



**First Quarter Report 2009  
For the period ending March 31, 2009**

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**Custodian**

Regions Morgan Keegan Trust

**Credit Rating**



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For the period ending March 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.

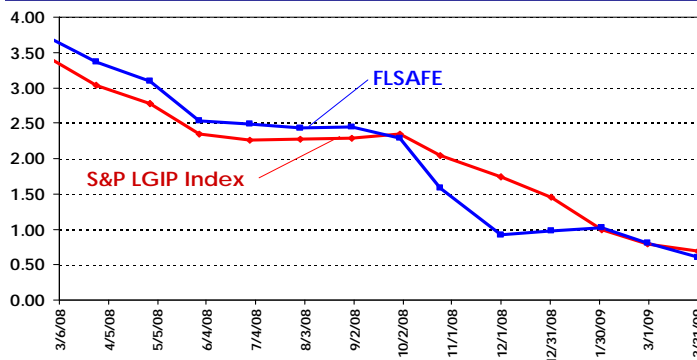
**FLSAFE SUMMARY**

- ◆ 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.
- ◆ 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. is in the worst economic downturn since The Great Depression. This analysis is consistent with labor market reports - payroll employment continues to loose jobs at a rapid pace. Since the peak in late 2007, 5.1 million jobs have been lost. The unemployment rate jumped to 8.5%, a level not seen since 1983. Housing starts increased 17.2% from January to February, the first increase since June 2008. Inflation risk remains low, the CPI decreased 0.2% in March 2009 (year over year). Federal policy responses are expected to stabilize parts of the economy in the second half of 2009. Job losses are forecast to peak at 7.5 million and the stimulus package is projected to increase GDP by 0.9% in 2009. The Federal Reserve continues to hold rates low, with Fed Funds hovering around 0.15%. Yields continue to be pushed down for most types of fixed income securities which directly impacted FLSAFE's yield. FLSAFE's daily yield decreased from 1.10% on December 31, 2008 to 0.60% on March 31, 2009.

**NATIONAL LGIP BENCHMARK COMPARISON**



**QUARTERLY SUMMARY**

Total Assets	\$210,152,298
30 Day Yield	0.61%
7 Day Yield	0.58%
Expense Ratio	0.192%
Weighted Average Maturity (days)	35
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, 2009

**STATEMENT OF OPERATIONS**

	For the Period Ending				Year-to-Date
	3/31/2009	6/30/2009	9/30/2009	12/31/2009	
<b>Gross Investment Income</b>	\$688,341				\$688,341
<b>Expenses</b>					
Audit	0				0
Activity & Transaction	1,596				1,596
Admin/Advisory	77,074				77,074
Association Dues	0				0
Board Expenses	0				0
Custodian	15,930				15,930
Insurance	0				0
Internet/website	956				
Interest	(4)				
Legal fees	15,270				15,270
Filing	0				0
Rating Agency	8,000				8,000
Miscellaneous Expenses	72				72
Miscellaneous Credits	(167)				(167)
<b>Total</b>	118,727				118,727
<b>Net Investment Income</b>	\$569,614				\$569,614

**STATEMENT OF CHANGES IN NET ASSETS**

Shares Purchased	\$61,843,634		\$61,843,634
Shares Redeemed	(\$87,502,090)		(\$87,502,090)
Net Change in Share Transactions	(\$25,658,456)		(\$25,658,456)
Investment activities:			
Net Investment Income	\$569,614		\$569,614
Net increase in net assets from share operations	\$569,614		\$569,614
Distributions to participants from net investment income	(\$569,614)		(\$569,614)
Net Change in Assets	(\$25,088,842)		(\$25,088,842)
Net Assets at Beginning of Period	\$235,241,140		\$235,241,140
Net Assets at End of Period	\$210,152,298		\$210,152,298

**STATEMENT OF NET ASSETS**

<b>Assets</b>	
Investments in securities	
U.S. treasuries	\$0
U.S. government agencies	\$20,000,000
Commercial paper	\$4,902,815
Total investment in securities	\$24,902,815
Cash and cash equivalents	\$185,003,644
Other assets	
Accrued interest	\$292,246
Total Assets	\$210,198,705
<b>Liabilities</b>	
Accrued expenses	\$46,408
Net assets applicable to shares outstanding	\$210,152,298
Total Liabilities	\$210,198,705



**PORTFOLIO ASSETS (2)**

Security Description	Credit Rating		CUSIP	Coupon/Yield	Maturity Date	Face Amount	Book Value	Market Value (1)
	Short-Term S&P/Moody's	Long-Term S&P/Moody's						
<b>US Agencies</b>								
FHLB	A-1+/P-1	AAA/Aaa	3133XSZS0	1.00%	2/5/2010	5,000,000	5,007,534	5,009,084
FHLMC	A-1+/P-1	AAA/Aaa	3128X8LE0	1.30%	3/19/2010	10,000,000	10,014,247	10,015,647
FHLMC	A-1+/P-1	AAA/Aaa	3128X8SS2	1.40%	4/16/2010	<u>5,000,000</u>	<u>5,001,726</u>	<u>5,008,126</u>
<b>Total</b>						20,000,000	20,023,507	20,032,857
<b>Commercial Paper</b>								
Toyota Motor	A-1+ / P-1	AA+/Aa1	89233GRW8	2.85%	4/30/2009	2,000,000	1,995,505	1,999,086
Toyota Motor	A-1+ / P-1	AA+/Aa1	89233GR32	2.84%	4/3/2009	<u>3,000,000</u>	<u>2,999,535</u>	<u>2,999,833</u>
<b>Total</b>						5,000,000	4,995,040	4,998,919
<b>Total Investments in Securities</b>						25,000,000	25,018,547	25,031,776
<b>Collateralized Bank Deposits</b>								
Regions Bank - checking account				0.05%	4/1/2009	<u>29,802</u>	<u>29,802</u>	<u>29,802</u>
<b>Total</b>						29,802	29,802	29,802
<b>Cash and Cash Equivalents</b>								
Federated	AAAm / Aaa	(4)	GOIXX	0.37%	4/1/2009	812,520	824,827	824,827
DWS	AAAm / Aaa	(4)	ICAXX	0.83%	4/1/2009	5,265,871	5,270,415	5,270,415
Dreyfus	AAAm / Aaa	(4)	DADXX	1.10%	4/1/2009	45,902,878	45,932,540	45,932,540
Reserve	(3)	(4)	RPIXX	(3)	4/1/2009	8,143,845	8,182,778	8,182,778
BlackRock	AAAm / Aaa	(4)	TMPXX	1.05%	4/1/2009	23,247,554	23,268,674	23,268,674
Fidelity	AAAm / Aaa	(4)	FIDXX	1.05%	4/1/2009	44,971,734	45,005,631	45,005,631
AIM	AAAm / Aaa	(4)	ASTITCP	0.94%	4/1/2009	31,171,791	31,193,286	31,193,286
JPMorgan	AAAm / Aaa	(4)	JINXX	0.95%	4/1/2009	15,454,528	15,464,660	15,464,660
Goldman Sachs	AAAm / Aaa	(4)	PSMXX	0.60%	4/1/2009	<u>10,003,121</u>	<u>10,007,547</u>	<u>10,007,547</u>
<b>Total</b>						184,973,842	185,150,357	185,150,357
<b>Expenses</b>								
Accrued Expenses						(46,408)	(46,408)	(46,408)
<b>Total</b>						(46,408)	(46,408)	(46,408)
<b>TOTAL ASSETS</b>						209,957,236	210,152,298	210,165,527
						<b>NET ASSET VALUE</b>		<b>\$1.00</b>

1) All of the securities held in the portfolio are valued each week using a third party pricing service (Regions Morgan Keegan Trust and/or Bloomberg). 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/Aaaas of Sept. 12, 2008. The Reserve accepted FLSAFE's redemption request at \$1.00 NAV on September 16, 2008 at 8:15 a.m. EDT. The Reserve stopped reporting the interest rate of its portfolio on 9/22/08 and is in the process of liquidating its portfolio. On February 26, 2009, the Reserve released a Plan of Liquidation in which, among other items, proposed a holdback of \$3.5 billion for litigation and damages. As of 3/31/09, FLSAFE had received 85% of its principal balance outstanding in the Reserve on 9/15/08.

4) Money market funds are not assigned long-term credit ratings.