



**Fourth Quarter Operational Manager Report 2011  
For the period ending December 31, 2011**

**Board of Trustees**

Mark Mason  
Jerry Boop  
Linda Senne  
Robert Clinger  
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Chairman  
Vice Chairman  
Secretary / Treasurer  
Board Member  
Board Member

**Investment Advisor**

Prudent Man Advisors, Inc.

**Operational Manager**

PMA Financial Network, Inc.

**Administrator**

Florida Management and Administration Services, LLC

**Custodian**

US Bank N.A.

**Credit Rating**

Standard & Poors -- AAAm

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[www.flSAFE.org](http://www.flSAFE.org)



For the period ending December 31, 2011

## 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.
- ◆ FL SAFE is authorized to invest in approved financial institutions and securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, and highly rated commercial paper. Asset allocation will be in full conformance with S&P guidelines.
- ◆ 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 maturity of the portfolio shall not exceed 60 days; the weighted average life shall not exceed 120 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 objective of FLSAFE.
- ◆ The Investment Advisor is Prudent Man Advisors, Inc.
- ◆ The Administrator is Florida Management and Administration Services, LLC.

## SUMMARY

Total Assets	\$141,450,487
30 Day Yield	0.07%
7 Day Yield	0.07%
Expense Ratio *	0.23%
Weighted Average Maturity (days)	22
Weighted Average Life (days)	68
Net Asset Value Per Share	\$1.00

Note: The information contained herein is unaudited. Audited financial statements will be completed annually.

\* Net expense ratio after waivers.



For the period ending December 31, 2011

**STATEMENT OF NET ASSETS**

	For the Period Ending				Year-to-Date
	03/31/11	06/30/11	09/30/11	12/31/11	
<b>Assets</b>					
Investments in securities					
U.S. treasuries	\$0	\$0	\$0	\$0	
U.S. government agencies	\$29,994,591	\$20,045,573	\$35,039,427	\$35,026,792	
Commercial paper	\$74,733,142	\$48,833,548	\$61,187,025	\$27,240,076	
Total investment in securities	\$104,727,733	\$68,879,121	\$96,226,452	\$62,266,868	
Corporate Floating Rate Note	\$7,018,509	\$7,005,806	\$5,000,838	\$0	
Cash and cash equivalents	\$80,909,948	\$103,282,473	\$38,335,328	\$79,184,740	
Other assets					
Accrued interest	\$159,431	109,522	\$96,100	\$31,968	
<b>Total Assets</b>	<b>\$192,815,621</b>	<b>\$179,276,922</b>	<b>\$139,658,718</b>	<b>\$141,483,576</b>	
<b>Liabilities</b>					
Accrued expenses	\$29,810	\$32,626	\$18,582	\$33,090	
Deposit by Investment Advisor	\$131,275	\$80,034			
<b>Net assets applicable to shares outstanding</b>	<b>\$192,654,536</b>	<b>\$179,164,262</b>	<b>\$139,640,136</b>	<b>\$141,450,487</b>	

**STATEMENT OF OPERATIONS**

<b>Gross Investment Income</b>	\$167,978	\$150,941	\$121,097	\$101,953	\$541,969
<b>Expenses</b>					
Paid Expenses					
Activity & Transaction	\$2,034	\$2,578	\$2,899	\$2,839	\$10,350
Administrator	-	-	\$23,250	\$22,500	\$45,750
Investment Advisory/Operations	\$67,757	\$69,750	\$13,710	\$9,979	\$161,197
Association Dues	-	-	-	-	-
Audit	\$1,000	\$2,000	\$26,500	\$650	\$30,150
Board Expenses	\$1,014	-	-	\$973	\$1,987
Client Recording Fees	-	-	\$697	-	\$697
Custodian	\$5,928	\$6,094	\$5,841	\$5,645	\$23,509
Insurance	-	\$2,189	\$27,332	(\$2,434)	\$27,087
Internet/website	\$1,685	\$2,077	\$827	\$3,035	\$7,624
Interest	(\$1)	(\$1)	(\$2)	(\$1)	(\$5)
Legal fees	-	\$1,502	-	\$21,457	\$22,959
Rating Agency	\$8,500	-	-	\$8,500	\$17,000
Tax Filing	-	-	-	\$775	\$775
Miscellaneous Expenses	-	\$162	\$47	-	\$210
Miscellaneous Credits	-	-	-	-	-
<b>Total Paid Expenses</b>	<b>\$87,918</b>	<b>\$86,351</b>	<b>\$101,102</b>	<b>\$73,918</b>	<b>\$349,289</b>
Unpaid Expenses					
Accrual - beginning of period	\$33,050	\$29,810	\$32,626	\$18,582	\$114,068
Accrual - end of period	\$29,810	\$32,626	\$18,582	\$33,090	\$114,108
Change in accrual	(\$3,240)	\$2,816	(\$14,044)	\$14,508	\$40
<b>Total Expenses</b>	<b>\$84,678</b>	<b>\$89,167</b>	<b>\$87,058</b>	<b>\$88,426</b>	<b>\$349,329</b>
<b>Net Investment Income</b>	<b>\$83,300</b>	<b>\$61,774</b>	<b>\$34,039</b>	<b>\$13,527</b>	<b>\$192,640</b>

**STATEMENT OF CHANGES IN NET ASSETS**

Shares Purchased	\$18,290,000	\$28,443,595	\$23,299,787	\$14,000,000	\$84,033,381
Shares Redeemed	(\$9,071,985)	(\$42,048,123)	(\$62,936,747)	(\$12,409,330)	(\$126,466,185)
<b>Net Change in Share Transactions</b>	<b>\$9,218,015</b>	<b>(\$13,604,528)</b>	<b>(\$39,636,960)</b>	<b>\$1,590,670</b>	<b>(\$42,432,803)</b>
Investment activities:					
Net Investment Income	\$83,300	\$61,774	\$34,039	\$13,527	\$192,640
Change in Deposit by Investment Advisor	\$0	\$51,241	\$80,034	\$200,000	\$331,275
<b>Net Change in Assets</b>	<b>\$9,301,315</b>	<b>(\$13,491,513)</b>	<b>(\$39,522,887)</b>	<b>\$1,804,197</b>	<b>(\$41,908,888)</b>
Net Assets at Beginning of Period	\$183,353,221	\$192,654,536	\$179,163,023	\$139,640,136	\$183,353,221
<b>Net Assets at End of Period</b>	<b>\$192,654,536</b>	<b>\$179,163,023</b>	<b>\$139,640,136</b>	<b>\$141,444,333</b>	<b>\$141,444,333</b>



As of December 31, 2011

**PORTFOLIO ASSETS**

Security Description	CUSIP/Symbol	Credit Rating		Yield	Maturity Date	Cost	Book Value	Market Value (1)
		Short Term S&P/Moody's	Long Term S&P/Moody's					
<b>U.S. Agencies</b>								
FHLMC FRN	3134G1QD9	A-1+ / P-1	AA+ / Aaa	0.275%	04/03/12	15,000,000.00	14,998,848.52	15,003,315.00
FNMA	31398AP71	A-1+ / P-1	AA+ / Aaa	0.245%	06/22/12	5,000,000.00	5,023,746.00	5,026,330.00
FNMA FRN	31398A6V9	A-1+ / P-1	AA+ / Aaa	0.244%	12/03/12	<u>15,000,000.00</u>	<u>15,004,197.60</u>	<u>15,011,145.00</u>
Total						35,000,000.00	35,026,792.12	35,040,790.00
<b>Commercial Paper</b>								
Bank of Nova Scotia NY	06416JEA7	A-1+ / P-1	(2)	0.427%	05/10/12	6,000,000.00	5,990,900.00	5,992,519.80
FCAR A-1+	3024A0AH8	A-1+ / P-1	(2)	0.401%	01/17/12	6,000,000.00	6,009,099.98	5,999,595.00
General Electric Capital Corp	36959HBT3	A-1+ / P-1	(2)	0.210%	02/27/12	2,000,000.00	1,999,335.62	1,999,741.00
General Electric Capital Corp	36959HE78	A-1+ / P-1	(2)	0.371%	05/07/12	4,000,000.00	3,994,778.83	3,996,660.40
General Electric Capital Corp	36959HEM5	A-1+ / P-1	(2)	0.376%	05/21/12	500,000.00	499,275.46	499,435.95
Natl Australia Fdg DE	63253JB17	A-1+ / P-1	(2)	0.341%	02/01/12	6,000,000.00	5,998,243.46	5,999,845.80
National Bank of Canada NY	63306TC94	A-1 / P-1	(2)	0.301%	03/09/12	<u>2,750,000.00</u>	<u>2,748,442.34</u>	<u>2,747,609.70</u>
Total						27,250,000.00	27,240,075.69	27,235,407.65
<b>Uncollateralized Bank Deposits</b>								
Bank of America		A-1 / P-1	A+ / Aa3	0.120%	01/03/12	2,997,547.60	2,997,547.60	2,997,547.60
BMO Harris Bank NA		A-1	A+ / A1	0.400%	01/03/12	11,000,000.00	11,000,000.00	11,000,000.00
Branch Banking & Trust		A-1 / P-1	AA / Aa2	0.250%	01/03/12	13,510,415.43	13,510,415.43	13,510,415.43
Citibank NA		A-1	A / A1	0.250%	01/03/12	10,000,000.00	10,000,000.00	10,000,000.00
TD Bank NA		A-1+ / P-1	AA- / Aa2	0.000%	01/03/12	50,000.00	50,000.00	50,000.00
TD Bank NA		A-1+ / P-1	AA- / Aa2	0.300%	01/03/12	12,949,928.50	12,949,928.50	12,949,928.50
Regions Bank Checking Account		A-3	BBB- / Ba1	0.000%	01/03/12	2,428.12	2,428.12	2,428.12
US Bank - Capital Support - DFIM		A-1 / P-1	A+ / Aa2	0.050%	01/03/12	200,105.56	200,105.56	200,105.56
US Bank - Capital Support - PMA		A-1 / P-1	A+ / Aa2	0.000%	01/03/12	200,000.00	200,000.00	200,000.00
Wells Fargo Bank, NA / Wachovia		A-1+ / P-1	AA / Aa2	0.050%	01/03/12	<u>2,877.11</u>	<u>2,877.11</u>	<u>2,877.11</u>
Total						50,913,302.32	50,913,302.32	50,913,302.32
<b>Collateralized Bank Deposits</b>								
Citibank NA		A-1		0.300%	01/03/12	5,271,438.12	5,271,438.12	5,271,438.12
BMO Harris Bank NA		A-1		0.400%	01/03/12	<u>23,000,000.00</u>	<u>23,000,000.00</u>	<u>23,000,000.00</u>
Total						28,271,438.12	28,271,438.12	28,271,438.12
<b>TOTAL INVESTMENTS (3)</b>						<u><u>141,434,740.44</u></u>	<u><u>141,451,608.25</u></u>	<u><u>141,460,938.09</u></u>

1) All of the securities held in the portfolio are valued each week using a third party pricing service. Other assets in the portfolio such as repurchase agreements, money market funds, and bank deposits are valued at cost.

2) Commercial paper and money market funds are not assigned a long-term credit rating.

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