



**First Quarter Report 2010
For the period ending March 31, 2010**

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US Bank N.A.

Credit Rating



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For the period ending March 31, 2010

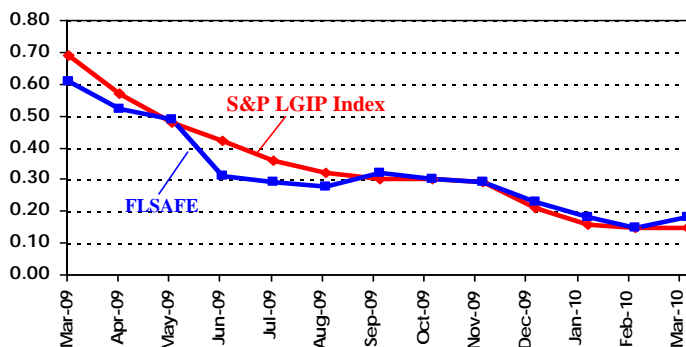
SUMMARY

- ◆ Florida Surplus Asset Fund Trust ("FLSAFE") is a local government investment pool that serves the cash management needs of governments in Florida. FLSAFE seeks to provide competitive yields consistent with the preservation of capital and daily liquidity. FLSAFE is organized pursuant to Florida Statutes 163.01, is an authorized investment under 218.415 and invests according to the provisions of its Permitted Investments as listed in the Indenture of Trust.
- ◆ FLSAFE is authorized to invest in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated Commercial Paper, AAAM rated Money Market funds and Florida Depositories in which the deposits are collateralized under Florida Statutes 280.
- ◆ FLSAFE's investments conform to the Permitted Investments as listed in its Indenture of Trust. FLSAFE meets Standard & Poor's investment guidelines to achieve a AAAM rating, the highest attainable for a local government investment pool.
- ◆ FLSAFE is rated AAAM by the Standard & Poor's Corporation.
- ◆ With the exception of certain floating rate securities, all securities purchased shall not exceed a maturity greater than 397 days.
- ◆ The weighted average maturity of the portfolio shall not exceed 60 days.
- ◆ FLSAFE seeks, but does not guarantee, to maintain a constant net asset value at \$1.00 per share. Please see the Indenture of Trust for more information on the investment objectives of FLSAFE.
- ◆ The Investment Advisor and Administrator is Davidson Fixed Income Management, Inc.

MARKET COMMENTARY

The U.S. economy continues to slowly recover from the depth of the recession. In the first quarter, the labor markets produced the first job growth in over two years (+162,000 jobs). Unfortunately, the unemployment rate remained painfully high at 9.7% in March 2010 (down from a high of 10.0% in December 2009). The housing market appears to have bottomed out, however, this sector continues to be weighed down by weak demand. Thus, the new home market is range bound, posting starts of between 524,000 and 611,000 the last ten months. The rebound in oil prices has pushed up CPI (year-over-year) in excess of 2% each of the past four months. Retail sales jumped sharply in March 2010 with a gain of 7.6% (year-over-year). The Federal Reserve continues to provide stimulus by holding the effective Fed Funds rate at approximately 0.16%. While term securities showed the first uptick in months with one year agencies rising to a yield of 0.57% (up from 0.39% in January), the yield curve is still low to the ground. FLSAFE's daily yield increased from 0.18% on December 31, 2009 to 0.21% on March 31, 2010.

NATIONAL LGIP BENCHMARK COMPARISON



QUARTERLY SUMMARY

Total Assets	\$199,662,959
30 Day Yield	0.18%
7 Day Yield	0.20%
Expense Ratio	0.208%
Weighted Average Maturity (days)	48
Net Asset Value Per Share	\$1.00

Note: The information contained herein is unaudited. Audited financial statements will be released within 90 days of the end of the calendar year.



For the period ending March 31, 2010

STATEMENT OF OPERATIONS

	For the Period Ending				Year-to-Date
	3/31/2010	6/30/2010	9/30/2010	12/31/2010	
Gross Investment Income	\$158,486				\$158,486
Expenses					
Activity & Transaction	1,503				1,503
Admin/Advisory	73,455				73,455
Analytical Services	8,500				8,500
Association Dues	0				0
Audit	12,700				12,700
Board Expenses	295				295
Client Recording Fees	0				0
Custodian	5,470				5,470
Insurance	0				0
Internet/website	2,804				2,804
Interest	(5)				(5)
Legal fees	1,184				1,184
Filing	0				0
Miscellaneous Expenses	366				366
Miscellaneous Credits	0				0
Total	<u>106,271</u>				<u>106,271</u>
Net Investment Income	<u>\$52,215</u>				<u>\$52,215</u>

STATEMENT OF CHANGES IN NET ASSETS

Shares Purchased	\$47,796,621	\$47,796,621
Shares Redeemed	(\$45,808,561)	(\$45,808,561)
Net Change in Share Transactions	<u>\$1,988,060</u>	<u>\$1,988,060</u>
Investment activities:		
Net Investment Income	\$52,215	\$52,215
Net increase in net assets from share operations	\$52,215	\$52,215
Distributions to participants from net investment income	(\$52,215)	(\$52,215)
Net Change in Assets	<u>\$2,040,275</u>	<u>\$2,040,275</u>
Net Assets at Beginning of Period	\$197,622,684	\$197,622,684
Net Assets at End of Period	<u>\$199,662,959</u>	<u>\$199,662,959</u>
	\$199,641,923	

STATEMENT OF NET ASSETS

Assets	
Investments in securities	
U.S. treasuries	\$0
U.S. government agencies	\$66,921,792
Commercial paper	\$11,000,000
Total investment in securities	<u>\$77,921,792</u>
Bank CD	\$4,000,000
Cash and cash equivalents	\$117,512,873
Other assets	
Accrued interest	\$264,889
Total Assets	<u>\$199,699,554</u>
Liabilities	
Accrued expenses	\$36,595
Net assets applicable to shares outstanding	\$199,662,959
Total Liabilities	<u>\$199,699,554</u>



PORTFOLIO ASSETS

Security Description	S&P Credit Rating		CUSIP	Yield	Maturity Date	Face Amount	Book Value	Market Value (1)
	Short-Term	Long-Term						
US Agencies								
FHLMC	A-1+	AAA	313397WK3	0.15%	5/5/2010	6,931,000	6,930,018	6,930,307
FHLMC	A-1+	AAA	313397WR8	0.12%	5/11/2010	3,000,000	2,999,600	2,999,700
FNMA	A-1+	AAA	31359MC50	0.20%	6/1/2010	4,090,792	4,091,399	4,182,493
FHLB	A-1+	AAA	313385XP6	0.15%	6/2/2010	3,000,000	2,999,251	2,999,400
FHLB	A-1+	AAA	313385Y77	0.18%	6/30/2010	3,000,000	2,998,688	2,999,400
FFCB	A-1+	AAA	31331JEG4	0.18%	8/16/2010	5,000,000	5,001,085	5,000,085
FHLB	A-1+	AAA	313385D37	0.22%	8/25/2010	3,000,000	2,997,323	2,997,300
FHLB	A-1+	AAA	3133XUXL2	0.50%	10/29/2010	5,000,000	5,012,603	5,011,103
FFCB	A-1+	AAA	31331GVW6	0.71%	11/12/2010	2,000,000	2,007,420	2,007,401
FFCB	A-1+	AAA	31331JEH2	0.20%	11/16/2010	8,000,000	8,001,934	7,999,534
FNMA	A-1+	AAA	31359MZL0	0.31%	12/15/2010	2,650,000	2,770,517	2,765,166
FHLMC	A-1+	AAA	3137EABW8	0.34%	1/7/2011	2,250,000	2,277,767	2,273,522
FHLB	A-1+	AAA	3133XWZH5	0.25%	2/25/2011	3,000,000	3,000,719	2,995,019
FHLB	A-1+	AAA	3133XXD46	0.55%	3/23/2011	4,000,000	4,001,326	3,997,726
FHLB	A-1+	AAA	3133XXNT0	0.57%	4/13/2011	4,000,000	4,000,187	3,998,987
FHLMC	A-1+	AAA	3128X9Z86	0.20%	9/19/2011	8,000,000	7,994,618	7,995,770
Total						66,921,792	67,084,457	67,152,914
Commercial Paper								
FCAR	A-1+/P-1	(4)	3024A1DU4	0.55%	4/28/2010	1,000,000	999,588	999,800
FCAR	A-1+/P-1	(4)	3024A1FQ1	0.60%	6/24/2010	2,000,000	1,997,200	1,998,800
GE Capital Corp	A-1+/P-1	(4)	36959JH30	0.29%	8/3/2010	1,000,000	999,001	998,800
FCAR	A-1+/P-1	(4)	3024A1HQ9	0.45%	8/24/2010	1,000,000	998,188	998,600
GE Capital Corp	A-1+/P-1	(4)	36959JJ20	0.30%	9/2/2010	2,000,000	1,997,433	1,996,600
GE Capital Corp	A-1+/P-1	(4)	36959JK44	0.31%	10/4/2010	2,000,000	1,996,797	1,995,400
FCAR	A-1+/P-1	(4)	3024A1KC6	0.60%	10/12/2010	2,000,000	1,993,533	1,995,200
Total						11,000,000	10,981,739	10,983,200
Bank CD's (Collateralized) (2)								
BBVA Compass	A-1	A+		1.30%	6/3/2010	4,000,000	4,042,170	4,042,170
Total						4,000,000	4,042,170	4,042,170
Total Investments in Securities						81,921,792	82,108,366	82,178,284
Collateralized Bank Deposits (QPD) (2)								
Bank of America	A-1	A+		0.60%		52,343,923	52,368,293	52,368,293
Wells Fargo SPM	A-1+	AA		0.20%		32,506,573	32,512,186	32,512,186
Wells Fargo GAIC	A-1+	AA		0.35%		20,005,307	20,011,336	20,011,336
Regions Bank Checking				0.01%		21,035	21,035	21,035
Total						104,876,838	104,912,851	104,912,851
Cash and Cash Equivalents								
Reserve	(3)	(4)	RPIX	(3)		767,174	806,107	806,107
Fidelity	AAAm / Aaa	(4)	FIDXX	0.19%		11,868,861	11,872,230	11,872,230
Total						12,636,035	12,678,337	12,678,337
Expenses								
Accrued Expenses						(36,595)	(36,595)	(36,595)
Total						(36,595)	(36,595)	(36,595)
TOTAL ASSETS (5)						199,398,070	199,662,959	199,732,876
						NET ASSET VALUE	\$1.00	

1) All of the securities held in the portfolio are valued each week using a third party pricing service (U.S. Bank N.A and/or Bloomberg). Other assets in the portfolio such as repurchase agreements, money market funds and bank deposits are valued at cost.

2) All bank deposits in amounts greater than \$250,000 are collateralized according Chapter 280 Florida Statutes.

3) The Reserve Primary Money Market Fund ("Reserve") was rated AAAM/Aaa as of Sept. 12, 2008. The Reserve is in the process of liquidating its portfolio. As of March 31, 2010 FLSAFE had received a total of 98.6% of its principal balance outstanding in the Reserve on 9/15/08. Additional distributions are expected later in 2010.

4) Commercial paper and money market funds are not assigned long-term credit ratings.

5) The information contained in this statement is unaudited. Audited financial statements will be completed annually.