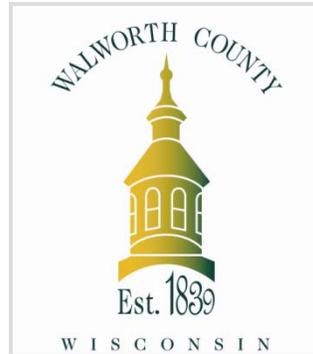

WALWORTH COUNTY, WISCONSIN

QUARTERLY INVESTMENT REPORT

December 31, 2015



**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.
- In anticipation of the first Federal funds rate increase in 7 years, November saw a significant increase in short term interest rates, while the long term rates have remained relatively unchanged (as the inflation expectations remain low). The result is that the 6 month treasury has become a viable investment option. We have begun to ladder out six month treasuries, purchasing \$3 million in November at 0.31%, another \$3 million in December at 0.52%, and \$5 million in January at 0.39%. Compare this to the 6 month treasury rate on the September 30, 2015 quarterly investment report, when it was 0.08%.
- 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 0.13%.
- Current collateralized money market yields are as follows: Mid-America 0.64%, Chase 0.27%, and Associated 0.20%. The money markets provide the County with liquidity and have typically offered a higher average yield than a six month treasury.
- The investment portfolio with BMO is at \$5.3 million, yielding 0.92% annually, net of fees, not including market adjustments. Portfolio duration is currently 1.94 years to maturity, and contains \$2.3 million in agency securities, \$2.8 million in treasury notes, and \$0.2 million in a money market.
- The brokered portfolio held at Pershing is at \$55.6 million, yielding 0.99% (not including market adjustments) annually which includes \$45.6 million in agency securities, \$7.0 million in treasuries, and \$3.0 million in municipal debt. Portfolio duration is currently 1.63 years to maturity.
- Walworth County's 2015 investment portfolio earnings exceeded budget by \$169,605. Final mark to market losses, which would not be realized unless we sold the investments before maturity, totaled \$35,925. These losses are offset with committed fund balance created with prior years' mark to market gains.
- 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.

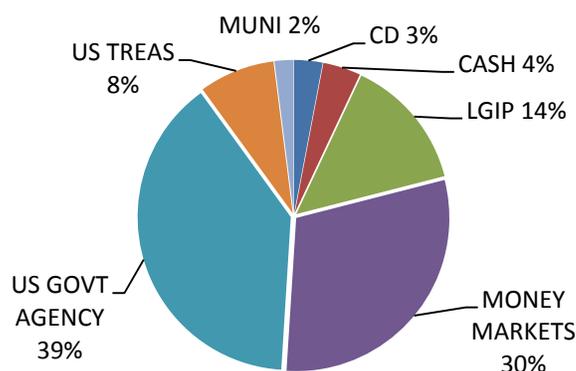
PUBLIC FUNDS MONEY MARKET ACCOUNT – The County has approved by resolution Public Funds money markets that are secured by collateral. These investments are used to provide short-term diversification and increase the current yields.

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 \$28,460,500.	Current investment holdings comply
Financial Institutions Limits	Investments held at any one institution shall be limited to 50% of the core portfolio, currently \$28,460,500.	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.	\$ 48.8 million or 40%
Reinvestment Risk	Callable securities shall not exceed 50% of securities held.	\$ 19.0 million or 31%
Market Risk:		
Maturity Restrictions	Investments greater than 3 months and less than 1 year shall not exceed 95% of the total portfolio.	\$ 21.1 million or 17%
	Investments greater than 1 year and less than 5 years shall not exceed 100% of the core portfolio, currently \$56,921,000.	\$ 40.9 million or 72%

INVESTMENT CATEGORY	MAXIMUM MATURITY	AUTHORIZED LIMIT	ACTUAL PORTFOLIO
Certificates of Deposit	3 years	50%	3%
Operating Cash	N/A	N/A	4%
LGIP	N/A	75%	14%
Money Markets	N/A	95%	30%
U.S. Agency Securities	5 years	75%	39%
U.S. Treasury Securities	5 years	75%	8%
Municipal Debt	5 years	25%	2%

INVESTMENT TYPE	MARKET VALUE
Certificates of Deposit	\$ 4,103,000
Cash - Depository Bank	4,342,000
LGIP	16,354,000
Money Markets	36,299,000
Portfolio Money Markets	178,000
U.S. Gov. Agency Securities	47,942,000
U.S. Treasury Securities	9,739,000
Municipal Debt	3,033,000
Total	\$ 121,990,000



BUDGET PERFORMANCE

The first table below shows the actual and budgeted interest earned for the year ended December 31, 2015 by investment type. The second table below shows the actual and budgeted interest earned for the year ended December 31, 2015 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 2015 BUDGET
Certificate of Deposit	\$ 29,940	\$ 25,860
U.S. Treasury/Govt. Agency	444,529	382,498
Local Gov Inv Pool (LGIP)	53,680	20,000
Depository Bank (Sweep)	591	258
Money Markets	101,297	78,000
Other Accounts Allocated Interest	(56,464)	(81,260)
TOTAL NON-DEPT	\$ 573,573	\$ 425,356
YTD Unrealized Gain/(Loss)*	\$(35,924)	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 \$971,245, net of the \$35,925 2015 loss.

ACCOUNT NAME	INTEREST EARNED	YEAR END 2015 BUDGET
Non-Department	\$ 573,573	\$ 425,356
Children with Disabilities Ed Bd	18,121	12,500
DPW Buildings Reserve	817	500
DPW Equipment Reserve	2,073	768
LHCC Building Reserve	2,109	824
LHCC Equipment Reserve	646	206
Health Insurance	23,106	15,000
Dental Insurance	1,039	750
Workers Compensation	3,274	2,593
Risk Management	5,279	1,935
TOTAL PORTFOLIO	\$ 630,037	\$ 460,432
Budget to Actual Variance		\$ 169,605

- 2015 investment portfolio returns have exceeded budget by \$169,605.
- 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 year to date would have approximated \$183,632.
- Certificates of deposit currently held on December 31, 2015 have an average return of 0.55%.
- Securities held on December 31, 2015 have a yield to maturity at cost of 0.99% for our brokered securities and 0.92% 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 2015 BUDGET
Land Information Fees	\$ 564	\$ 393
Risk Management	9,381	1,935
Clerk of Courts	644	2,500
Waddell Donations	113	100
Harrison Trust	48	-
Total	\$ 10,750	\$ 4,928

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, 2015. The interest income amount does not include unrealized gains or losses.

Investment Portfolio	Benchmark (LGIP)	Actual
Current Holdings – Yield to Maturity at Cost	0.19%	0.62%
Year to Date Interest Income Net of Fees	\$ 183,632	\$ 619,752
4th Quarter Average Return at Cost	0.04%	0.13%
Rolling 1 Year Average Return at Cost	0.13%	0.44%

The results show that the County is currently exceeding expectations in comparison to the benchmark. The County expects long term interest rates to continue to remain low during 2016. 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*
2015, 1st Quarter	0.59%	0.54%
2015, 2nd Quarter	0.15%	0.08%
2015, 3rd Quarter	0.32%	0.30%
2015, 4th Quarter	(0.43)%	(0.46)%

***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 BMO Portfolio column in Appendix A for actual return on investment.

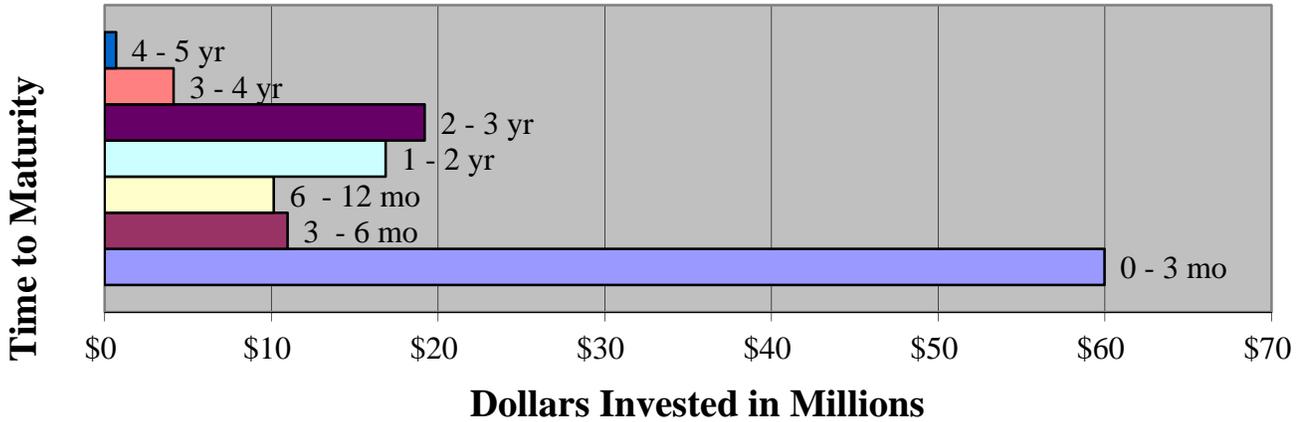
Portfolio Advisor Response: "During the quarter, the total portfolio returned -0.46% net of fees compared to a -0.43% return for the Barclay's 1-3 Year US Government Index. On a one year basis, the portfolio has gained +0.46% net of fees versus +0.57% for the benchmark. It continues to be challenging to generate return with a high-quality, short-duration portfolio given near-zero short-term interest rates.

For the first time in nearly a decade, the Federal Open Market Committee (FOMC) raised the federal funds rate. Although many market participants felt that the Fed had backed itself into a corner, at the last meeting of the year, the committee shifted the range from 0% – 0.25% to 0.25% – 0.50%. Thanks to the long-awaited FOMC move and in anticipation of just such an event, interest rates rose across the yield curve. The hardest hit areas were in the front end of the yield curve, specifically any maturities between six months and five years. Real gross domestic product (GDP) decelerated in the third quarter of 2015 to 2.0% from 3.9%, amidst a softer but still moderate pace of consumer spending on durable goods and services. A steep drop-off in gross private investment spending, especially nonresidential structures and intellectual property, and in goods exports and defense spending, were also big factors. Future interest rate moves are likely to be measured, limited and gradual depending on both economic data and global developments. Inflation data remains stubbornly low, yet the employment data continues to sustain the hope of "full employment."

- Joseph A. Olson, BMO Global Asset Management, January 19, 2016

TOTAL PORTFOLIO OVERVIEW

Total Investments by Maturity



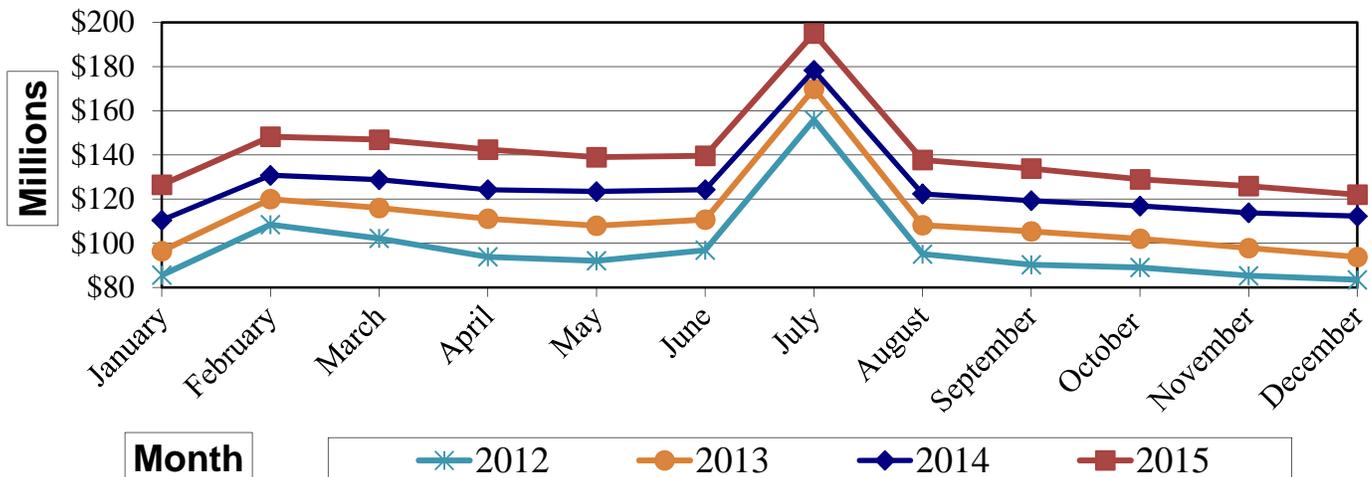
TOTAL PORTFOLIO OVERVIEW – HISTORICAL BALANCES

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>	<u>2015</u>
Cash (1 year)	\$ 98,145,000	\$ 111,598,000	\$ 125,375,000	\$ 140,481,000
Cumulative Cash (3 year)	\$ 89,660,000	\$ 99,804,000	\$ 111,706,000	\$ 125,818,000

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

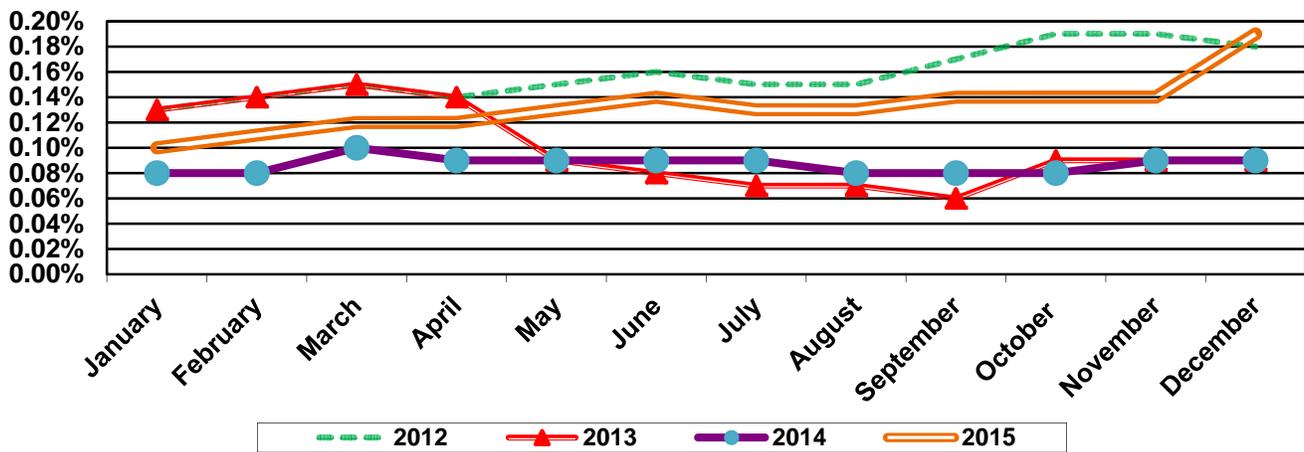
The primary objective of the LGIP is to provide for the prudent management of public funds on behalf of the local government investor. The strategy for meeting this objective is to apply the prudent investor standard and insure that the investment of pool assets is prioritized as follows: safety of principal, 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 \$41.1 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.

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
Associated Bank	Collateralized Money Market	0.20%	\$ 25,915,907
JPMorgan Chase Bank	Collateralized Money Market	0.27%	2,000,567
Mid America	Collateralized Money Market	0.64%	8,382,826
BMO Portfolio Money Market	Government Money Market	0.01%	175,015
Pershing Money Market	Portfolio Money Market	0.01%	2,500
Total Money Market		0.30%	\$ 36,476,815

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 Money Market

Rates are established by JP Morgan Chase Bank and are reviewed and adjusted based on the market, with the intent to exceed the sweep rate. Investment is collateralized at a cost included in the earned interest rate. This account can be withdrawn same day, up to 6 times per month.

Associated Bank Money Market

Rates are established by Associated 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. This account 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 instruments 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	1/8/2014	1/8/2016	\$ 225,000	0.80
FirstMerit Bank	2/11/2014	2/11/2016	225,000	0.50
Southern Lakes Credit Union	7/11/2015	7/15/2016	250,354	0.30
Associated Bank	8/7/2013	8/3/2016	1,000,000	0.71
Associated Bank	8/14/2015	8/12/2016	1,000,000	0.40
First Citizens State Bank	8/16/2014	8/19/2016	226,125	0.50
Associated Bank	10/9/2015	10/14/2016	500,000	0.32
Citizens Bank	8/6/2015	11/11/2016	225,000	1.19
Commercial Bank	12/7/2014	12/8/2016	226,141	0.50
First Citizens State Bank	2/23/2015	2/17/2017	225,000	0.60
<i>Yield to Maturity at December 31, 2015</i>			\$ 4,102,620	0.55%

During the fourth quarter, \$501,494 of certificates of deposit were purchased, and \$2,725,000 of certificates of deposit matured. The average duration of the certificates of deposit at December 31, 2015 is 0.67 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	\$ 5,299,418	\$ 5,274,984	\$ (24,434)	\$(19,327)	0.92%	1.94
Pershing Portfolio	\$55,910,876	\$55,616,163	\$(294,713)	\$(16,598)	0.99%	1.63
Total Securities	\$61,210,294	\$60,891,147	\$(319,147)	\$(35,925)		

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, \$8,000,000 of agency securities were purchased, \$3,000,000 were called, and \$3,500,000 matured. \$7,000,000 of treasuries were also purchased.

WALWORTH COUNTY INVESTMENT REPORT
VALUATION AT COST
As of 12/31/2015

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
2015 1st Quarter	0.03%	0.15%	0.11%	0.01%	0.05%	0.20%	0.19%	0.01%	0.11%
2nd Quarter	0.03%	0.16%	0.12%	0.00%	0.05%	0.20%	0.19%	0.00%	0.10%
3rd Quarter	0.03%	0.16%	0.12%	0.00%	0.05%	0.21%	0.20%	0.00%	0.10%
4th Quarter	0.04%	0.16%	0.13%	0.01%	0.05%	0.22%	0.21%	0.00%	0.13%

One Year Ending

2015 1st Quarter	0.09%	0.60%	0.57%	0.04%	0.20%	0.79%	0.79%	0.13%	0.43%
2nd Quarter	0.10%	0.61%	0.52%	0.03%	0.20%	0.80%	0.78%	0.09%	0.43%
3rd Quarter	0.11%	0.62%	0.48%	0.02%	0.20%	0.81%	0.78%	0.05%	0.43%
4th Quarter	0.13%	0.63%	0.48%	0.02%	0.20%	0.83%	0.79%	0.01%	0.44%

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
2015 1st Quarter	9,671	12,331	8,094	195	11,472	92,121	10,206	279	144,369
2nd Quarter	15,503	12,972	7,589	141	11,928	88,805	10,121	57	147,116
3rd Quarter	18,186	13,347	7,215	181	12,280	99,078	10,326	197	160,808
4th Quarter	10,321	13,508	7,042	355	12,575	112,529	11,070	58	167,459

One Year Ending

2015 1st Quarter	31,882	48,942	43,110	1,128	45,747	340,492	41,780	3,229	556,311
2nd Quarter	39,331	49,640	37,830	737	46,312	356,839	41,454	2,304	574,447
3rd Quarter	47,809	50,887	33,146	657	47,093	372,491	41,320	1,322	594,725
4th Quarter	53,680	52,158	29,940	872	48,255	392,532	41,723	591	619,752

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
2015 1st Quarter	35,338,819	8,334,862	7,139,985	4,015,909	23,263,282	45,426,394	5,266,751	2,024,795	130,810,796
2nd Quarter	47,919,473	8,347,438	6,339,392	2,878,665	23,923,241	43,943,581	5,281,962	2,251,082	140,884,834
3rd Quarter	54,416,848	8,360,586	5,844,868	3,641,396	24,360,963	47,131,861	5,284,236	7,711,966	156,752,724
4th Quarter	26,790,919	8,373,965	5,226,970	2,897,013	24,945,448	51,211,037	5,289,952	2,282,528	127,017,832

One Year Ending

2015 1st Quarter	34,344,238	8,283,673	7,577,370	3,126,395	22,874,229	43,092,943	5,239,074	2,438,993	126,976,915
2nd Quarter	37,725,534	8,295,911	7,218,467	2,815,417	23,156,687	44,345,396	5,251,638	2,354,610	131,163,660
3rd Quarter	39,688,321	8,341,393	6,765,735	3,090,483	23,547,451	45,470,531	5,271,324	3,523,172	135,698,410
4th Quarter	41,129,535	8,354,338	6,131,760	3,355,956	24,128,494	46,944,624	5,280,798	3,579,653	138,905,158

Comparison to Benchmark:		
Description	LGIP	Portfolio
Rate of Return - Quarterly	0.04%	0.13%
Rate of Return - Annualized	0.13%	0.44%

Walworth County Investment Report
Portfolio Holdings as of 12/31/2015
Pershing (Custodian for Broker/Dealer Transactions)

Description	Maturity	Quantity	Cost	Market	Total Unrealized Gain/(Loss)
Pershing MM	N/A	2,500	\$ 2,500	\$ 2,500	\$ -
Subtotal Cash & Cash Equivalents		2,500	\$ 2,500	\$ 2,500	\$ -

FAMC 0.93 1/24/2018	1/24/2018	1,000,000	\$ 998,900	\$ 992,750	\$ (6,150)
FAMC 1 9/26/2016	9/26/2016	2,000,000	2,015,140	2,006,200	(8,940)
FAMC 2 7/27/2016	7/27/2016	500,000	525,100	503,465	(21,635)
FAMC 2.41 4/29/2016	4/29/2016	1,000,000	1,046,104	1,007,140	(38,964)
FAMC 2.41 4/29/2016	4/29/2016	1,000,000	1,045,293	1,007,140	(38,153)
FFCB 0.4 1/14/2016	1/14/2016	1,000,000	999,373	1,000,090	717
FFCB 0.6 4/25/2017	4/25/2017	1,000,000	999,020	993,880	(5,140)
FFCB 0.65 5/9/2016	5/9/2016	1,000,000	1,000,760	1,000,730	(30)
FFCB 1.05 3/28/2016	3/28/2016	1,000,000	999,900	1,001,530	1,630
FFCB 1.07 9/12/2016	9/12/2016	1,000,000	1,000,000	1,003,650	3,650
FFCB 1.32 5/21/2018	5/21/2018	1,000,000	1,001,160	1,002,130	970
FHLB 0.45 8/9/2016	8/9/2016	1,000,000	1,000,000	999,330	(670)
FHLB 0.875 3/10/2017	3/10/2017	1,000,000	1,002,600	999,290	(3,310)
FHLB 1.1 4/20/2018-16	4/20/2018	1,000,000	1,000,800	994,670	(6,130)
FHLB 1.27 8/10/2018-16	8/10/2018	1,000,000	1,000,000	996,360	(3,640)
FHLB 1.35 6/29/2018-16	6/29/2018	1,000,000	1,000,000	1,001,590	1,590
FHLB 1.45 12/22/2017-16	12/22/2017	1,000,000	1,004,500	1,003,010	(1,490)
FHLB 1.5 6/28/2019-16	6/28/2019	1,000,000	999,650	998,260	(1,390)
FHLB 2.125 6/10/2016	6/10/2016	1,000,000	1,046,700	1,006,450	(40,250)
FHLB 4.75 6/8/2018	6/8/2018	1,000,000	1,126,490	1,082,090	(44,400)
FHLB Step 10/29/2019-16	10/29/2019	1,000,000	1,000,000	997,180	(2,820)
FHLB Step 6/30/2017-16	6/30/2017	1,000,000	1,000,000	999,300	(700)
FHLB Step 8/24/2018-16	8/24/2018	1,000,000	1,000,000	998,480	(1,520)
FHLMC 0.7 5/8/2017	5/8/2017	1,000,000	978,250	996,920	18,670
FHLMC 0.7 5/8/2017	5/8/2017	1,500,000	1,501,125	1,495,380	(5,745)
FHLMC 1 6/29/2017	6/29/2017	500,000	494,450	499,950	5,500
FHLMC 1 9/22/2017	9/22/2017	1,000,000	1,000,000	1,005,520	5,520
FHLMC 1 9/27/2017	9/27/2017	1,000,000	1,002,500	997,400	(5,100)
FHLMC 1 9/29/2017	9/29/2017	500,000	490,230	498,625	8,395
FHLMC 1.15 12/26/2017	12/26/2017	1,000,000	999,100	1,000,490	1,390
FHLMC 1.25 9/28/2018-16	9/28/2018	1,000,000	1,000,000	995,290	(4,710)
FHLMC 1.3 12/28/2018-16	12/28/2018	1,000,000	999,650	995,480	(4,170)
FHLMC 1.3 8/24/2018-16	8/24/2018	1,000,000	1,000,000	1,000,390	390
FHLMC 1.5 6/28/2019-16	6/28/2019	1,000,000	995,500	1,002,940	7,440
FNMA 0.625 8/26/2016	8/26/2016	1,000,000	1,002,204	1,000,050	(2,154)
FNMA 1 4/25/2017	4/25/2017	1,000,000	1,000,000	1,000,040	40
FNMA 1.07 10/29/2018-16	10/29/2018	1,000,000	1,000,000	995,630	(4,370)
FNMA 1.125 4/27/2017	4/27/2017	1,000,000	1,013,950	1,001,650	(12,300)
FNMA 1.25 1/30/2017	1/30/2017	500,000	511,750	501,875	(9,875)
FNMA 1.25 5/20/2019-16	5/20/2019	1,000,000	996,500	992,160	(4,340)
FNMA 1.625 11/27/2018	11/27/2018	1,000,000	1,012,804	1,007,280	(5,524)
FNMA 1.75 9/14/2018-16	9/14/2018	1,000,000	1,011,100	1,006,120	(4,980)
FNMA 2 8/24/2018-16	8/24/2018	1,000,000	1,013,810	1,007,330	(6,480)
FNMA Step 11/23/2018-16	11/23/2018	1,000,000	1,000,000	997,350	(2,650)
FNMA Step 5/15/2018-13	5/15/2018	2,000,000	1,999,100	2,000,820	1,720
Subtotal Government Agency Coupon Securities		45,500,000	\$ 45,833,513	\$ 45,593,405	\$ (240,108)

T-Bill 0 5/12/2016	5/12/2016	3,000,000	2,995,450	2,996,520	1,070
T-Bill 0 6/9/2016	6/9/2016	3,000,000	2,992,295	2,994,120	1,825
T-Note 0.875 11/30/2017	11/30/2017	1,000,000	999,219	997,109	(2,110)
Subtotal US Treasury Securities		7,000,000	\$ 6,986,964	\$ 6,987,749	\$ 785

City of Monona 2 10/1/2017	10/1/2017	300,000	\$ 312,927	\$ 305,136	\$ (7,791)
Milwaukee Area Tech College 2 6/1/2016	6/1/2016	500,000	513,835	503,425	(10,410)
Milwaukee Area Tech College 2 6/1/2016	6/1/2016	355,000	369,658	357,432	(12,226)
Ozaukee County 2 3/1/2016	3/1/2016	200,000	205,906	200,506	(5,400)
Verona Area Sch. Dist. 2 4/1/2017	4/1/2017	665,000	683,494	671,830	(11,664)
Verona Area Sch. Dist. 2 4/1/2018	4/1/2018	980,000	1,002,079	994,180	(7,899)
Subtotal Municipal Debt		3,000,000	\$ 3,087,899	\$ 3,032,509	\$ (55,390)

TOTAL PERSHING PORTFOLIO	55,502,500	\$ 55,910,876	\$ 55,616,163	\$ (294,713)
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Diversification:					
Cash & Cash Equivalents	0%	2,500	\$ 2,500	\$ 2,500	\$ -
Government Agency Securities	82%	45,500,000	45,833,513	45,593,405	(240,108)
US Treasury Securities	13%	7,000,000	6,986,964	6,987,749	785
Municipal Debt	5%	3,000,000	3,087,899	3,032,509	(55,390)
Total PERSHING PORTFOLIO	100%	55,502,500	\$ 55,910,876	\$ 55,616,163	\$ (294,713)

Breakout by Security Type:	
FAMC	\$ 5,516,695
FFCB	6,002,010
FHLB	12,076,010
FHLMC	10,488,385
FNMA	11,510,305
US Treasury Bills	5,990,640
US Treasury Notes	997,109
Municipal Debt	3,032,509
\$ 55,613,663	

Maturity Schedule (assumes no-call)	
0 - 3 month	\$ 2,204,626
3 - 6 month	10,872,957
6 - 12 month	5,512,695
1 - 2 year	14,967,404
2 - 3 year	18,067,941
3 - 4 year	3,990,540
4 - 5 year	-
\$ 55,616,163	

Portion Callable or Mature within 2 years	
Callable	\$ 18,982,360
Maturity	33,557,682
\$ 50,537,732 *	

* Grand total eliminates the duplication of bonds that are in both the callable and maturing within 2 years categories.

Walworth County Investment Portfolio
Portfolio Holdings as of 12/31/2015
BMO Portfolio

Description	Maturity Date	Quantity	Cost	Market	Total Unrealized Gain/(Loss)
BMO Government MM	N/A	175,015	\$ 175,015	\$ 175,015	-
Subtotal Cash & Cash Equivalent		175,015	\$ 175,015	\$ 175,015	\$ -

FHLB 1 6/21/2017	6/21/2017	175,000	\$ 176,935	\$ 174,942	\$ (1,993)
FHLB 2.125 6/10/2016	6/10/2016	100,000	104,263	100,645	(3,618)
FHLMC 0.875 3/7/2018	3/7/2018	100,000	100,317	99,330	(987)
FHLMC 1 3/8/2017	3/8/2017	150,000	149,599	150,124	525
FHLMC 1 9/29/2017	9/29/2017	200,000	199,007	199,450	443
FHLMC 2 8/25/2016	8/25/2016	150,000	155,282	151,208	(4,074)
FNMA 0.5 3/30/2016	3/30/2016	150,000	150,169	150,018	(151)
FNMA 0.875 10/26/2017	10/26/2017	200,000	200,322	199,228	(1,094)
FNMA 0.875 12/20/2017	12/20/2017	120,000	119,959	119,459	(500)
FNMA 1.25 1/30/2017	1/30/2017	300,000	299,881	301,125	1,244
FNMA 1.25 9/28/2016	9/28/2016	100,000	100,064	100,373	309
FNMA 1.25 9/28/2016	9/28/2016	150,000	152,718	150,559	(2,159)
FNMA 1.375 11/15/2016	11/15/2016	150,000	152,354	150,716	(1,638)
FNMA 1.375 11/15/2016	11/15/2016	150,000	152,818	150,716	(2,102)
FNMA 1.625 11/27/2018	11/27/2018	75,000	75,170	75,546	376
FNMA 1.625 11/27/2018	11/27/2018	75,000	74,975	75,546	571
Subtotal Government Agency Coupon Securities		2,345,000	\$ 2,363,833	\$ 2,348,985	\$ (14,848)

T-Note 0.5 8/31/2016	8/31/2016	100,000	\$ 99,957	\$ 99,899	\$ (58)
T-Note 0.875 7/15/2017	7/15/2017	175,000	174,426	174,731	305
T-Note 0.875 8/15/2017	8/15/2017	150,000	149,344	149,687	343
T-Note 0.875 8/15/2017	8/15/2017	200,000	199,461	199,582	121
T-Note 1 5/15/2018	5/15/2018	200,000	200,227	199,040	(1,187)
T-Note 1 5/31/2018	5/31/2018	200,000	197,915	199,008	1,093
T-Note 1 9/15/2018	9/15/2018	150,000	149,783	148,948	(835)
T-Note 1 9/30/2016	9/30/2016	150,000	151,277	150,316	(961)
T-Note 1.375 10/31/2020	10/31/2020	100,000	98,660	98,244	(416)
T-Note 1.375 2/28/2019	2/28/2019	150,000	149,965	149,934	(31)
T-Note 1.375 5/31/2020	5/31/2020	100,000	98,504	98,577	73
T-Note 1.375 9/30/2020	9/30/2020	150,000	149,918	147,425	(2,493)
T-Note 1.5 12/31/2018	12/31/2018	180,000	179,621	180,851	1,230
T-Note 1.5 6/30/2016	6/30/2016	100,000	101,980	100,475	(1,505)
T-Note 1.5 6/30/2016	6/30/2016	150,000	148,313	150,713	2,400
T-Note 1.625 6/30/2020	6/30/2020	150,000	151,160	149,406	(1,754)
T-Note 1.625 7/31/2020	7/31/2020	200,000	201,516	199,062	(2,454)
T-Note 2.625 4/30/2018	4/30/2018	150,000	158,543	155,086	(3,457)
Subtotal US Treasury Notes		2,755,000	\$ 2,760,570	\$ 2,750,984	\$ (9,586)

TOTAL BMO WEALTH MANAGEMENT PORTFOLIO		5,275,015	\$ 5,299,418	\$ 5,274,984	\$ (24,434)
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Diversification:					
Cash & Cash Equivalents	3%	175,015	\$ 175,015	\$ 175,015	\$ -
Government Agency Securities	45%	2,345,000	2,363,833	2,348,985	(14,848)
US Treasury Notes	52%	2,755,000	2,760,570	2,750,984	(9,586)
Municipal Debt	0%	-	-	-	-
Total BMO PORTFOLIO	100%	5,275,015	\$ 5,299,418	\$ 5,274,984	\$ (24,434)

Breakout by Security Type:

FHLB	\$ 275,587
FHLMC	600,112
FNMA	1,473,286
US Treasury Notes	2,750,984
	\$ 5,099,969

Maturity Schedule

0 - 3 month	\$ 325,033
3 - 6 month	100,645
6 - 12 month	1,204,974
1 - 2 year	1,668,328
2 - 3 year	1,133,356
3 - 4 year	149,934
4 - 5 year	692,714
	\$ 5,274,984

Portion Callable or Mature within 2 years

Callable	\$ -
Maturity	3,298,980
	\$ 3,298,980