

Integrity
Fixed Income Management, LLC

Presents:
The City of Sanibel
Operating, Reserve, Surplus & Restricted Funds
As of December 31, 2011

Investment Summary as of 12/31/2011

- Total Portfolio Market Value of \$21,312,011
- Total Portfolio Market Value Increase¹ :
 - Fiscal Year To Date - \$128,831, or 0.61%
 - Rolling Twelve Months - \$627,870, or 3.07%
- Total Portfolio Yield to Maturity ² of 1.6% as of December 31, 2011

1) Principal and Income Returns, Gross of Investment Management and Custody Fees.

2) Yield to maturity on cost basis. Portfolio cost basis was \$21,042,846.4 as of 12/31/11.

Projected Annual Income as of 12/30/11

Portfolio	Principal Cost Value *	Yield to Maturity on Amortized Cost (Gross of Fees)	Projected Annual Income
Operating (0-1 Yr)	\$6,312,347.80	0.9%	\$56,811
Reserves (0-2 Yr)	\$7,636,599.52	1.2%	\$91,639
Surplus (3-5 Yr)	\$5,202,662.72	1.8%	\$93,648
Restricted (10-15 Yr)	\$1,891,236.36	4.4%	\$83,214
Total	\$21,042,846.40	1.6%	\$325,313
Less Projected Custody and Mgmt Fees @ 0.175% of Market Value			(\$37,296)
Projected Net Relationship Annual Income			\$288,017

* Principal Cost Value is calculated by taking the Total Portfolio Cost Value from the custodial statement and subtracting accrued income.

Operating Portfolio Performance – Gross of Fees

	3 Months	Fiscal Year to Date	1 Year	3 Years	Inception to Date
City of Sanibel Operating Fund	0.20%	0.20%	0.79%	NA	0.75%
Merrill Lynch 0-3 Month Treasury Bills Index	0.00%	0.00%	0.60%	NA	0.09%
Relative Performance	0.20%	0.20%	0.19%	NA	0.66%

Inception Date is June 9, 2010

Returns Reflect Principal and Income Returns

Returns Periods Longer Than One Year are Annualized

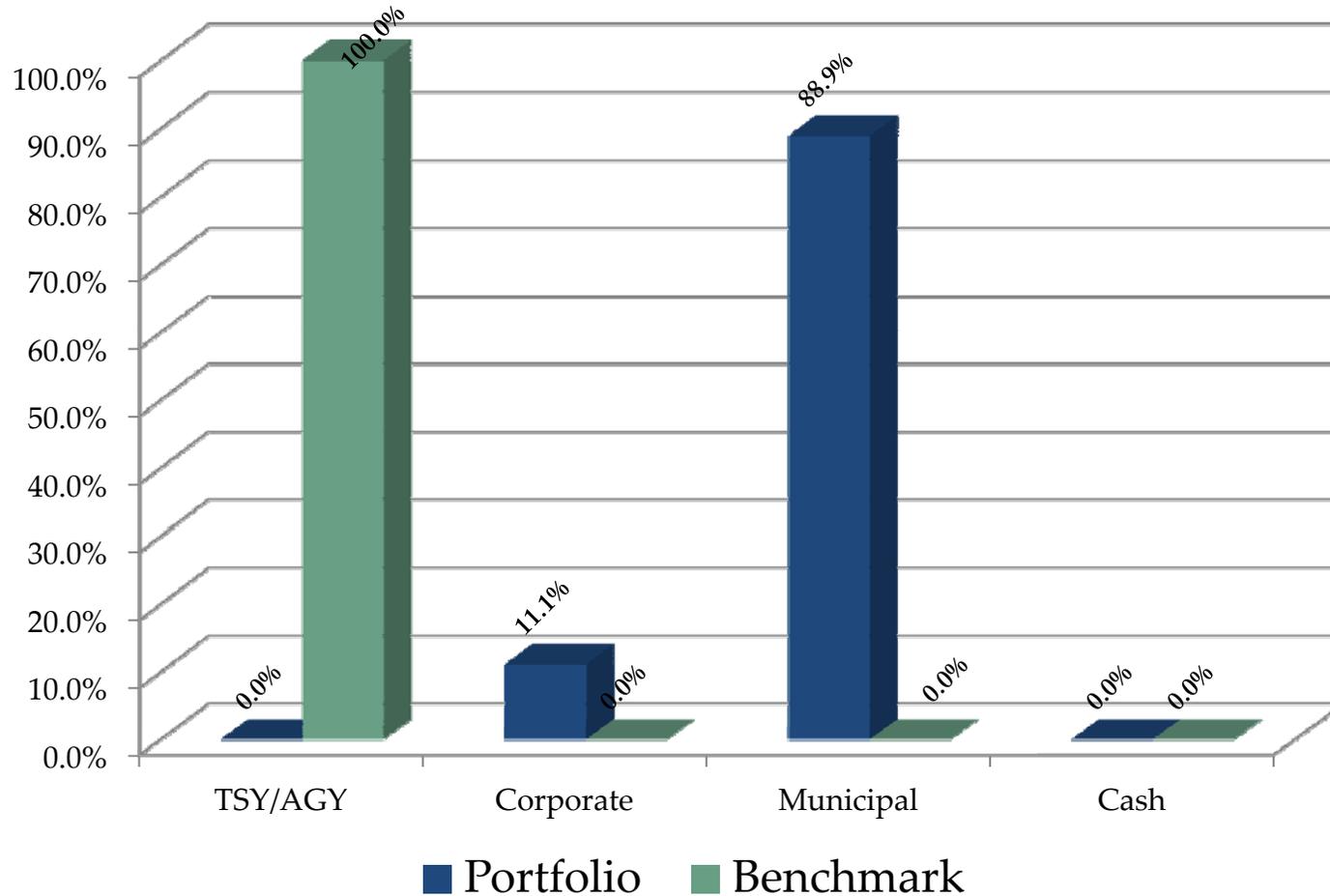
Operating Portfolio Cash Flows

Portfolio Value on 9-30-11	\$6,267,544.53
Accrued Interest	43,945.92
Beginning Market Value	6,311,490.45
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains	(2,661.23)
Unrealized Gains	(10,595.96)
Interest	39,303.82
Change in Accrued Interest	(13,416.93)
Portfolio Value on 12-31-11	6,293,591.16
Accrued Interest	30,528.99
Ending Market Value	\$6,324,120.15

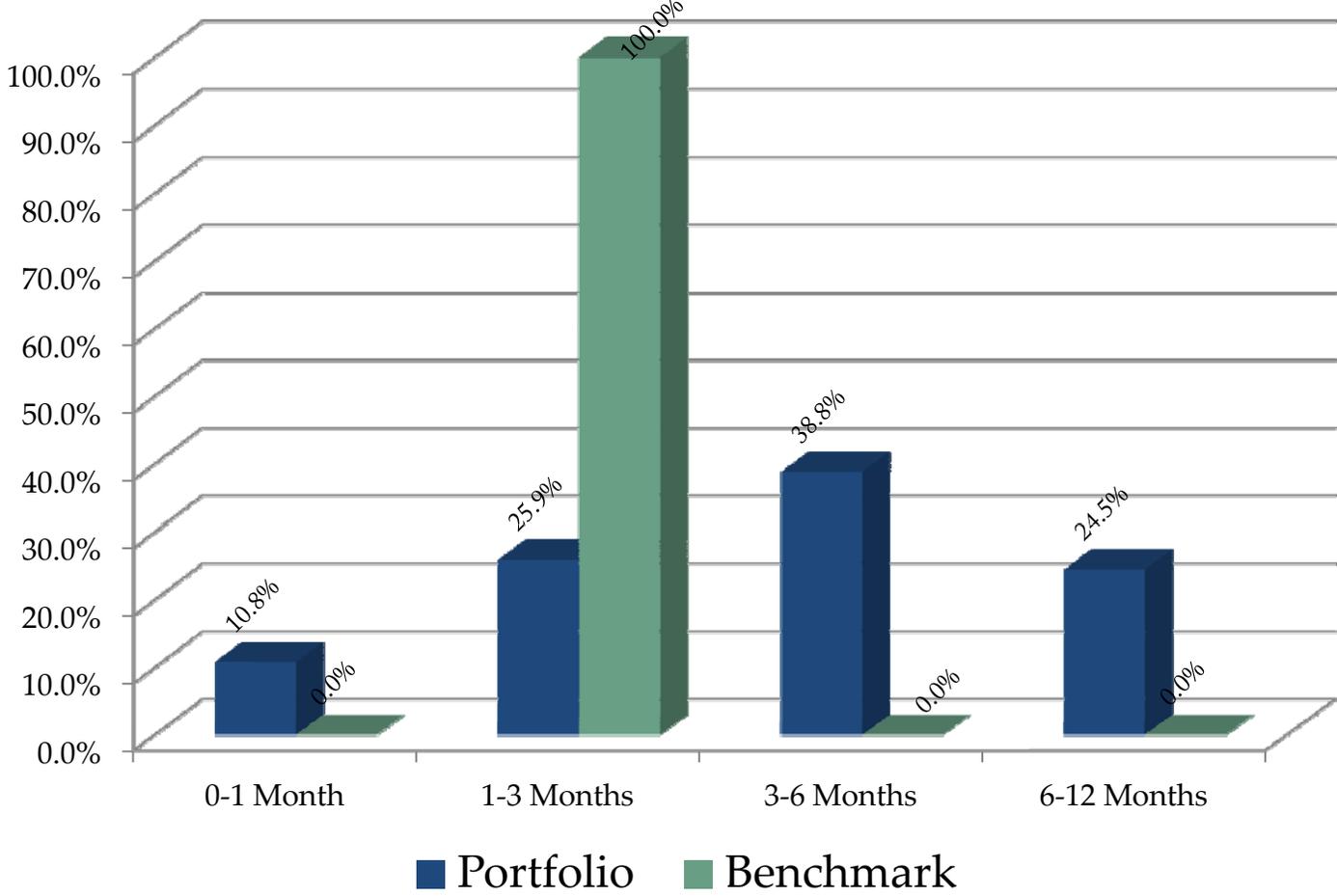
Operating Portfolio Characteristics

	Portfolio	Index
Avg. Quality	AA	AAA
Yield to Amortized Cost	0.9%	0.0%
Avg. Maturity	0.3	0.2
Effective Duration	0.3	0.2

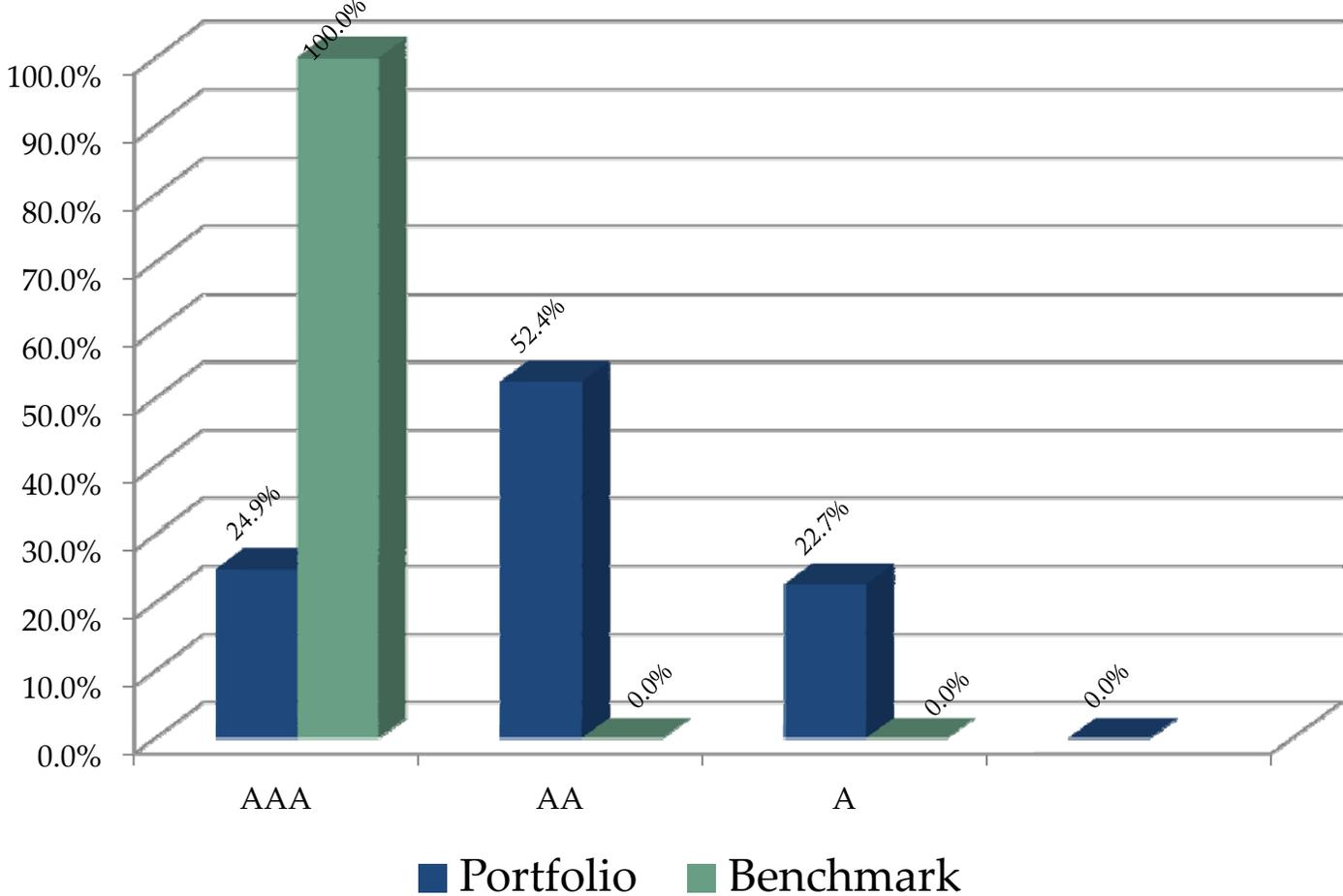
Operating Portfolio Sector Distribution



Operating Portfolio Maturity Distribution



Operating Portfolio Quality Distribution



Operating Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>CORPORATE BONDS</u>								
CITIGROUP INC	6.00	2/21/2012	A-	A3	120,000	\$120,670	2.3%	1.9%
HARTFORD LIFE GLOB FUND	0.00	1/17/2012	A	A3	125,000	\$124,981	1.0%	2.0%
MET LIFE GLOB FUNDING I	2.88	9/17/2012	AA-	Aa3	120,000	\$121,568	0.7%	1.9%
MORGAN STANLEY	6.60	4/1/2012	A-	A2	120,000	\$120,998	0.9%	1.9%
SEARIVER MARITIME INC	0.00	9/1/2012	AAA	Aaa	65,000	\$64,537	2.0%	1.0%
SILICON VALLEY BANK	5.70	6/1/2012	A-	A2	44,000	\$44,637	1.9%	0.7%
WELLS FARGO FINANCIAL	5.50	8/1/2012	A+	A2	94,000	\$96,424	3.2%	1.5%
<i>Subtotal</i>						\$693,816		
<u>TAXABLE MUNICIPAL BONDS</u>								
ADAMS CO 12 FIVE STAR SCHS	0.00	12/15/2012	AA-	Aa2	100,000	\$99,044	1.0%	1.6%
ARKANSAS ST DEV FIN AUTH ECC	4.94	9/1/2012	A	NA	25,000	\$25,506	0.7%	0.4%
BACON CNTY GA HOSP AUTH	0.96	3/1/2012	NA	Aa3	200,000	\$199,996	0.9%	3.2%
BOLIVAR TN ENERGY AUTH ELEC	1.00	5/1/2012	NA	A1	85,000	\$85,014	0.9%	1.3%
CMWLTH FING AUTH PA	4.26	6/1/2012	AA-	Aa3	35,000	\$35,483	0.2%	0.6%
COMSTOCK PARK MI PUBLIC SCHS	3.00	5/1/2012	AA-	NA	100,000	\$100,786	0.5%	1.6%
DULUTH MN INDEP SCH DIST #705	2.25	2/1/2012	AA+	Aa2	185,000	\$185,170	2.3%	2.9%
FAYETTE CNTY KY SCH DIST FIN C	2.50	6/1/2012	AA	Aa3	35,000	\$35,250	2.5%	0.6%
FORNEY TX	0.80	8/15/2012	A+	Aa3	170,000	\$169,895	0.8%	2.7%
GROTON CITY CT	1.50	1/25/2012	SP-1+	MIG1	300,000	\$300,087	0.6%	4.7%
HUDSON CNTY NJ IMPT AUTH	2.00	1/9/2012	NA	MIG1	250,000	\$250,018	2.0%	4.0%
JEFFERSON CNTY CO SCH DIST #F	5.01	6/15/2012	AA-	Aa3	100,000	\$101,823	0.7%	1.6%
KANSAS CITY MO SPL OBLG	2.19	4/1/2012	AA-	A1	175,000	\$175,583	2.1%	2.8%
KENT CNTY MI	2.50	4/1/2012	SP-1+	NA	500,000	\$502,505	1.0%	7.9%
MAINE ST HLTH & HGR EDUCNTI	1.25	7/1/2012	NA	A1	565,000	\$564,887	1.2%	8.9%
MARS PA AREA SCH DIST	1.06	3/1/2012	A+	NA	300,000	\$299,952	3.9%	4.7%

Operating Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
MICHIGAN ST	2.00	4/15/2012	AA-	Aa2	500,000	\$501,810	2.0%	7.9%
MIDLAND AR SCH DIST #19	1.00	2/1/2012	NA	Aa3	60,000	\$60,027	1.0%	0.9%
MISSISSIPPI ST DEV BANK SPL OB	2.10	3/1/2012	AA-	NA	140,000	\$140,209	0.6%	2.2%
MISSISSIPPI ST LEASE REVENUE C	1.00	4/15/2012	AA-	NA	100,000	\$100,045	0.5%	1.6%
MONTGOMERY CNTY MD REVENI	4.00	5/1/2012	AA+	Aa1	40,000	\$40,425	0.8%	0.6%
SOUTH BEND IN REDEV AUTH	0.80	2/1/2012	AA	Aa2	625,000	\$624,806	0.8%	9.9%
SOUTH BEND IN REDEV AUTH	1.00	8/1/2012	AA	Aa2	400,000	\$399,932	0.7%	6.3%
UNIV OF LOUISIANA LA SYS BRD O	2.00	6/1/2012	NA	A3	100,000	\$100,362	0.6%	1.6%
WEST VIRGINIA ST HSG DEV FUNI	0.89	5/1/2012	AAA	Aaa	500,000	\$499,865	0.9%	7.9%
<i>Subtotal</i>						\$5,598,479		
<u>CASH AND CASH EQUIVALENTS</u>								
FEDERATED PRIME OBLIGATIONS FUND					713	\$713	0.1%	0.0%
CASH					583	\$583		0.0%
Portfolio Accrued Income						\$30,529		0.5%
Total Portfolio Value						\$6,324,120		

Reserves Portfolio Performance – Gross of Fees

	3 Months	Fiscal Year to Date	1 Year	3 Years	Inception to Date
City of Sanibel Reserves Fund	0.28%	0.28%	1.35%	NA	1.14%
Merrill Lynch 0-1 Year Treasury Bills Index	0.05%	0.05%	0.31%	NA	0.33%
Relative Performance	0.23%	0.23%	1.04%	NA	0.81%

Inception Date is June 9, 2010

Returns Reflect Principal and Income Returns

Returns Longer Than One Year are Annualized

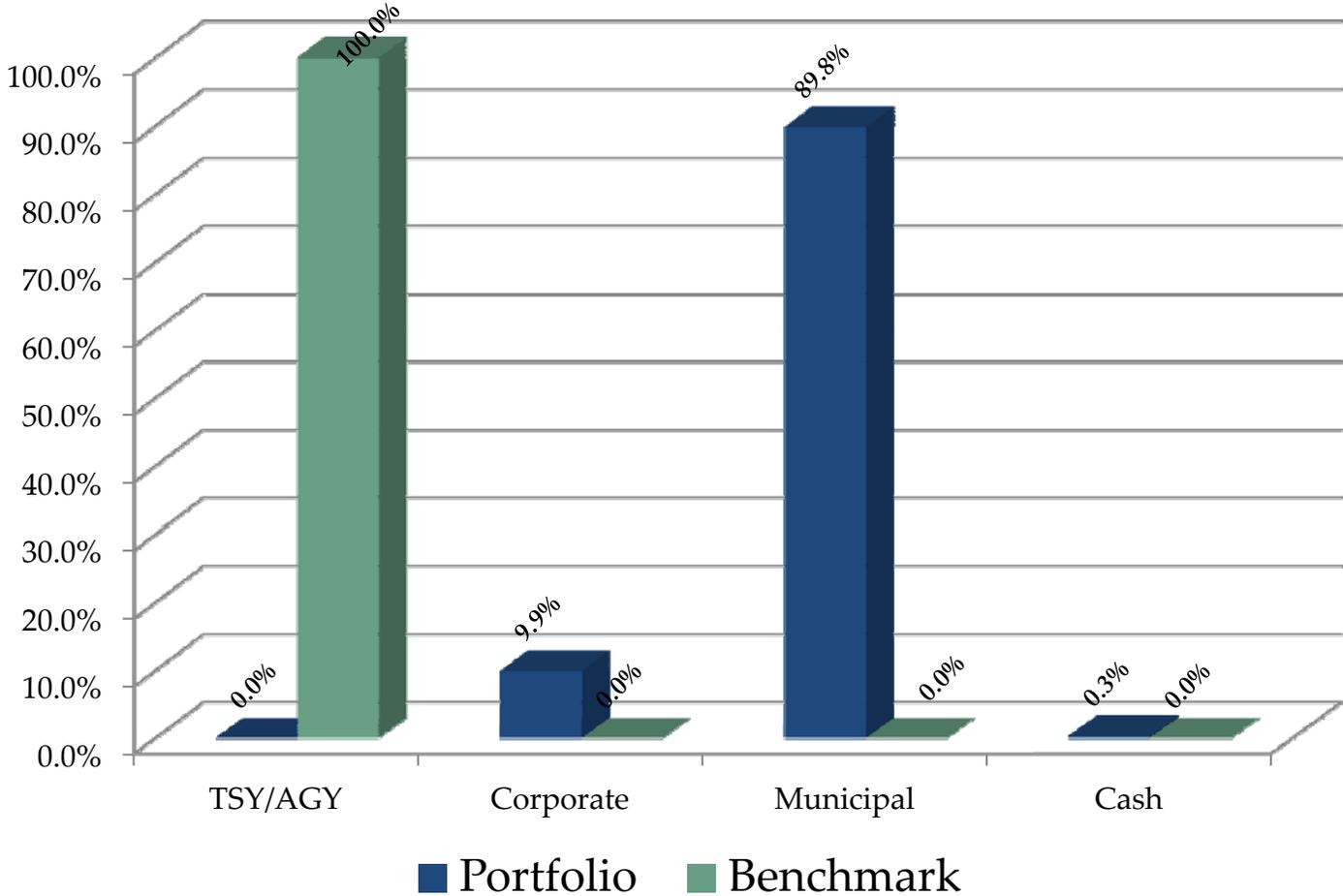
Reserves Portfolio Cash Flows

Portfolio Value on 9-30-11	\$7,534,696.54
Accrued Interest	55,570.87
Beginning Market Value	7,590,267.41
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains	(1,045.98)
Unrealized Gains	(24,741.88)
Interest	59,535.71
Change in Accrued Interest	(12,448.48)
Portfolio Value on 12-31-11	7,568,444.39
Accrued Interest	43,122.39
Ending Market Value	\$7,611,566.78

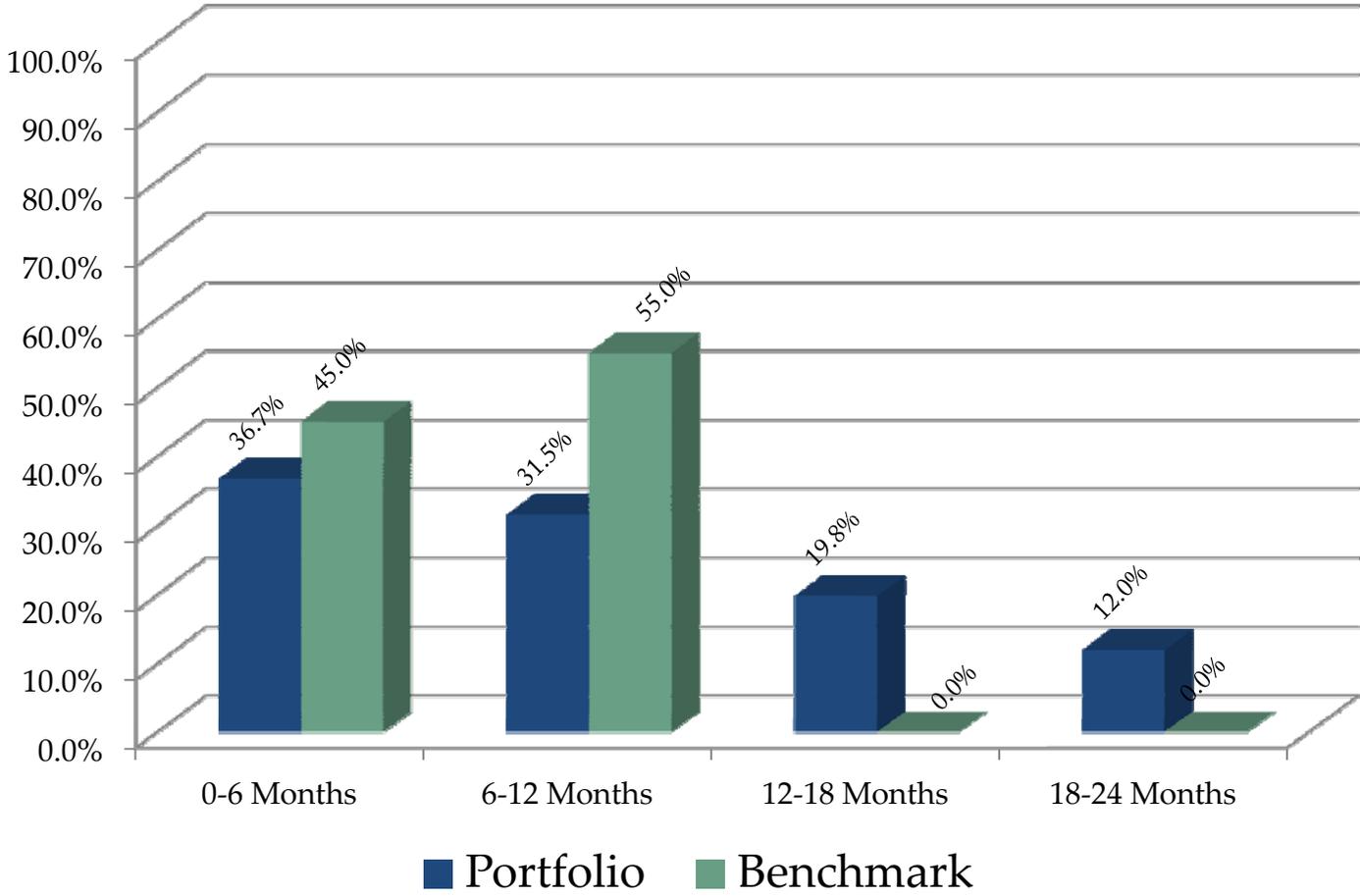
Reserves Portfolio Characteristics

	Portfolio	Index
Avg. Quality	AA	AAA
Yield to Amortized Cost	1.2%	0.1%
Avg. Maturity	0.8	0.5
Effective Duration	0.8	0.5

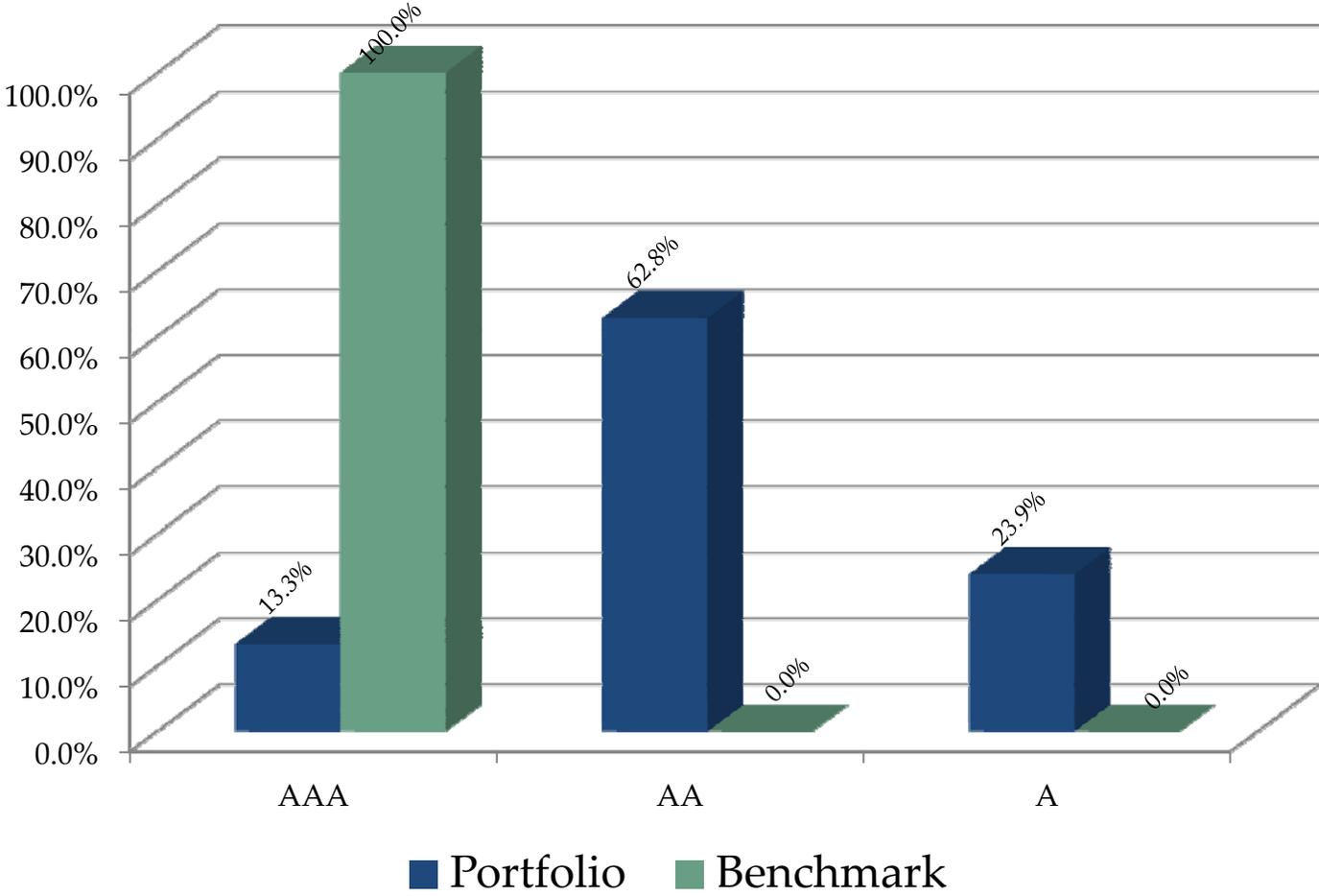
Reserves Portfolio Sector Distribution



Reserves Portfolio Maturity Distribution



Reserves Portfolio Quality Distribution



Reserves Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>CORPORATE BONDS</u>								
FRANKLIN RESOURCES INC	2.00	5/20/2013	AA-	A1	100,000	\$101,019	1.1%	1.3%
GENERAL ELEC CAP CORP	5.88	2/15/2012	AA+	Aa2	135,000	\$135,818	0.1%	1.8%
GOLDMAN SACHS GROUP INC	5.45	11/1/2012	A	A2	125,000	\$127,123	1.7%	1.7%
HARTFORD LIFE GLOB FUND	0.00	1/17/2012	A	A3	75,000	\$74,989	1.0%	1.0%
PHILIP MORRIS INTL INC	4.88	5/16/2013	A	A2	150,000	\$158,288	0.5%	2.1%
SEARIVER MARITIME INC	0.00	9/1/2012	AAA	Aaa	150,000	\$148,932	2.0%	2.0%
<i>Subtotal</i>						\$746,168		
<u>TAXABLE MUNICIPAL BONDS</u>								
BACON CNTY GA HOSP AUTH	1.50	3/1/2013	NA	Aa3	260,000	\$259,969	1.0%	3.4%
BUFFALO NY MUNI HSG AUTH SR	1.30	12/1/2013	NA	Aaa	70,000	\$70,271	1.3%	0.9%
COLUMBUS OH	1.18	6/1/2012	AAA	Aaa	260,000	\$260,642	0.5%	3.4%
COMSTOCK PARK MI PUBLIC SCH	3.00	5/1/2012	AA-	NA	100,000	\$100,786	0.5%	1.3%
CONNECTICUT ST	3.59	3/1/2012	AA	Aa3	60,000	\$60,290	0.7%	0.8%
CONNECTICUT ST	1.72	5/15/2013	AA	Aa3	250,000	\$254,200	0.9%	3.3%
COVENTRY RI	2.00	11/1/2013	NA	Aa3	500,000	\$506,370	0.5%	6.7%
DELAWARE CNTY PA INDL DEV A	4.00	12/1/2012	A-	A1	375,000	\$385,459	1.1%	5.1%
DURHAM NC COPS	5.21	6/1/2012	AA+	Aa2	100,000	\$101,649	0.7%	1.3%
FARMERS BRANCH TX	2.27	2/15/2012	AA+	NA	185,000	\$185,383	0.7%	2.4%
FORT WAYNE IN INTERNATIONAL	1.68	1/15/2012	NA	Aa3	175,000	\$175,032	1.7%	2.3%
GAINESVILLE FL UTILITIES SYS R	3.94	10/1/2012	AA	Aa2	360,000	\$367,740	0.9%	4.8%
INDIANA ST BOND BANK REVENU	5.59	1/15/2012	AA+	WR	260,000	\$260,369	0.9%	3.4%
INDIANAPOLIS IN LOCAL PUBLIC I	4.00	6/1/2013	A	A1	500,000	\$520,520	1.0%	6.8%
KENTUCKY ST ASSET/LIABILITY C	1.50	4/1/2012	A+	Aa3	100,000	\$100,244	0.7%	1.3%
MARS PA AREA SCH DIST	1.06	3/1/2012	A+	NA	275,000	\$274,956	1.2%	3.6%
MILWAUKEE WI	3.00	5/15/2013	AA	Aa1	200,000	\$206,746	0.9%	2.7%
NEVADA ST HSG DIV SF MTGE RE	0.60	10/1/2012	AA+	NA	220,000	\$220,293	0.7%	2.9%
OKLAHOMA ST DEV FIN AUTH LE	0.99	6/1/2012	AA	NA	450,000	\$450,153	0.7%	5.9%

Reserves Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
OREGON ST DEPT OF ADMIN SVC	4.49	4/1/2012	AAA	Aa2	100,000	\$100,865	1.0%	1.3%
PHOENIX AZ CIVIC IMPT CORP EX	1.72	7/1/2013	AA	Aa3	250,000	\$251,860	1.7%	3.3%
PORT GRAYS HARBOR WA	1.25	12/1/2012	NA	A1	150,000	\$150,216	1.2%	2.0%
PORTSMOUTH VA	5.75	7/1/2012	AA	Aa2	130,000	\$133,257	0.8%	1.8%
RHODE ISLAND ST TURNPIKE & BI	4.76	12/1/2012	A-	WR	155,000	\$159,526	1.5%	2.1%
SALT LAKE CNTY UT SALES TAX R	1.00	2/1/2012	AAA	NA	115,000	\$115,003	1.0%	1.5%
SOUTH BEND IN REDEV AUTH	1.00	8/1/2012	AA	Aa2	155,000	\$154,974	1.0%	2.0%
TAMPA FL REVENUE	1.24	10/1/2013	NA	Aa2	100,000	99,969	1.2%	1.3%
UNIV OF ALABAMA AL UNIV GEN F	2.25	7/1/2012	AA-	Aa2	125,000	126,011	2.2%	1.7%
UNIV OF NORTH CAROLINA NC AT	1.38	1/1/2012	NA	A1	370,000	\$370,000	1.4%	4.9%
UNIV OF OKLAHOMA OK	1.18	7/1/2013	AA-	NA	25,000	\$25,226	1.2%	0.3%
WASHINGTON ST	4.25	7/1/2012	AA+	Aa1	50,000	\$50,922	1.0%	0.7%
WEST VIRGINIA ST HSG DEV FUNI	0.99	11/1/2012	AAA	Aaa	300,000	\$299,793	1.0%	3.9%
<i>Subtotal</i>						\$6,798,693		
<u>CASH & CASH EQUIVALENTS</u>								
FEDERATED PRIME OBLIGATIONS FUND					23,614	\$23,614	0.1%	0.3%
CASH					-56	-\$56		0.0%
Portfolio Accrued Income						\$43,122		0.6%
Total Portfolio Value						\$7,611,567		

Surplus Portfolio Performance – Gross of Fees

	3 Months	Fiscal Year to Date	1 Year	3 Years	Inception to Date
City of Sanibel Surplus Fund	0.94%	0.94%	3.91%	NA	3.16%
Merrill Lynch 3-5 Year Treasury Index	0.75%	0.75%	6.23%	NA	5.35%
Relative Performance	0.19%	0.19%	-2.32%	NA	-2.19%

Inception Date is June 9, 2010

Returns Reflect Principal and Income Returns

Returns Longer Than One Year are Annualized

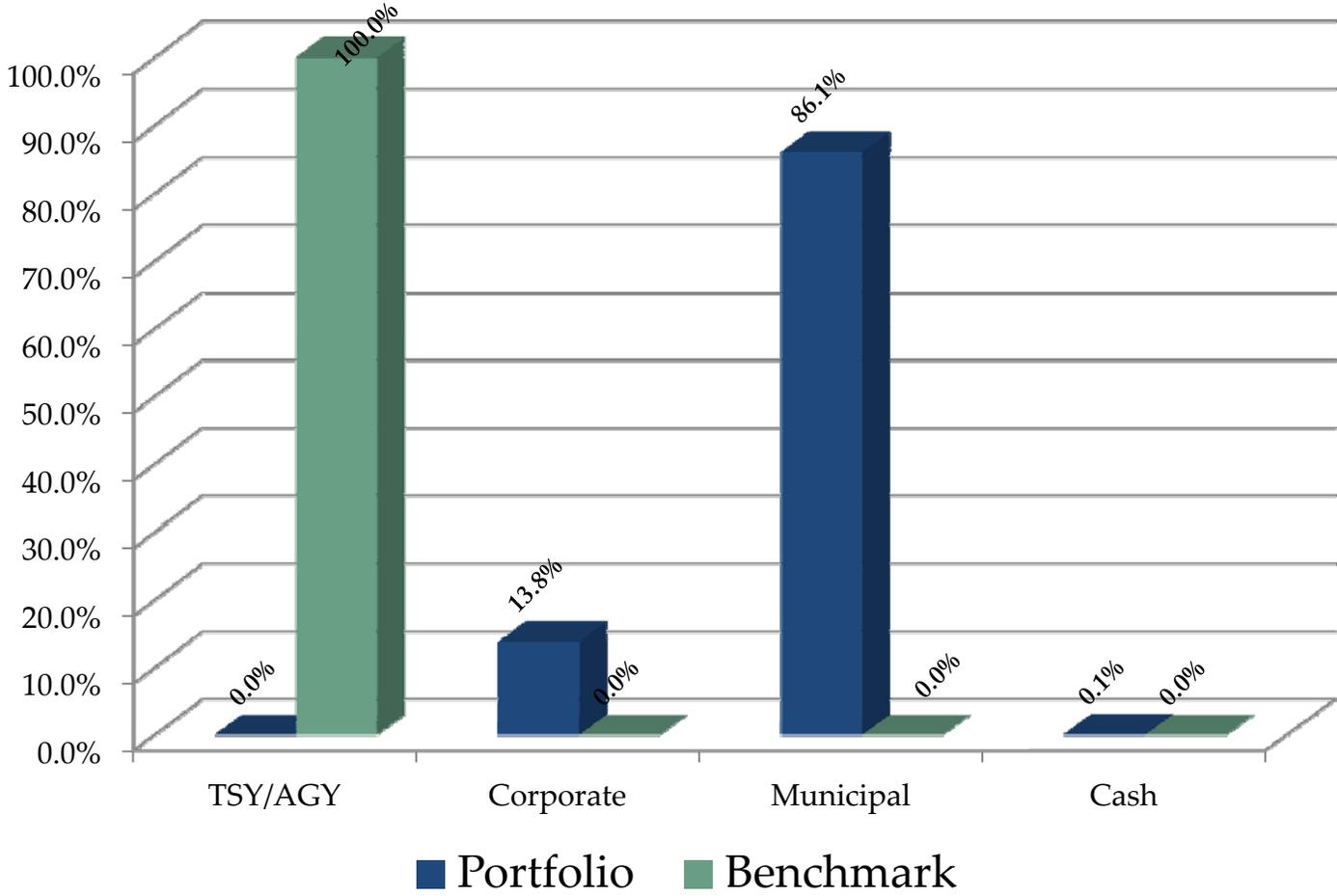
Surplus Portfolio Cash Flows

Portfolio Value on 9-30-11	5,170,416.03
Accrued Interest	33,153.54
Beginning Market Value	5,203,569.57
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains	395.82
Unrealized Gains	10,886.00
Interest	37,234.76
Change in Accrued Interest	248.10
Portfolio Value on 12-30-11	5,218,932.61
Accrued Interest	33,401.64
Ending Market Value	\$5,252,334.25

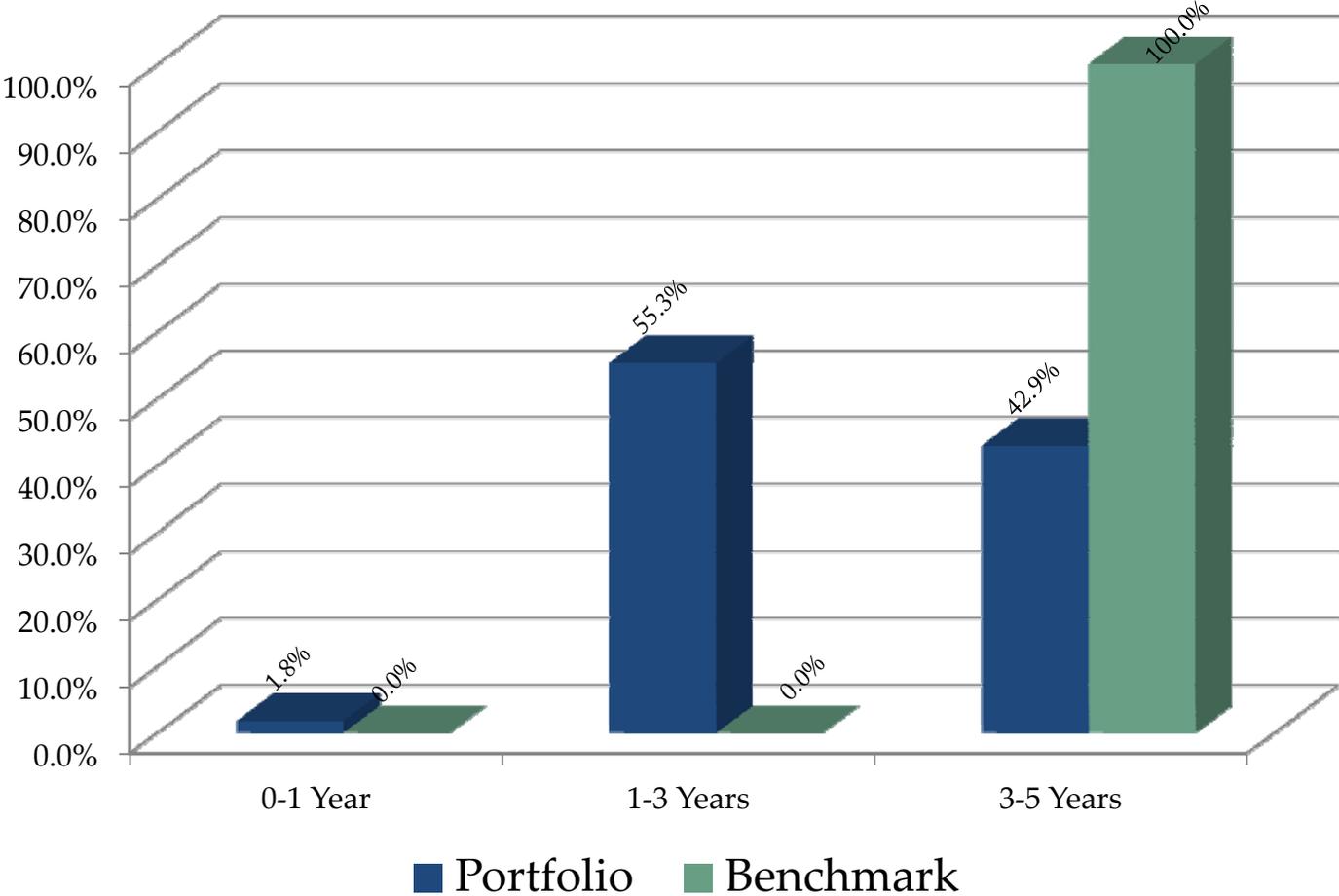
Surplus Portfolio Characteristics

	Portfolio	Index
Avg. Quality	AA+	AAA
Yield to Amortized Cost	1.8%	0.6%
Avg. Maturity	3.0	4.1
Effective Duration	3.0	3.9

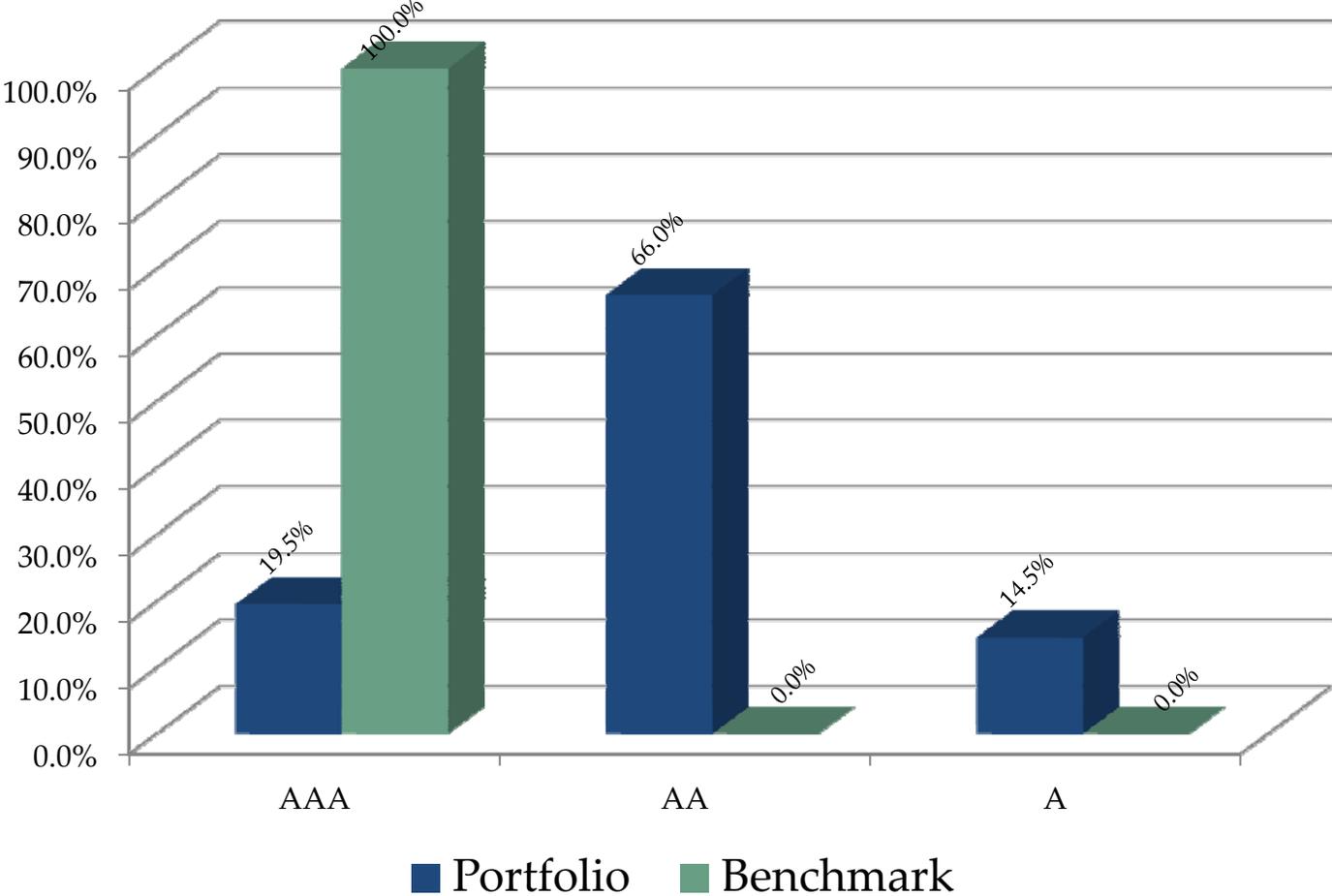
Surplus Portfolio Sector Distribution



Surplus Portfolio Maturity Distribution



Surplus Portfolio Quality Distribution



Surplus Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>CORPORATE BONDS</u>								
CME GROUP INC	5.75	2/15/2014	AA	Aa3	72,000	\$78,481	1.1%	1.5%
FRANKLIN RESOURCES INC	2.00	5/20/2013	AA-	A1	100,000	\$101,019	1.1%	1.9%
GENERAL ELEC CAP CORP	3.75	11/14/2014	AA+	Aa2	95,000	\$100,137	1.2%	1.9%
HERSHEY COMPANY	5.45	9/1/2016	A	A2	90,000	\$105,811	1.2%	2.0%
HEWLETT-PACKARD CO	6.13	3/1/2014	BBB+	A3	90,000	\$97,043	1.7%	1.8%
PACIFICORP	4.95	8/15/2014	A	A2	85,000	\$92,805	1.0%	1.8%
SEARIVER MARITIME INC	0.00	9/1/2012	AAA	Aaa	95,000	\$94,324	2.0%	1.8%
US BANCORP	2.20	11/15/2016	A	Aa3	50,000	\$50,481	1.9%	1.0%
<i>Subtotal</i>						\$720,099		
<u>TAXABLE MUNICIPAL BONDS</u>								
AUSTIN TX CMNTY CLG DIST	1.71	2/1/2014	AA-	Aa3	100,000	\$100,610	1.0%	1.9%
EFFINGHAM CNTY GA INDL DEV	1.50	4/1/2014	NA	Aa2	555,000	\$556,338	1.1%	10.6%
FAIRFAX CNTY VA	3.70	10/1/2016	AAA	Aaa	445,000	\$502,450	1.6%	9.6%
FLORIDA ST GOVTL UTILITY AUTH	3.14	10/1/2014	NA	A2	100,000	\$102,887	1.6%	2.0%
FULTON CNTY GA DEV AUTH	3.00	2/1/2014	A	NA	250,000	\$255,030	2.2%	4.9%
GAHANNA-JEFFERSON OH CITY S	3.59	12/1/2014	NA	Aa2	85,000	\$89,593	1.3%	1.7%
GRAND FORKS ND PUBLIC SCH DI	2.50	8/1/2015	NA	Aa2	275,000	\$286,677	1.5%	5.5%
GTR ORLANDO FL AVIATION AUT	5.25	10/1/2013	AA-	Aa3	150,000	\$160,934	2.0%	3.1%
MOBILE CNTY AL	3.50	6/1/2015	AA-	Aa2	185,000	\$195,782	1.6%	3.7%
MORRIS CNTY NJ IMPT AUTH LEA	3.02	8/15/2014	NA	Aaa	400,000	\$418,148	2.0%	8.0%
N FORT BEND TX WTR AUTH WTF	3.00	12/15/2015	AA-	Aa3	500,000	\$520,415	1.2%	9.9%
SAINT LOUIS MO SPL ADMIN BRD	3.00	4/1/2014	AA+	NA	300,000	\$311,913	1.1%	5.9%
TAMPA FL REVENUE	2.35	10/1/2016	NA	Aa2	580,000	\$579,884	2.0%	11.0%
UNIV OF OKLAHOMA OK	1.66	7/1/2014	AA-	NA	200,000	\$203,932	1.2%	3.9%
WATERBURY CT	4.17	12/1/2014	AA-	Aa3	200,000	\$209,972	1.6%	4.0%
<i>Subtotal</i>						\$4,494,563		

Surplus Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>CASH & CASH EQUIVALENTS</u>								
FEDERATED PRIME OBLIGATIONS FUND						\$4,365	0.1%	0.1%
CASH						-\$94		0.0%
Portfolio Accrued Inome						\$33,402		
Total Portfolio Value						\$5,252,334		

Restricted Portfolio Performance – Gross of Fees

	3 Months	Fiscal Year to Date	1 Year	3 Years	Inception to Date
City of Sanibel Restricted Fund	2.22%	2.22%	15.15%	NA	11.61%
Merrill Lynch 10-15 Year Treasury Index	1.61%	1.61%	18.71%	NA	13.31%
Relative Performance	0.61%	0.61%	-3.56%	NA	-1.70%

Inception Date is June 9, 2010

Returns Reflect Principal and Income Returns

Returns Longer Than One Year are Annualized

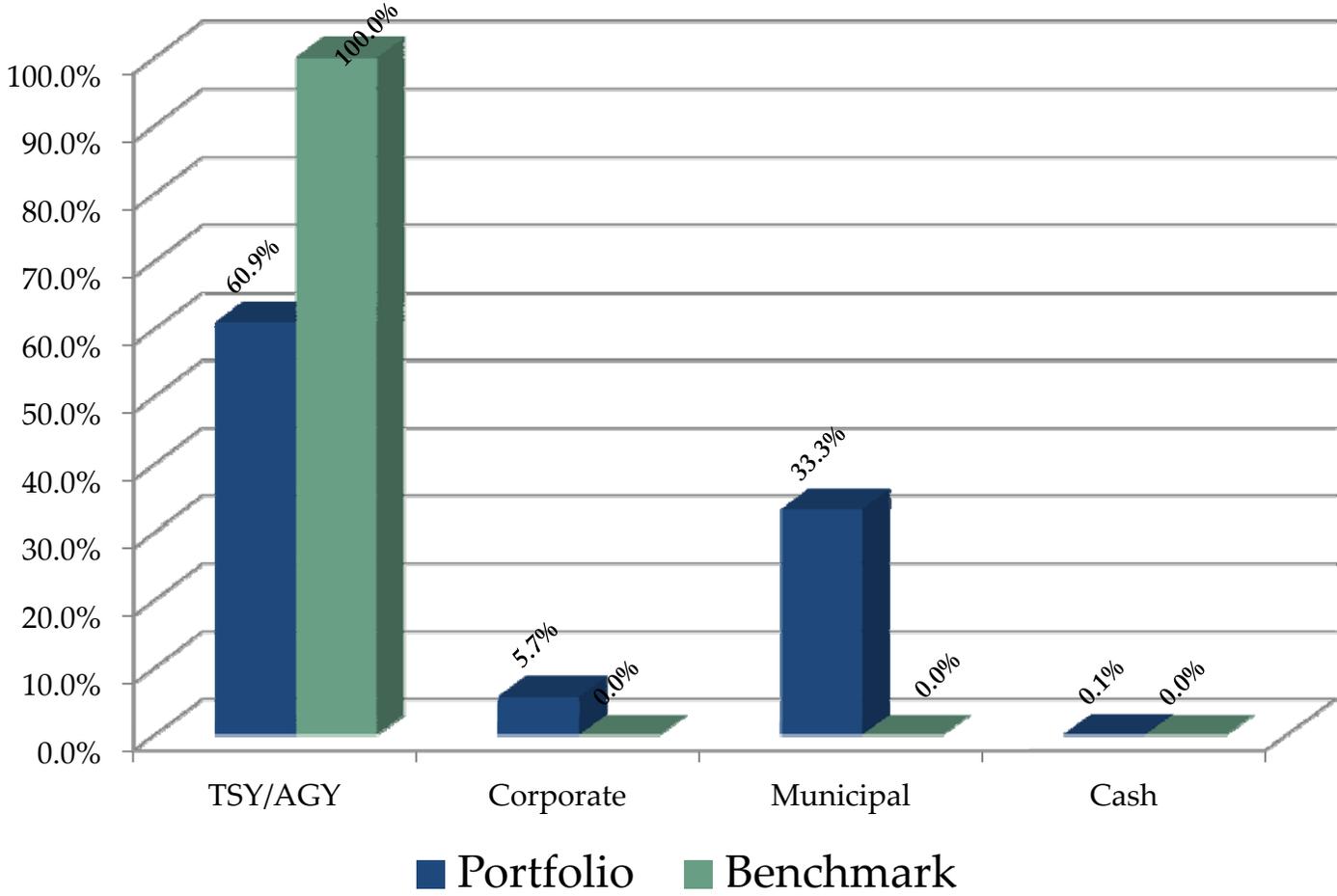
Restricted Portfolio Cash Flows

Portfolio Value on 9-30-11	\$2,066,338.82
Accrued Interest	11,513.79
Beginning Market Value	2,077,852.61
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains	645.84
Unrealized Gains	23,194.45
Interest	5,732.70
Change in Accrued Interest	16,616.13
Portfolio Value on 12-31-11	2,095,911.81
Accrued Interest	28,129.92
Ending Market Value	\$2,124,041.73

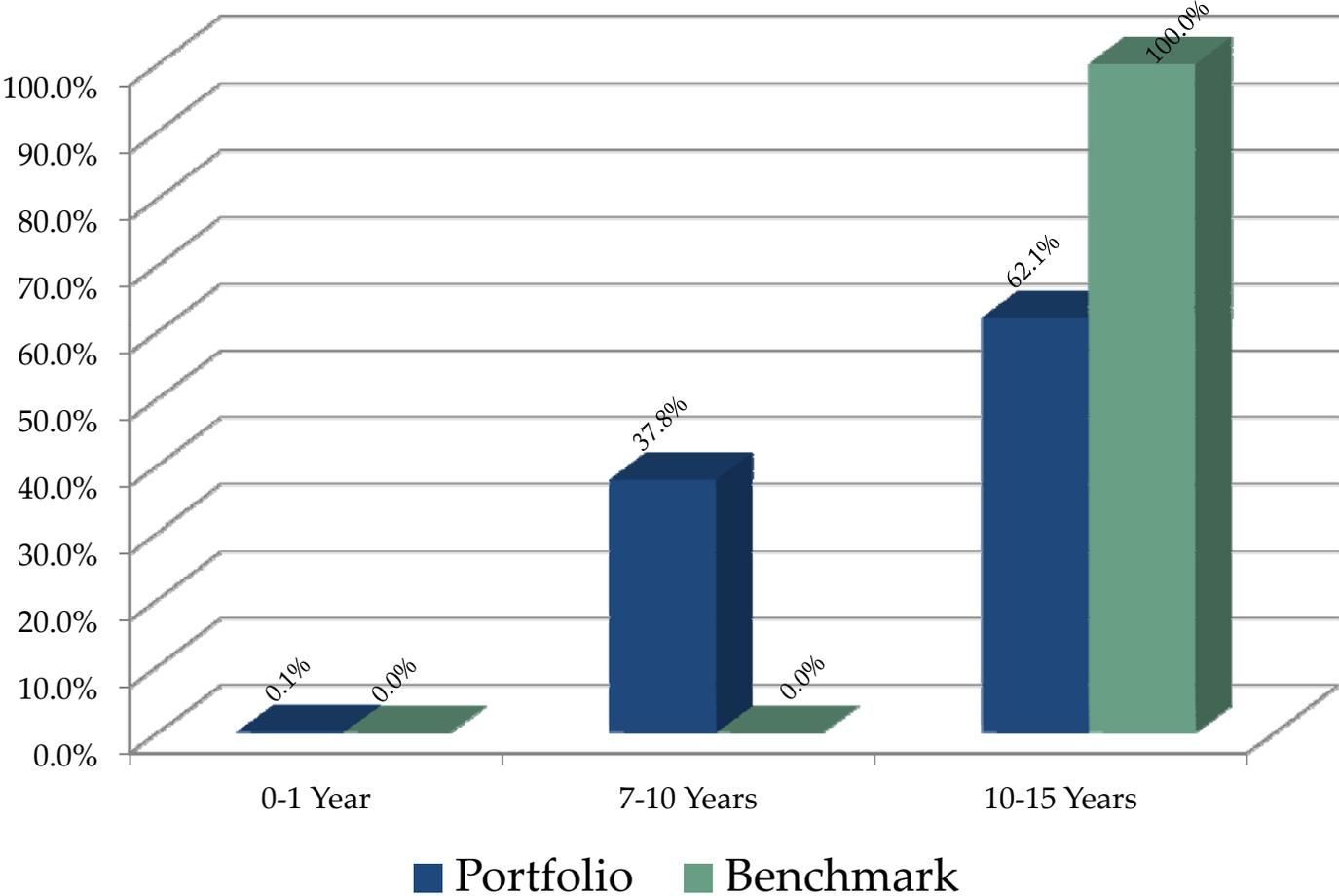
Restricted Portfolio Characteristics

	Portfolio	Index
Avg. Quality	AA+	AAA
Yield to Amortized Cost	4.4%	2.1%
Avg. Maturity	10.5	12.6
Effective Duration	8.3	9.5

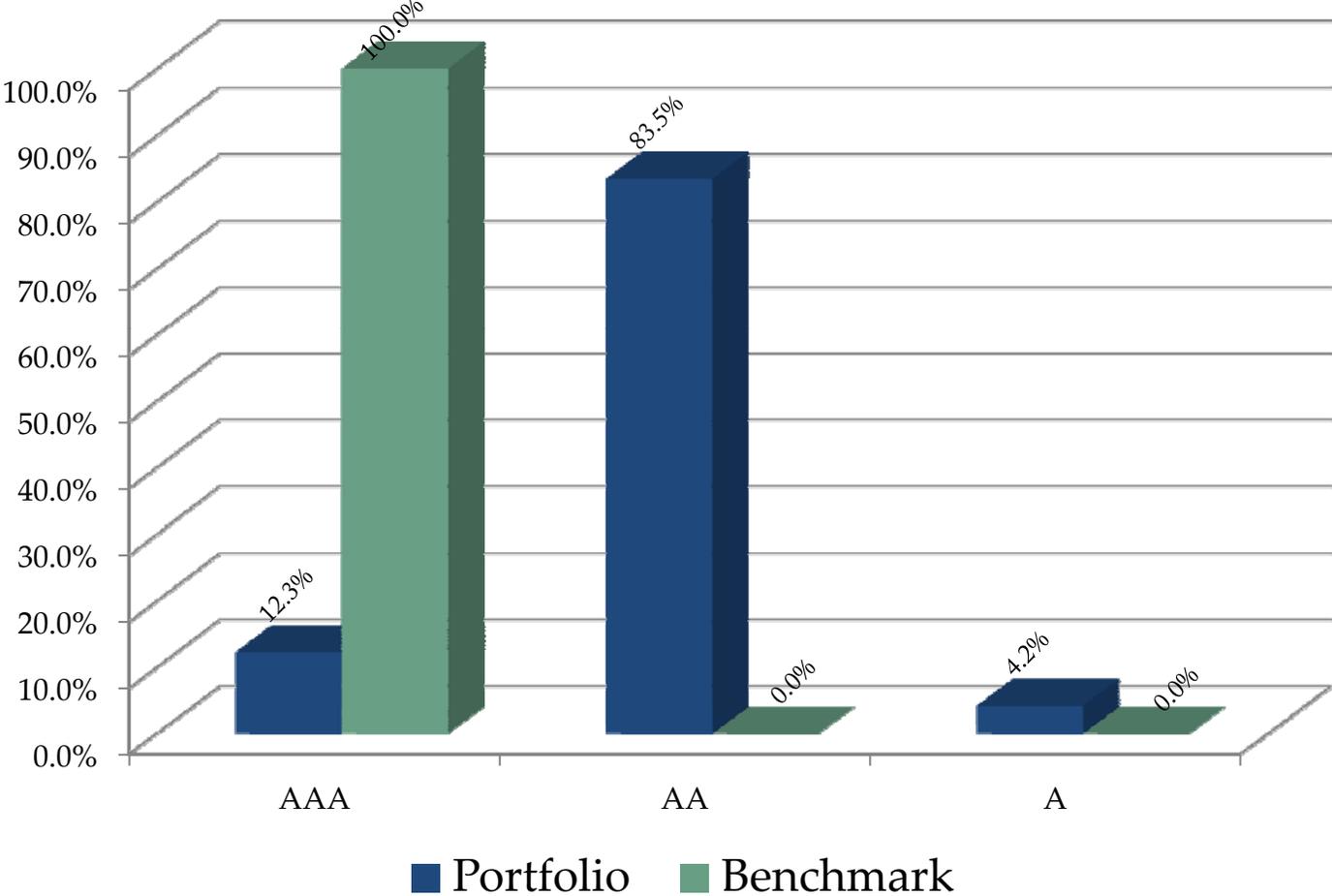
Restricted Portfolio Sector Distribution



Restricted Portfolio Maturity Distribution



Restricted Portfolio Quality Distribution



Restricted Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>CORPORATE BONDS</u>								
MISSISSIPPI POWER CO	5.55	3/1/2019	A	A2	25,000	\$30,018	2.5%	1.4%
ELI LILLY & CO	7.13	6/1/2025	AA-	A2	20,000	\$27,697	3.3%	1.3%
APACHE CORP	7.95	4/15/2026	A-	A3	20,000	\$27,746	4.5%	1.3%
GENERAL ELEC CAP CORP	3.50	6/29/2015	AA+	Aa2	30,000	\$33,009	1.3%	1.6%
<i>Subtotal</i>						\$118,470		
<u>TAXABLE MUNICIPAL BONDS</u>								
ARIZONA ST BRD OF RGTS UNIV S	5.21	8/1/2019	AA-	Aa3	400,000	\$455,820	2.8%	21.5%
VIRGINIA ST CLG BLDG AUTH EDI	5.00	9/1/2025	AA	Aa1	15,000	\$17,410	4.3%	0.8%
FRANKLIN CNTY OH	4.59	12/1/2021	AAA	Aaa	200,000	\$224,056	3.2%	10.5%
<i>Subtotal</i>						\$697,286		
<u>GOVERNMENT SECURITIES</u>								
FEDERAL FARM CREDIT BANK	5.24	9/5/2023	AA+	Aaa	1,000,000	\$1,237,120	3.0%	58.2%
US TREASURY N/B	2.00	11/15/2021	AAA	Aaa	35,000	\$35,399	1.9%	1.7%
<i>Subtotal</i>						\$1,272,519		
<u>CASH & CASH EQUIVALENTS</u>								
FEDERATED PRIME OBLIGATIONS FUND						\$7,635	0.1%	0.4%
Portfolio Accrued Income						\$28,130		1.3%
Total Portfolio Value						\$2,124,042		