



**Fourth Quarter Report 2009
For the period ended December 31, 2009**

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U.S. Bank N.A.

Credit Rating



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For the period ended December 31, 2009

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.

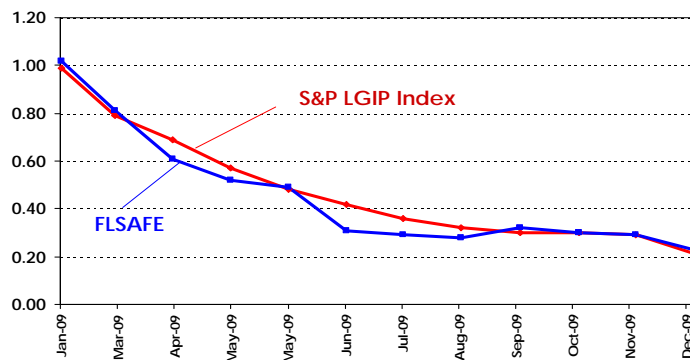
FLSAFE SUMMARY

- ◆ FLSAFE is authorized to invest in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements (collateralized at 102%), highly rated Commercial Paper, AAAm rated Money Market funds and Florida Depositories in which the deposits are collateralized.
- ◆ 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.
- ◆ S&P placed FLSAFE's AAAm rating on credit watch with negative implications on February 27, 2009. On February 2, 2010 S&P removed credit watch and reaffirmed FLSAFE's AAAm credit rating. For more information see www.flsafe.org, Transparency, Credit Rating.
- ◆ 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 show economic improvement. While the economy is still shedding jobs, the losses are occurring at a slower pace. Job losses fell from 2.1 million in 1Q, to 1.3 million in 2Q, to 768,000 in 3Q and to 212,000 in 4Q. Unfortunately, the unemployment rate remained painfully high at 10.0% in December 2009. The housing market appears to have bottomed out, however, this market is not bouncing off the bottom quickly. The rebound in oil prices has pushed up CPI (year-over-year) in both November and December 2009 (following 8 months of declines). Retail sales showed gains on a year-over-year basis in November and December, but consumer spending still somewhat weak. The Federal Reserve continues to provide stimulus by holding the effective Fed Funds rate at approximately 0.11%. The Fed is taking some baby steps to reduce liquidity in the banking system thereby setting the stage for an increase in the Fed Funds in the future. Yields continue to be pushed down for most types of fixed income securities which directly impacts FLSAFE's yield. FLSAFE's daily yield decreased from 0.32% On September 30, 2009 to 0.18% on December 31, 2009.

NATIONAL LGIP BENCHMARK COMPARISON



QUARTERLY SUMMARY

Total Assets	\$197,622,684
30 Day Yield	0.23%
7 Day Yield	0.20%
Expense Ratio	0.18%
Weighted Average Maturity (days)	28
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 ended December 31, 2009

STATEMENT OF OPERATIONS

	For the Period Ending				Year-to-Date
	3/31/2009	6/30/2009	9/30/2009	12/31/2009	
Gross Investment Income	\$688,341	\$407,983	\$263,856	\$188,330	\$1,548,511
Expenses					
Audit	0	6,750	20,250	0	27,000
Activity & Transaction	1,596	1,732	1,557	1,527	6,411
Admin/Advisory	77,074	85,275	91,908	64,834	319,091
Association Dues	0	0	0	0	0
Board Expenses	0	0	0	0	0
Custodian	15,930	14,741	3,200	6,723	40,594
Client Recording Fees	0	1,379	0	0	1,379
Insurance	0	28,616	20,776	0	49,392
Internet/website	956	1,771	2,303	1,454	6,484
Legal fees	15,270	1,845	960	300	18,375
Rating Agency	8,000	0	0	0	8,000
Interest	(4)	(4)	(4)	(5)	(17)
Tax Filing Fee		850	0	0	850
Miscellaneous Expenses	72	163	91	72	396
Miscellaneous Credits	(167)	0	0	0	(167)
Total	118,727	143,117	141,040	74,904	477,788
Net Investment Income	\$569,614	\$264,867	\$122,815	\$113,427	\$1,070,723

STATEMENT OF CHANGES IN NET ASSETS

Shares Purchased	61,843,634	98,377,063	18,500,000	\$59,095,000	\$237,815,698
Shares Redeemed	(87,502,090)	(54,878,108)	(105,706,839)	(28,417,839)	(276,504,876)
Net Change in Share Transactions	(\$25,658,456)	\$43,498,956	(\$87,206,839)	\$30,677,161	(\$38,689,179)
Investment activities:					
Net Investment Income	\$569,614	\$264,867	\$122,815	\$113,427	\$1,070,723
Net increase in net assets from share operations	\$569,614	\$264,867	\$122,815	\$113,427	\$1,070,723
Distributions to participants from net investment income	(\$569,614)	(\$264,867)	(\$122,815)	(\$113,427)	(\$1,070,723)
Net Change in Assets	(\$25,088,842)	\$43,763,822	(\$87,084,024)	\$30,790,587	(\$37,618,456)
Net Assets at Beginning of Period	\$235,241,140	\$210,152,298	\$253,916,120	\$166,832,096	\$235,241,140
Net Assets at End of Period	\$210,152,298	\$253,916,120	\$166,832,096	\$197,622,684	\$197,622,684

STATEMENT OF NET ASSETS

Assets

Investments in securities					
Bank certificates of deposit	0	10,000,000	10,000,000	7,000,000	
U.S. government agencies	20,000,000	5,000,000	18,000,000	18,009,864	
Commercial paper	4,902,815	13,978,276	10,979,964	7,979,547	
Total investment in securities	\$24,902,815	\$28,978,276	\$38,979,964	\$32,989,411	
Cash and cash equivalents	185,003,644.03	224,817,722.58	127,756,587.10	\$164,515,785	
Other assets					
Accrued interest	292,246	178,781	139,218	153,371	
Total Assets	\$210,198,705	\$253,974,779	\$166,875,770	\$197,658,568	

Liabilities

Accrued expenses	46,408	58,659	43,674	35,884	
Net assets applicable to shares outstanding	\$210,152,298	\$253,916,120	\$166,832,096	\$197,622,684	
Total Liabilities	\$210,198,705	\$253,974,779	\$166,875,770	\$197,658,568	



PORTFOLIO ASSETS (2)

Security Description	S&P Rating		Coupon/Yield	Maturity Date	Cost	Book Value	Market Value (1)
	Short-Term	Long-Term					
US Agencies							
FHLB	A-1+	AAA	1.00%	2/5/2010	5,000,000	5,020,205	5,023,205
FFCB	A-1+	AAA	0.54%	9/15/2010	3,000,000	3,004,793	3,004,793
FHLB	A-1+	AAA	0.50%	10/29/2010	5,000,000	5,006,438	5,003,438
FFCB	A-1+	AAA	0.71%	1/1/2010	2,009,864	2,009,795	2,017,031
FHLB	A-1+	AAA	0.25%	10/28/2010	<u>3,000,000</u>	<u>3,001,336</u>	<u>3,001,336</u>
Total					18,009,864	18,042,568	18,049,804
Commercial Paper							
FCAR A-1+	A-1+	(4)	0.60%	6/24/2010	1,994,067	1,994,200	1,996,533
FCAR A-1+	A-1+	(4)	0.45%	2/25/2010	999,263	999,313	999,750
FCAR A-1+	A-1+	(4)	0.55%	4/28/2010	998,151	998,213	999,161
FCAR A-1+	A-1+	(4)	0.60%	6/25/2010	<u>3,988,067</u>	<u>3,988,333</u>	<u>3,993,067</u>
Total					7,979,547	7,980,058	7,988,511
Bank CD (Collateralized)							
BBVA Compass	A-1	A+	1.30%	6/3/2010	4,000,000	4,029,348	4,029,348
BBVA Compass	A-1	A+	1.15%	3/5/2010	<u>3,000,000</u>	<u>3,019,471</u>	<u>3,019,471</u>
Total					7,000,000	7,048,819	7,048,819
Total Investments in Securities					32,989,411	33,071,446	33,087,134
Collateralized Bank Deposits (QPD)							
Regions Bank - Checking			0.01%		36,860	36,860	36,860
SunTrust			0.25%		291	255	255
Bank of America	A-1+	A+	0.65%		<u>39,384,470</u>	<u>39,406,443</u>	<u>39,406,443</u>
Total					39,421,622	39,443,558	39,443,558
Money Market Funds							
DWS	AAAm	(4)	0.100%		19,596,638	19,599,003	19,599,003
Dreyfus	AAAm	(4)	0.110%		19,500,000	19,500,125	19,500,125
Blackrock	AAAm	(4)	0.110%		4,029,794	4,029,817	4,029,817
Fidelity	AAAm	(4)	0.200%		19,617,685	19,621,276	19,621,276
AIM	AAAm	(4)	0.150%		19,500,000	19,500,155	19,500,155
Goldman Sachs	AAAm	(4)	0.020%		18,716,881	18,718,084	18,718,084
RBC	AAAm	(4)	0.180%		19,601,125	19,604,131	19,604,131
Reserve Primary (3)		(4)	0.000%		<u>4,532,040</u>	<u>4,570,974</u>	<u>4,570,974</u>
Total					125,094,163	125,143,564	125,143,564
Cash and Cash Equivalents					164,515,785	164,587,122	164,587,122
Expenses							
Accrued Expenses					<u>(35,884)</u>	<u>(35,884)</u>	<u>(35,884)</u>
Total					(35,884)	(35,884)	(35,884)
Total Assets					\$197,469,312	\$197,622,684	\$197,638,372
Net Asset Value Per Share							\$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). Other assets in the portfolio such as repurchase agreements, money market funds and bank deposits are valued at cost.

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

3) The Reserve Primary Money Market Fund ("Reserve") was rated AAAM/Aaa as of Sept. 12, 2008. The Reserve accepted FLSAFE's redemption request at \$1.00 NAV on Sept. 15, 2008. The Reserve is in the process of liquidating its portfolio. As of January 29, 2010 FLSAFE has received six distributions totaling 98.6% of its principal balance outstanding in the Reserve on 9/15/08.

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