



**First Quarter Report 2008
For the period ending March 31, 2008**

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For the period ending March 31, 2008

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 Florida Statutes 163.01 and 218.415 and invests according to the provisions of its Permitted Investments as listed in the Indenture of Trust.

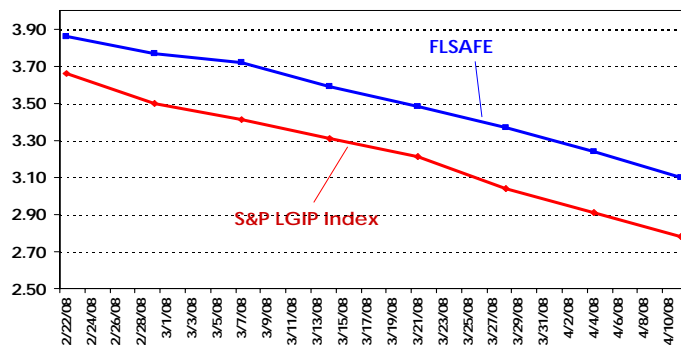
FLSAFE SUMMARY

- ◆ 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 to maintain a constant net asset value at \$1.00 per share.
- ◆ The Investment Advisor and Administrator is Davidson Fixed Income Management, Inc.

MARKET COMMENTARY

The U.S. economy weakened significantly during the past quarter. Gross Domestic Product increased by 0.6% in the 4th quarter 2007, a sharp decline from the 3rd quarter. The labor market posted dismal numbers in early 2008. Payroll employment dropped in January, February and March by a total of 232,000 jobs. The tepid labor market pushed the unemployment rate up to 5.10% in March. The impending problems related to the housing market and subprime credit issues caused major dislocations among many financial services firms. Many financial services firms (primarily large banks, investment banks and mortgage firms) have reported losses due to fallout from the subprime mortgage problem. Oil prices moved to over \$115 a barrel, a key element to rising inflation (the CPI, year-over-year was up over 4% in March 2008). The weakening economic environment coupled with the systematic financials problems caused the Federal Reserve to institute historic changes in policy (access to the discount window and the Term Security Lending Facility by investment banks). The declining economic environment is causing interest rates to fall and the short-term yield curve to invert. FLSAFE's daily yields decreased from 4.02% (2/7/08) to 3.02% (3/31/08).

NATIONAL LGIP BENCHMARK COMPARISON



QUARTERLY SUMMARY

Assets	\$162,869,022
30 Day Yield	3.30%
7 Day Yield	3.06%
Expense Ratio	0.14%
Weighted Average Maturity (days)	11
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, 2008

STATEMENT OF OPERATIONS

	For the Period Ending				Year-to-Date
	3/31/2008	6/30/2008	9/30/2008	12/31/2008	
Gross Investment Income	\$648,898				\$648,898
Expenses					
Audit Fees	0				0
Activity & Transaction Fees	634				634
Admin/Advisory Fees	2,682				2,682
Association Dues	0				0
Board Expenses	0				0
Custodial Fees	0				0
Insurance	0				0
Interest	0				0
Legal Fees	0				0
Miscellaneous Fees	0				0
Rating Agency Fee	0				0
Misc Credits	0				0
Total	3,316	-	-	-	3,316
Net Investment Income	\$645,582				\$645,582

STATEMENT OF CHANGES IN NET ASSETS

Shares Purchased	\$165,362,551		\$165,362,551
Shares Redeemed	(\$3,139,110)		(\$3,139,110)
Net Change in Share Transactions	\$162,223,441		\$162,223,441
Investment activities:			
Net increase in net assets from share operations	\$645,582		\$645,582
Distributions to participants from net investment income	(\$645,582)		(\$645,582)
Net Change in Assets	\$162,869,022		\$162,869,022
Net Assets at Beginning of Period	\$0		\$0
Net Assets at End of Period	\$162,869,022		\$162,869,022

STATEMENT OF NET ASSETS

Assets		
Investments in securities		
U.S. treasuries	\$1,986,273	
U.S. governments agencies	\$8,018,240	
Total investment in securities	\$10,004,513	
Cash and cash equivalents	\$152,370,366	
Other assets		
Accrued interest	\$517,661	
Total Assets	\$162,892,540	
Liabilities		
Accrued expenses	\$23,518	
Net assets applicable to shares outstanding	\$162,869,022	
Total Liabilities	\$162,892,540	



PORTFOLIO ASSETS

Settlement Date	Security Description	Credit Rating		CUSIP	Yield	Maturity Date	Cost	Book Value	Market Value	% of Assets
		Short-Term S&P/Moodys	Long-Term S&P/Moodys							
US TREASURIES										
03/28/08	US Treasury Bill	A-1+ / P-1	AAA/Aaa	912795G62	1.450%	9/18/2008	1,986,273	1,986,510	1,972,268	1.21%
	Total						1,986,273	1,986,510	1,972,268	1.21%
US AGENCIES										
03/28/08	FMC	A-1+ / P-1	AAA/Aaa	313396YM9	2.084%	6/23/2008	3,980,280	3,980,960	3,963,049	2.43%
03/28/08	FHLB	A-1+ / P-1	AAA/Aaa	3133X1XC6	2.090%	11/14/2008	4,037,960	4,092,631	4,122,916	2.53%
	Total						8,018,240	8,073,591	8,085,964	4.96%
DAILY PORTFOLIO INCOME										
	TREASURIES						79	79	79	0.00%
	AGENCIES						460	460	460	0.00%
	COMMERCIAL PAPER						-	-	-	0.00%
	Total						538	538	538	0.00%
MONEY MARKET FUNDS										
3/31/2008	Federated	AAAm / Aaa		GOSXX	2.29%	4/1/2008	70	70	70	0.00%
3/31/2008	Credit Suisse	AAAm / Aaa		CUTXX	3.12%	4/1/2008	27,969,763	28,070,745	28,070,745	17.24%
3/31/2008	American Beacon	AAAm / Aaa		ASRXX	3.12%	4/1/2008	3,091,737	3,100,688	3,100,688	1.90%
3/31/2008	Putnam	AAAm / Aaa		PPMXX	3.23%	4/1/2008	40,611,080	40,725,939	40,725,939	25.01%
3/31/2008	Dreyfus	AAAm / Aaa		DADXX	3.38%	4/1/2008	40,206,147	40,322,007	40,322,007	24.76%
3/31/2008	Reserve	AAAm / Aaa		RPIXX	3.47%	4/1/2008	40,491,568	40,612,452	40,612,452	24.94%
	Total						152,370,366	152,831,901	152,831,901	93.84%
EXPENSES										
3/31/2008	Accrued Amount						(22,715)	(22,715)	(22,715)	-0.01%
3/31/2008	Daily Expense						(803)	(803)	(803)	0.00%
	Total						(23,518)	(23,518)	(23,518)	-0.01%
TOTAL ASSETS							162,351,899	162,869,022	162,867,154	100.00%
							NET ASSET VALUE PER SHARE		\$1.00	