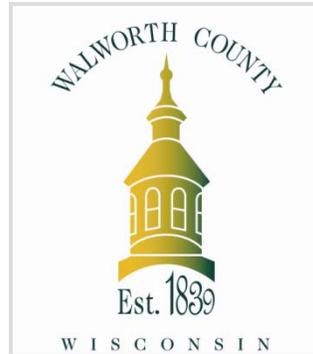

WALWORTH COUNTY, WISCONSIN

QUARTERLY INVESTMENT REPORT

June 30, 2016



**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 2015 saw a significant increase in short term interest rates which continued through the beginning of 2016. Short term rates have leveled off, but remain a better yield to term value over longer term investments that have remained relatively low. Long term interest rate and inflation expectations remain low.
- The Local Government Investment Pool (LGIP) yields took off in January 2016 and have since plateaued, returning 0.42% for the entire second quarter. Rates had been under 0.25% from November 2009 through the end of 2015. The annualized LGIP rate has a current average of 0.27%. Funds are being shifted from money markets that cannot keep up with the LGIP's yield gains.
- Current collateralized money market yields are as follows: Mid-America 0.92%, Chase 0.27%, and Associated 0.40%. The money markets provide the County with liquidity and have typically offered a higher average yield than a six month treasury and the LGIP. During June Associated Bank agreed to match the 0.42% LGIP rate.
- The investment portfolio with BMO is at \$5.35 million, yielding 0.94% annually, net of fees, not including market adjustments. Portfolio duration is currently 1.71 years to maturity, and contains \$2.1 million in agency securities, \$2.85 million in treasury notes, and \$0.4 million in a money market.
- The brokered portfolio held at Pershing is at \$63.3 million, yielding 1.03% (not including market adjustments) annually which includes \$50.3 million in agency securities, \$11.0 million in treasuries, and \$2.0 million in municipal debt. Portfolio duration is currently 1.56 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.

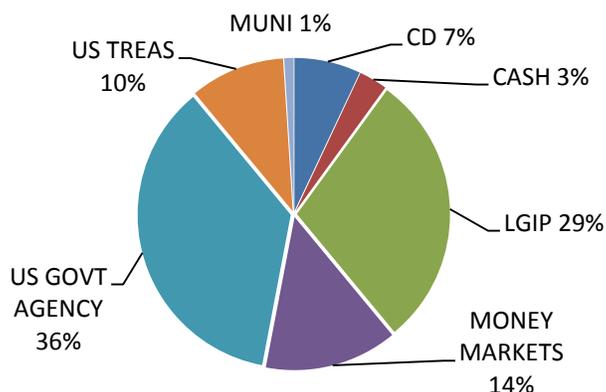
PUBLIC FUNDS MONEY MARKET ACCOUNT – The County has approved by resolution Public Funds money markets that are secured by collateral. These investments are used to provide short-term diversification and increase the current yields.

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 \$30,671,500.	Current investment holdings comply
Financial Institutions Limits	Investments held at any one institution shall be limited to 50% of the core portfolio, currently \$30,671,500.	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.	\$ 58.2 million or 40%
Reinvestment Risk	Callable securities shall not exceed 50% of securities held.	\$ 26.6 million or 39%
Market Risk:		
Maturity Restrictions	Investments greater than 3 months and less than 1 year shall not exceed 95% of the total portfolio.	\$ 18.4 million or 13%
	Investments greater than 1 year and less than 5 years shall not exceed 100% of the core portfolio, currently \$61,343,000.	\$ 44.2 million or 72%

INVESTMENT CATEGORY	MAXIMUM MATURITY	AUTHORIZED LIMIT	ACTUAL PORTFOLIO
Certificates of Deposit	3 years	50%	7%
Operating Cash	N/A	N/A	3%
LGIP	N/A	75%	29%
Money Markets	N/A	95%	14%
U.S. Agency Securities	5 years	75%	36%
U.S. Treasury Securities	5 years	75%	10%
Municipal Debt	5 years	25%	1%

INVESTMENT TYPE	MARKET VALUE
Certificates of Deposit	\$ 10,879,000
Cash - Depository Bank	4,146,000
LGIP	41,667,000
Money Markets	20,432,000
Portfolio Money Markets	401,000
U.S. Gov. Agency Securities	52,399,000
U.S. Treasury Securities	13,877,000
Municipal Debt	1,976,000
Total	\$ 145,777,000



BUDGET PERFORMANCE

The first table below shows the actual and budgeted interest earned for the quarter ended June 30, 2016 by investment type. The second table below shows the actual and budgeted interest earned for the quarter ended June 30, 2016 by account. The interest shown is on the county's total cash and investment portfolio. All accounts receive interest income based on the LGIP interest rate or actual interest earned.

INVESTMENT TYPE	INTEREST EARNED	2nd QTR 2016 BUDGET
Certificate of Deposit	\$ 14,398	\$ 5,000
U.S. Treasury/Govt. Agency	295,825	221,668
Local Gov Inv Pool (LGIP)	63,839	26,000
Depository Bank (Sweep)	133	100
Money Markets	69,065	60,500
Other Accounts Allocated Interest	(94,564)	(50,768)
TOTAL NON-DEPT	\$ 348,696	\$ 262,500
YTD Unrealized Gain/(Loss)*	\$ 279,260	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.

ACCOUNT NAME	INTEREST EARNED	2nd QTR 2016 BUDGET
Non-Department	\$ 348,696	\$ 262,500
Children with Disabilities Ed Bd	33,205	10,553
DPW Buildings Reserve	769	217
DPW Equipment Reserve	6,144	295
LHCC Building Reserve	5,069	765
LHCC Equipment Reserve	2,226	235
Health Insurance	32,998	12,500
Dental Insurance	1,678	614
Workers Compensation	4,764	1,000
Risk Management	7,711	1,250
TOTAL PORTFOLIO	\$ 443,260	\$ 289,929
Budget to Actual Variance		\$ 153,331

- 2016 investment portfolio returns have exceeded budget by \$153,331.
- By diversifying into other investment vehicles, we have been able to increase the County's yields by 1.61 times the LGIP benchmark. If the entire portfolio was invested at the benchmark rate, the forecasted interest earned year to date would have approximated \$271,409.
- Certificates of deposit currently held on June 30, 2016 have an average return of 0.57%.
- Securities held on June 30, 2016 have a yield to maturity at cost of 1.03% for our brokered securities and 0.94% 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	2nd QTR 2016 BUDGET
Land Information Fees	\$ 903	\$ 324
Risk Management	3,644	1,250
Clerk of Courts	418	1,250
Waddell Donations	169	50
Harrison Trust	71	-
85.21 Trust	26	-
Total	\$ 5,231	\$ 2,874

INVESTMENT BENCHMARKS**Overall Investment Portfolio Benchmark**

The County has selected the Local Government Investment Pool rate as the benchmark for achievement for the investment portfolio. The following yields are as of June 30, 2016. The interest income amount does not include unrealized gains or losses.

Investment Portfolio	Benchmark (LGIP)	Actual
Current Holdings – Yield to Maturity at Cost	0.42%	0.73%
Year to Date Interest Income Net of Fees	\$ 271,409	\$ 438,102
2nd Quarter Average Return at Cost	0.10%	0.16%
Rolling 1 Year Average Return at Cost	0.27%	0.54%

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, 3rd Quarter	0.32%	0.30%
2015, 4th Quarter	(0.43)%	(0.46)%
2016, 1st Quarter	0.89%	1.02%
2016, 2nd Quarter	0.52%	0.44%

***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.

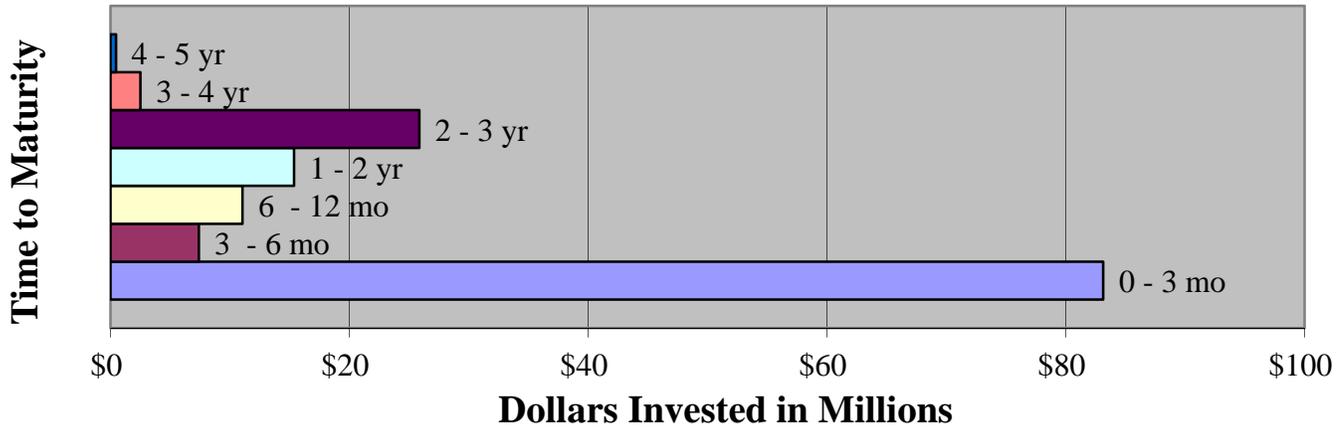
Portfolio Advisor Response: "During the quarter, the total portfolio returned +0.44% net of fees compared to a +0.52% return for the Barclay's 1-3 Year US Government Index. On a one year basis, the portfolio has gained +1.30% net of fees versus +1.31% for the benchmark. It continues to be challenging to generate return with a high-quality, short-duration portfolio given near-zero short-term interest rates.

The combination of a surprisingly poor jobs number late in the quarter and the (ultimately realized) trepidations surrounding the Brexit vote made for a June Fed meeting with little suspense. As expected, the Fed did not raise rates at its June 14-15 meeting. The most notable change was to the Fed's 'dot plot', which now implies three rate hikes in 2017 and 2018 versus four in the prior rendition. The longer term projections declined as well, from 3.25% to 3.0%. The plot still projects two additional hikes for this year, though Fed Funds Futures imply the market is doubtful about a single hike, with only a 9% chance priced in for a hike by December. Interestingly, the markets now project a greater chance (though still remote) of a rate cut in September and November than of a rate increase. Even by December 2017, the market is projecting a below 50% chance of a rate hike."

- Joseph A. Olson, BMO Global Asset Management, July 18, 2016

TOTAL PORTFOLIO OVERVIEW

Total Investments by Maturity



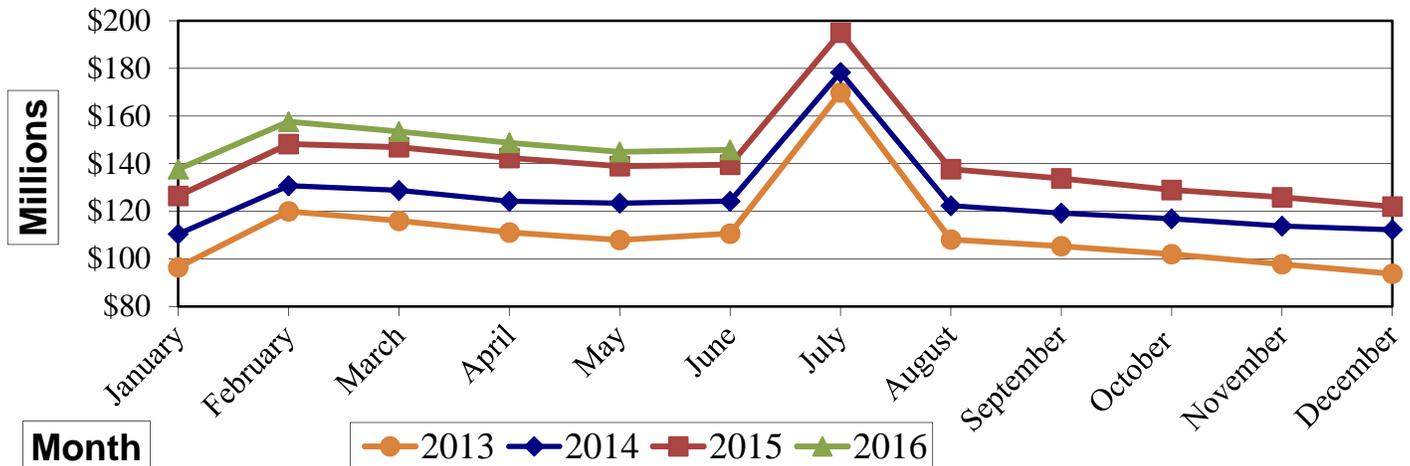
TOTAL PORTFOLIO OVERVIEW – HISTORICAL BALANCES

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	2013	2014	2015	2016
Cash (1 year)	\$111,598,000	\$125,375,000	\$140,481,000	\$144,297,000
Cumulative Cash (3 year)	\$99,804,000	\$111,706,000	\$125,818,000	\$132,098,000

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

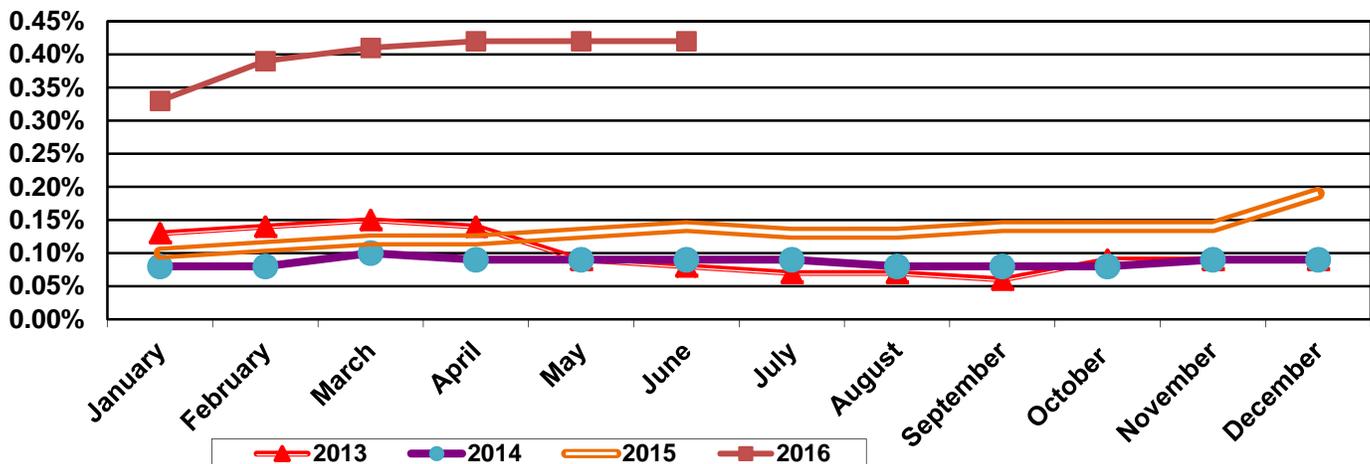
The primary objective of the LGIP is to provide for the prudent management of public funds on behalf of the local government investor. The strategy for meeting this objective is to apply the prudent investor standard and insure that the investment of pool assets is prioritized as follows: safety of principal, 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 \$36.0 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	0.40%	\$ 8,011,247
JPMorgan Chase Bank	Collateralized Money Market	0.27%	4,001,342
Mid America	Collateralized Money Market	0.92%	8,418,826
BMO Portfolio Money Market	Government Money Market	0.01%	401,290
Pershing Money Market	Portfolio Money Market	0.01%	-
Total Money Market		0.30%	\$ 20,832,705

Mid America Money Market *(to become Advia Credit Union Money Market in August 2016)*

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 allows. Advia Credit Union has purchased Mid America Bank, with the transaction completed during August 2016. Our relationship will continue with Advia Credit Union, and they have expressed a willingness to accept a higher balance.

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. This money market account has been lagging behind the significant yield increases of the LGIP this year. During June 2016 Associated Bank agreed to match the LGIP interest rate of 0.42%. The 0.40% rate shown in the chart above reflects the June return which includes a shift from 0.37% to 0.42% during the 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 %
Southern Lakes Credit Union	7/11/2015	7/15/2016	\$ 250,728	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	1,000,000	0.48%
Associated Bank	5/12/2016	11/11/2016	225,000	1.19%
Commercial Bank	12/7/2014	12/8/2016	226,141	0.50%
Associated Bank	6/10/2016	12/9/2016	5,000,000	0.56%
First Citizens State Bank	2/23/2015	2/17/2017	226,350	0.60%
Associated Bank	5/12/2016	5/12/2017	1,000,000	0.60%
Citizens Bank	1/8/2016	1/11/2018	225,000	1.30%
<i>Yield to Maturity at June 30, 2016</i>			\$ 10,879,344	0.57%

During the second quarter, \$7,000,187 of certificates of deposit were purchased, while none matured. The average duration of the certificates of deposit at June 30, 2016 is 0.43 years.

Although we continue to solicit CD bids, most 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	\$ 5,322,039	\$ 5,351,402	\$ 29,363	\$ 53,263	0.94%	1.71
Pershing Portfolio	\$63,282,741	\$63,301,060	\$ 18,319	\$ 225,997	1.03%	1.56
Total Securities	\$68,604,780	\$68,652,462	\$ 47,682	\$ 279,260		

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 second quarter, \$12,575,000 of agency securities were purchased, \$10,000,000 were called, and \$5,000,000 matured. \$2,000,000 of treasuries were also purchased, while \$6,000,000 matured. \$855,000 of municipal bonds also matured.

WALWORTH COUNTY INVESTMENT REPORT
VALUATION AT COST
As of 06/30/2016

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 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%
2016 1st Quarter	0.10%	0.20%	0.14%	0.07%	0.06%	0.20%	0.22%	0.00%	0.15%
2nd Quarter	0.10%	0.23%	0.14%	0.07%	0.09%	0.20%	0.22%	0.00%	0.16%

One Year Ending

2015 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%
2016 1st Quarter	0.20%	0.68%	0.51%	0.08%	0.21%	0.83%	0.82%	0.01%	0.48%
2nd Quarter	0.27%	0.75%	0.53%	0.15%	0.25%	0.83%	0.85%	0.01%	0.54%

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 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
2016 1st Quarter	20,774	16,788	5,762	4,387	15,227	131,243	11,536	70	205,786
2nd Quarter	43,065	19,212	8,636	2,203	11,247	136,298	11,592	63	232,315

One Year Ending

2015 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
2016 1st Quarter	64,784	56,615	27,607	5,064	52,010	431,654	43,053	383	681,169
2nd Quarter	92,346	62,855	28,654	7,125	51,328	479,148	44,524	388	766,369

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 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
2016 1st Quarter	21,488,907	8,388,134	3,979,574	6,523,082	25,920,368	66,672,653	5,302,710	2,785,393	141,060,822
2nd Quarter	41,242,213	8,406,198	6,131,906	3,275,223	12,232,374	67,952,699	5,325,736	2,476,243	147,042,592

One Year Ending

2015 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
2016 1st Quarter	37,670,156	8,367,530	5,348,730	3,981,127	24,786,771	52,223,016	5,289,701	3,764,516	141,431,546
2nd Quarter	36,009,963	8,382,139	5,297,141	4,079,725	21,880,025	58,192,496	5,300,584	3,820,498	142,962,573

Comparison to Benchmark:

Description	LGIP	Portfolio
Rate of Return - Quarterly	0.10%	0.16%
Rate of Return - Annualized	0.27%	0.54%

Walworth County Investment Report
Portfolio Holdings as of 06/30/2016
Pershing (Custodian for Broker/Dealer Transactions)

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

FAMC 0.93 1/24/2018	1/24/2018	1,000,000.00	\$ 998,900	\$ 1,003,570	\$ 4,670
FAMC 1 9/26/2016	9/26/2016	2,000,000.00	2,015,140	2,002,740	(12,400)
FAMC 1.11 6/7/2019	6/7/2019	1,000,000.00	1,002,600	1,004,870	2,270
FAMC 2 7/27/2016	7/27/2016	500,000.00	525,100	500,625	(24,475)
FFCB 0.6 4/25/2017	4/25/2017	1,000,000.00	999,020	1,000,080	1,060
FFCB 1.06 6/3/2019	6/3/2019	1,000,000.00	997,840	1,006,550	8,710
FFCB 1.07 9/12/2016	9/12/2016	1,000,000.00	1,000,000	1,001,290	1,290
FFCB 1.32 5/21/2018	5/21/2018	1,000,000.00	1,001,160	1,011,950	10,790
FHLB 0.45 8/9/2016	8/9/2016	1,000,000.00	1,000,000	1,000,180	180
FHLB 0.875 3/10/2017	3/10/2017	1,000,000.00	1,002,600	1,002,860	260
FHLB 1 5/18/2018-17	5/18/2018	1,000,000.00	1,000,000	1,002,570	2,570
FHLB 1 6/9/2017	6/9/2017	1,000,000.00	1,002,445	1,003,910	1,465
FHLB 1.05 8/27/2018-17	8/27/2018	1,000,000.00	1,000,000	1,000,700	700
FHLB 1.1 9/28/2018-16	9/28/2018	1,500,000.00	1,500,375	1,501,380	1,005
FHLB 1.15 7/13/2018-16	7/13/2018	2,000,000.00	2,001,300	2,000,500	(800)
FHLB 1.25 8/26/2019-17	8/26/2019	1,075,000.00	1,074,893	1,076,699	1,806
FHLB 1.27 8/10/2018-16	8/10/2018	1,000,000.00	1,000,000	1,000,630	630
FHLB 1.375 10/26/2018-16	10/26/2018	1,000,000.00	1,000,860	1,002,690	1,830
FHLB 1.5 6/28/2019-16	6/28/2019	1,000,000.00	999,650	1,003,510	3,860
FHLB 4.75 6/8/2018	6/8/2018	1,000,000.00	1,126,490	1,077,540	(48,950)
FHLB Step 10/24/2018-16	10/24/2018	1,000,000.00	1,002,500	1,001,560	(940)
FHLB Step 8/24/2018-16	8/24/2018	1,000,000.00	1,000,000	1,000,630	630
FHLMC 0.7 5/8/2017	5/8/2017	1,500,000.00	1,501,125	1,501,710	585
FHLMC 0.7 5/8/2017	5/8/2017	1,000,000.00	978,250	1,001,140	22,890
FHLMC 1 6/29/2017	6/29/2017	500,000.00	494,450	502,035	7,585
FHLMC 1 9/22/2017	9/22/2017	1,000,000.00	1,000,000	1,010,420	10,420
FHLMC 1 9/27/2017	9/27/2017	1,000,000.00	1,002,500	1,004,300	1,800
FHLMC 1 9/29/2017	9/29/2017	500,000.00	490,230	502,390	12,160
FHLMC 1.05 3/30/2018-16	3/30/2018	2,500,000.00	2,499,625	2,502,425	2,800
FHLMC 1.05 6/29/2018-17	6/29/2018	1,000,000.00	1,000,000	1,001,970	1,970
FHLMC 1.125 10/26/2018-16	10/26/2018	1,500,000.00	1,500,900	1,502,595	1,695
FHLMC 1.15 12/26/2017	12/26/2017	1,000,000.00	999,100	1,008,130	9,030
FHLMC 1.2 7/27/2018-16	7/27/2018	1,000,000.00	1,000,000	1,000,300	300
FHLMC Step 4/26/2019-16	4/26/2019	1,000,000.00	1,000,220	999,910	(310)
FHLMC Step 6/7/2019-17	6/7/2019	1,000,000.00	1,000,000	1,001,680	1,680
FNMA 0.625 8/26/2016	8/26/2016	1,000,000.00	1,002,204	1,000,230	(1,974)
FNMA 1 4/25/2017	4/25/2017	1,000,000.00	1,000,000	1,004,340	4,340
FNMA 1.125 4/27/2017	4/27/2017	1,000,000.00	1,013,950	1,004,430	(9,520)
FNMA 1.25 1/30/2017	1/30/2017	500,000.00	511,750	502,260	(9,490)
FNMA 1.625 11/27/2018	11/27/2018	1,000,000.00	1,012,804	1,021,290	8,486
FNMA 1.625 2/22/2019-17	2/22/2019	1,000,000.00	1,008,700	1,006,070	(2,630)
FNMA 1.625 2/26/2019-16	2/26/2019	1,000,000.00	1,004,500	1,001,690	(2,810)
FNMA 1.75 9/14/2018-16	9/14/2018	1,000,000.00	1,011,100	1,002,600	(8,500)
FNMA 2 8/24/2018-16	8/24/2018	1,000,000.00	1,013,810	1,002,380	(11,430)
FNMA Step 1/29/2019-16	1/29/2019	1,000,000.00	1,000,000	1,000,350	350
FNMA Step 11/23/2018-16	11/23/2018	1,000,000.00	1,000,000	1,001,690	1,690
FNMA Step 4/26/2019-17	4/26/2019	1,000,000.00	1,000,000	1,000,540	540
Subtotal Government Agency Coupon Securities		50,075,000	\$ 50,296,091	\$ 50,293,909	\$ (2,182)

T-Bill 0 7/14/2016	7/14/2016	5,000,000	\$ 4,990,196	\$ 4,999,800	\$ 9,604
T-Bill 0 8/4/2016	8/4/2016	3,000,000	2,993,891	2,999,400	5,509
T-Note 0.875 11/30/2017	11/30/2017	1,000,000	999,219	1,004,140	4,921
T-Note 0.875 5/15/2019	5/15/2019	1,000,000	995,156	1,004,810	9,654
T-Note 1.5 5/31/2020	5/31/2020	1,000,000	1,009,688	1,023,280	13,592
Subtotal US Treasury Securities		11,000,000	\$ 10,988,150	\$ 11,031,430	\$ 43,280

City of Monona 2 10/1/2017	10/1/2017	300,000	\$ 312,927	\$ 304,308	\$ (8,619)
Verona Area Sch. Dist. 2 4/1/2017	4/1/2017	665,000	683,494	670,726	(12,768)
Verona Area Sch. Dist. 2 4/1/2018	4/1/2018	980,000	1,002,079	1,000,687	(1,392)
Subtotal Municipal Debt		1,945,000	\$ 1,998,500	\$ 1,975,721	\$ (22,779)

TOTAL PERSHING PORTFOLIO		63,020,000	\$ 63,282,741	\$ 63,301,060	\$ 18,319
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Diversification:					
Cash & Cash Equivalents	0%	-	\$ -	\$ -	\$ -
Government Agency Securities	80%	50,075,000	50,296,091	50,293,909	(2,182)
US Treasury Securities	17%	11,000,000	10,988,150	11,031,430	43,280
Municipal Debt	3%	1,945,000	1,998,500	1,975,721	(22,779)
Total PERSHING PORTFOLIO	100%	63,020,000	\$ 63,282,741	\$ 63,301,060	\$ 18,319

Breakout by Security Type:	
FAMC	\$ 4,511,805
FFCB	4,019,870
FHLB	15,675,359
FHLMC	14,539,005
FNMA	11,547,870
US Treasury Bills	7,999,200
US Treasury Notes	3,032,230
Municipal Debt	1,975,721
Total	\$ 63,301,060

Maturity Schedule (assumes no-call)	
0 - 3 month	\$ 13,504,265
3 - 6 month	-
6 - 12 month	9,193,491
1 - 2 year	13,434,401
2 - 3 year	25,068,925
3 - 4 year	2,099,978
4 - 5 year	-
Total	\$ 63,301,060

Portion Callable or Mature within 2 years	
Callable	\$ 26,615,069
Maturity	36,132,157
Total	\$ 58,240,261

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

Walworth County Investment Portfolio
Portfolio Holdings as of 06/30/2016
BMO Portfolio

Description	Maturity Date	Quantity	Cost	Market	Total Unrealized Gain/(Loss)
BMO Government MM	N/A	401,290	\$ 401,290	\$ 401,290	-
Subtotal Cash & Cash Equivalent		401,290	\$ 401,290	\$ 401,290	\$ -

FHLB 1 6/21/2017	6/21/2017	175,000	\$ 176,935	\$ 175,700	\$ (1,235)
FHLMC 0.875 3/7/2018	3/7/2018	100,000	100,317	100,201	(116)
FHLMC 1 3/8/2017	3/8/2017	150,000	149,599	150,492	893
FHLMC 1 9/29/2017	9/29/2017	200,000	199,007	200,956	1,949
FHLMC 2 8/25/2016	8/25/2016	150,000	155,282	150,351	(4,931)
FNMA 0.875 10/26/2017	10/26/2017	200,000	200,322	200,724	402
FNMA 0.875 12/20/2017	12/20/2017	120,000	119,958	120,441	483
FNMA 1.25 1/30/2017	1/30/2017	300,000	299,881	301,355	1,474
FNMA 1.25 9/28/2016	9/28/2016	150,000	152,717	150,301	(2,416)
FNMA 1.25 9/28/2016	9/28/2016	100,000	100,064	100,201	137
FNMA 1.375 11/15/2016	11/15/2016	150,000	152,818	150,524	(2,294)
FNMA 1.375 11/15/2016	11/15/2016	150,000	152,354	150,524	(1,830)
FNMA 1.625 11/27/2018	11/27/2018	75,000	75,171	76,597	1,426
FNMA 1.625 11/27/2018	11/27/2018	75,000	74,975	76,597	1,622
Subtotal Government Agency Coupon Securities		2,095,000	\$ 2,109,400	\$ 2,104,964	\$ (4,436)

T-Note 0.5 8/31/2016	8/31/2016	100,000	\$ 99,957	\$ 100,036	\$ 79
T-Note 0.875 7/15/2017	7/15/2017	175,000	174,426	175,656	1,230
T-Note 0.875 8/15/2017	8/15/2017	150,000	149,344	150,578	1,234
T-Note 0.875 8/15/2017	8/15/2017	200,000	199,461	200,770	1,309
T-Note 1 5/15/2018	5/15/2018	200,000	200,227	201,528	1,301
T-Note 1 5/31/2018	5/31/2018	200,000	197,915	201,582	3,667
T-Note 1 9/15/2018	9/15/2018	150,000	149,783	151,240	1,457
T-Note 1 9/30/2016	9/30/2016	150,000	151,277	150,247	(1,030)
T-Note 1.25 12/15/2018	12/15/2018	150,000	149,672	152,186	2,514
T-Note 1.375 10/31/2020	10/31/2020	100,000	98,660	101,823	3,163
T-Note 1.375 2/28/2019	2/28/2019	150,000	149,965	152,751	2,786
T-Note 1.375 4/30/2020	4/30/2020	150,000	151,400	152,852	1,452
T-Note 1.375 5/31/2020	5/31/2020	100,000	98,504	101,856	3,352
T-Note 1.375 9/30/2020	9/30/2020	150,000	149,918	152,745	2,827
T-Note 1.5 12/31/2018	12/31/2018	180,000	179,621	183,749	4,128
T-Note 1.625 6/30/2020	6/30/2020	150,000	151,160	154,278	3,118
T-Note 1.625 7/31/2020	7/31/2020	200,000	201,516	205,692	4,176
T-Note 2.625 4/30/2018	4/30/2018	150,000	158,543	155,579	(2,964)
Subtotal US Treasury Notes		2,805,000	\$ 2,811,349	\$ 2,845,148	\$ 33,799

TOTAL BMO WEALTH MANAGEMENT PORTFOLIO	5,301,290	\$ 5,322,039	\$ 5,351,402	\$ 29,363
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Diversification:					
Cash & Cash Equivalents	8%	401,290	\$ 401,290	\$ 401,290	\$ -
Government Agency Securities	40%	2,095,000	2,109,400	2,104,964	(4,436)
US Treasury Notes	52%	2,805,000	2,811,349	2,845,148	33,799
Municipal Debt	0%	-	-	-	-
Total BMO PORTFOLIO	100%	5,301,290	\$ 5,322,039	\$ 5,351,402	\$ 29,363

Breakout by Security Type:

FHLB	\$ 175,700
FHLMC	602,000
FNMA	1,327,265
US Treasury Notes	2,845,148
\$ 4,950,112	

Portion Callable or Mature within 2 years

Callable	\$ -
Maturity	3,689,037
\$ 3,689,037	

Maturity Schedule

0 - 3 month	\$ 902,180
3 - 6 month	451,294
6 - 12 month	627,548
1 - 2 year	1,708,015
2 - 3 year	793,120
3 - 4 year	408,985
4 - 5 year	460,260
\$ 5,351,402	