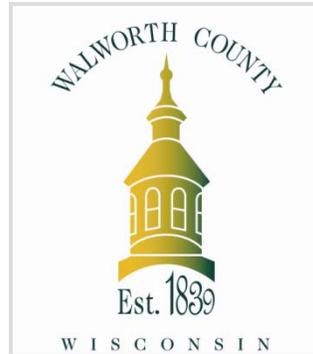

WALWORTH COUNTY, WISCONSIN

QUARTERLY INVESTMENT REPORT

December 31, 2014



**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 entirely comprised of investments made during the low interest environment. 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 0.09%.
- Current collateralized money market yields are as follows Mid-America 0.59% and Associated 0.20%. The money markets provide the County with liquidity and offer a higher average yield than a six month treasury currently yielding 0.12%.
- We also maintain a collateralized money market with Chase, currently yielding 0.03% with a balance of \$2.1 million, as it allows for immediate access to funds.
- The investment portfolio with BMO is at \$5.2 million, yielding 0.87% annually, net of fees, not including market adjustments. Portfolio duration is currently 1.96 years to maturity, and contains \$3.3 million in agency securities, \$1.8 million in treasury notes, and \$0.1 million in a money market.
- The brokered portfolio held at Pershing is at \$44.8 million, yielding 0.91% (not including market adjustments) annually which includes \$38.1 million in agency securities and \$6.7 million in municipal debt. Portfolio duration is currently 2.02 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.

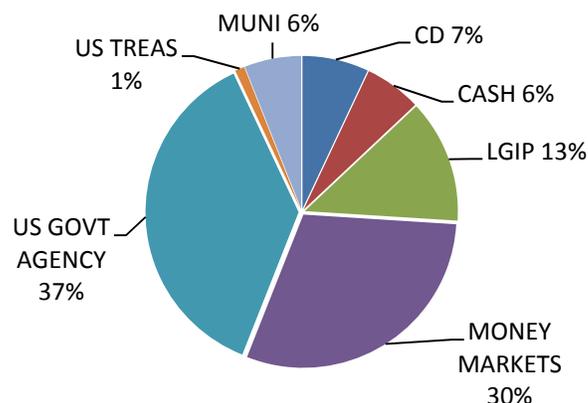
PUBLIC FUNDS MONEY MARKET ACCOUNT – The County has approved by resolution Public Funds money markets that are secured by collateral. These investments are used to provide short-term diversification and increase the current yields.

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 \$28,679,000.	Current investment holdings comply
Financial Institutions Limits	Investments held at any one institution shall be limited to 50% of the core portfolio, currently \$28,679,000.	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.	\$ 46.4 million or 41%
Reinvestment Risk	Callable securities shall not exceed 50% of securities held.	\$ 12.9 million or 26%
Market Risk:		
Maturity Restrictions	Investments greater than 3 months and less than 1 year shall not exceed 95% of the total portfolio.	\$ 13.6 million or 12%
	Investments greater than 1 year and less than 5 years shall not exceed 100% of the core portfolio, currently \$57,358,000.	\$ 42.0 million or 73%

INVESTMENT CATEGORY	MAXIMUM MATURITY	AUTHORIZED LIMIT	ACTUAL PORTFOLIO
Certificates of Deposit	3 years	50%	7%
Operating Cash	N/A	N/A	6%
LGIP	N/A	75%	13%
Money Markets	N/A	95%	30%
U.S. Agency Securities	5 years	75%	37%
U.S. Treasury Securities	5 years	75%	1%
Municipal Debt	5 years	25%	6%

INVESTMENT TYPE	MARKET VALUE
Certificates of Deposit	\$ 7,552,000
Cash - Depository Bank	6,796,000
LGIP	14,529,000
Money Markets	33,281,000
Portfolio Money Markets	77,000
U.S. Gov. Agency Securities	41,446,000
U.S. Treasury Securities	1,841,000
Municipal Debt	6,691,000
Total	\$ 112,213,000



BUDGET PERFORMANCE

The first table below shows the actual and budgeted interest earned for the year ended December 31, 2014 by investment type. The second table below shows the actual and budgeted interest earned for the year ended December 31, 2014 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 2014 BUDGET
Certificate of Deposit	\$ 48,233	\$ 36,000
U.S. Treasury/Govt. Agency	371,630	328,920
Local Gov Inv Pool (LGIP)	28,288	18,000
Depository Bank (Sweep)	3,858	3,000
Money Markets	93,691	94,500
Other Accounts Allocated Interest	(35,557)	(80,420)
TOTAL NON-DEPT	\$ 510,143	\$ 400,000
YTD Unrealized Gain/(Loss)*	\$ 38,403	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 \$1,007,170, after the 12/31/2014 adjustment.

ACCOUNT NAME	INTEREST EARNED	YEAR END 2014 BUDGET
Non-Department	\$ 510,143	\$ 400,000
Children with Disabilities Ed Bd	10,582	12,480
DPW Buildings Reserve	451	340
DPW Equipment Reserve	1,260	1,260
LHCC Building Reserve	697	-
LHCC Equipment Reserve	140	-
Health Insurance	15,972	14,900
Dental Insurance	610	580
Workers Compensation	2,402	2,420
Risk Management	3,443	2,020
TOTAL PORTFOLIO	\$ 545,700	\$ 434,000
Budget to Actual Variance		\$ 111,700

- 2014 returns have exceeded budget by \$111,700.
- By diversifying into other investment vehicles, we have been able to increase the County's yields by more than five times the LGIP benchmark. If the entire portfolio was invested at the benchmark rate, the forecasted interest earned in 2014 would have approximated \$106,657.
- Certificates of deposit currently held on December 31, 2014 have an average return of 0.45%.
- Securities held on December 31, 2014 have a yield to maturity at cost of 0.91% for our brokered securities and 0.87% 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	YEAR END 2014 BUDGET
Land Information Fees	\$ 406	\$ 537
Risk Management	5,649	2,020
Clerk of Courts	665	3,500
Waddell Donations	73	125
Harrison Trust	33	-
Total	\$ 6,826	\$ 6,182

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, 2014. 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	\$ 106,657	\$ 535,432
4th Quarter Average Return at Cost	0.02%	0.12%
Rolling 1 Year Average Return at Cost	0.08%	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*
2014, 1st Quarter	0.14%	0.19%
2014, 2nd Quarter	0.27%	0.36%
2014, 3rd Quarter	0.03%	(0.02)%
2014, 4th Quarter	0.19%	0.27%

***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 returned +0.27% net of fees compared to a +0.19% return for the Barclay's 1-3 Year US Government Index. On a year-to-date basis, the portfolio has gained 0.80% net of fees versus 0.64% for the benchmark. It continues to be challenging to generate return with a high-quality, short duration portfolio given near-zero short-term interest rates.

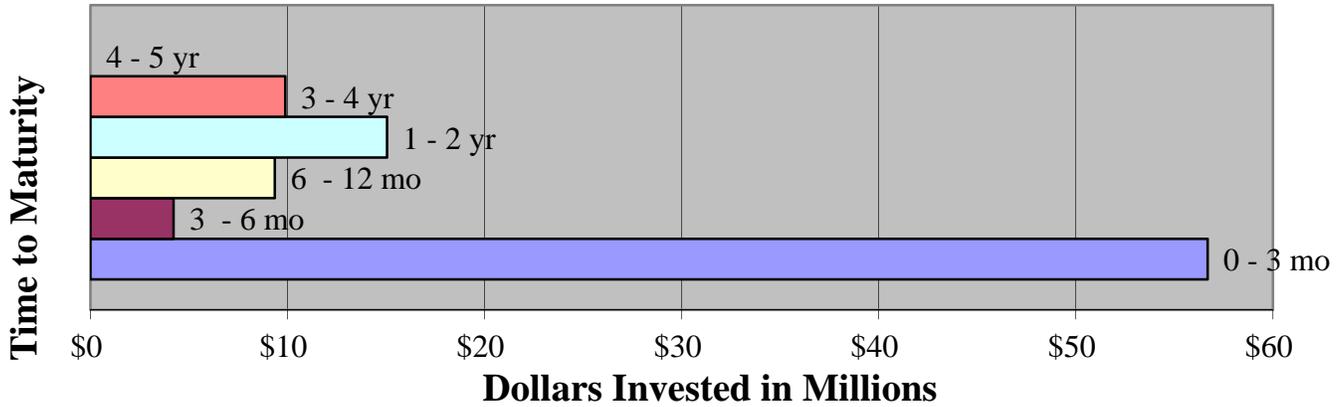
After a hefty rise in rates in 2013, most expected rates to move higher in 2014 as the U.S. economy strengthened. The economy did strengthen, but the substantial demand for U.S. treasuries resulted in lower yields, for the most part. In fact, we had a phenomenon called "bear flattening," a unique set of circumstances where, in this case, short-term rates rose while long-term rates declined. As a consequence, returns for longer term securities substantially outperformed shorter term securities."

	Yields (%)		Total returns (%)	
	12/31/2013	12/31/2014	2013	2014
2-year Treasury	0.38	0.67	0.30	0.66
10-year Treasury	3.03	2.17	(7.81)	10.74
Sources: Barclays, Bloomberg L.P., BMO Global Asset Management				

- Joseph A. Olson, BMO Wealth Management, January 16, 2015

TOTAL PORTFOLIO OVERVIEW

Total Investments by Maturity



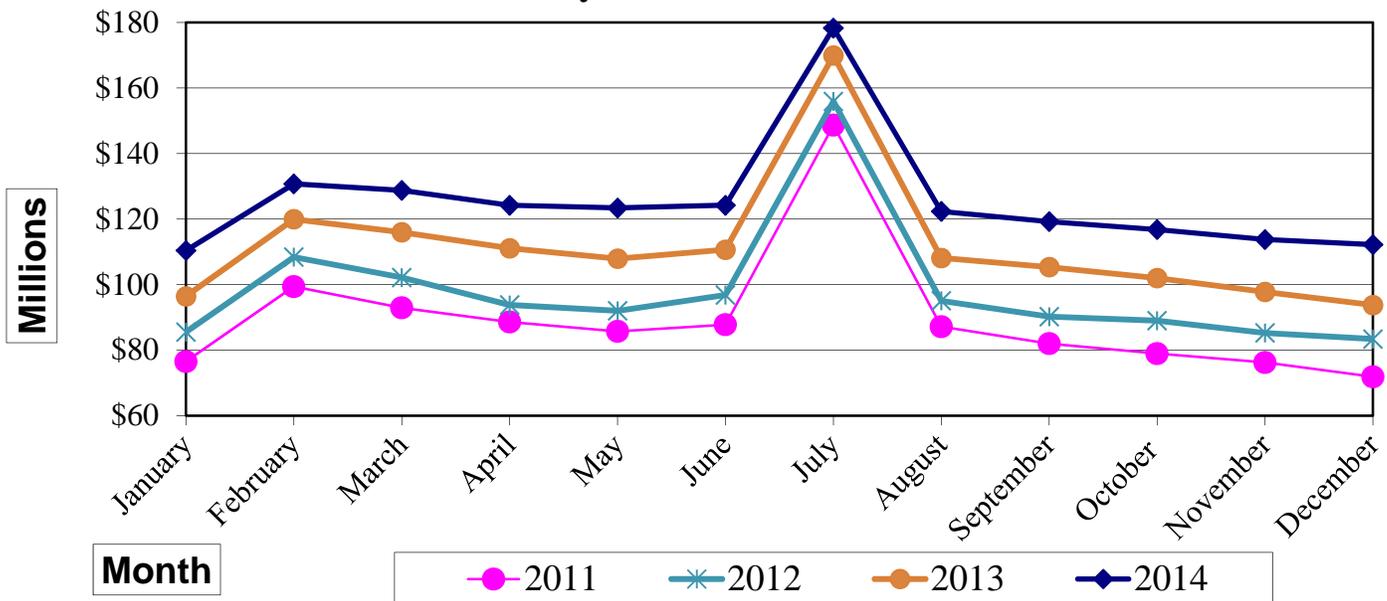
TOTAL PORTFOLIO OVERVIEW – HISTORICAL BALANCES

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>2012</u>	<u>2013</u>	<u>2014</u>
Cash (1 year)	\$ 98,145,000	\$ 111,598,000	\$ 125,375,000
Cumulative Cash (3 year)	\$ 89,660,000	\$ 99,804,000	\$ 111,706,000

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.

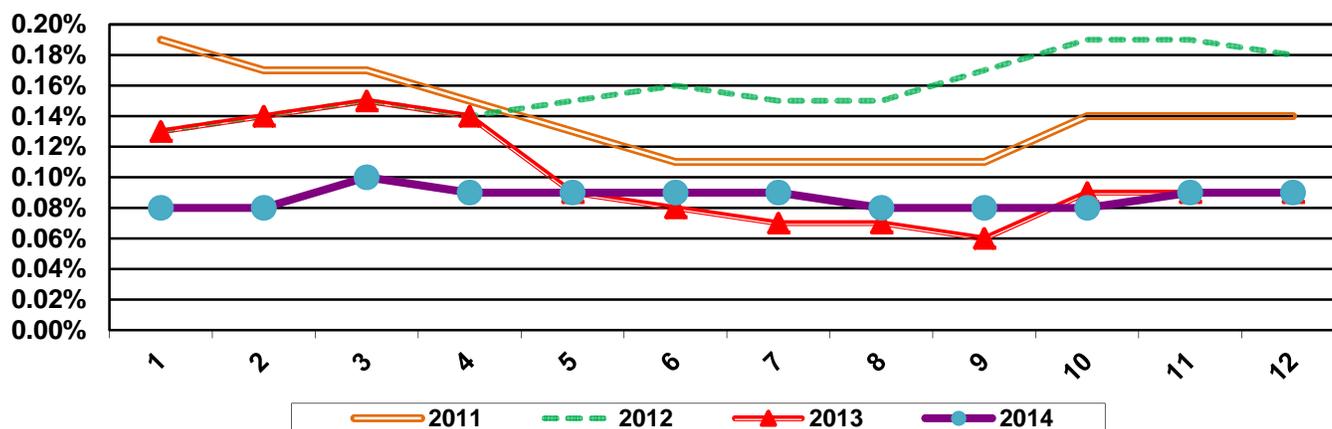
Liquidity Considerations

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 \$32.4 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%	\$ 8,330,669
JPMorgan Chase Bank	Collateralized Money Market	0.03%	2,104,734
Associated Bank	Collateralized Money Market	0.20%	22,845,270
BMO Portfolio Money Market	Government Money Market	0.01%	68,239
Pershing Money Market	Portfolio Money Market	0.01%	9,500
Total Money Market		0.29%	\$ 33,358,412

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 %
Associated Bank	2/22/2013	2/23/2015	\$ 1,000,000	0.36
First Citizens State Bank	2/23/2013	2/23/2015	226,350	0.60
Town Bank	4/25/2014	4/29/2015	225,173	0.30
Associated Bank	6/27/2014	6/26/2015	1,000,000	0.24
Southern Lakes Credit Union	1/15/2013	7/11/2015	250,000	0.80
Citizens Bank of Mukwonago	8/7/2013	8/5/2015	225,000	0.75
Associated Bank	10/9/2014	10/9/2015	500,000	0.29
Associated Bank	11/13/2014	11/12/2015	1,000,000	0.30
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
Citizens Bank of Mukwonago	1/8/2014	1/8/2016	225,000	0.80
FirstMerit Bank	2/11/2014	2/11/2016	225,000	0.50
Associated Bank	8/7/2013	8/3/2016	1,000,000	0.71
First Citizens State Bank	8/16/2014	8/19/2016	225,000	0.50
Commercial Bank	12/7/2014	12/8/2016	225,000	0.50
<i>Yield to Maturity at December 31, 2014</i>			\$ 7,551,523	0.45%

During the fourth quarter, \$1,725,173 of certificates of deposit were purchased, and \$1,725,684 of certificates of deposit matured. The average duration of the certificates of deposit at December 31, 2014 is 0.82 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	Original Cost Value	Current Market Value	Total Unrealized Gain/(Loss)	YTD Unrealized Gain/(Loss)	Yield to Maturity at Cost	Average Duration
BMO Portfolio	\$ 5,265,304	\$ 5,250,363	\$ (14,941)	\$(1,729)	0.87%	1.96
Pershing Portfolio	45,105,286	44,805,133	(300,153)	40,132	0.91%	2.02
Total Securities	\$50,370,590	\$50,055,496	\$ (315,094)	\$ 38,403		

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 for the first/minimum balance of \$5 million, and 15 basis points for the next \$10 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, \$2,000,000 of agency securities were purchased and \$3,000,000 were called.

WALWORTH COUNTY INVESTMENT REPORT
VALUATION AT COST
As of 12/31/2014

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
2014 1st Quarter	0.02%	0.14%	0.15%	0.02%	0.05%	0.18%	0.20%	0.04%	0.11%
2nd Quarter	0.02%	0.15%	0.17%	0.01%	0.05%	0.19%	0.20%	0.04%	0.10%
3rd Quarter	0.02%	0.15%	0.16%	0.01%	0.05%	0.20%	0.20%	0.04%	0.10%
4th Quarter	0.02%	0.15%	0.13%	0.01%	0.05%	0.20%	0.20%	0.04%	0.12%

One Year Ending

2014 1st Quarter	0.09%	0.60%	0.57%	0.13%	0.20%	0.75%	0.78%	0.18%	0.43%
2nd Quarter	0.08%	0.59%	0.61%	0.10%	0.20%	0.76%	0.79%	0.18%	0.43%
3rd Quarter	0.08%	0.59%	0.63%	0.07%	0.20%	0.76%	0.79%	0.16%	0.43%
4th Quarter	0.08%	0.59%	0.61%	0.05%	0.20%	0.77%	0.80%	0.16%	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
2014 1st Quarter	6,076	11,921	13,217	929	9,014	71,165	10,260	908	123,490
2nd Quarter	8,054	12,274	12,869	532	11,364	72,458	10,447	982	128,980
3rd Quarter	9,707	12,100	11,898	261	11,499	83,426	10,459	1,179	140,530
4th Quarter	4,451	12,238	10,248	139	11,413	92,488	10,667	789	142,432

One Year Ending

2014 1st Quarter	15,933	49,136	55,772	20,103	39,001	254,944	40,759	4,303	479,951
2nd Quarter	20,118	48,496	53,147	13,012	41,500	275,081	41,117	4,486	496,957
3rd Quarter	25,146	48,388	51,766	5,144	42,270	294,770	40,999	3,989	512,473
4th Quarter	28,288	48,532	48,233	1,862	43,289	319,537	41,833	3,858	535,432

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
2014 1st Quarter	27,476,593	8,286,260	9,037,334	5,442,045	18,389,563	38,721,028	5,221,441	2,420,518	114,994,781
2nd Quarter	34,357,134	8,298,350	7,778,947	4,125,996	22,790,304	38,920,004	5,231,566	2,589,543	124,091,844
3rd Quarter	46,629,705	8,180,143	7,641,034	2,550,100	22,810,651	42,668,010	5,206,135	3,075,821	138,761,599
4th Quarter	21,073,057	8,322,609	7,742,195	1,843,778	22,640,224	45,362,732	5,252,362	2,058,446	114,295,405

One Year Ending

2014 1st Quarter	18,622,226	8,267,996	9,859,454	14,816,773	19,896,965	33,803,493	5,216,039	2,415,823	112,898,770
2nd Quarter	23,694,506	8,280,128	8,850,206	10,737,594	20,777,968	36,281,042	5,217,528	2,536,005	116,374,978
3rd Quarter	28,582,653	8,259,459	8,433,870	6,063,471	21,163,196	38,985,997	5,220,231	2,622,687	119,331,563
4th Quarter	32,405,607	8,271,689	8,045,209	3,478,045	21,672,490	41,439,565	5,227,901	2,536,569	123,077,075

Comparison to Benchmark:

Description	LGIP	Portfolio
Rate of Return - Quarterly	0.02%	0.12%
Rate of Return - Annualized	0.08%	0.43%

Walworth County Investment Report
Portfolio Holdings as of 12/31/2014
Pershing (Custodian for Broker/Dealer Transactions)

Description	Maturity	Quantity	Cost	Market	Total Unrealized Gain/Loss
Pershings MM	N/A	9,500	\$ 9,500	\$ 9,500	\$ -
Subtotal Cash & Cash Equivalent		9,500	\$ 9,500	\$ 9,500	\$ -

FAMC 1 9/26/2016	9/26/2016	2,000,000	\$ 2,015,140	\$ 2,007,940	\$ (7,200)
FAMC 2 7/27/2016	7/27/2016	500,000	525,100	510,160	(14,940)
FAMC 2.41 4/29/2016	4/29/2016	1,000,000	1,046,104	1,024,170	(21,934)
FAMC 2.41 4/29/2016	4/29/2016	1,000,000	1,045,293	1,024,170	(21,123)
FFCB 0.36 8/14/2015	8/14/2015	500,000	500,341	500,465	124
FFCB 0.4 1/14/2016	1/14/2016	1,000,000	999,373	1,000,400	1,027
FFCB 0.6 4/25/2017	4/25/2017	1,000,000	999,020	989,780	(9,240)
FFCB 0.65 5/9/2016	5/9/2016	1,000,000	1,000,760	1,002,630	1,870
FFCB 1.05 3/28/2016	3/28/2016	1,000,000	999,900	1,008,060	8,160
FFCB 1.07 9/12/2016	9/12/2016	1,000,000	1,000,000	1,005,460	5,460
FFCB 1.32 5/21/2018	5/21/2018	1,000,000	1,001,160	1,003,070	1,910
FHLB 0.875 3/10/2017	3/10/2017	1,000,000	1,002,600	999,380	(3,220)
FHLB 1.275 12/29/2017-15	12/29/2017	1,000,000	999,500	996,020	(3,480)
FHLB 1.375 12/11/2015	12/11/2015	500,000	514,195	504,595	(9,600)
FHLB 1.5 11/24/2017-15	11/24/2017	1,000,000	1,007,500	999,910	(7,590)
FHLB 2 4/16/2018-15	4/16/2018	1,000,000	1,011,340	1,000,490	(10,850)
FHLB 2.125 6/10/2016	6/10/2016	1,000,000	1,046,700	1,022,400	(24,300)
FHLB 4.75 6/8/2018	6/8/2018	1,000,000	1,126,490	1,114,420	(12,070)
FHLB Step 7/30/2018-15	7/30/2018	1,000,000	1,001,250	1,000,040	(1,210)
FHLB Step 8/27/2018-15	8/27/2018	1,000,000	1,000,000	999,940	(60)
FHLMC 0.45 11/24/2015	11/24/2015	1,000,000	1,001,282	1,001,140	(142)
FHLMC 0.7 5/8/2017-15	5/8/2017	1,000,000	978,250	992,710	14,460
FHLMC 0.7 5/8/2017-15	5/8/2017	1,500,000	1,501,125	1,489,065	(12,060)
FHLMC 1 6/27/2017-15	6/27/2017	1,400,000	1,400,000	1,399,552	(448)
FHLMC 1 6/29/2017	6/29/2017	500,000	494,450	500,985	6,535
FHLMC 1 9/27/2017	9/27/2017	1,000,000	1,002,500	997,040	(5,460)
FHLMC 1 9/29/2017	9/29/2017	500,000	490,230	498,900	8,670
FHLMC 1.15 12/26/2017	12/26/2017	1,000,000	999,100	999,960	860
FNMA 0.375 12/21/2015	12/21/2015	1,000,000	999,250	1,000,230	980
FNMA 0.5 9/28/2015	9/28/2015	1,000,000	1,000,120	1,001,800	1,680
FNMA 0.625 8/26/2016	8/26/2016	1,000,000	1,002,204	999,800	(2,404)
FNMA 1 2/27/2017-15	2/27/2017	1,000,000	1,007,300	1,000,010	(7,290)
FNMA 1 4/25/2017	4/25/2017	1,000,000	1,000,000	998,690	(1,310)
FNMA 1.125 4/27/2017	4/27/2017	1,000,000	1,013,950	1,005,580	(8,370)
FNMA 1.25 1/30/2017	1/30/2017	500,000	511,750	504,480	(7,270)
FNMA 1.55 11/28/2018-15	11/28/2018	1,000,000	999,750	998,910	(840)
FNMA 1.625 10/26/2015	10/26/2015	1,000,000	1,033,877	1,011,380	(22,497)
FNMA Step 5/15/2018-13	5/15/2018	2,000,000	1,999,100	1,991,420	(7,680)
Subtotal Government Agency Coupon Securities		37,900,000	\$ 38,276,004	\$ 38,105,152	\$ (170,852)

City of Monona 2 10/1/2017	10/1/2017	300,000	\$ 312,927	\$ 308,403	\$ (4,524)
East Troy WI School District 4.25 3/1/2015	3/1/2015	400,000	423,620	402,628	(20,992)
Elkhorn WI Area Sch Dist 3 4/1/2015	4/1/2015	650,000	668,531	654,588	(13,943)
Milwaukee Area Tech College 2 6/1/2015	6/1/2015	250,000	256,303	251,863	(4,440)
Milwaukee Area Tech College 2 6/1/2015	6/1/2015	500,000	516,175	503,685	(12,490)
Milwaukee Area Tech College 2 6/1/2016	6/1/2016	500,000	513,835	510,975	(2,860)
Milwaukee Area Tech College 2 6/1/2016	6/1/2016	355,000	369,658	362,640	(7,018)
Ozaukee County 2 3/1/2015	3/1/2015	245,000	250,660	245,737	(4,923)
Ozaukee County 2 3/1/2016	3/1/2016	200,000	205,906	203,682	(2,224)
Racine County School District 2.55 6/1/2015	6/1/2015	285,000	285,000	287,779	2,779
Verona Area Sch. Dist. 2 4/1/2017	4/1/2017	665,000	683,494	677,815	(5,679)
Verona Area Sch. Dist. 2 4/1/2018	4/1/2018	980,000	1,002,079	989,878	(12,201)
Winnebago County 2 4/1/2015	4/1/2015	1,285,000	1,331,594	1,290,808	(40,786)
Subtotal Municipal Debt		6,615,000	\$ 6,819,782	\$ 6,690,481	\$ (129,301)

TOTAL PERSHING PORTFOLIO		44,524,500	\$ 45,105,286	\$ 44,805,133	\$ (300,153)
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Diversification:					
Cash & Cash Equivalents	1%	9,500	\$ 9,500	\$ 9,500	\$ -
Government Agency Securities	84%	37,900,000	38,276,004	38,105,152	(170,852)
US Treasury Notes	0%	-	-	-	-
Municipal Debt	15%	6,615,000	6,819,782	6,690,481	(129,301)
Total PERSHING PORTFOLIO	100%	44,524,500	\$ 45,105,286	\$ 44,805,133	\$ (300,153)

Breakout by Security Type:

FAMC	\$ 4,566,440
FFCB	6,509,865
FHLB	8,637,195
FHLMC	7,879,352
FNMA	10,512,300
Municipal Debt	6,690,481
Total	\$ 44,795,633

Maturity Schedule (assumes no-call)

0 - 3 month	\$ 657,865
3 - 6 month	2,988,723
6 - 12 month	5,019,610
1 - 2 year	11,682,487
2 - 3 year	15,358,280
3 - 4 year	9,098,168
4 - 5 year	-
Total	\$ 44,805,133

Portion Callable or Mature within 2 years

Callable	\$ 12,868,067
Maturity	20,348,685
Total	\$ 33,216,752

Walworth County Investment Portfolio
Portfolio Holdings as of 12/31/2014
BMO Portfolio

Description	Maturity Date	Quantity	Cost	Market	Total Unrealized Gain/Loss
BMO Government MM	N/A	68,239	\$ 68,239	\$ 68,239	-
Subtotal Cash & Cash Equivalent		68,239	\$ 68,239	\$ 68,239	\$ -

FHLB 0.5 11/20/2015	11/20/2015	100,000	\$ 100,010	\$ 100,161	\$ 151
FHLB 1 6/21/2017	6/21/2017	175,000	176,936	175,208	(1,728)
FHLB 1.375 12/11/2015	12/11/2015	150,000	153,774	151,378	(2,396)
FHLB 1.625 9/28/2015	9/28/2015	150,000	153,952	151,405	(2,547)
FHLB 1.63 8/20/2015	8/20/2015	200,000	205,892	201,772	(4,120)
FHLB 2.125 6/10/2016	6/10/2016	100,000	104,263	102,240	(2,023)
FHLMC 0.875 3/7/2018	3/7/2018	100,000	100,317	98,826	(1,491)
FHLMC 1 3/8/2017	3/8/2017	150,000	149,599	150,435	836
FHLMC 1 9/29/2017	9/29/2017	200,000	199,007	199,560	553
FHLMC 1.75 9/10/2015	9/10/2015	150,000	155,229	151,554	(3,675)
FHLMC 2 8/25/2016	8/25/2016	150,000	155,282	153,582	(1,700)
FHLMC 2.875 2/9/2015	2/9/2015	125,000	129,478	125,279	(4,199)
FNMA 0.5 3/30/2016	3/30/2016	150,000	150,170	150,906	736
FNMA 0.875 10/26/2017	10/26/2017	200,000	200,322	198,366	(1,956)
FNMA 0.875 12/20/2017	12/20/2017	120,000	119,960	118,831	(1,129)
FNMA 1.25 1/30/2017	1/30/2017	300,000	299,881	302,688	2,807
FNMA 1.25 9/28/2016	9/28/2016	100,000	100,064	101,047	983
FNMA 1.25 9/28/2016	9/28/2016	150,000	152,718	151,571	(1,147)
FNMA 1.375 11/15/2016	11/15/2016	150,000	152,354	152,051	(303)
FNMA 1.375 11/15/2016	11/15/2016	150,000	152,818	152,051	(767)
FNMA 1.5 10/28/2015	10/28/2015	100,000	102,133	101,015	(1,118)
FNMA 1.625 11/27/2018	11/27/2018	75,000	75,171	75,389	218
FNMA 1.625 11/27/2018	11/27/2018	75,000	74,975	75,389	414
Subtotal Government Agency Coupon Securities		3,320,000	\$ 3,364,305	\$ 3,340,704	\$ (23,601)

T-Note 0.5 8/31/2016	8/31/2016	100,000	\$ 99,957	\$ 99,969	\$ 12
T-Note 0.875 7/15/2017	7/15/2017	175,000	174,426	174,809	383
T-Note 0.875 8/15/2017	8/15/2017	150,000	149,344	149,649	305
T-Note 0.875 8/15/2017	8/15/2017	200,000	199,461	199,532	71
T-Note 1 5/31/2018	5/31/2018	200,000	197,915	198,078	163
T-Note 1 9/30/2016	9/30/2016	150,000	151,277	151,113	(164)
T-Note 1.25 10/31/2015	10/31/2015	75,000	72,487	75,610	3,123
T-Note 1.25 10/31/2015	10/31/2015	50,000	48,381	50,406	2,025
T-Note 1.5 12/31/2018	12/31/2018	180,000	179,621	180,254	633
T-Note 1.5 6/30/2016	6/30/2016	150,000	148,313	152,274	3,961
T-Note 1.5 6/30/2016	6/30/2016	100,000	101,980	101,516	(464)
T-Note 1.75 7/31/2015	7/31/2015	40,000	39,995	40,370	375
T-Note 1.75 7/31/2015	7/31/2015	50,000	49,522	50,463	941
T-Note 1.75 7/31/2015	7/31/2015	60,000	61,538	60,556	(982)
T-Note 2.625 4/30/2018	4/30/2018	150,000	158,543	156,821	(1,722)
Subtotal US Treasury Notes		1,830,000	\$ 1,832,760	\$ 1,841,420	\$ 8,660

TOTAL BMO WEALTH MANAGEMENT PORTFOLIO		5,218,239	\$ 5,265,304	\$ 5,250,363	\$ (14,941)
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Diversification:					
Cash & Cash Equivalents	1%	68,239	\$ 68,239	\$ 68,239	\$ -
Government Agency Securities	64%	3,320,000	3,364,305	3,340,704	(23,601)
US Treasury Notes	35%	1,830,000	1,832,760	1,841,420	8,660
Municipal Debt	0%	-	-	-	-
Total BMO PORTFOLIO	100%	5,218,239	\$ 5,265,304	\$ 5,250,363	\$ (14,941)

Breakout by Security Type:

FHLB	\$ 882,165
FHLMC	879,236
FNMA	1,579,303
US Treasury Notes	1,841,420
\$ 5,182,124	

Portion Callable or Mature within 2 years

Callable	\$ -
Maturity	2,796,527
\$ 2,796,527	

Maturity Schedule (assumes no-call)

0-3 month	\$ 193,518
3 - 6 month	-
6 - 12 month	1,134,691
1 - 2 year	1,468,318
2 - 3 year	1,669,079
3 - 4 year	784,757
4 - 5 year	-
\$ 5,250,363	