNDS MONEY MARKET ACCOUNT – The County has approved by resolution Public Funds money markets that are secured by collateral. These investments are used to provide short-term diversification and increase the current yields.

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.	\$ 32.9 million or 35%
Reinvestment Risk	Callable securities shall not exceed 50% of securities held.	\$ 10.4 million or 24%
Market Risk:		
Maturity Restrictions	Investments greater than 3 months and less than 1 year shall not exceed 95% of the total portfolio.	\$ 6.0 million or 6%
	Investments greater than 1 year and less than 5 years shall not exceed 100% of the core portfolio, currently \$53,796,000.	\$ 43.0 million or 80%

INVESTMENT CATEGORY	MAXIMUM MATURITY	AUTHORIZED LIMIT	ACTUAL PORTFOLIO
Certificates of Deposit	3 years	50%	10%
Operating Cash	N/A	N/A	4%
LGIP	N/A	75%	13%
Money Markets	N/A	95%	27%
U.S. Agency Securities	5 years	75%	37%
U.S. Treasury Securities	5 years	75%	1%
Municipal Debt	5 years	25%	8%

INVESTMENT TYPE	MARKET VALUE
Certificates of Deposit	\$ 9,778,000
Cash - Depository Bank	3,786,000
LGIP	12,172,000
Money Markets	25,142,000
Portfolio Money Markets	35,000
U.S. Gov. Agency Securities	34,467,000
U.S. Treasury Securities	1,316,000
Municipal Debt	7,087,000
Total	\$ 93,783,000



BUDGET PERFORMANCE

The first table below shows the actual and budgeted interest earned for the year ended December 31, 2013 by investment type. The second table below shows the actual and budgeted interest earned for the year ended December 31, 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	YEAR END 2013 BUDGET
Certificate of Deposit	\$59,541	\$ 59,000
U.S. Treasury/Govt. Agency	289,660	279,500
Local Gov Inv Pool (LGIP)	16,591	10,000
Depository Bank (Sweep)	4,300	3,000
Money Markets	110,360	100,360
Other Accounts Allocated Interest	(38,738)	(26,860)
TOTAL NON-DEPT	\$ 441,714	\$ 425,000
YTD Unrealized Gain/(Loss)*	(215,347)	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 \$968,766, after the 12/31/2013 adjustment.

ACCOUNT NAME	INTEREST EARNED	YEAR END 2013 BUDGET
Non-Department	\$ 441,714	\$ 425,000
Children with Disabilities Ed Bd	11,664	4,615
DPW Buildings Reserve	369	380
DPW Equipment Reserve	2,221	1,200
Health Insurance	17,245	14,000
Dental Insurance	609	400
Workers Compensation	2,617	2,300
Risk Management	4,013	2,000
TOTAL PORTFOLIO	\$ 480,452	\$ 449,895
Budget to Actual Variance		30,557

- The non-departmental budget through year end is \$425,000. Returns for 2013 have exceeded the non-departmental interest budget by \$16,714, and the total portfolio interest budget by \$30,557.
- By diversifying into other investment vehicles, we have been able to increase the County's yields by more than four times the LGIP benchmark. If the entire portfolio was invested at the benchmark rate, the forecasted interest earned in 2013 would have approximated \$108,571.
- Certificates of deposit currently held on December 31, 2013 have an average return of 0.57%.
- Securities held on December 31, 2013 have a yield to maturity at cost of 0.82% for our brokered securities and 0.83% at the BMO managed portfolio, net of investment fees.

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	YEAR END 2013 BUDGET
Land Information Fees	\$ 549	\$ 600
Risk Management	7,382	2,000
Clerk of Courts	998	3,500
Waddell Donations	84	84
Harrison Trust	39	-
Total	\$ 9,052	\$ 6,184

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 December 31, 2013. The interest income amount does not include unrealized gains or losses.

Investment Portfolio	Benchmark (LGIP)	Actual
Current Holdings – Yield to Maturity at Cost	0.09%	0.54%
Year to Date Interest Income Net of Fees	\$ 108,571	\$ 470,207
4th Quarter Average Return at Cost	0.02%	0.12%
Rolling 1 Year Average Return at Cost	0.10%	0.43%

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 INVESTMENT BENCHMARKS & RESPONSE

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*
2013, 1 st Quarter	0.12%	0.06%
2013, 2 nd Quarter	(0.11)%	(0.64)%
2013, 3 rd Quarter	0.29%	0.39%
2013, 4th Quarter	0.07%	0.00%

***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: "During the quarter, the total portfolio was unchanged with a 0.00% return net of fees. This return was just short of the 0.07% return for the Barclays 1-3 Year US Government Index.

The Federal Reserve surprised the market in December by announcing their intent to begin tapering the monthly purchase of Treasury and mortgage-backed securities. Most investors had expected the Fed to wait until January, if not later, to alter their policy. Instead, they announced that in January the asset purchases will be reduced by \$10 billion, to \$75 billion per month. At the same time, Fed Chairman Ben Bernanke went to great lengths to emphasize that the slowing pace of monthly purchases was not a tightening of monetary policy and that the Fed's rate-setting decision was separate and distinct from the quantitative easing (QE) decision. While it is clear the Fed would like to continue to reduce the pace of asset purchases over the course of 2014, continued tapering will be dependent upon stable to improving economic conditions.

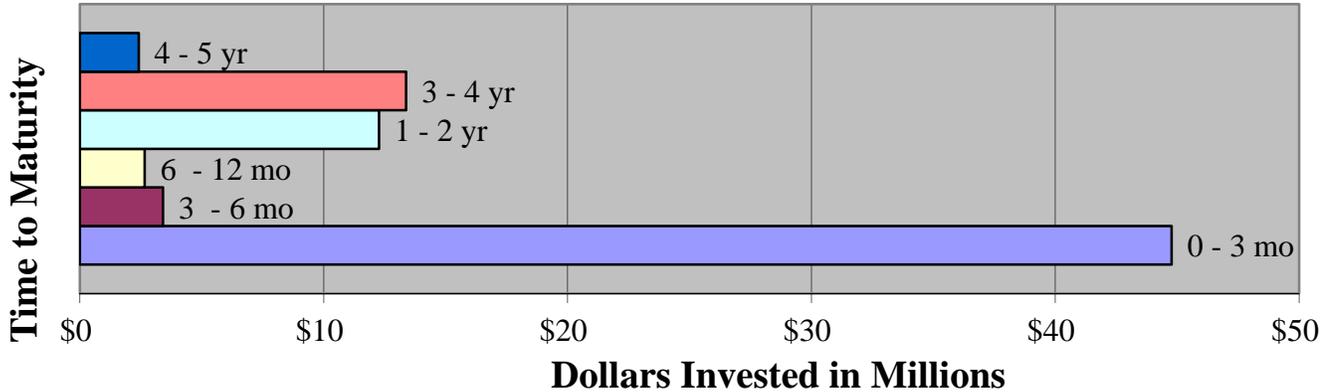
With regard to the fed funds rate decision, Bernanke stated, "The Committee now anticipates...that it likely will be appropriate to maintain the current target range for the federal funds rate well past the time that the unemployment rate declines below 6.5%." In essence, the Fed was offering the market a longer term commitment to its zero interest rate policy in exchange for scaling back on QE, and it worked. The reaction in the bond market to the news was relatively modest. Treasury yields drifted only marginally higher following the announcement, with intermediate-term rates rising more than long-term rates. Since the focus of the Fed's purchases have been in the 5-7 year maturity range, the curve reaction was appropriate.

With the prospect for near zero interest rates for the foreseeable future, the return prospects for high-quality, short-duration fixed income portfolios are likely to remain near zero as well. The primary role for a portfolio such as this will be capital preservation."

- *Annette E. Hellmer, BMO Wealth Management, January 13, 2014*

TOTAL PORTFOLIO OVERVIEW

Total Investments by Maturity



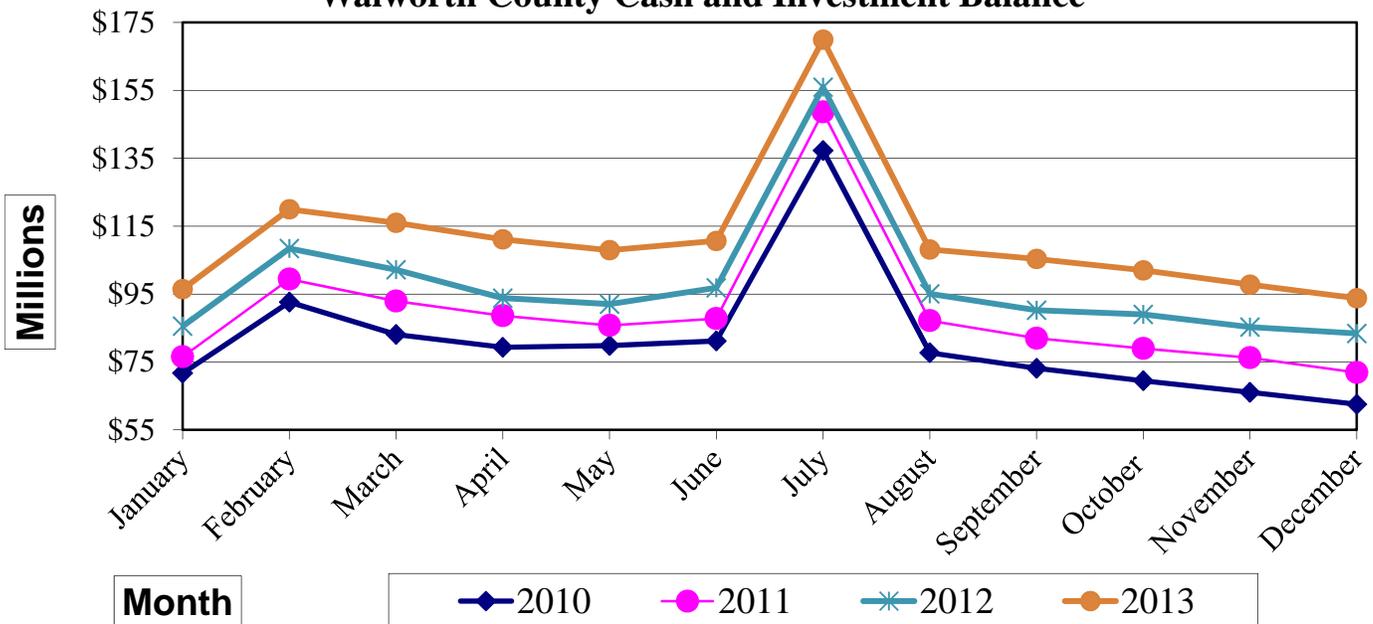
TOTAL PORTFOLIO OVERVIEW – HISTORICAL BALANCES

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	<u>2011</u>	<u>2012</u>	<u>2013</u>
Cash (1 year)	\$89,670,000	\$98,145,000	\$111,598,000
Cumulative Cash (3 year)	\$82,758,000	\$89,660,000	\$ 99,804,000

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.

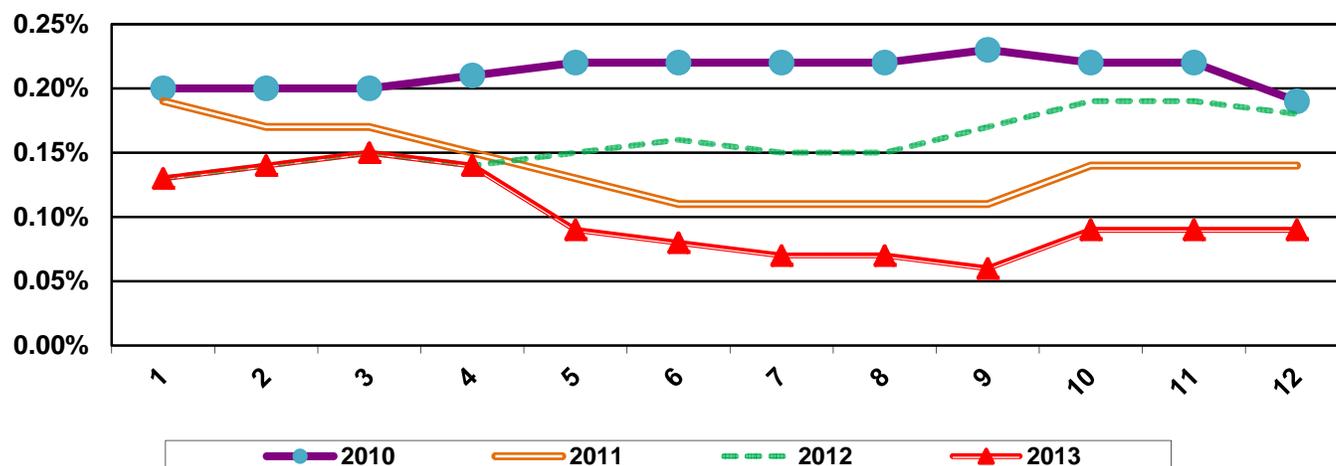
Liquidity Considerations

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)

LGIP Monthly Interest Rates



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%	\$ 8,282,137
JPMorgan Chase Bank	Collateralized Money Market	0.05%	1,602,872
Associated Bank	Collateralized Money Market	0.20%	15,256,832
BMO Portfolio Money Market	Government Money Market	0.01%	33,601
Pershing Money Market	Portfolio Money Market	0.00%	1,875
Total Money Market		0.32%	\$ 25,177,317

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. We are currently investing the maximum balance that Mid America Bank will allow.

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 %
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	226,913	0.85%
Associated Bank	11/17/2011	11/13/2014	1,500,000	1.21%
Commercial Bank	12/7/2012	12/7/2014	225,684	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%
Citizens Bank of Mukwonago	8/7/2013	8/7/2015	225,000	0.75%
Associated Bank	11/14/2013	11/14/2015	1,000,000	0.40%
FirstMerit Bank	12/13/2013	12/18/2015	225,000	0.60%
Associated Bank	8/7/2013	8/3/2016	1,000,000	0.71%
<i>Yield to Maturity at December 31, 2013</i>			\$ 9,777,597	0.57%

During the fourth quarter, \$1,225,684 of certificates of deposit were purchased, and \$225,000 of certificates of deposit matured. The average duration of the certificates of deposit at December 31, 2013 is 0.99 years.

Although we continue to solicit CD bids, financial institutions have been unresponsive or offering lower than Agency Security interest rates. Financial institutions have shared that they do not need additional cash flow due to excess liquidity.

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	\$ 5,188,478	\$ 5,208,849	\$ 20,371	\$ (49,815)	0.83%	2.21
Pershing Portfolio	37,755,723	37,696,571	(59,152)	(165,532)	0.82%	2.59
Total Securities	\$42,944,201	\$ 42,905,420	\$ (38,781)	\$ (215,347)		

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 fourth quarter, \$7,000,000 of agency securities were purchased and \$1,500,000 were called.

WALWORTH COUNTY INVESTMENT REPORT
VALUATION AT COST
As of 12/31/2013

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
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%	0.19%	0.04%	0.10%
3rd Quarter	0.02%	0.15%	0.14%	0.04%	0.05%	0.20%	0.20%	0.06%	0.10%
4th Quarter	0.02%	0.15%	0.15%	0.03%	0.05%	0.19%	0.19%	0.04%	0.12%

One Year Ending

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%
3rd Quarter	0.12%	0.65%	0.63%	0.16%	0.20%	0.83%	0.84%	0.18%	0.46%
4th Quarter	0.10%	0.62%	0.58%	0.15%	0.19%	0.78%	0.72%	0.18%	0.43%

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
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	10,089	799	111,975
3rd Quarter	4,679	12,207	13,280	8,130	10,728	63,737	10,577	1,677	125,014
4th Quarter	1,309	12,094	13,781	3,421	10,394	67,722	9,833	920	119,473

One Year Ending

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
3rd Quarter	19,272	52,509	68,546	21,913	37,076	239,891	44,297	4,273	487,777
4th Quarter	16,591	50,140	59,541	23,178	37,033	241,414	38,009	4,300	470,207

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
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
3rd Quarter	27,236,513	8,262,147	9,292,804	21,094,176	21,282,304	31,936,395	5,195,413	2,731,920	127,031,673
4th Quarter	5,905,901	8,274,089	9,284,164	12,101,173	20,619,654	35,628,470	5,221,931	2,400,109	99,435,490

One Year Ending

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
3rd Quarter	17,249,381	8,242,788	10,894,363	14,595,903	18,985,787	29,166,817	5,214,983	2,396,021	106,746,043
4th Quarter	16,620,105	8,255,781	10,309,120	16,252,295	19,855,751	31,067,454	5,215,587	2,413,847	109,989,941

Comparison to Benchmark:

Description	LGIP	Portfolio
Rate of Return - Quarterly	0.02%	0.12%
Rate of Return - Annualized	0.10%	0.43%

Walworth County Investment Report
Portfolio Holdings as of 12/31/2013
Pershing (Custodian for Broker/Dealer Transactions)

Description	Maturity	Quantity	Cost	Market	Unrealized Gain/Loss-BV
Pershings MM	N/A	1,875	\$ 1,875	\$ 1,875	\$ -
Subtotal Cash & Cash Equivalent		1,875	\$ 1,875	\$ 1,875	\$ -

FAMC 1 9/26/2016	9/26/2016	2,000,000	\$ 2,014,872	\$ 2,015,140	\$ 268
FAMC 2 7/27/2016	7/27/2016	500,000	518,228	516,135	(2,093)
FAMC 2.41 4/29/2016	4/29/2016	1,000,000	1,041,352	1,043,040	1,688
FAMC 2.41 4/29/2016	4/29/2016	1,000,000	1,043,737	1,043,040	(697)
FFCB 0.36 8/14/2015	8/14/2015	500,000	500,214	500,045	(169)
FFCB 0.6 4/25/2017	4/25/2017	1,000,000	999,188	988,070	(11,118)
FFCB 0.65 5/9/2016	5/9/2016	1,000,000	1,000,695	1,001,520	825
FFCB 1.05 3/28/2016	3/28/2016	1,000,000	999,944	1,013,100	13,156
FFCB 1.07 9/12/2016	9/12/2016	1,000,000	1,000,000	1,010,290	10,290
FHLB 1.375 12/11/2015	12/11/2015	500,000	509,472	509,255	(217)
FHLB 2.125 6/10/2016	6/10/2016	1,000,000	1,037,664	1,036,390	(1,274)
FHLMC 0.45 11/24/2015	11/24/2015	1,000,000	1,000,980	1,000,280	(700)
FHLMC 0.7 5/8/2017-15	5/8/2017	1,500,000	1,500,942	1,478,070	(22,872)
FHLMC 0.7 5/8/2017-15	5/8/2017	1,000,000	979,938	985,380	5,442
FHLMC 1 3/14/2016-14	3/14/2016	1,000,000	998,063	1,001,560	3,497
FHLMC 1 6/29/2017	6/29/2017	500,000	495,163	497,000	1,837
FHLMC 1 9/27/2017	9/27/2017	1,000,000	1,002,061	987,000	(15,061)
FHLMC 1 9/29/2017	9/29/2017	500,000	491,411	494,145	2,734
FNMA 0.375 12/21/2015	12/21/2015	1,000,000	999,512	998,470	(1,042)
FNMA 0.5 9/28/2015	9/28/2015	1,000,000	1,000,067	1,001,770	1,703
FNMA 0.625 8/26/2016	8/26/2016	1,000,000	1,002,104	998,340	(3,764)
FNMA 1 10/17/2016-14	10/17/2016	1,000,000	1,000,000	1,005,060	5,060
FNMA 1 2/27/2017-15	2/27/2017	1,000,000	1,005,830	1,001,300	(4,530)
FNMA 1 4/25/2017	4/25/2017	1,000,000	1,000,000	997,980	(2,020)
FNMA 1.125 4/27/2017	4/27/2017	1,000,000	1,011,251	1,003,890	(7,361)
FNMA 1.25 1/30/2017	1/30/2017	500,000	508,940	506,015	(2,925)
FNMA 1.5 9/26/2017-14	9/26/2017	1,000,000	999,766	1,004,480	4,714
FNMA 1.625 10/26/2015	10/26/2015	1,000,000	1,020,618	1,021,850	1,232
FNMA Step 5/15/2018-13	5/15/2018	2,000,000	1,999,213	1,962,900	(36,313)
FNMA Step 7/26/2017-13	7/26/2017	1,000,000	1,000,000	989,620	(10,380)
FNMA Step 7/26/2017-13	7/26/2017	1,000,000	999,822	996,880	(2,942)
Subtotal Government Agency Coupon Securities		30,500,000	\$ 30,681,047	\$ 30,608,015	\$ (73,032)

City of Monona 2 10/1/2017	10/1/2017	300,000	\$ 310,973	\$ 306,984	\$ (3,989)
East Troy WI School District 4.25 3/1/2015	3/1/2015	400,000	417,130	415,296	(1,834)
Milwaukee Area Tech College 2 6/1/2014	6/1/2014	350,000	352,330	352,258	(72)
Milwaukee Area Tech College 2 6/1/2015	6/1/2015	250,000	254,922	255,715	793
Milwaukee Area Tech College 2 6/1/2015	6/1/2015	500,000	509,991	510,360	369
Milwaukee Area Tech College 2 6/1/2016	6/1/2016	500,000	511,884	517,435	5,551
Milwaukee Area Tech College 2 6/1/2016	6/1/2016	355,000	365,759	366,083	324
Ozaukee County 2 3/1/2015	3/1/2015	245,000	249,112	249,993	881
Ozaukee County 2 3/1/2016	3/1/2016	200,000	204,912	206,992	2,080
Pewaukee Wisconsin 2 3/1/2014	3/1/2014	110,000	110,000	110,288	288
Racine County School District 2.55 6/1/2015	6/1/2015	285,000	285,000	291,375	6,375
Waupaca County 2 3/1/2014	3/1/2014	930,000	931,508	932,353	845
Winnebago County 2 4/1/2014	4/1/2014	1,255,000	1,260,026	1,260,284	258
Winnebago County 2 4/1/2015	4/1/2015	1,285,000	1,309,254	1,311,265	2,011
Subtotal Municipal Debt		6,965,000	\$ 7,072,801	\$ 7,086,681	\$ 13,880

TOTAL PERSHING PORTFOLIO		37,466,875	\$ 37,755,723	\$ 37,696,571	\$ (59,152)
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Diversification:

Cash & Cash Equivalents	1%	1,875	\$ 1,875	\$ 1,875	\$ -
Government Agency Securities	80%	30,500,000	30,681,047	30,608,015	(73,032)
US Treasury Notes	0%	-	-	-	-
Municipal Debt	19%	6,965,000	7,072,801	7,086,681	13,880
Total PERSHING PORTFOLIO	100%	37,466,875	\$ 37,755,723	\$ 37,696,571	\$ (59,152)

Breakout by Security Type:

FAMC	\$ 4,617,355
FFCB	4,513,025
FHLB	1,545,645
FHLMC	6,443,435
FNMA	13,488,555
Municipal Debt	7,086,681
	\$ 37,694,696

Maturity Schedule (assumes no-call)

0-3 month	\$ 1,044,516
3 - 6 month	1,612,541
6 - 12 month	-
1 - 2 year	8,065,675
2 - 3 year	12,774,125
3 - 4 year	12,236,814
4 - 5 year	1,962,900
	\$ 37,696,571

Portion Callable or Mature within 2 years

Callable	\$ 10,425,250
Maturity	10,722,732
	\$ 21,147,982

Walworth County Investment Portfolio
Portfolio Holdings as of 12/31/2013
BMO Portfolio

Description	Maturity Date	Quantity	Cost	Market	Unrealized Gain/Loss
BMO Government MM	N/A	33,601	33,601	33,601	-
Subtotal Cash & Cash Equivalent		33,601	\$ 33,601	\$ 33,601	\$ -

FHLB 0.5 11/20/2015	11/20/2015	100,000	\$ 100,007	\$ 100,173	\$ 166
FHLB 1 6/21/2017	6/21/2017	175,000	176,584	174,603	(1,981)
FHLB 1.375 12/11/2015	12/11/2015	150,000	152,113	152,776	663
FHLB 1.375 5/28/2014	5/28/2014	100,000	100,368	100,515	147
FHLB 1.625 9/28/2015	9/28/2015	150,000	151,728	153,252	1,524
FHLB 1.63 8/20/2015	8/20/2015	200,000	202,671	204,374	1,703
FHLB 2.125 6/10/2016	6/10/2016	100,000	102,168	103,639	1,471
FHLB 2.5 6/13/2014	6/13/2014	80,000	80,559	80,854	295
FHLMC 0.875 3/7/2018	3/7/2018	100,000	100,273	97,238	(3,035)
FHLMC 1 3/8/2017	3/8/2017	150,000	149,739	150,244	505
FHLMC 1 8/27/2014	8/27/2014	150,000	150,483	150,872	389
FHLMC 1 9/29/2017	9/29/2017	200,000	199,047	197,658	(1,389)
FHLMC 1.75 9/10/2015	9/10/2015	150,000	152,194	153,563	1,369
FHLMC 2 8/25/2016	8/25/2016	150,000	152,786	155,117	2,331
FHLMC 2.875 2/9/2015	2/9/2015	125,000	126,206	128,691	2,485
FNMA 0.5 3/30/2016	3/30/2016	150,000	150,126	149,922	(204)
FNMA 0.875 10/26/2017	10/26/2017	200,000	200,254	196,782	(3,472)
FNMA 0.875 12/20/2017	12/20/2017	120,000	119,967	117,605	(2,362)
FNMA 1.125 6/27/2014	6/27/2014	85,000	85,046	85,422	376
FNMA 1.25 1/30/2017	1/30/2017	300,000	299,924	303,609	3,685
FNMA 1.25 9/28/2016	9/28/2016	100,000	100,035	101,496	1,461
FNMA 1.25 9/28/2016	9/28/2016	150,000	151,746	152,244	498
FNMA 1.35 2/24/2014	2/24/2014	65,000	65,019	65,117	98
FNMA 1.375 11/15/2016	11/15/2016	150,000	151,768	152,625	857
FNMA 1.375 11/15/2016	11/15/2016	150,000	151,435	152,625	1,190
FNMA 1.5 10/28/2015	10/28/2015	100,000	100,947	101,862	915
FNMA 1.5 9/8/2014	9/8/2014	175,000	176,088	176,627	539
Subtotal Government Agency Coupon Securities		3,825,000	\$ 3,849,281	\$ 3,859,505	\$ 10,224

T-Note 0.75 6/15/2014	6/15/2014	150,000	\$ 150,001	\$ 150,445	\$ 444
T-Note 1 5/31/2018	5/31/2018	200,000	197,986	195,650	(2,336)
T-Note 1.25 10/31/2015	10/31/2015	75,000	74,029	76,252	2,223
T-Note 1.25 10/31/2015	10/31/2015	50,000	49,392	50,835	1,443
T-Note 1.25 4/15/2014	4/15/2014	150,000	150,236	150,495	259
T-Note 1.5 6/30/2016	6/30/2016	150,000	149,158	153,476	4,318
T-Note 1.75 1/31/2014	1/31/2014	75,000	75,027	75,103	76
T-Note 1.75 7/31/2015	7/31/2015	60,000	60,516	61,406	890
T-Note 1.75 7/31/2015	7/31/2015	50,000	49,835	51,172	1,337
T-Note 1.75 7/31/2015	7/31/2015	40,000	39,998	40,938	940
T-Note 2.375 9/30/2014	9/30/2014	100,000	100,604	101,666	1,062
T-Note 2.375 9/30/2014	9/30/2014	50,000	50,346	50,833	487
T-Note 2.625 4/30/2018	4/30/2018	150,000	158,468	157,472	(996)
Subtotal US Treasury Notes		1,300,000	\$ 1,305,596	\$ 1,315,743	\$ 10,147

TOTAL BMO WEALTH MANAGEMENT PORTFOLIO	5,158,601	\$ 5,188,478	\$ 5,208,849	\$ 20,371
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Diversification:					
Cash & Cash Equivalents	2%	33,601	\$ 33,601	\$ 33,601	\$ -
Government Agency Securities	74%	3,825,000	3,849,281	3,859,505	10,224
US Treasury Notes	25%	1,300,000	1,305,596	1,315,743	10,147
Municipal Debt	0%	-	-	-	-
Total BMO PORTFOLIO	101%	5,158,601	\$ 5,188,478	\$ 5,208,849	\$ 20,371

Breakout by Security Type:

FHLB	\$ 1,070,186
FHLMC	1,033,382
FNMA	1,755,937
US Treasury Notes	1,315,743
	\$ 5,175,248

Maturity Schedule (assumes no-call)

0-3 month	\$ 173,821
3 - 6 month	567,732
6 - 12 month	479,998
1 - 2 year	1,275,295
2 - 3 year	1,121,143
3 - 4 year	1,140,501
4 - 5 year	450,359
	\$ 5,208,849

Portion Callable or Mature within 2 years

Callable	\$ -
Maturity	2,496,846
	\$ 2,496,846