Integrity
Fixed Income Management, LLC

Presents:
The City of Sanibel
Operating, Reserve, Surplus & Restricted Funds
As of March 31, 2013

Investment Summary as of 3/31/2013

- Total Portfolio Market Value of $16,438,781
- Total Portfolio Market Value Increase[1] :
  - Fiscal Year to Date - $95,811, or 0.60 %
- Total Portfolio Yield to Maturity [2] of 1.6% as of March 31, 2013

1) Principal and Income Returns, Gross of Investment Management and Custody Fees. Figure is inclusive of Realized and Unrealized gains or losses, interest received, and the change in accrued interest from the beginning of the measurement period. Figure does not include cash contributions or withdrawals to or from the portfolios. Past performance does not guarantee future results.
2) Yield to maturity on cost basis. Portfolio cost basis was $16,115,102.16 as of March 31, 2013.

Sanibel Investment Program Summary

	12/31/2012 - 3/31/2013
Beginning Principal Value	**$16,250,764.65**
Beginning Accrued Interest	131,918.76
Beginning Market Value	**$16,382,683.41**
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains/(Losses)	(11,671.55)
Unrealized Gains/(Losses)	(41,791.25)
Interest	123,883.88
Change in Accrued Interest	(14,323.50)
Ending Principal Value	16,321,185.73
Ending Accrued Interest	117,595.26
Ending Market Value	**$16,438,780.99**

Projected Annual Income as of 3/31/13

Portfolio	Principal Cost Value *	Yield to Maturity on Amortized Cost (Gross of Fees)	Projected Annual Income
Operating (0-1 Yr)	$2,542,525.90	0.8%	$20,340
Reserves (0-2 Yr)	$6,396,223.42	1.0%	$63,962
Surplus (3-5 Yr)	$5,200,386.04	1.8%	$93,607
Restricted (10-15 Yr)	$1,975,966.80	4.3%	$84,967
Total	**$16,115,102.16**	**1.6%**	**$262,876**
Less Projected Custody and Mgmt Fees @ 0.175% of Market Value			($28,768)
Projected Net Relationship Annual Income			**$234,108**

* 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	0.06%	0.30%	0.79%	NA	0.79%
Merrill Lynch 0-3 Month Treasury Bills Index	0.02%	0.04%	0.08%	NA	0.08%
Relative Performance	0.04%	0.26%	0.71%	NA	0.71%

Inception Date is June 9, 2010

Returns Reflect Principal and Income Returns

Returns Periods Longer Than One Year are Annualized

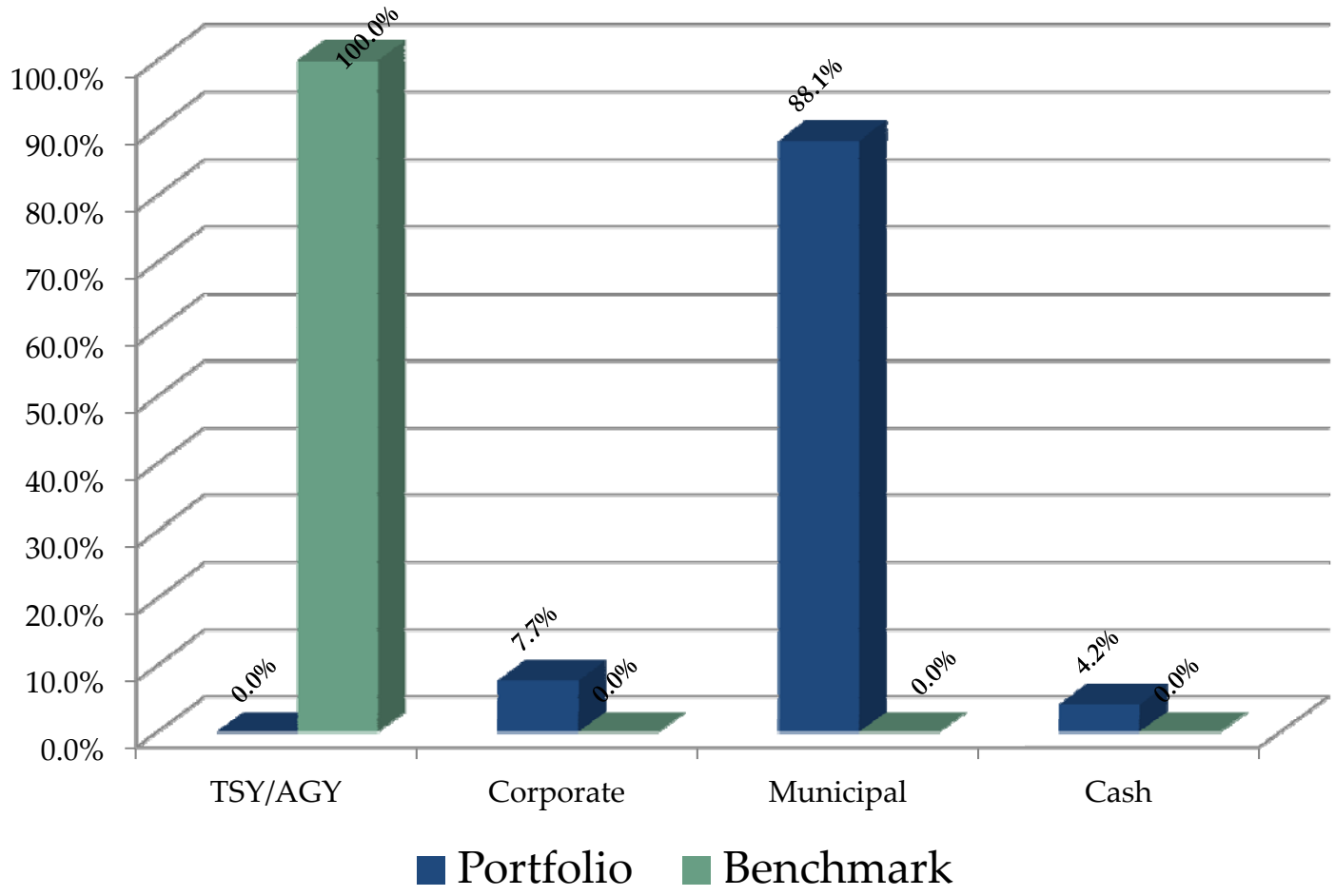
Operating Portfolio Summary

	12/31/2012 - 3/31/2013
Beginning Principal Value	$2,516,582.09
Beginning Accrued Interest	29,594.77
Beginning Market Value	**2,546,176.86**
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains/(Losses)	(2,104.55)
Unrealized Gains/(Losses)	(9,745.26)
Interest	26,868.21
Change in Accrued Interest	(13,429.23)
Ending Principal Value	2,531,600.49
Ending Accrued Interest	16,165.54
Ending Market Value	**$2,547,766.03**

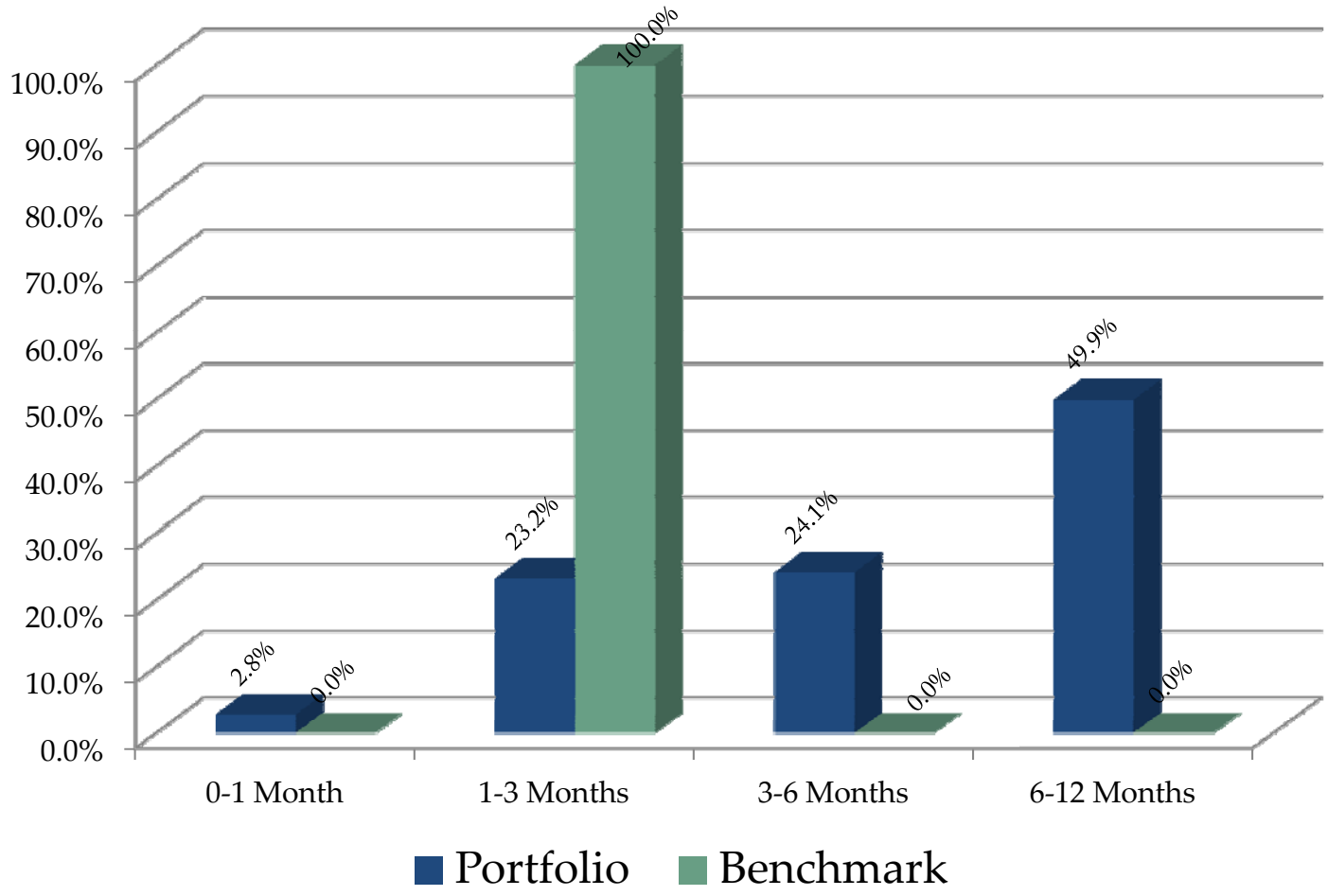
Operating Portfolio Characteristics

	Portfolio	Index
Avg. Quality	AA-	AAA
Yield to Amortized Cost	0.8%	0.0%
Avg. Maturity	0.7	0.1
Effective Duration	0.7	0.1

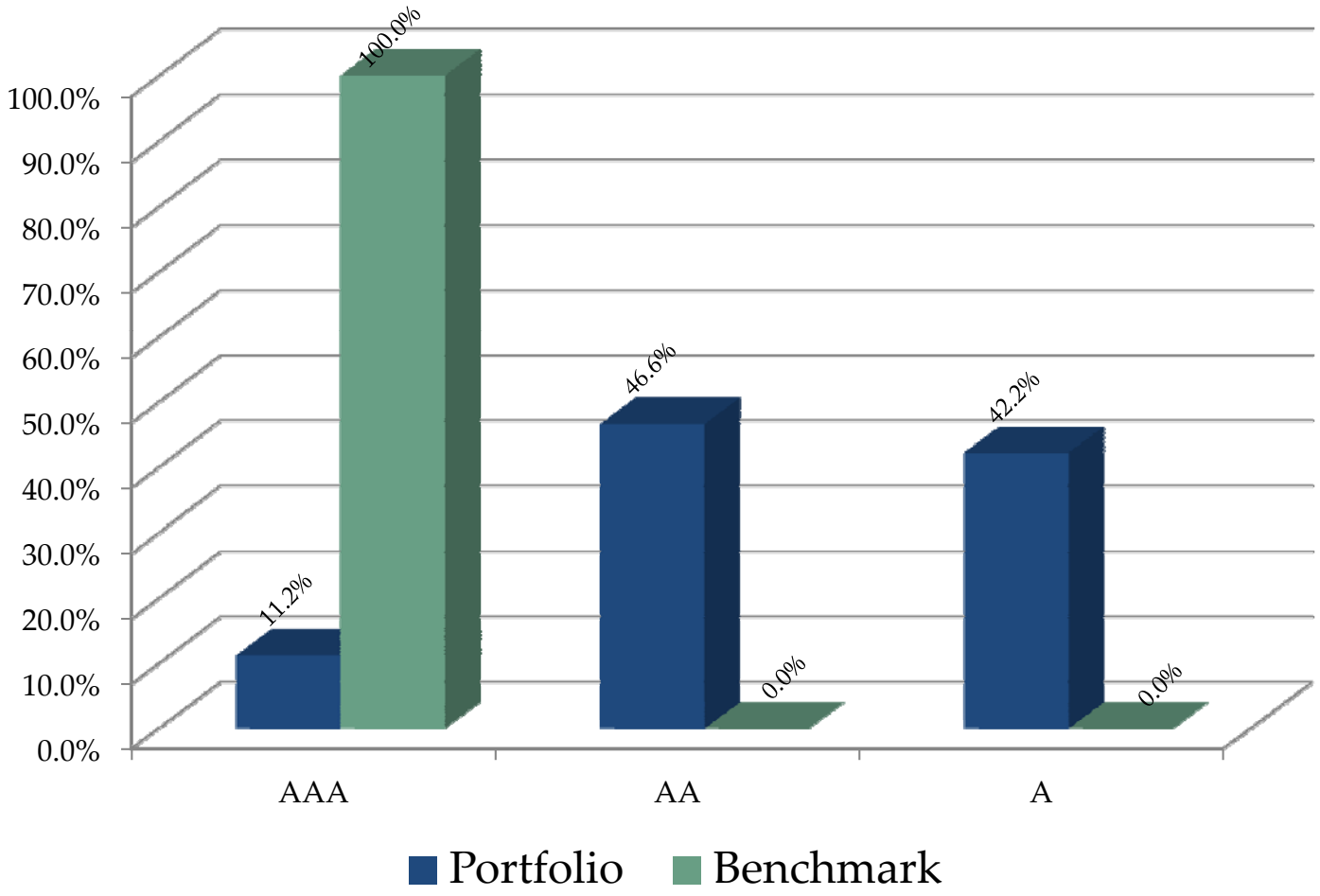
Operating Portfolio Sector Distribution



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
CORPORATE BONDS								
AMER EXPRESS CREDIT CO	5.88	5/2/2013	A-	A2	100,000	$100,435	0.5%	3.9%
GOLDMAN SACHS GROUP INC	5.25	10/15/2013	A-	A3	50,000	$51,226	0.7%	2.0%
JEFFERSON-PILOT CORP	4.75	1/30/2014	A-	NA	40,000	$41,302	0.9%	1.6%
Subtotal						*$192,962*		
TAXABLE MU NICIPAL BONDS								
ALBANY NY	5.75	6/1/2013	AA-	A1	25,000	$25,204	0.7%	1.0%
BRICK TWP NJ MUNI UTILITIES	5.00	12/1/2013	NA	Aa2	25,000	$25,758	0.5%	1.0%
BROWARD CNTY FL PORT FACS	1.48	9/1/2013	AA-	A2	350,000	$350,193	1.0%	13.7%
EAST WHITELAND TWP PA	0.86	9/1/2013	NA	Aa2	90,000	$90,048	0.7%	3.5%
FRASER MI PUBLIC SCHS DIST	2.10	5/1/2013	AA-	NA	150,000	$150,102	0.4%	5.9%
HURON MI SCH DIST	2.35	5/1/2013	AA-	NA	100,000	$100,087	0.8%	3.9%
KENTUCKY ST ASSET/LIABILITY	2.21	4/1/2013	A+	Aa3	25,000	$25,000	0.7%	1.0%
KENTUCKY ST PROPERTY & BLI	2.10	6/1/2013	A+	A1	75,000	$75,154	0.7%	2.9%
MASSACHUSETTS ST HSG FIN A	0.52	12/1/2013	AA	Aa2	100,000	$99,934	0.6%	3.9%
MONTVILLE CT	1.00	6/1/2013	NA	Aa3	170,000	$170,114	0.3%	6.7%
N TX TOLLWAY AUTH REVENUI	2.31	9/1/2013	SP-1+	NA	110,000	$110,805	0.4%	4.3%
N TX TOLLWAY AUTH REVENUI	2.44	9/1/2013	SP-1+	NA	50,000	$50,380	0.4%	2.0%
OLATHE KS	2.40	10/1/2013	AA+	Aa1	100,000	$100,977	0.4%	4.0%
PORT BELLINGHAM WA REVEN	2.35	12/1/2013	NA	A2	465,000	$466,758	1.0%	18.3%
REGL TRANSIT AUTH LA SALES	3.00	12/1/2013	AA-	Aa3	50,000	$50,730	0.8%	2.0%
SCOTTSBORO AL INDL DEV BRI	0.95	12/1/2013	A+	NA	190,000	$190,067	0.8%	7.5%
TOLEDO OH	2.00	12/1/2013	A-	A2	150,000	$151,284	0.4%	5.9%
Subtotal						*$2,232,592*		
CASH AND CASH EQUIVALENTS								
FEDERATED PRIME OBLIGATIONS FUND					45,255	$45,255	0.1%	1.8%
CASH					36	$36		0.0%
GOLDMAN SACHS BANK CERTIFICATE OF DEPOSIT					59,000	$60,755		2.4%
Portfolio Accrued Income						$16,166		0.6%
Total Portfolio Value						$2,547,766		

Reserves Portfolio Performance – Gross of Fees

	3 Months	Fiscal Year to Date	1 Year	3 Years	Inception to Date
City of Sanibel Reserves Fund	0.21%	0.46%	1.04%	NA	1.10%
Merrill Lynch 0-1 Year Treasury Bills Index	0.05%	0.11%	0.22%	NA	0.26%
Relative Performance	0.16%	0.35%	0.82%	NA	0.84%

Inception Date is June 9, 2010

Returns Reflect Principal and Income Returns

Returns Longer Than One Year are Annualized

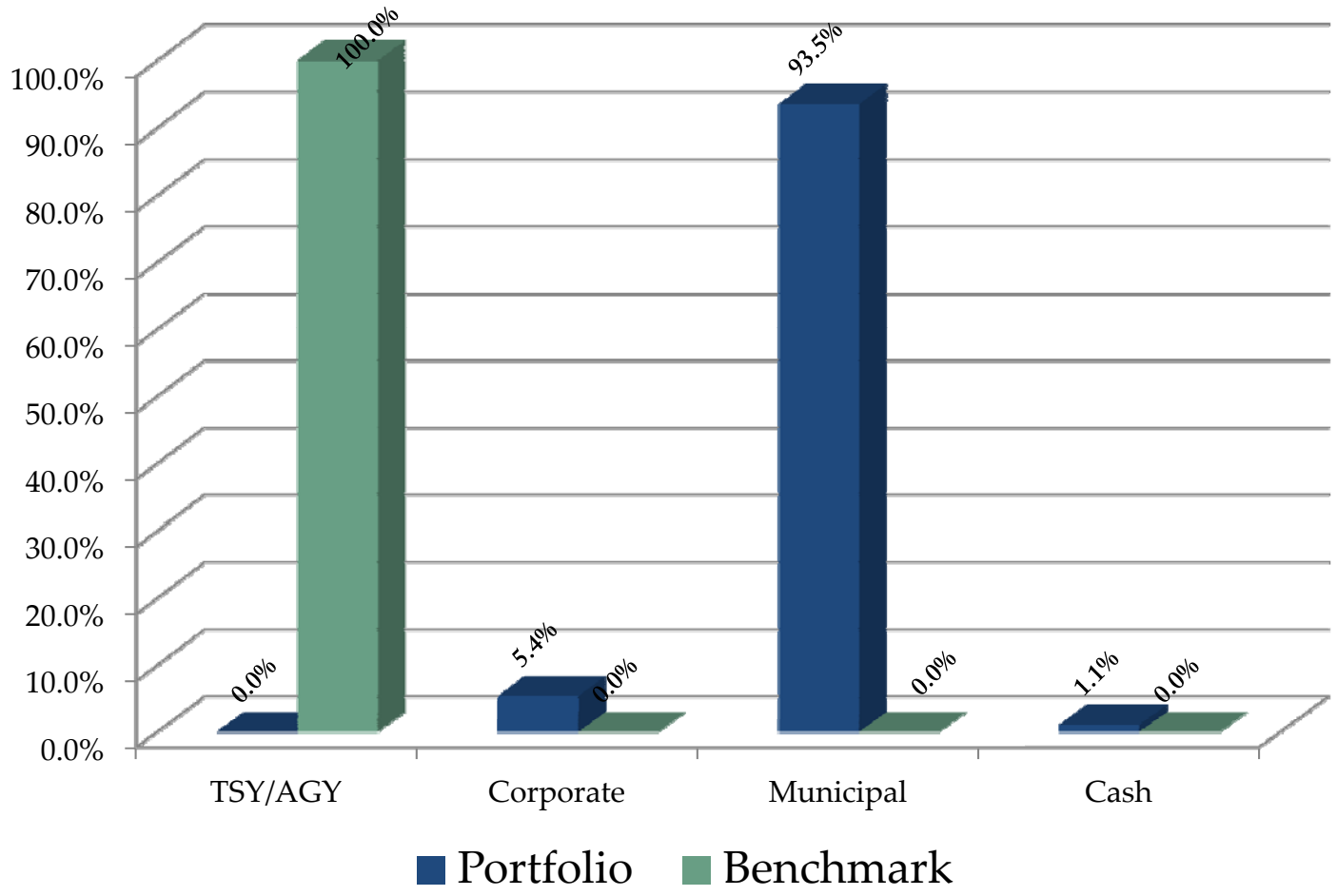
Reserves Portfolio Summary

	12/31/2012 - 3/31/2013
Beginning Principal Value	$6,319,061.53
Beginning Accrued Interest	38,261.17
Beginning Market Value	**6,357,322.70**
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains/(Losses)	(295.75)
Unrealized Gains/(Losses)	(23,550.61)
Interest	31,440.49
Change in Accrued Interest	6,389.62
Ending Principal Value	6,326,655.66
Ending Accrued Interest	44,650.79
Ending Market Value	**$6,371,306.45**

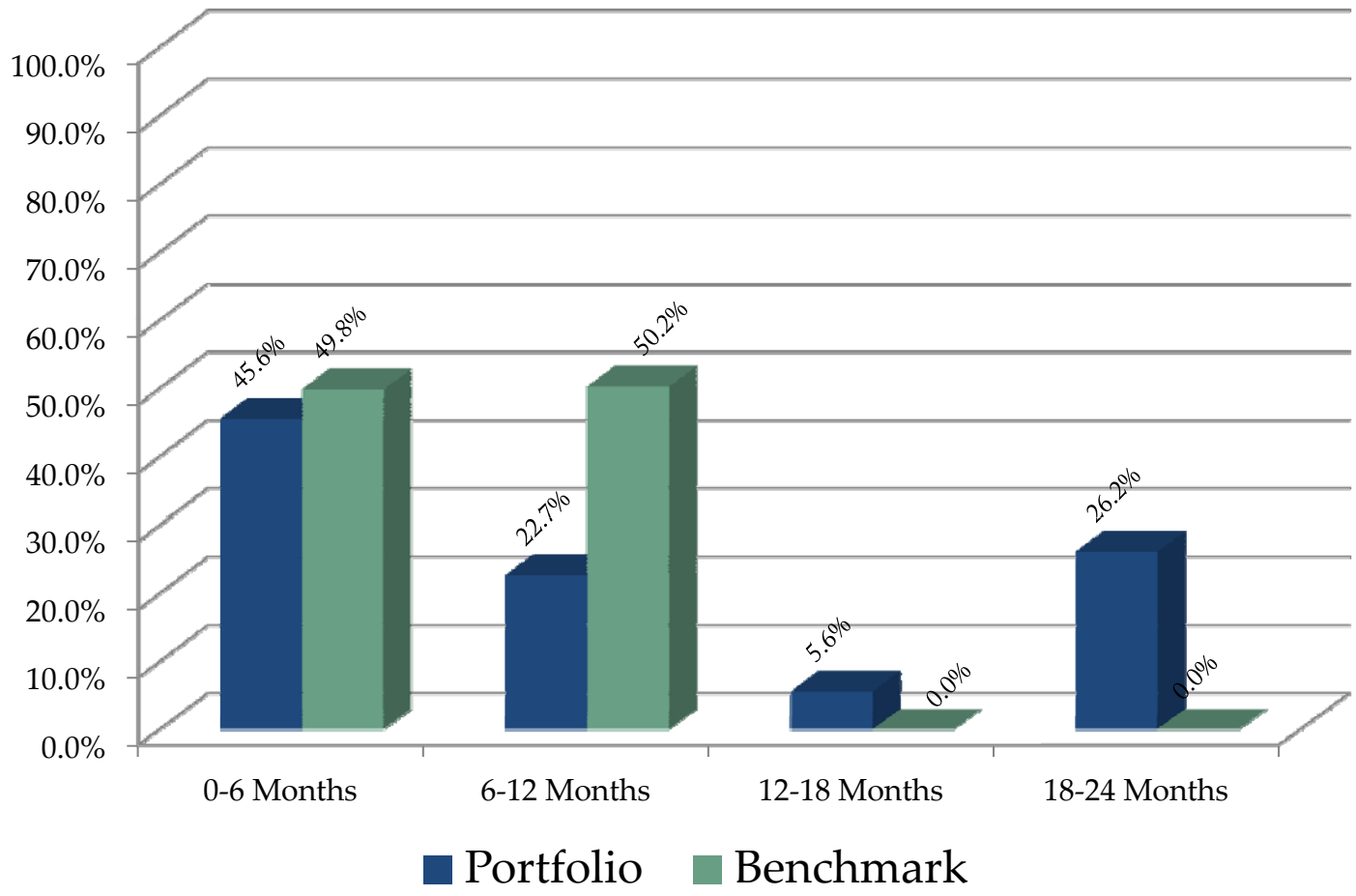
Reserves Portfolio Characteristics

	Portfolio	Index
Avg. Quality	AA-	AA+
Yield to Amortized Cost	1.0%	0.2%
Avg. Maturity	0.8	0.5
Effective Duration	0.8	0.5

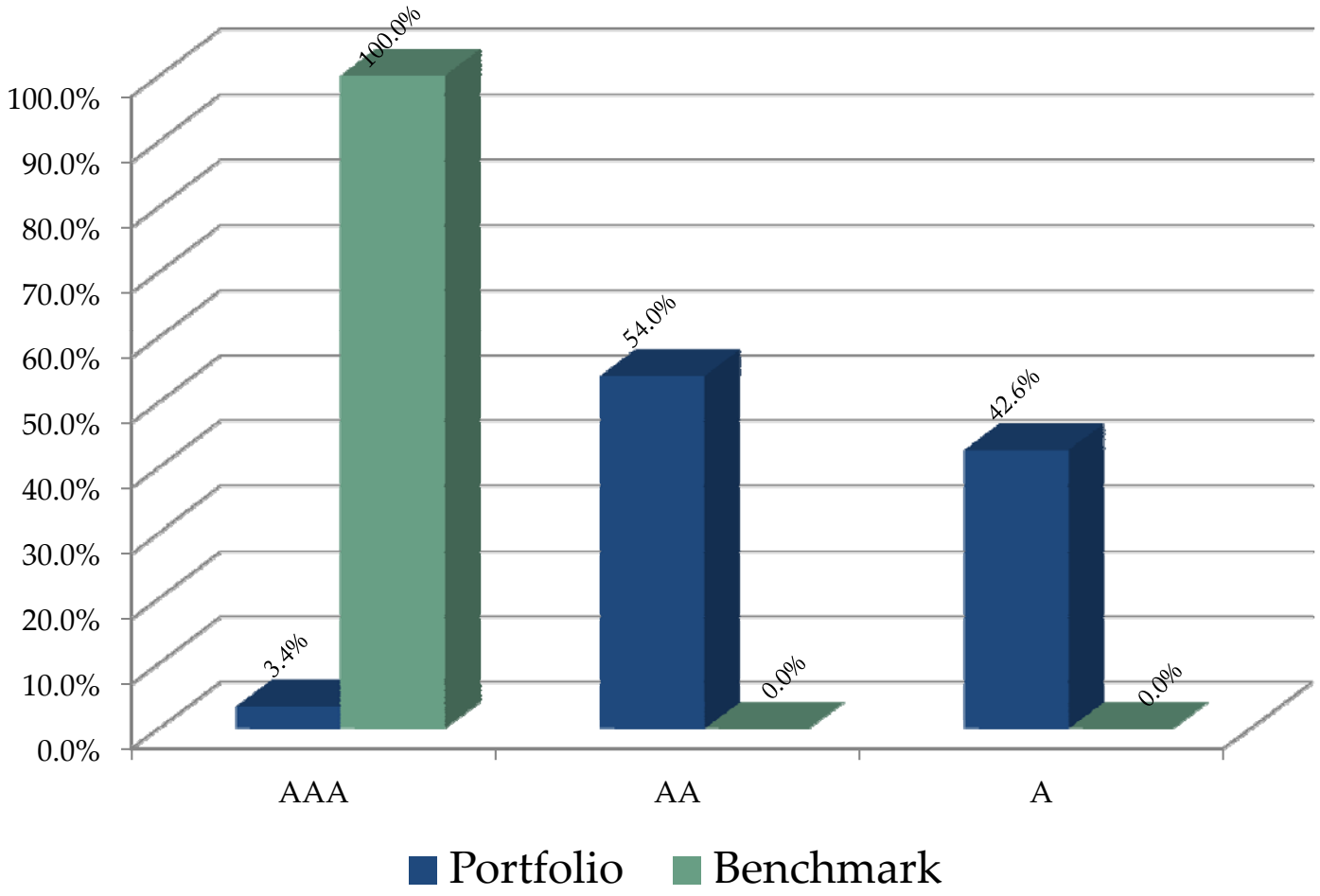
Reserves Portfolio Sector Distribution



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
TAXABLE MU NICIPAL BONDS								
BROWARD CNTY FL PORT FACS R	1.48	9/1/2013	AA-	A2	150,000	$150,083	2.0%	2.4%
BUFFALO NY MUNI HSG AUTH SR	1.30	12/1/2013	NA	Aaa	70,000	$70,089	1.2%	1.1%
CLINTON PRAIRIE IN SCH CORP	0.75	1/15/2015	AA+	NA	270,000	$270,572	0.7%	4.2%
CONNECTICUT ST	1.72	5/15/2013	AA	Aa3	250,000	$250,420	0.1%	3.9%
COVENTRY RI	2.00	11/1/2013	NA	A1	500,000	$504,000	0.7%	7.9%
GEORGIA ST MUNI GAS AUTH	1.77	10/1/2013	AA-	A1	100,000	$100,285	0.8%	1.6%
GTR ORLANDO FL AVIATION AUT	4.16	10/1/2014	NA	A2	220,000	$230,252	1.2%	3.6%
HAMDEN CT	3.00	8/15/2014	A	A3	205,000	$210,437	0.6%	3.3%
INDIANA ST BOND BANK REVENU	4.63	7/15/2013	AA+	WR	250,000	$252,818	0.8%	4.0%
INDIANAPOLIS IN LOCAL PUBLIC I	4.61	1/15/2014	AAA	Aaa	140,000	$144,526	0.4%	2.3%
INDIANAPOLIS IN LOCAL PUBLIC I	4.00	6/1/2013	A	A1	500,000	$502,910	1.1%	7.9%
JOBSOHIO BEVERAGE SYS STWD I	0.87	1/1/2015	AA	A2	250,000	$249,923	1.0%	3.9%
KENOSHA CNTY WI	3.10	12/1/2014	AA	Aa1	65,000	$67,473	0.7%	1.1%
LEHIGH CNTY PA GEN PURPOSE A	3.00	11/1/2014	A	NA	100,000	$102,440	0.9%	1.6%
MARYLAND ST CMNTY DEV ADMI	5.75	3/1/2014	NA	Aa2	350,000	$363,927	0.4%	5.7%
MASSACHUSETTS ST HSG FIN AGY	0.75	12/1/2014	AA	Aa2	50,000	$49,984	0.9%	0.8%
MET GOVT NASHVILLE & DAVIDS	1.14	7/1/2013	AA-	Aa2	225,000	$225,281	1.3%	3.5%
MILWAUKEE WI	3.00	5/15/2013	AA	Aa2	200,000	$200,610	0.4%	3.1%
NEBRASKA ST PUBLIC PWR DIST R	5.14	1/1/2014	AA-	A1	25,000	$25,876	0.4%	0.4%
NEVADA ST SYS OF HGR EDU UNI	2.00	7/1/2013	AA-	Aa2	200,000	$200,736	0.5%	3.2%
N LITTLE ROCK AR HLTH FACS BI	1.00	7/1/2013	A+	NA	100,000	$100,046	0.8%	1.6%
PALM BEACH GARDENS FL SPL OI	1.35	5/1/2014	AA	Aa1	40,000	$40,210	1.0%	0.6%
PHOENIX AZ CIVIC IMPT CORP E	1.72	7/1/2013	AA	Aa3	250,000	$250,638	1.2%	3.9%
SAINT MARY PARISH LA SOL WST	2.00	3/1/2015	A-	NA	135,000	$137,214	1.2%	2.2%
SCOTTSBORO AL INDL DEV BRD I	1.10	12/1/2014	A+	NA	200,000	$200,086	1.0%	3.1%
SOUTH CAROLINA ST PUBLIC SVC	6.81	1/1/2014	AA+	Aa1	30,000	$31,404	0.8%	0.5%

Reserves Portfolio Holdings - continued

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
TAXABLE MUNICIPAL BONDS								
TAMPA FL REVENUE	1.24	10/1/2013	NA	Aa2	100,000	$100,085	0.7%	1.6%
THOMSON & MCDUFFIE CNTY GA	1.00	7/1/2014	NA	A2	100,000	$100,049	1.0%	1.6%
TOLEDO OH	2.00	12/1/2014	A-	A2	150,000	$152,714	2.0%	2.4%
TUCSON AZ WTR SYS REVENUE	0.91	7/1/2013	AA-	Aa2	450,000	$450,149	0.9%	7.1%
UNIV OF NORTH CAROLINA NC AT	2.05	1/1/2014	NA	A1	80,000	$80,645	2.0%	1.3%
UNIV OF OKLAHOMA OK	1.18	7/1/2013	AA-	NA	100,000	$100,194	1.2%	1.6%
Subtotal						*$5,916,071*		
CORPORATE BONDS								
BEAR STEARNS COS LLC	5.70	11/15/2014	A	A2	85,000	$91,610	5.3%	1.4%
GOLDMAN SACHS GROUP INC	5.00	10/1/2014	A-	A3	86,000	$91,042	4.7%	1.4%
PRUDENTIAL FINANCIAL INC	3.88	1/14/2015	A	Baa2	100,000	$105,213	3.7%	1.7%
WELLS FARGO BANK NA	4.75	2/9/2015	A+	A1	45,000	$48,080	4.4%	0.8%
Subtotal						*$335,945*		
CASH AND CASH EQUIVALENTS								
FEDERATED PRIME OBLIGATIONS FUND					211,757	$211,757		3.3%
PENDING TRADES					-137,118	-$137,118		-2.2%
ACCRUED INCOME						$44,651		0.7%
Subtotal						*$119,290*		
TOTAL PORTFOLIO VALUE						$6,371,306		

Surplus Portfolio Performance – Gross of Fees

	3 Months	Fiscal Year to Date	1 Year	3 Years	Inception to Date
City of Sanibel Surplus Fund	0.28%	0.50%	1.88%	NA	2.80%
Merrill Lynch 3-5 Year Treasury Index	0.20%	0.21%	2.14%	NA	3.60%
Relative Performance	0.08%	0.29%	-0.26%	NA	-0.80%

Inception Date is June 9, 2010

Returns Reflect Principal and Income Returns

Returns Longer Than One Year are Annualized

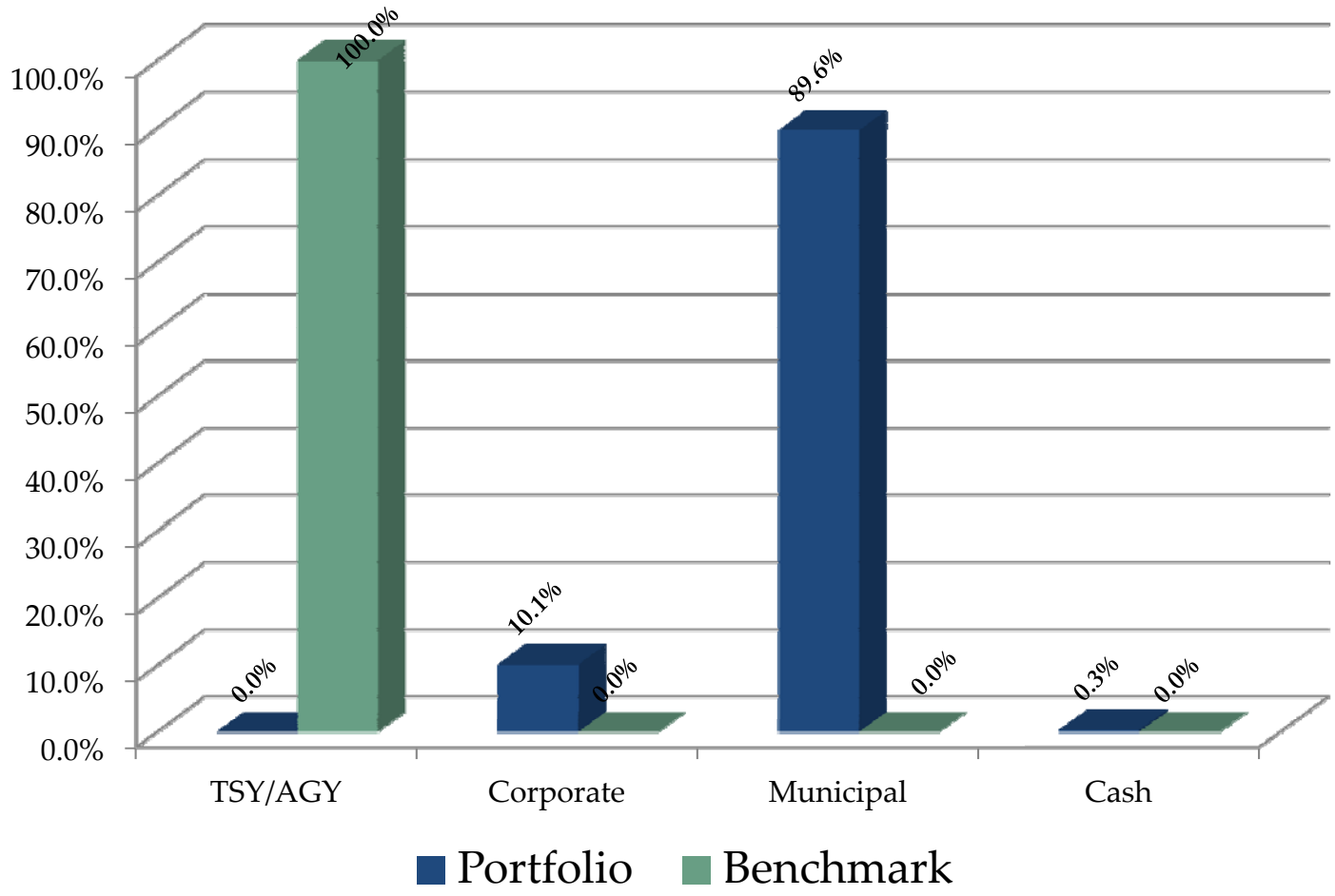
Surplus Portfolio Summary

	12/31/2012 - 3/31/2013
Beginning Principal Value	5,205,140.77
Beginning Accrued Interest	34,879.31
Beginning Market Value	**5,240,020.08**
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains/(Losses)	(9,271.25)
Unrealized Gains/(Losses)	(12,210.28)
Interest	25,419.39
Change in Accrued Interest	9,451.83
Ending Principal Value	5,209,078.63
Ending Accrued Interest	44,331.14
Ending Market Value	**$5,253,409.77**

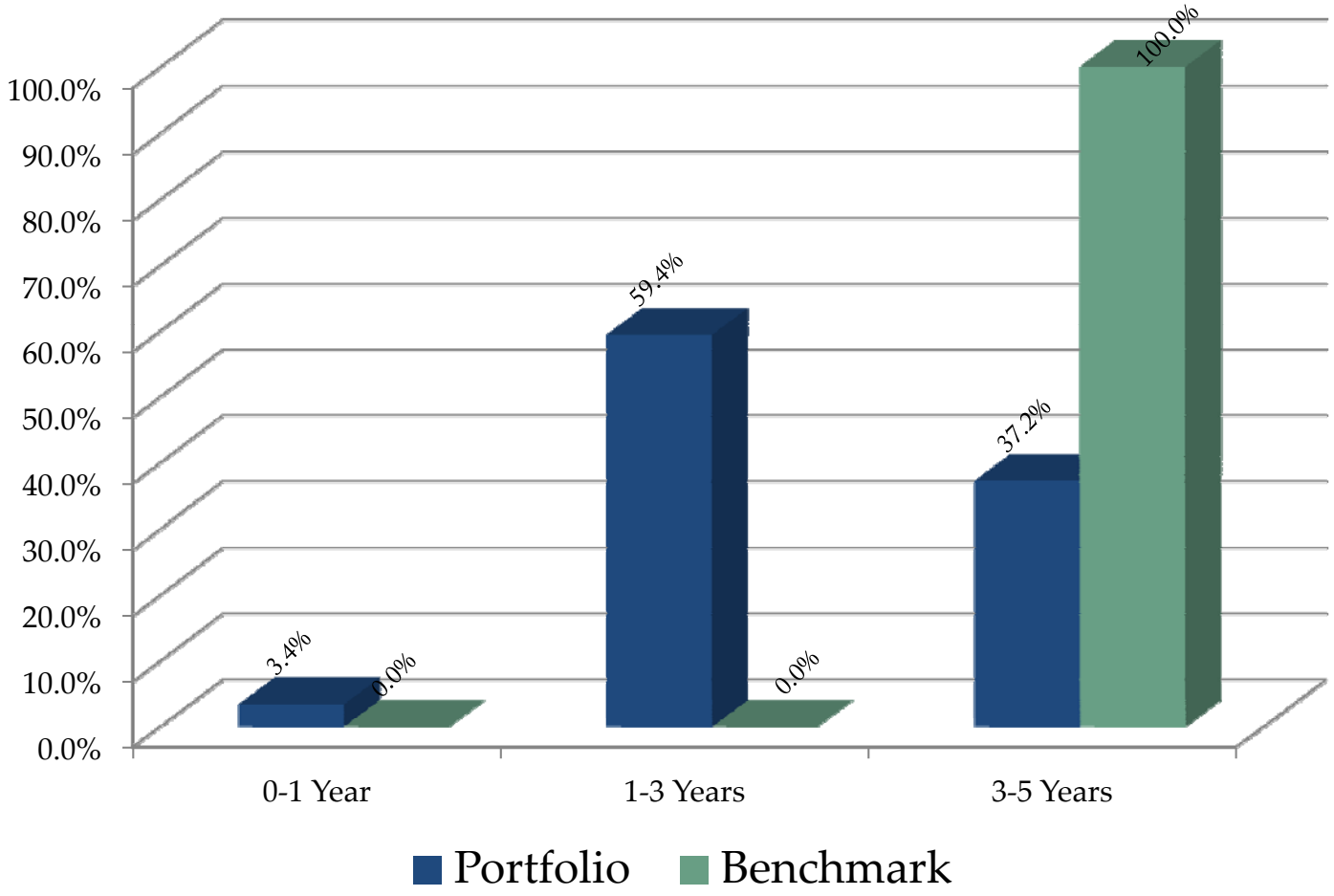
Surplus Portfolio Characteristics

	Portfolio	Index
Avg. Quality	AA	AA+
Yield to Amortized Cost	1.8%	0.5%
Avg. Maturity	2.4	3.9
Effective Duration	2.3	3.8

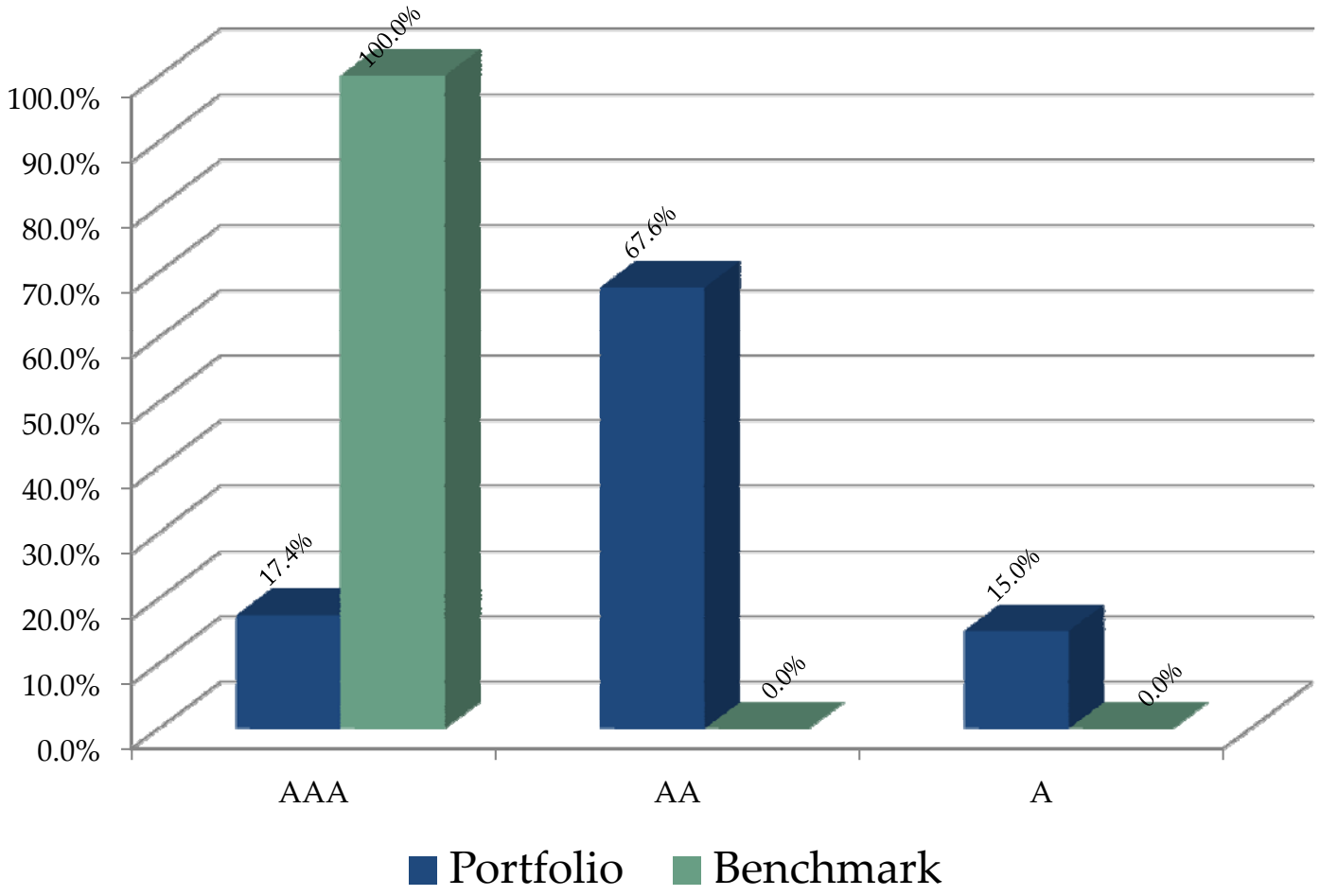
Surplus Portfolio Sector Distribution



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
CORPORATE BONDS								
CME GROUP INC	5.75	2/15/2014	AA-	Aa3	72,000	$75,118	0.7%	1.4%
GENERAL ELEC CAP CORP	3.75	11/14/2014	AA+	A1	95,000	$99,758	0.6%	1.9%
GOLDMAN SACHS GROUP INC	5.95	1/18/2018	A-	A3	85,000	$99,102	2.2%	1.9%
HERSHEY COMPANY	5.45	9/1/2016	A	A2	90,000	$102,732	1.2%	2.0%
LOEWS CORP	5.25	3/15/2016	A+	A2	90,000	$100,189	1.3%	1.9%
US BANCORP	2.20	11/15/2016	A+	A1	50,000	$52,176	0.9%	1.0%
Subtotal						*$529,075*		
TAXABLE MU NICIPAL BONDS								
AUSTIN TX CMNTY CLG DIST	1.71	2/1/2014	AA-	Aa3	100,000	$100,722	1.1%	1.9%
CLINTON PRAIRIE IN SCH CORP	1.40	1/15/2017	AA+	NA	50,000	$50,647	1.3%	1.0%
EFFINGHAM CNTY GA INDL DEV	1.50	4/1/2014	NA	Aa2	555,000	$557,958	0.7%	10.6%
FAIRFAX CNTY VA	3.70	10/1/2016	AAA	Aaa	445,000	$489,384	1.4%	9.3%
FLORIDA ST GOVTL UTILITY AUTI	3.14	10/1/2014	NA	A2	100,000	$102,534	1.9%	2.0%
GAHANNA-JEFFERSON OH CITY S	3.59	12/1/2014	NA	Aa2	85,000	$88,263	0.8%	1.7%
GRAND FORKS ND PUBLIC SCH DI	2.50	8/1/2015	NA	Aa2	275,000	$286,212	0.8%	5.4%
JOBSOHIO BEVERAGE SYS STWD L	1.57	1/1/2017	AA	A2	275,001	$220,557	1.4%	4.2%
MOBILE CNTY AL	3.50	6/1/2015	AA-	Aa2	185,000	$193,845	2.0%	3.7%
MORRIS CNTY NJ IMPT AUTH LEA	3.02	8/15/2014	NA	Aaa	400,000	$412,108	0.9%	7.8%
NEW ORLEANS LA	1.82	9/1/2016	A	A3	275,000	$275,905	1.8%	5.3%
NORTH CAROLINA ST ESTRN MUI	2.44	1/1/2017	A-	Baa1	50,000	$50,717	3.8%	1.0%
N FORT BEND TX WTR AUTH WTF	3.00	12/15/2015	AA-	A2	500,000	$527,940	1.1%	10.0%
SAINT LOUIS MO SPL ADMIN BRD	3.00	4/1/2014	AA+	NA	300,000	$306,624	0.5%	5.8%
TAMPA FL REVENUE	2.35	10/1/2016	NA	Aa2	580,000	$592,261	1.5%	11.3%
UNIV OF OKLAHOMA OK	1.66	7/1/2014	AA-	NA	200,000	$202,682	0.6%	3.9%
WATERBURY CT	4.17	12/1/2014	AA-	A2	200,000	$207,308	1.0%	3.9%
Subtotal						*$4,665,666*		
CASH & CASH EQUIVALENTS								
FEDERATED PRIME OBLIGATIONS FUND						$14,336	0.1%	0.3%
CASH						$2		0.0%
PORTFOLIO ACCRUED INCOME						$44,331		0.8%
TOTAL PORTFOLIO VALUE						$5,253,410		

Restricted Portfolio Performance – Gross of Fees

	3 Months	Fiscal Year to Date	1 Year	3 Years	Inception to Date
City of Sanibel Restricted Fund	1.19%	1.53%	9.73%	NA	9.60%
Merrill Lynch 10-15 Year Treasury Index	(0.48%)	(0.62%)	6.59%	NA	8.68%
Relative Performance	1.67%	2.15%	3.14%	NA	0.92%

Inception Date is June 9, 2010

Returns Reflect Principal and Income Returns

Returns Longer Than One Year are Annualized

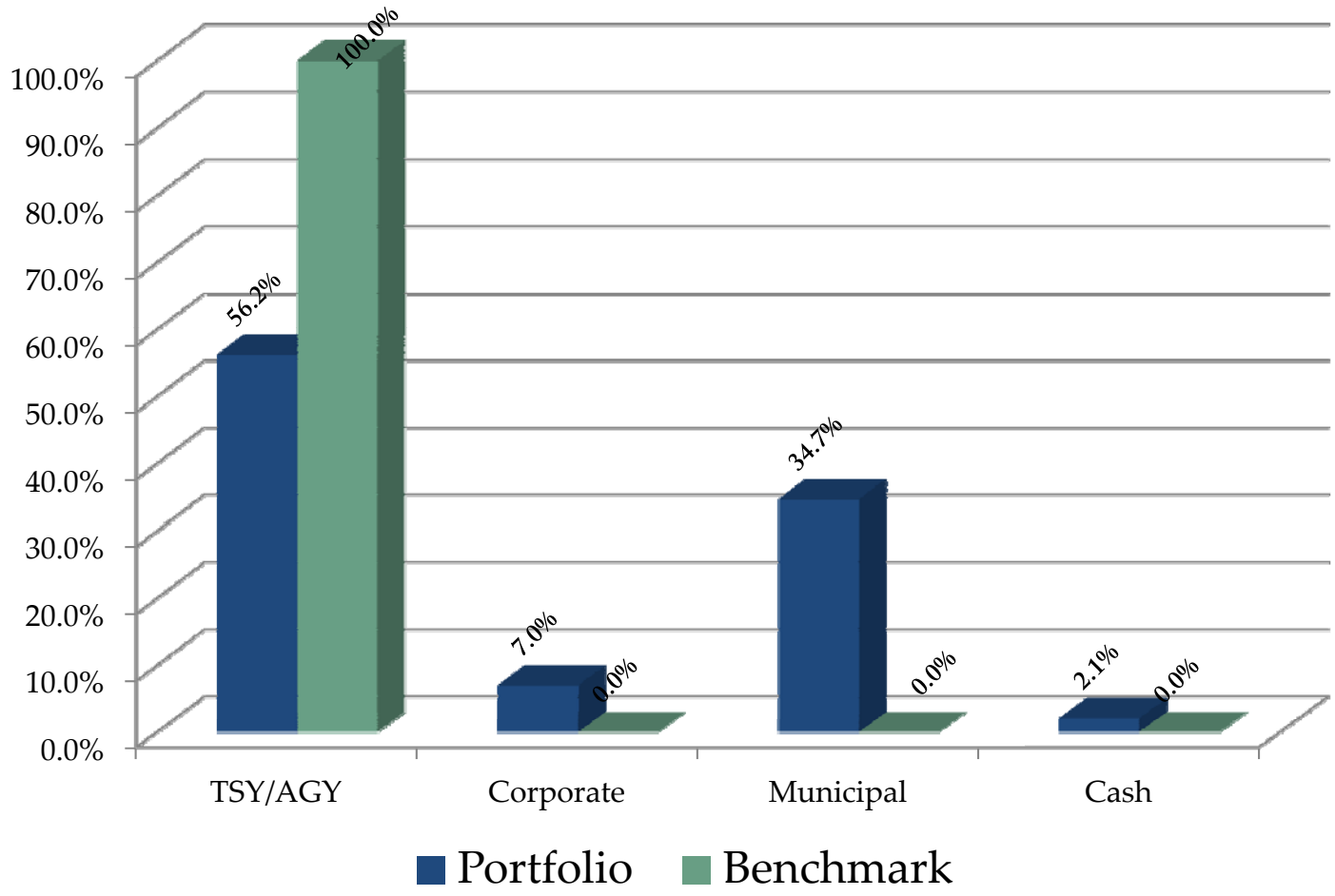
Restricted Portfolio Summary

	12/31/2012 - 3/31/2013
Beginning Principal Value	$2,209,980.26
Beginning Accrued Interest	29,183.51
Beginning Market Value	**2,239,163.77**
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains/(Losses)	0.00
Unrealized Gains/(Losses)	3,714.90
Interest	40,155.79
Change in Accrued Interest	(16,735.72)
Ending Principal Value	2,253,850.95
Ending Accrued Interest	12,447.79
Ending Market Value	**$2,266,298.74**

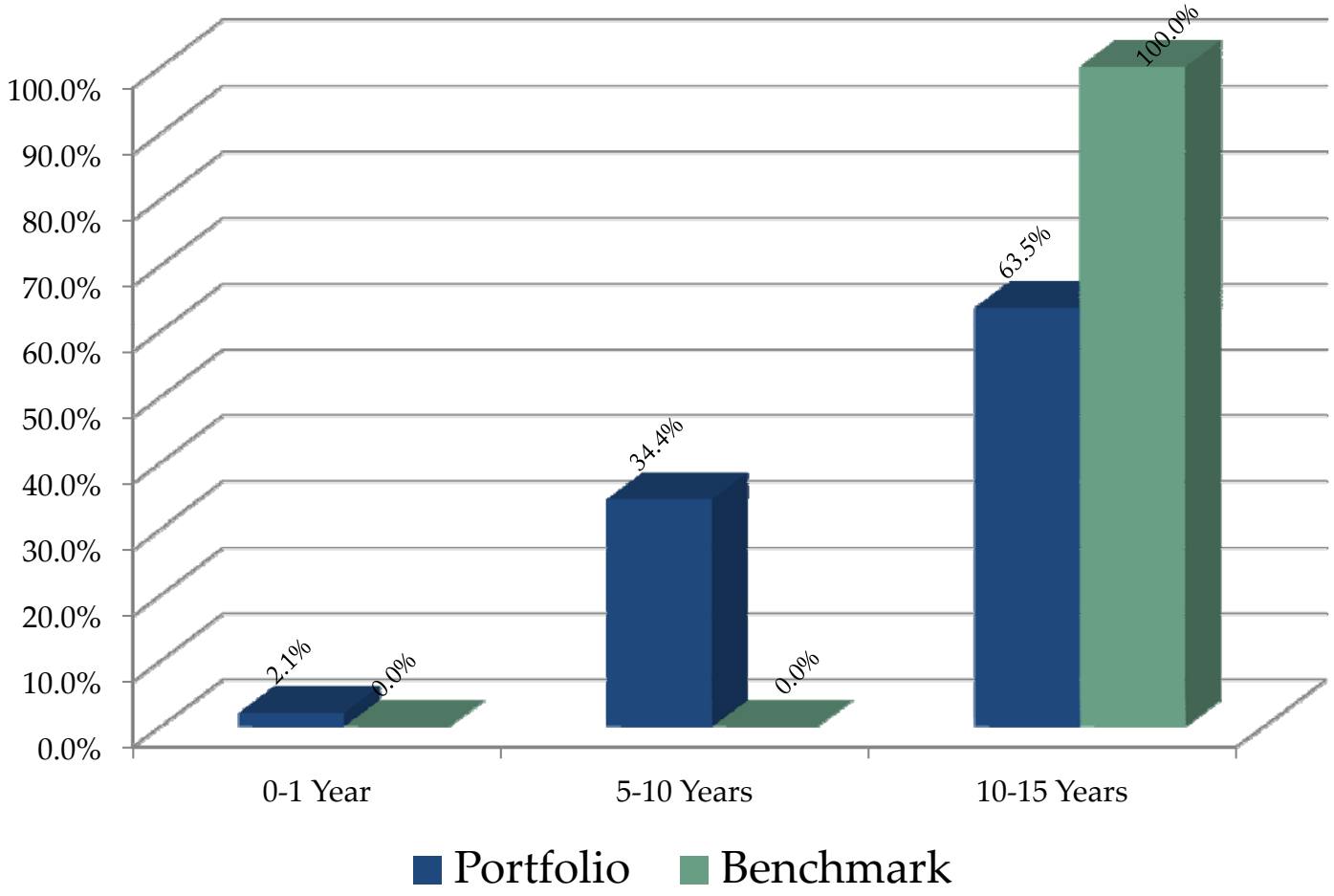
Restricted Portfolio Characteristics

	Portfolio	Index
Avg. Quality	AA	AA+
Yield to Amortized Cost	4.3%	2.0%
Avg. Maturity	9.2	12.8
Effective Duration	7.5	9.7

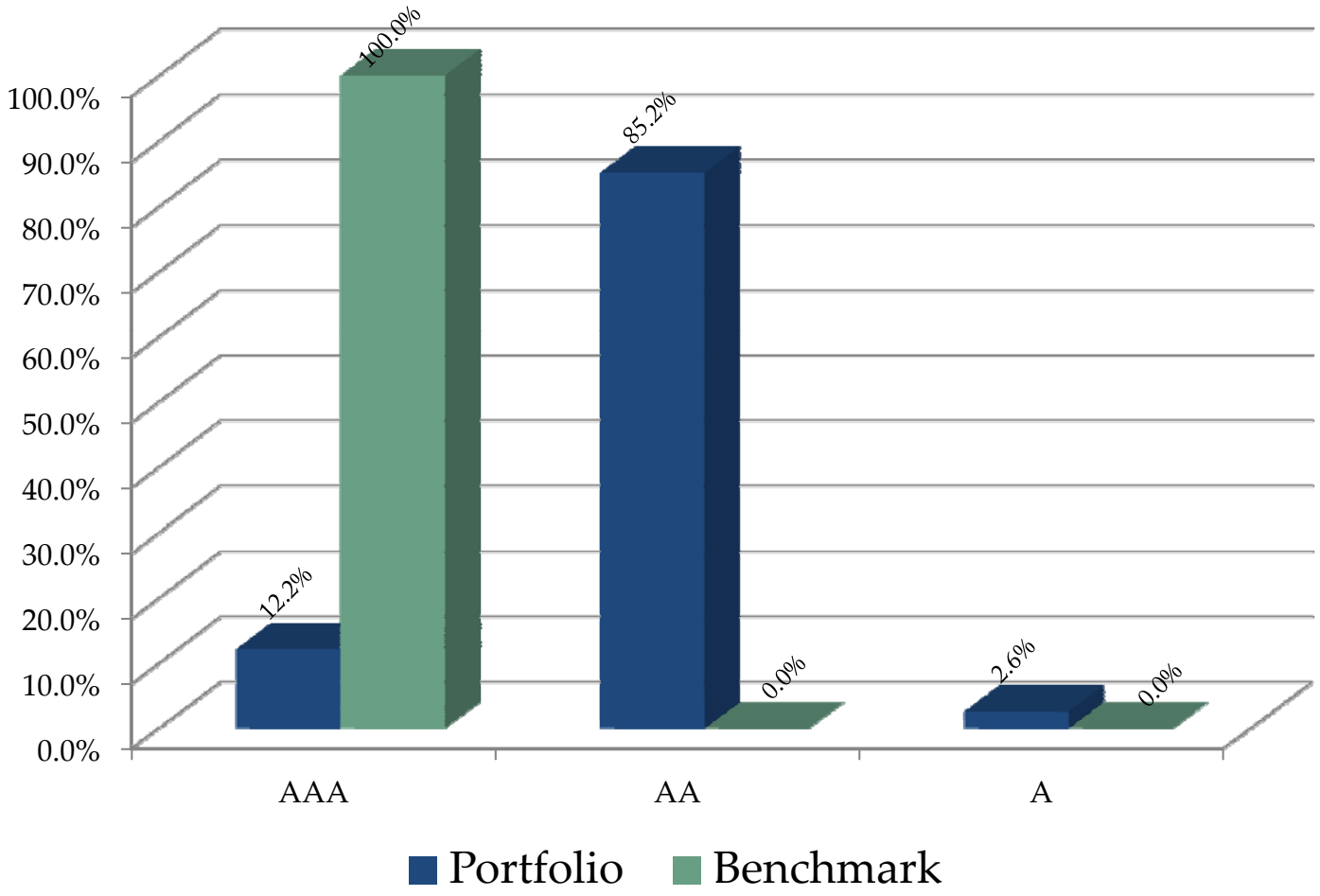
Restricted Portfolio Sector Distribution



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
CORPORATE BONDS								
MISSISSIPPI POWER CO	5.55	3/1/2019	A	A3	25,000	$29,284	1.6%	1.3%
ELI LILLY & CO	7.13	6/1/2025	AA-	A2	20,000	$28,006	3.0%	1.2%
PROCTER & GAMBLE CO/THE	8.00	9/1/2024	AA-	Aa3	25,000	$37,500	3.0%	1.7%
APACHE CORP	7.95	4/15/2026	A-	A3	20,000	$27,692	3.9%	1.2%
GENERAL ELEC CAP CORP	5.50	1/8/2020	AA+	A1	30,000	$35,549	2.3%	1.6%
Subtotal						*$158,031*		
TAXABLE MUNICIPAL BONDS								
ARIZONA BRD OF RGTS UNIV ARI	5.21	8/1/2019	AA-	Aa3	400,000	$477,340	2.1%	21.1%
VIRGINIA ST CLG BLDG AUTH EDI	5.00	9/1/2025	AA	Aa1	15,000	$17,732	3.2%	0.8%
UNIV OF TEXAS TX	4.28	8/15/2026	AAA	Aaa	30,000	$35,094	3.2%	1.5%
PHILADELPHIA PA AUTH FOR IND	6.35	4/15/2028	AA-	A2	10,000	$11,062	5.1%	0.5%
FRANKLIN CNTY OH	4.59	12/1/2021	AAA	Aaa	200,000	$233,324	2.9%	10.3%
Subtotal						*$774,552*		
GOVERNMENT SECURITIES								
FEDERAL FARM CREDIT BANK	5.24	9/5/2023	AA+	Aaa	1,000,000	$1,274,690	2.4%	56.2%
Subtotal						*$1,274,690*		
CASH & CASH EQUIVALENTS								
FEDERATED PRIME OBLIGATIONS FUND						$46,574	0.1%	2.1%
CASH						$3		0.0%
Portfolio Accrued Income						$12,448		0.5%
Total Portfolio Value						$2,266,299		