

*Integrity*  
*Fixed Income Management, LLC*

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

# Investment Summary as of 12/31/2013

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- Total Portfolio Market Value of \$16,360,986

- Total Portfolio Market Value Return<sup>1</sup> :

- Fiscal Year to Date :

- \$16,050
- 0.10%

- Inception to Date<sup>2</sup>:

- \$1,201,513
- 1.67% Annualized

- Total Portfolio Yield to Maturity<sup>3</sup>: 1.6%

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) Inception Date is June 9, 2010

3) Yield to maturity on cost basis. Portfolio cost basis was \$16,452,551 as of December 31, 2013.

# Sanibel Investment Program Summary

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	9/30/2013 - 12/31/2013
Beginning Principal Value	\$16,214,643.47
Beginning Accrued Interest	130,293.09
<b>Beginning Market Value</b>	<b>\$16,344,936.56</b>
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains/(Losses)	(5,557.99)
Unrealized Gains/(Losses)	(95,297.54)
Interest	124,957.26
Change in Accrued Interest	682.60
Ending Principal Value	16,238,745.20
Ending Accrued Interest	122,240.91
<b>Ending Market Value</b>	<b>\$16,360,986.11</b>

# Projected Annual Income as of 12/31/13

Portfolio	Principal Cost Value *	Yield to Maturity on Amortized Cost (Gross of Fees)	Projected Annual Income
Operating (0-1 Yr)	\$2,570,693.63	0.6%	\$15,424
Reserves (0-2 Yr)	\$6,493,839.23	1.0%	\$64,938
Surplus (3-5 Yr)	\$5,329,506.80	1.9%	\$101,261
Restricted (10-15 Yr)	\$2,058,511.61	4.3%	\$88,516
<b>Total</b>	<b>\$16,452,551.27</b>	<b>1.6%</b>	<b>\$270,139</b>
Less Projected Custody and Mgmt Fees @ 0.175% of Market Value			(\$28,632)
<b>Projected Net Relationship Annual Income</b>			<b>\$241,507</b>

\* Principal Cost Value is calculated by taking the Total Portfolio Cost Value from the custodial statement and subtracting accrued income. Projected income assumes stable interest rates and does not take into consideration changes in principal value due to market interest rate changes.

# Operating Portfolio Performance – Gross of Fees

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	3 Months	Fiscal Year to Date	1 Year	3 Years	Inception to Date
City of Sanibel Operating Fund	0.19%	0.19%	0.66%	0.81%	0.79%
Merrill Lynch 0-3 Month Treasury Bills Index	0.01%	0.01%	0.04%	0.06%	0.07%
Relative Performance	0.18%	0.18%	0.62%	0.75%	0.72%

Inception Date is June 9, 2010

Returns Reflect Principal and Income Returns

Returns Periods Longer Than One Year are Annualized

# Operating Portfolio Summary

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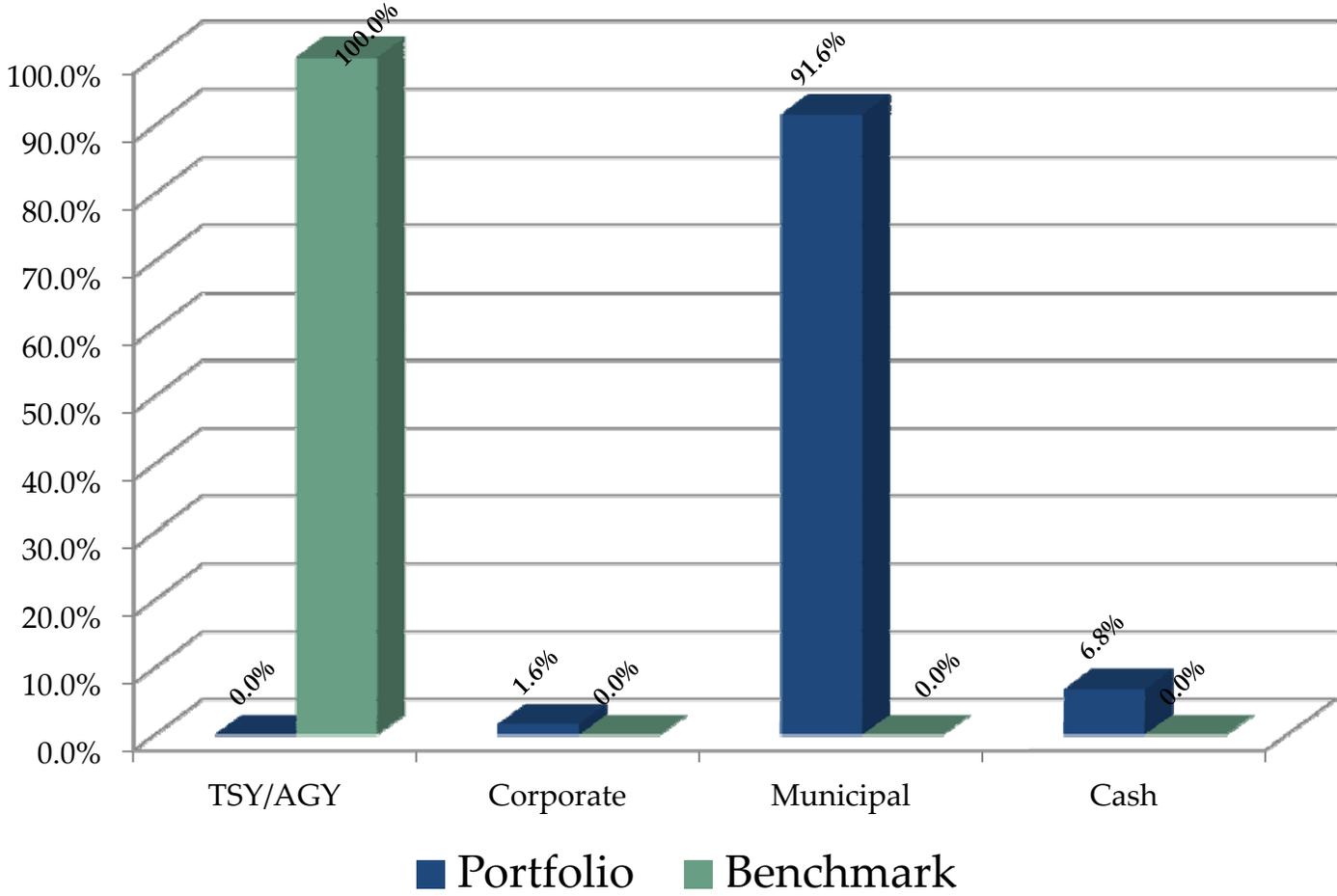
	9/30/2013 - 12/31/2013
Beginning Principal Value	\$2,533,135.07
Beginning Accrued Interest	25,492.82
<b>Beginning Market Value</b>	<b>2,558,627.89</b>
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains/(Losses)	(4,322.61)
Unrealized Gains/(Losses)	(5,422.45)
Interest	29,458.16
Change in Accrued Interest	(15,145.61)
Ending Principal Value	2,552,848.17
Ending Accrued Interest	10,347.21
<b>Ending Market Value</b>	<b>\$2,563,195.38</b>

# Operating Portfolio Characteristics

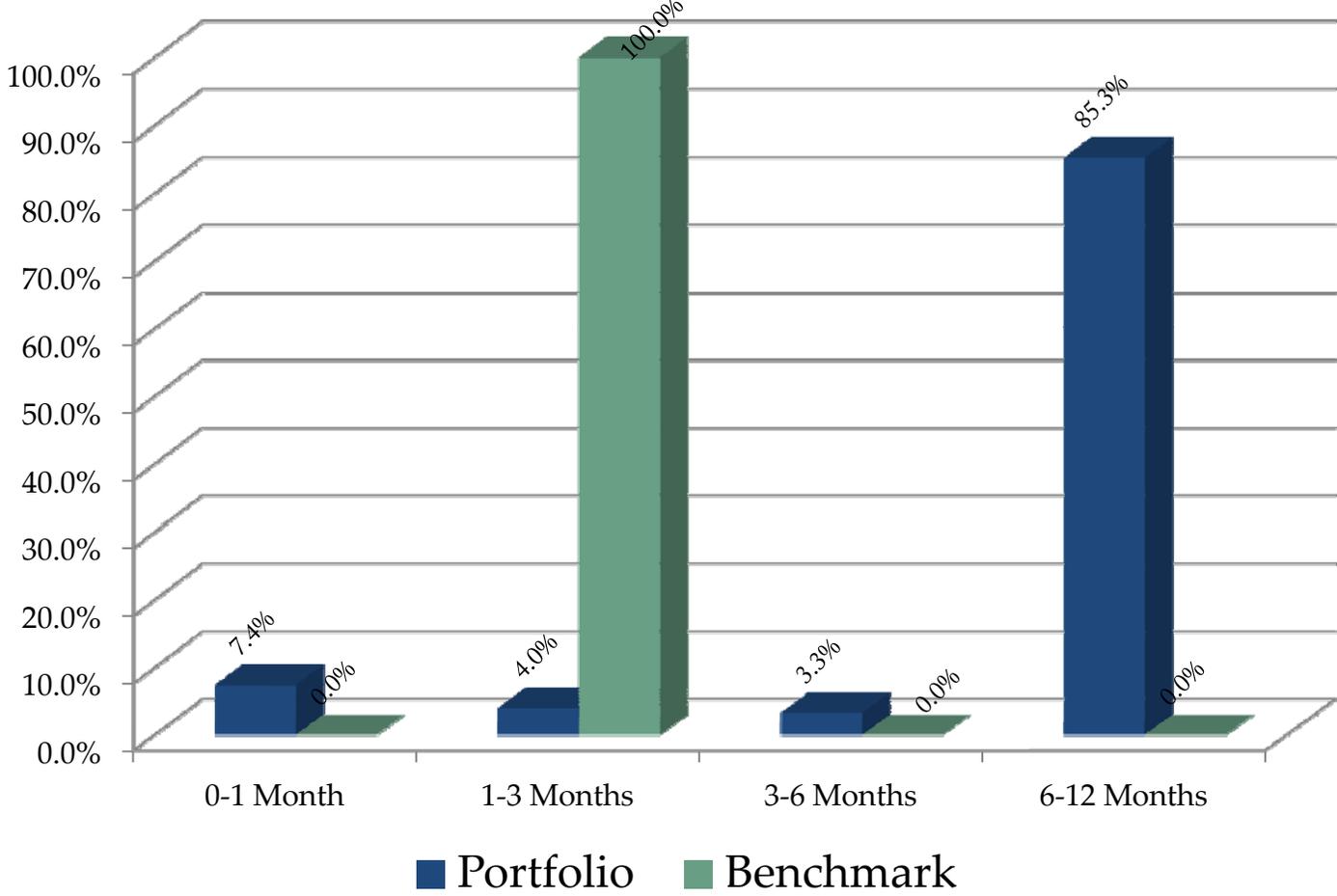
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	<b>Portfolio</b>	<b>Index</b>
Avg. Quality	AA	AAA
Yield to Amortized Cost	0.6%	0.0%
Avg. Maturity	0.6	0.1
Effective Duration	0.6	0.1

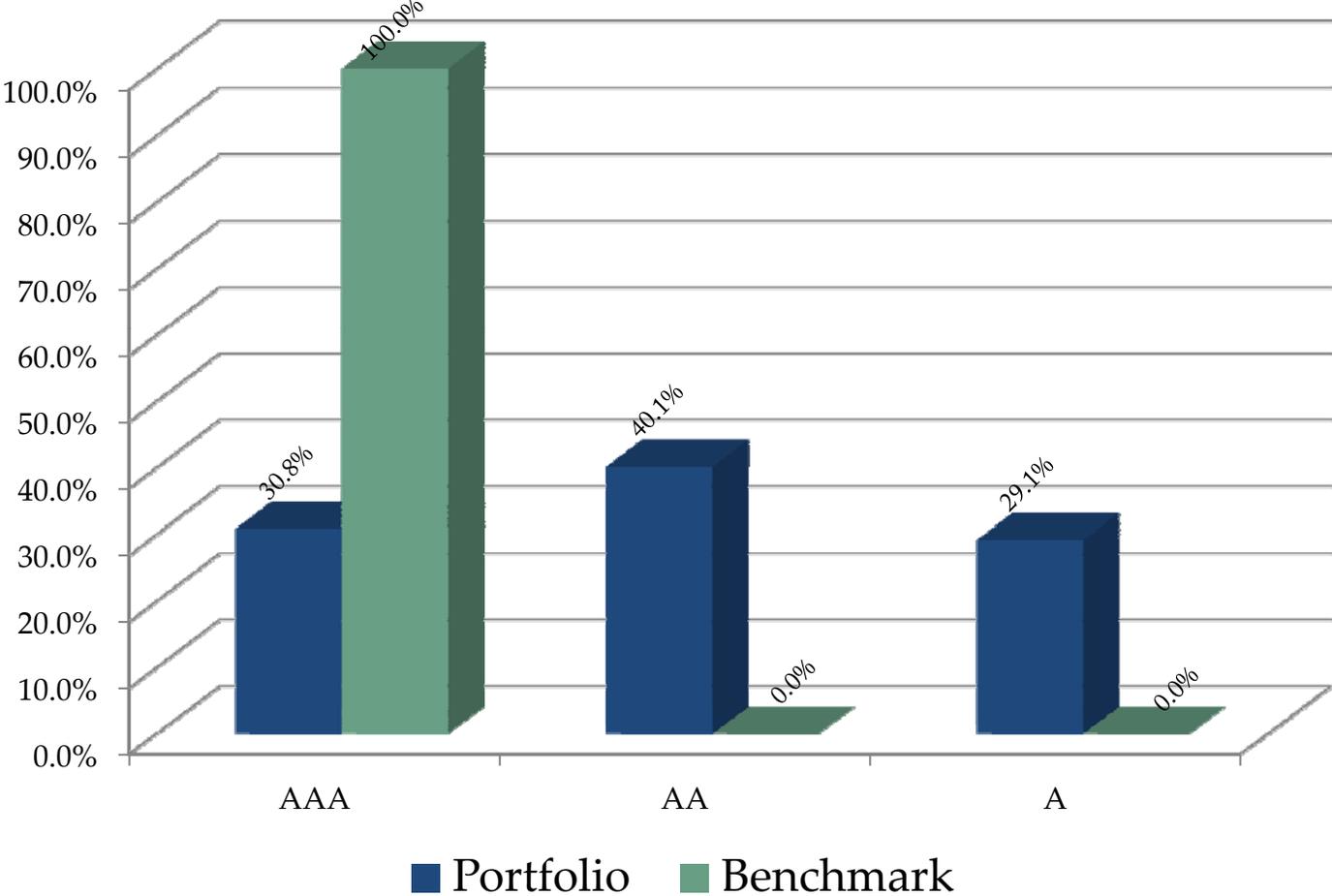
# Operating Portfolio Sector Distribution



# 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
<u>CORPORATE BONDS</u>								
JEFFERSON-PILOT CORP	4.75	1/30/2014	A-	NA	40,000	\$40,126	0.9%	1.6%
<i>Subtotal</i>						\$40,126		
<u>TAXABLE MUNICIPAL BONDS</u>								
ARKANSAS ST DEV FIN AUTH EN	0.66	10/1/2014	A	NA	500,000	\$500,070	0.7%	19.5%
AUSTIN TX CMNTY CLG DIST	1.71	2/1/2014	AA-	Aa3	100,000	\$100,076	0.5%	3.9%
GRAND STRAND SC WTR & SWI	1.22	6/1/2014	AA	Aa2	85,000	\$85,190	0.7%	3.3%
LITTLE MIAMI OH JT FIRE & RES	2.25	12/1/2014	NA	A1	105,000	\$105,890	0.8%	4.1%
LOUISIANA ST LOCAL GOVT EN	2.00	8/1/2014	NA	A3	600,000	\$604,836	0.6%	23.6%
MORRIS CNTY NJ IMPT AUTH LI	3.02	8/15/2014	NA	Aaa	400,000	\$405,156	0.7%	15.8%
RHODE ISLAND ST HSG & MTG	0.63	10/1/2014	NA	Aa2	200,000	\$199,838	0.6%	7.8%
STHRN OH PORT AUTH ECON D	0.55	12/1/2014	AA-	A2	135,000	\$135,099	0.5%	5.3%
THOMSON & MCDUFFIE CNTY	1.00	7/1/2014	NA	A2	100,000	\$99,966	1.0%	3.9%
WILL CNTY IL SCH DIST #122	4.45	10/1/2014	NA	Aa3	100,000	\$102,868	0.7%	4.0%
<i>Subtotal</i>						\$2,338,989		
<u>CASH AND CASH EQUIVALENTS</u>								
FDIC INSURED MONEY MARKET AT SYNOVUS BANK					173,673	\$173,673	0.1%	6.8%
CASH					60	\$60	0.0%	0.0%
PORTFOLIO ACCRUED INCOME						\$10,347		0.4%
PENDING TRADES						\$0		0.0%
Total Portfolio Value						\$2,563,195		

# Reserves Portfolio Performance – Gross of Fees

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	3 Months	Fiscal Year to Date	1 Year	3 Years	Inception to Date
City of Sanibel Reserves Fund	0.17%	0.17%	0.77%	1.07%	1.03%
Merrill Lynch 0-1 Year Treasury Bills Index	0.01%	0.01%	0.17%	0.22%	0.24%
Relative Performance	0.16%	0.16%	0.60%	0.85%	0.79%

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Inception Date is June 9, 2010

Returns Reflect Principal and Income Returns

Returns Longer Than One Year are Annualized

# Reserves Portfolio Summary

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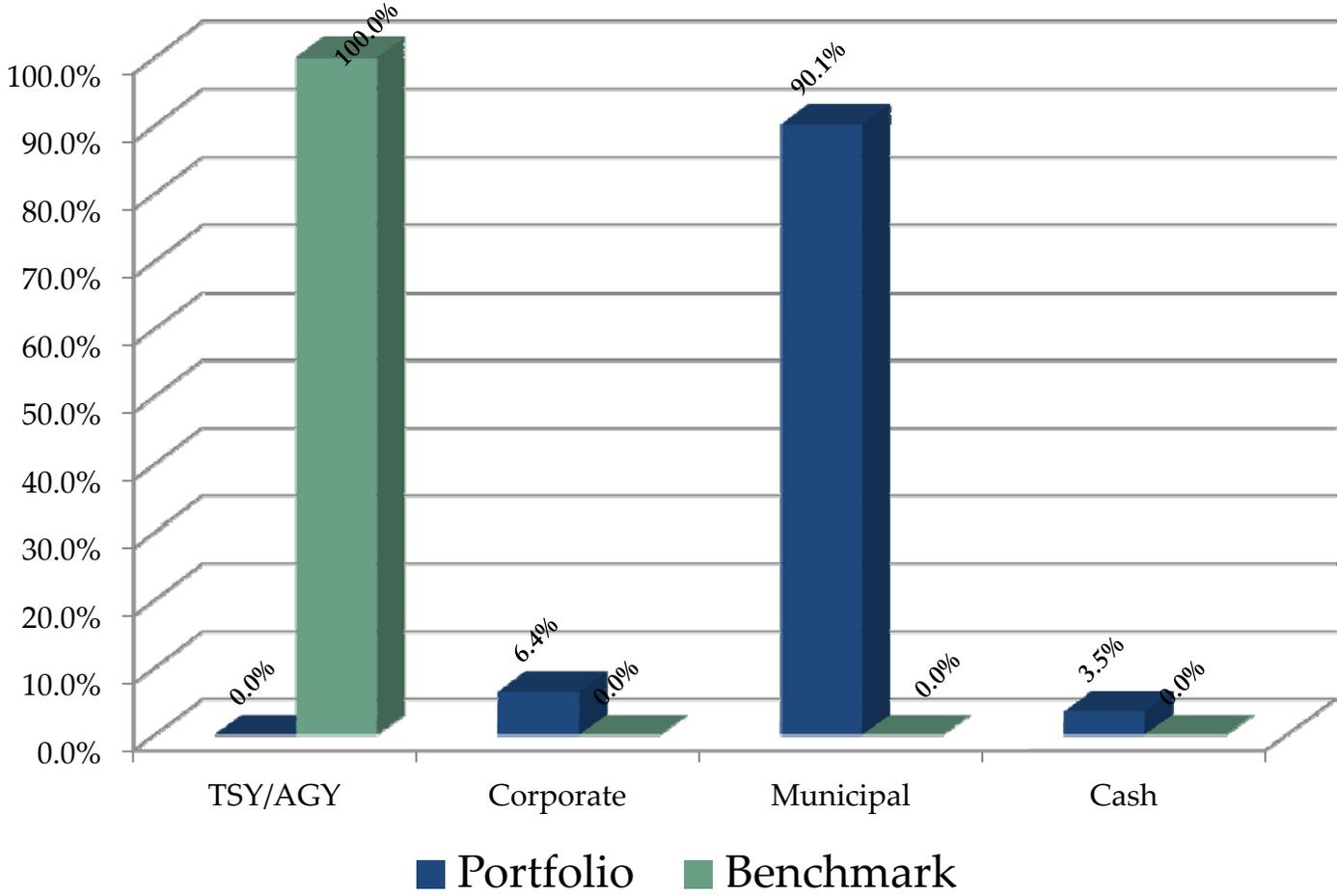
	9/30/2013 - 12/31/2013
Beginning Principal Value	\$6,342,483.45
Beginning Accrued Interest	55,380.14
<b>Beginning Market Value</b>	<b>6,397,863.59</b>
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains/(Losses)	(1,274.77)
Unrealized Gains/(Losses)	(29,758.99)
Interest	54,647.18
Change in Accrued Interest	(11,656.03)
Ending Principal Value	6,366,096.87
Ending Accrued Interest	43,724.11
<b>Ending Market Value</b>	<b>\$6,409,820.98</b>

# Reserves Portfolio Characteristics

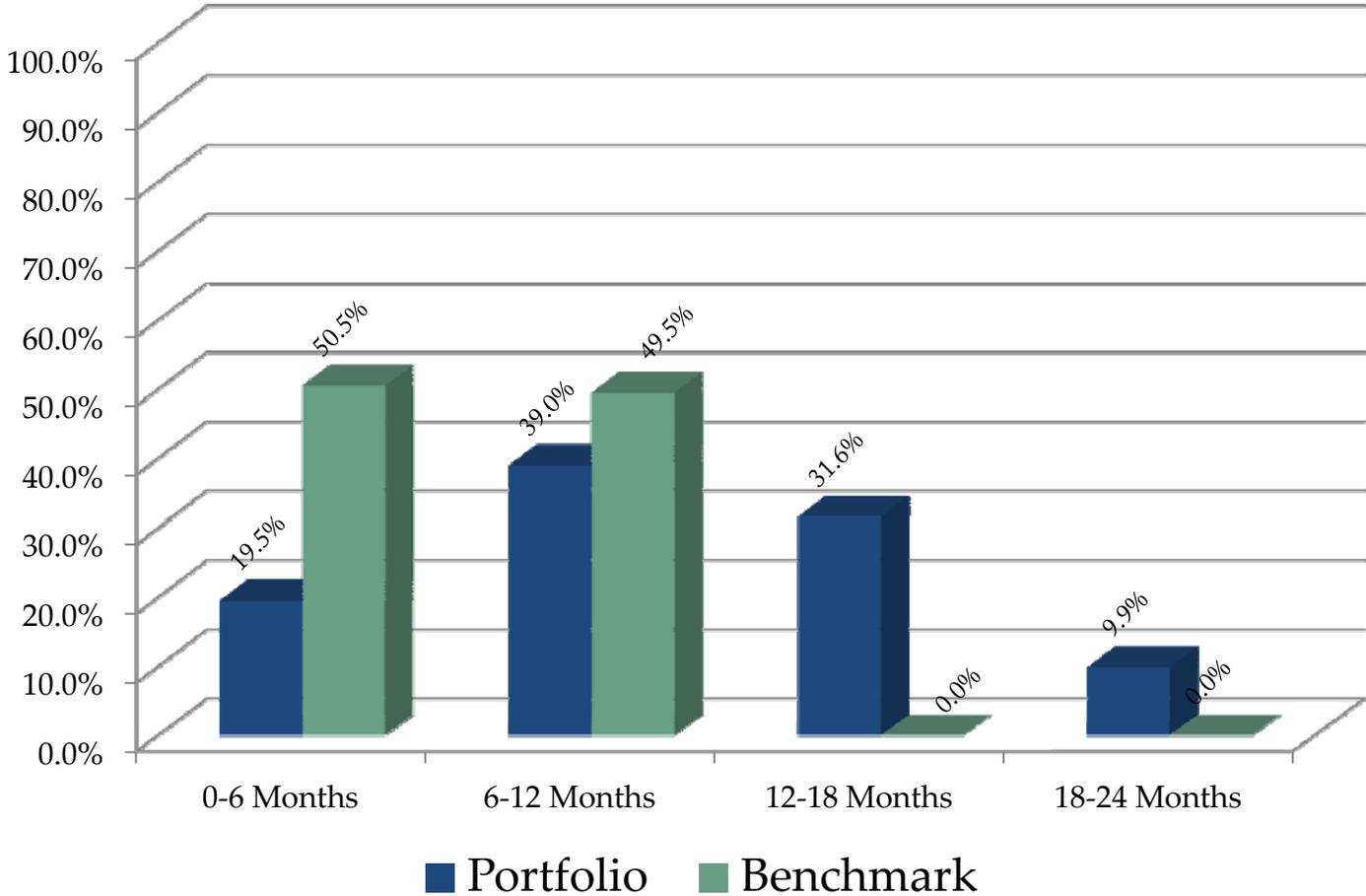
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	<b>Portfolio</b>	<b>Index</b>
Avg. Quality	AA	AAA
Yield to Amortized Cost	1.0%	0.1%
Avg. Maturity	0.8	0.5
Effective Duration	0.8	0.5

# Reserves Portfolio Sector Distribution

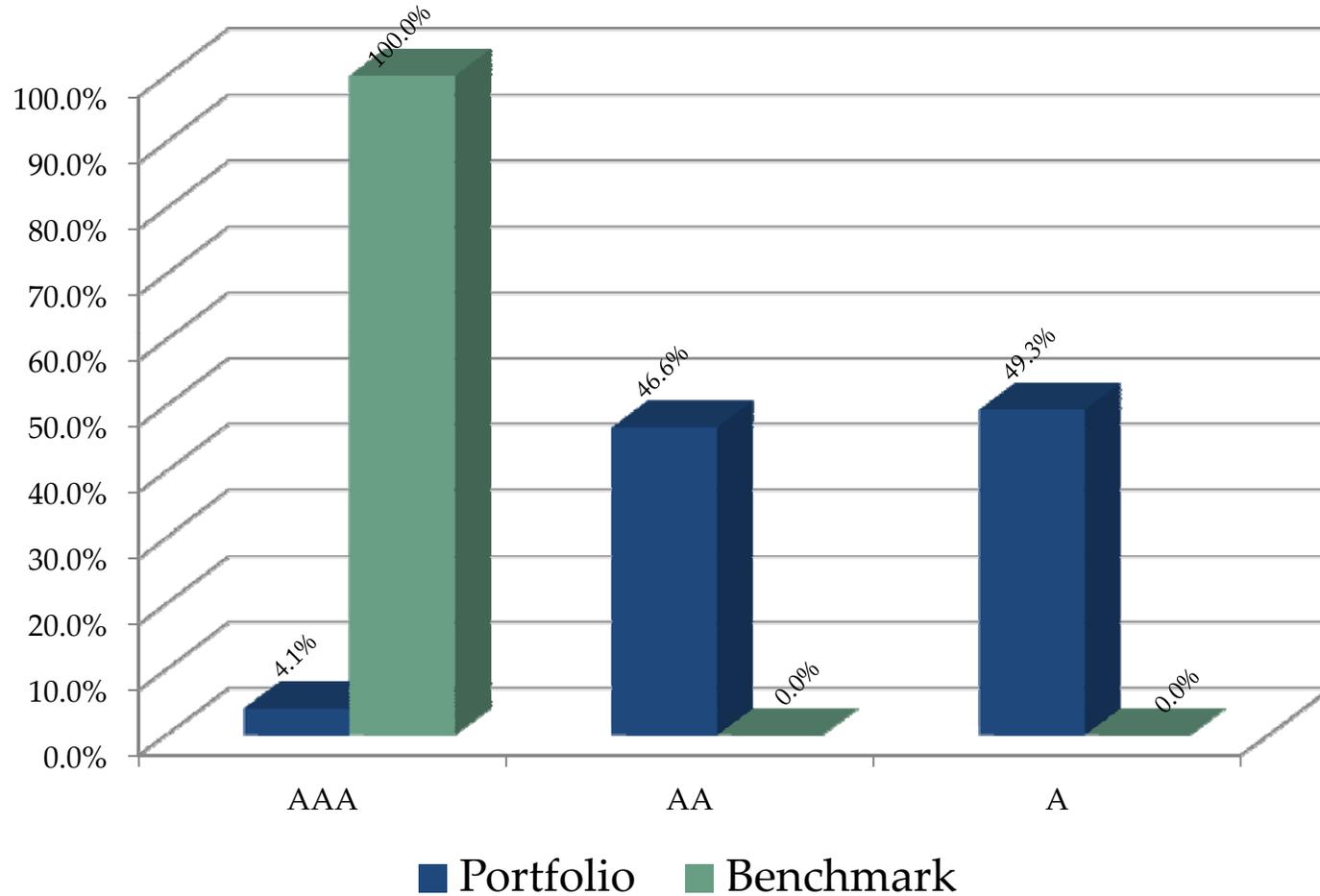


# Reserves Portfolio Maturity Distribution



# Reserves Portfolio Quality Distribution

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# Reserves Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>TAXABLE MUNICIPAL BONDS</u>								
ARIZONA BRD OF RGTS ST UNIV S	1.30	7/1/2015	AA	Aa3	100,000	\$100,192	0.6%	1.6%
ARKANSAS ST DEV FIN AUTH ECC	0.66	10/1/2014	A	NA	150,000	\$150,021	0.7%	2.3%
BACON CNTY GA HOSP AUTH	1.86	3/1/2014	NA	A2	150,000	\$150,228	1.5%	2.3%
CLINTON PRAIRIE IN SCH CORP	0.75	1/15/2015	AA+	NA	270,000	\$269,827	0.6%	4.2%
COLORADO ST EDUCTNL & CULT	4.00	6/1/2015	AA-	A3	165,000	\$171,453	1.0%	2.7%
CMWLTH FING AUTH PA	4.18	6/1/2015	AA-	A1	200,000	\$208,370	1.1%	3.3%
EVANSVILLE VANDERBURGH CNT	1.05	8/1/2015	AA-	NA	200,000	\$200,000	0.7%	3.1%
GAHANNA-JEFFERSON OH CITY S	3.59	12/1/2014	NA	Aa3	85,000	\$87,058	1.0%	1.4%
GEORGIA ST MUNI GAS AUTH	4.47	8/1/2014	AA-	A1	250,000	\$253,988	1.0%	4.0%
GTR ORLANDO FL AVIATION AUT	4.16	10/1/2014	NA	A2	660,000	\$675,873	0.8%	10.5%
HAMDEN CT	3.00	8/15/2014	A	A3	205,000	\$208,487	0.7%	3.3%
INDIANAPOLIS IN LOCAL PUBLIC I	4.61	1/15/2014	AA	Aaa	140,000	\$140,214	0.5%	2.2%
JERSEY CITY NJ MUNI UTILITIES	4.81	5/15/2014	A	A2	200,000	\$202,592	2.5%	3.2%
JOBSONIO BEVERAGE SYS STWD I	0.87	1/1/2015	AA	A2	525,000	\$525,273	1.0%	8.2%
LANSING MI	4.50	5/1/2015	AA	A1	100,000	\$103,914	1.0%	1.6%
LEHIGH CNTY PA GEN PURPOSE /	3.00	11/1/2014	A	NA	100,000	\$101,627	1.0%	1.6%
LOUISIANA ST LOCAL GOVT ENVI	2.00	8/1/2014	NA	A3	150,000	\$151,209	0.6%	2.4%
LOUISIANA ST LOCAL GOVT ENVI	3.00	8/1/2015	NA	A3	250,000	\$257,968	1.0%	4.0%
MAINE ST MUNI BOND BANK LIQ	1.07	6/1/2015	A+	A1	300,000	\$299,571	1.1%	4.7%
MAINE ST HSG AUTH MTGE REVE	2.65	11/15/2014	AA+	Aa1	190,000	\$190,899	2.8%	3.0%
MARYLAND ST CMNTY DEV ADMI	5.75	3/1/2014	NA	Aa2	350,000	\$352,440	0.4%	5.5%
MASSACHUSETTS ST HSG FIN AGY	0.75	12/1/2014	AA	Aa2	50,000	\$50,187	1.0%	0.8%
MICHIGAN ST MUNI BOND AUTH	5.22	6/1/2014	A+	Aa3	200,000	\$203,194	1.0%	3.2%
NEBRASKA ST PUBLIC PWR DIST R	5.14	1/1/2014	AA-	A1	25,000	\$25,000	0.5%	0.4%
PALM BEACH GARDENS FL SPL OI	1.35	5/1/2014	AA	Aa1	40,000	\$40,094	1.0%	0.6%
SAINT MARY PARISH LA SOL WST	2.00	3/1/2015	A-	NA	135,000	\$136,345	1.1%	2.1%

# Reserves Portfolio Holdings - continued

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>TAXABLE MUNICIPAL BONDS</u>								
SCOTTSBORO AL INDL DEV BRD IN	1.10	12/1/2014	A+	NA	200,000	\$200,058	1.1%	3.1%
STRATFORD CT	1.52	8/15/2015	NA	A1	50,000	\$49,983	1.0%	0.8%
TOLEDO OH	2.00	12/1/2014	A-	A2	150,000	\$151,304	2.0%	2.4%
UNIV OF NORTH CAROLINA NC AT	2.05	1/1/2014	NA	A1	80,000	\$80,000	2.1%	1.2%
<i>Subtotal</i>						\$5,737,366		
<u>CORPORATE BONDS</u>								
BEAR STEARNS COS LLC	5.70	11/15/2014	A	A3	85,000	\$88,784	1.1%	1.4%
CITIGROUP INC	6.01	1/15/2015	A-	Baa2	75,000	\$78,978	1.1%	1.2%
GOLDMAN SACHS GROUP INC	5.00	10/1/2014	A-	Baa1	86,000	\$88,734	1.3%	1.4%
PRUDENTIAL FINANCIAL INC	3.88	1/14/2015	A	Baa1	100,000	\$103,376	0.9%	1.6%
WELLS FARGO BANK NA	4.75	2/9/2015	A+	A1	45,000	\$47,022	1.0%	0.7%
<i>Subtotal</i>						\$406,894		
<u>CASH AND CASH EQUIVALENTS</u>								
FEDERATED PRIME OBLIGATIONS FUND					221,831	\$221,831	0.1%	3.5%
CASH					5	\$5	0.0%	0.0%
PORTFOLIO ACCRUED INCOME						\$43,724	0.0%	0.7%
PENDING TRADES						\$0		0.0%
TOTAL PORTFOLIO VALUE						\$6,409,820		

# Surplus Portfolio Performance – Gross of Fees

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	3 Months	Fiscal Year to Date	1 Year	3 Years	Inception to Date
City of Sanibel Surplus Fund	0.30%	0.30%	0.72%	2.41%	2.33%
Merrill Lynch 3-5 Year Treasury Index	(0.35%)	(0.35%)	(0.91%)	2.25%	2.52%
Relative Performance	0.65%	0.65%	1.63%	0.16%	-0.19%

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Inception Date is June 9, 2010

Returns Reflect Principal and Income Returns

Returns Longer Than One Year are Annualized

# Surplus Portfolio Summary

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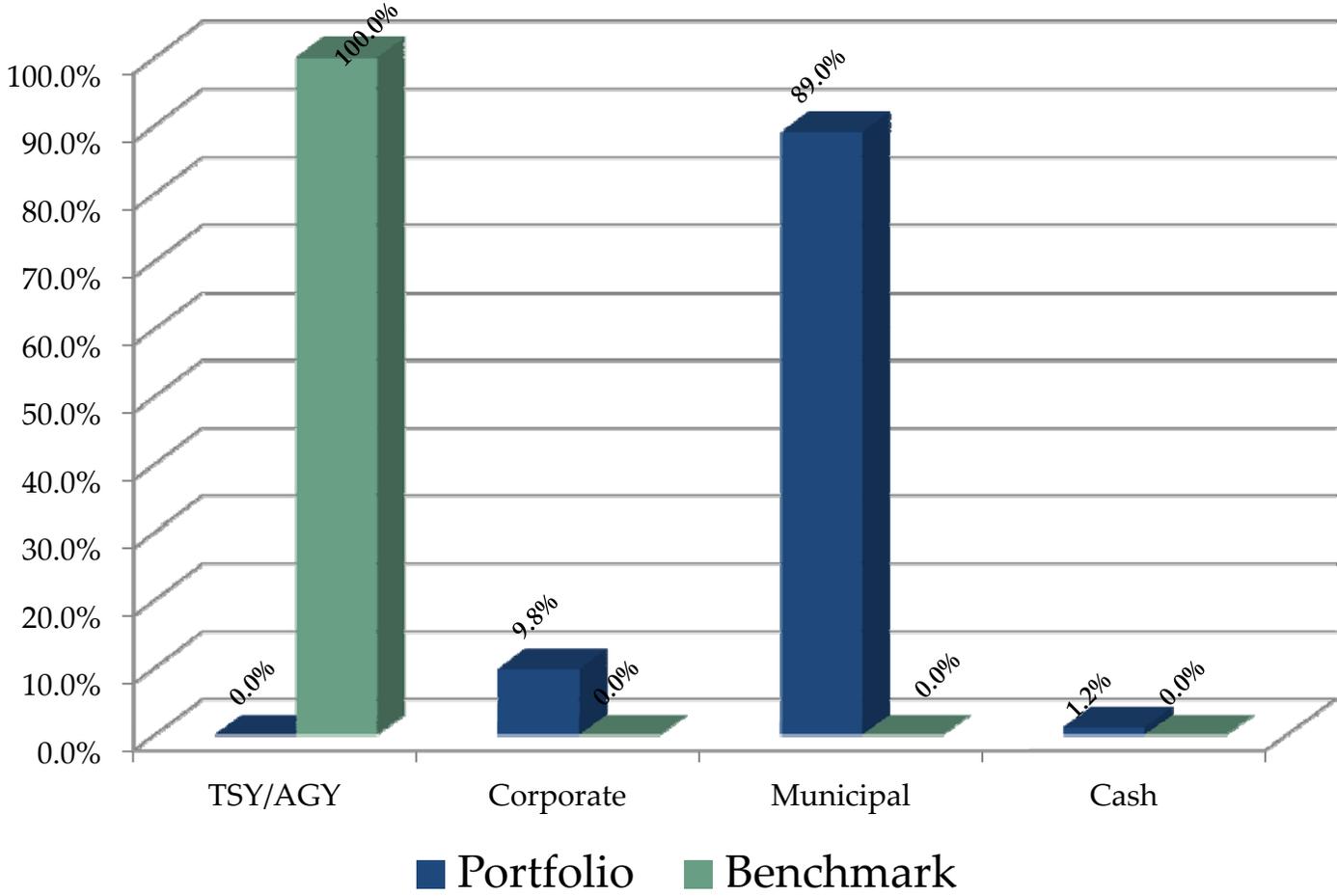
	9/30/2013 - 12/31/2013
Beginning Principal Value	5,225,783.69
Beginning Accrued Interest	36,465.71
<b>Beginning Market Value</b>	<b>5,262,249.40</b>
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains/(Losses)	39.39
Unrealized Gains/(Losses)	(20,276.55)
Interest	33,806.32
Change in Accrued Interest	2,194.84
Ending Principal Value	5,239,352.85
Ending Accrued Interest	38,660.55
<b>Ending Market Value</b>	<b>\$5,278,013.40</b>

# Surplus Portfolio Characteristics

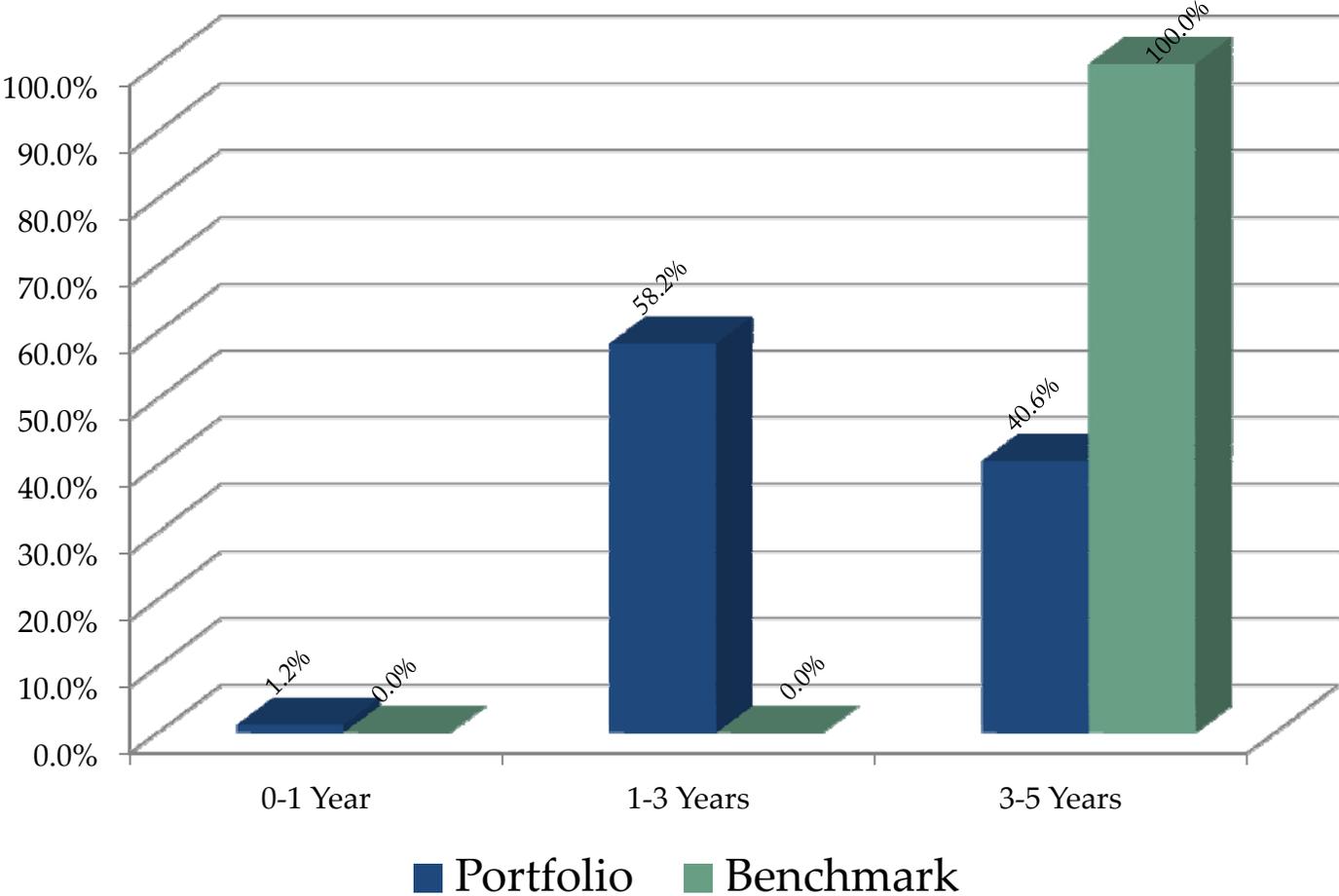
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	<b>Portfolio</b>	<b>Index</b>
Avg. Quality	AA	AAA
Yield to Amortized Cost	1.9%	1.2%
Avg. Maturity	3.1	3.9
Effective Duration	2.9	3.8

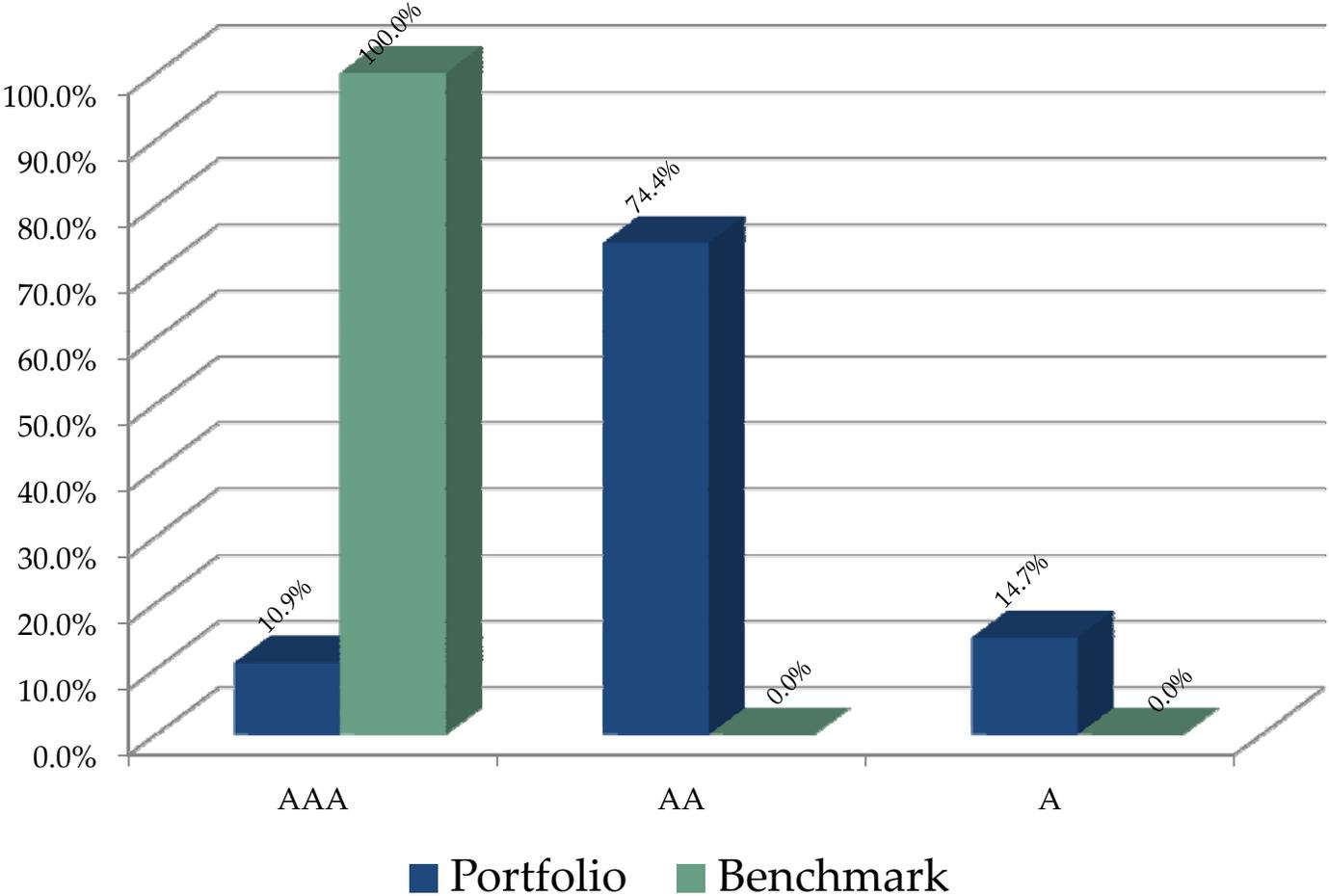
# Surplus Portfolio Sector Distribution



# 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
<b><u>CORPORATE BONDS</u></b>								
CHARLES SCHWAB CORP	2.20	7/25/2018	A	A2	90,000	\$90,321	2.0%	1.7%
GENERAL ELEC CAP CORP	3.75	11/14/2014	AA+	A1	95,000	\$73,944	0.3%	1.4%
GOLDMAN SACHS GROUP INC	5.95	1/18/2018	A-	Baa1	85,000	\$96,640	2.2%	1.8%
HERSHEY COMPANY	5.45	9/1/2016	A	A1	90,000	\$100,454	1.0%	1.9%
LOEWS CORP	5.25	3/15/2016	A+	A2	90,000	\$98,106	1.1%	1.9%
US BANCORP	2.20	11/15/2016	A+	A1	50,000	\$51,635	1.0%	1.0%
<i>Subtotal</i>						<i>\$511,100</i>		
<b><u>TAXABLE MUNICIPAL BONDS</u></b>								
CLINTON PRAIRIE IN SCH CORP	1.40	1/15/2017	AA+	NA	50,000	\$49,194	0.0%	0.9%
COLORADO RIVER TX MUNI WTR	2.63	1/1/2017	AA-	A1	100,000	\$101,458	0.0%	1.9%
FAIRFAX CNTY VA	3.70	10/1/2016	AAA	Aaa	445,000	\$475,438	0.0%	9.0%
COLORADO ST DEPT OF CORRS C	1.69	9/1/2016	AA-	Aa2	250,000	\$250,185	0.0%	4.7%
EVANSVILLE VANDERBURGH CN7	2.35	2/1/2018	AA-	NA	500,000	\$494,040	0.0%	9.4%
GRAND FORKS ND PUBLIC SCH DI	2.50	8/1/2015	NA	Aa2	275,000	\$282,315	0.0%	5.3%
JOBSONHIO BEVERAGE SYS STWD I	1.57	1/1/2017	AA	A2	220,000	\$218,658	0.0%	4.1%
JOBSONHIO BEVERAGE SYS STWD I	1.12	1/1/2016	AA	A2	100,000	\$99,535	0.0%	1.9%
MOBILE CNTY AL	3.50	6/1/2015	AA-	Aa2	185,000	\$191,331	0.0%	3.6%
MARYLAND ST STADIUM AUTH LI	1.90	6/15/2018	AA+	Aa2	400,000	\$386,444	0.0%	7.3%
NEW ORLEANS LA	1.82	9/1/2016	A	A3	275,000	\$273,812	0.0%	5.2%
NORTH CAROLINA ST ESTRN MUN	2.44	1/1/2017	A-	Baa1	50,000	\$49,871	0.0%	0.9%
MISSISSIPPI ST LEASE REVENUE C	3.00	4/15/2016	AA-	NA	200,000	\$209,510	0.0%	4.0%
PENNSYLVANIA ST COPS	3.20	4/1/2016	NA	Aa3	140,000	\$144,242	0.0%	2.7%
STRATFORD CT	1.52	8/15/2015	AA	A1	100,000	\$99,966	0.0%	1.9%
TAMPA FL REVENUE	2.35	10/1/2016	NA	Aa2	580,000	\$587,343	0.0%	11.1%
WILMINGTON NC LTD OBLG REV.	4.60	6/1/2018	AA	Aa2	500,000	\$540,475	0.0%	10.2%
INDIANA ST BOND BANK REVENU	3.91	8/1/2016	AA+	NA	200,000	\$213,668	1.5%	4.0%
<i>Subtotal</i>						<i>\$4,667,485</i>		

# Surplus Portfolio Holdings - continued

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Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>CASH &amp; CASH EQUIVALENTS</u>								
FEDERATED PRIME OBLIGATIONS FUND					60,768	\$60,768	0.1%	1.2%
CASH						\$1		0.0%
PORTFOLIO ACCRUED INCOME						\$38,661		0.7%
PENDING TRADES						\$0		0.0%
TOTAL PORTFOLIO VALUE						\$5,278,013		

# Restricted Portfolio Performance – Gross of Fees

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	3 Months	Fiscal Year to Date	1 Year	3 Years	Inception to Date
City of Sanibel Restricted Fund	(0.77%)	(0.77%)	(5.79%)	5.31%	5.39%
Merrill Lynch 10-15 Year Treasury Index	(2.35%)	(2.35%)	(7.54%)	4.63%	4.63%
Relative Performance	1.58%	1.58%	1.75%	0.68%	0.76%

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Inception Date is June 9, 2010

Returns Reflect Principal and Income Returns

Returns Longer Than One Year are Annualized

# Restricted Portfolio Summary

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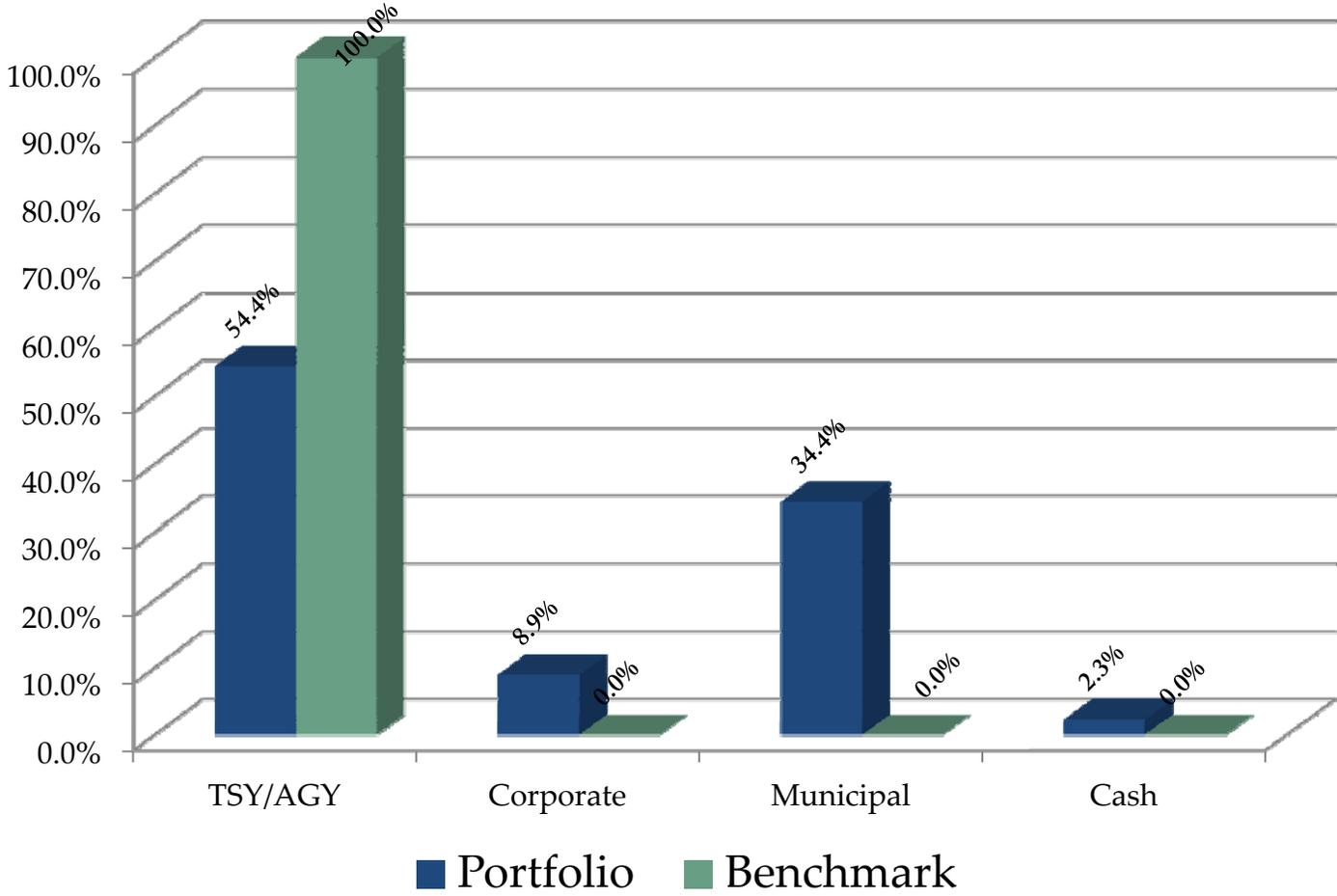
	9/30/2013 - 12/31/2013
Beginning Principal Value	\$2,113,241.26
Beginning Accrued Interest	12,954.42
<b>Beginning Market Value</b>	<b>2,126,195.68</b>
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains/(Losses)	0.00
Unrealized Gains/(Losses)	(39,839.55)
Interest	7,045.60
Change in Accrued Interest	16,554.62
Ending Principal Value	2,080,447.31
Ending Accrued Interest	29,509.04
<b>Ending Market Value</b>	<b>\$2,109,956.35</b>

# Restricted Portfolio Characteristics

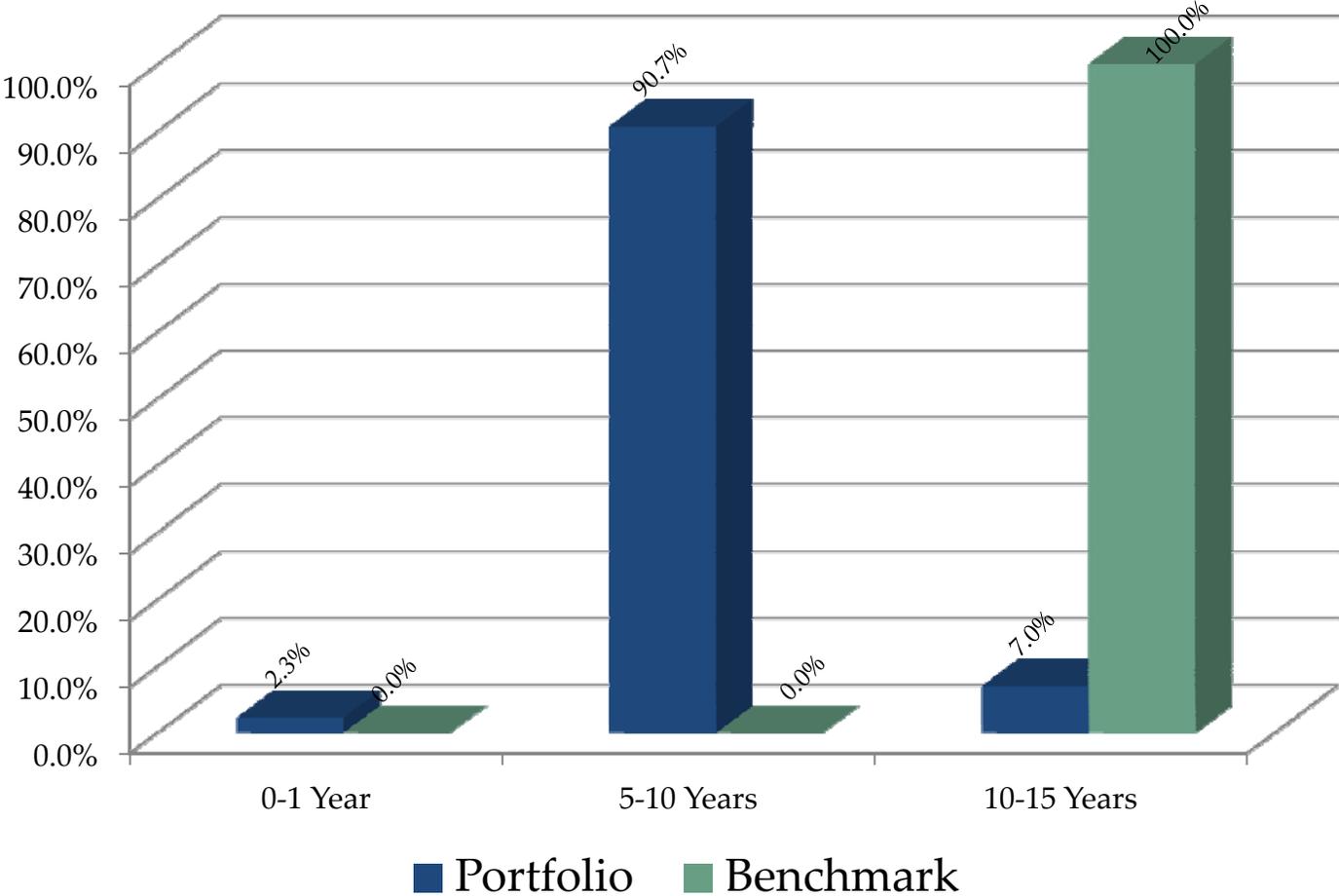
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	<b>Portfolio</b>	<b>Index</b>
Avg. Quality	AA+	AAA
Yield to Amortized Cost	4.3%	3.1%
Avg. Maturity	8.5	12.9
Effective Duration	6.9	9.6

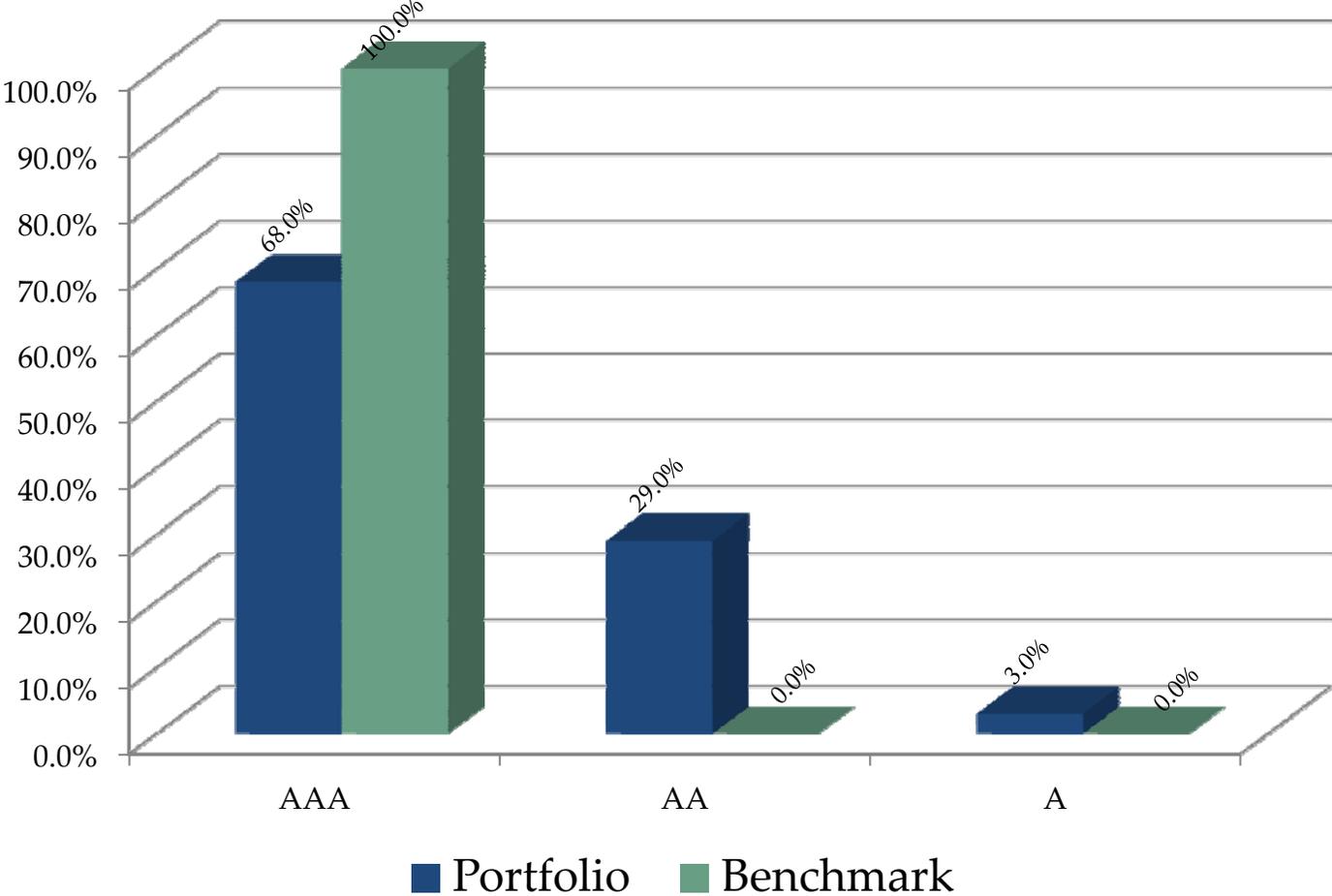
# Restricted Portfolio Sector Distribution



# 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
<b><u>CORPORATE BONDS</u></b>								
MISSISSIPPI POWER CO	5.55	3/1/2019	A	Baa1	25,000	\$27,541	3.9%	1.3%
ELI LILLY & CO	7.13	6/1/2025	AA-	A2	20,000	\$25,331	4.3%	1.2%
PROCTER & GAMBLE CO/THE	8.00	9/1/2024	AA-	Aa3	25,000	\$33,568	3.5%	1.6%
APACHE CORP	7.95	4/15/2026	A-	A3	20,000	\$25,458	4.4%	1.2%
APPLE INC	2.40	5/3/2023	AA+	Aa1	45,000	\$40,464	3.3%	1.9%
GENERAL ELEC CAP CORP	5.50	1/8/2020	AA+	A1	30,000	\$34,355	5.2%	1.6%
<i>Subtotal</i>						<i>\$186,717</i>		
<b><u>TAXABLE MUNICIPAL BONDS</u></b>								
ARIZONA BRD OF RGTS UNIV ARI	5.21	8/1/2019	AA-	Aa3	400,000	\$446,164	5.3%	21.1%
VIRGINIA ST CLG BLDG AUTH EDI	5.00	9/1/2025	AA	Aa1	15,000	\$15,507	3.7%	0.7%
UNIV OF TEXAS TX	4.28	8/15/2026	AAA	Aaa	30,000	\$30,541	3.3%	1.4%
PHILADELPHIA PA AUTH FOR IND	6.35	4/15/2028	AA-	A2	10,000	\$10,494	5.5%	0.5%
FRANKLIN CNTY OH	4.59	12/1/2021	AAA	Aaa	200,000	\$212,334	3.7%	10.1%
<i>Subtotal</i>						<i>\$715,040</i>		
<b><u>GOVERNMENT SECURITIES</u></b>								
FEDERAL FARM CREDIT BANK	5.24	9/5/2023	AA+	Aaa	1,000,000	\$1,121,120	4.3%	53.1%
US TREASURY	1.75	5/15/2023	AA+	Aaa	10,000	\$9,013	2.5%	0.4%
<i>Subtotal</i>						<i>\$1,130,133</i>		
<b><u>CASH &amp; CASH EQUIVALENTS</u></b>								
FEDERATED PRIME OBLIGATIONS FUND					48,556	\$48,556	0.1%	2.3%
CASH					\$1	\$1		0.0%
PORTFOLIO ACCRUED INCOME						\$29,509		1.4%
PENDING TRADES						\$0		0.0%
TOTAL PORTFOLIO VALUE						\$2,109,956		