



**Second Quarter Report 2009
For the period ending June 30, 2009**

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U.S. Bank N.A.

Credit Rating



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For the period ending June 30, 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.

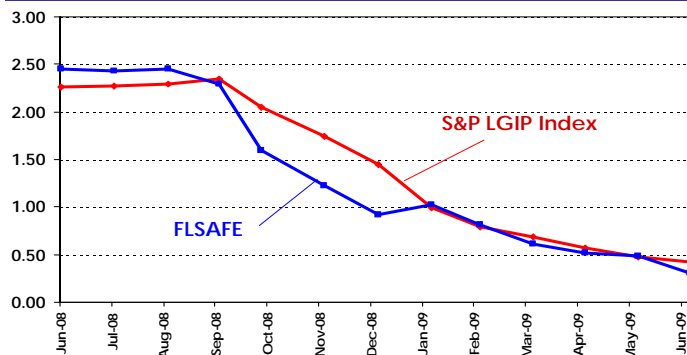
FLSAFE SUMMARY

- ◆ 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. economy continues to be mired in an economic recession. The only good news is that the economic retreat is slowing from the pace in the first quarter. For example, during the first quarter of 2009, job losses totaled 2.1 million. Second quarter job losses were significant, but totaled "only" 1.3 million. While the housing sector improved in June with new starts totaling 582,000 units, the housing market continues to remain depressed. The CPI decreased each of the past four months from March to June (year over year) reflecting continued low inflation risk. The \$787 billion stimulus package is expected to take hold in the second half of 2009. The Federal Reserve continues to provide stimulus by holding the effective Fed Funds rate at approximately 0.18% and initiated quantitative easing through the purchase of open market securities. 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 0.60% on March 31, 2008 to 0.40% on June 30, 2009.

NATIONAL LGIP BENCHMARK COMPARISON



QUARTERLY SUMMARY

Total Assets	\$253,916,120
30 Day Yield	0.39%
7 Day Yield	0.40%
Expense Ratio	0.223%
Weighted Average Maturity (days)	21
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 June 30, 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			\$1,092,404
Expenses					
Audit	0	6,750			6,750
Activity & Transaction	1,596	1,732			3,328
Admin/Advisory	77,074	85,275			162,349
Association Dues	0	0			0
Board Expenses	0	0			0
Custodian	15,930	14,741			30,671
Insurance	0	28,616			28,616
Internet/website	956	1,771			
Interest	(4)	(4)			
Legal fees	15,270	1,845			17,115
Client Recording Fees	0	1,379			1,379
Rating Agency	8,000	0			8,000
Tax Filing Fee		850			
Miscellaneous Expenses	72	163			234
Miscellaneous Credits	(167)	0			(167)
Total	118,727	143,117			261,844
Net Investment Income	\$569,614	\$264,867			\$830,560

STATEMENT OF CHANGES IN NET ASSETS

Shares Purchased	\$61,843,634	\$98,377,063		\$160,220,698
Shares Redeemed	(\$87,502,090)	(\$54,878,108)		(\$142,380,198)
Net Change in Share Transactions	(\$25,658,456)	\$43,498,956		\$17,840,500
Investment activities:				
Net Investment Income	\$569,614	\$264,867		\$834,481
Net increase in net assets from share operations	\$569,614	\$264,867		\$834,481
Distributions to participants from net investment income	(\$569,614)	(\$264,867)		(\$834,481)
Net Change in Assets	(\$25,088,842)	\$43,763,822		\$18,674,980
Net Assets at Beginning of Period	\$235,241,140	\$210,152,298		\$235,241,140
Net Assets at End of Period	\$210,152,298	\$253,916,120		\$253,916,120

STATEMENT OF NET ASSETS

Assets

Investments in securities				
Bank CD's	\$0	\$10,000,000		
U.S. government agencies	\$20,000,000	\$5,000,000		
Commercial paper	\$4,902,815	\$13,978,276		
Total investment in securities	\$24,902,815	\$28,978,276		
Cash and cash equivalents	\$185,003,644	\$224,817,723		
Other assets				
Accrued interest	\$292,246	\$178,781		
Total Assets	\$210,198,705	\$253,974,779		
Liabilities				
Accrued expenses	\$46,408	\$58,659		
Net assets applicable to shares outstanding	\$210,152,298	\$253,916,120		
Total Liabilities	\$210,198,705	\$253,974,779		



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						
US Agencies								
FHLB	A-1+/P-1	AAA/Aaa	3133XSZS0	1.00%	2/5/2010	5,000,000	5,020,000	5,037,000
Total						5,000,000	5,020,000	5,037,000
Commercial Paper								
GE Capital Services Corp	A-1+ / P-1	(4)	36959RZH1	0.58%	12/17/2009	4,000,000	3,989,109	3,981,651
GE Capital Services Corp	A-1+ / P-1	(4)	36959RYP4	0.48%	11/23/2009	3,000,000	2,994,200	2,989,180
Prudential Funding LLC	A-1+ / P-1	(4)	74433GVD5	0.40%	8/13/2009	3,000,000	2,998,567	2,998,233
Prudential Funding LLC	A-1+ / P-1	(4)	74433GVT0	0.44%	8/27/2009	4,000,000	3,997,213	3,996,849
Total						14,000,000	13,979,089	13,965,913
Bank CD's (Collateralized)								
BBVA Compass	A-1/P-1	A2/A+		1.30%	6/3/2010	4,000,000	4,003,134	4,003,134
BBVA Compass	A-1/P-1	A2/A+		1.15%	3/5/2010	3,000,000	3,002,079	3,002,079
BBVA Compass	A-1/P-1	A2/A+		1.00%	12/4/2009	3,000,000	3,001,808	3,001,808
Total						10,000,000	10,007,022	10,007,022
Total Investments in Securities						29,000,000	29,006,111	29,009,935
Collateralized Bank Deposits								
Bank of America	A-1+/P-1	A+/Aa3		0.70%	7/1/2009	49,500,000	49,531,678	49,531,678
Regions Bank - checking account				0.05%	7/1/2009	7,415	7,415	7,415
Total						49,507,415	49,539,092	49,539,092
Cash and Cash Equivalents								
Federated	AAA m / Aaa	(4)	GOIXX	0.44%	7/1/2009	24,500,582	24,512,476	24,512,476
DWS	AAA m / Aaa	(4)	ICAXX	0.33%	7/1/2009	426,516	431,146	431,146
Dreyfus	AAA m / Aaa	(4)	DADXX	0.49%	7/1/2009	24,480,818	24,493,894	24,493,894
BlackRock	AAA m / Aaa	(4)	TMPXX	0.45%	7/1/2009	24,362,215	24,371,960	24,371,960
Fidelity	AAA m / Aaa	(4)	FIDXX	0.59%	7/1/2009	24,034,690	24,074,095	24,074,095
AIM	AAA m / Aaa	(4)	ASTITCP	0.50%	7/1/2009	24,343,360	24,354,208	24,354,208
JPMorgan	AAA m / Aaa	(4)	JINXX	0.41%	7/1/2009	23,009,219	23,017,484	23,017,484
RBC	AAA m / Aaa	(4)	TPXX	0.53%	7/1/2009	24,500,000	24,508,896	24,508,896
Reserve	(3)	(4)	RPIXX	(3)	7/1/2009	5,626,484	5,665,417	5,665,417
Total						169,657,401	169,764,159	169,764,159
Expenses								
Accrued Expenses						(58,659)	(58,659)	(58,659)
Total						(58,659)	(58,659)	(58,659)
Total Assets						248,106,157	248,250,703	248,254,527
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 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 AAA m/Aaa as 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 announced a Special Reserve for indemnification purposes. On May 5, 2009, the SEC initiated a complaint against the Reserve. The SEC seeks expedited and equitable resolution of this matter and a prorata distribution of assets. As of June 30, 2009, FLSAFE had received 90% of its principal balance outstanding (at \$1.00 per share NAV) in the Reserve on 9/15/08.
- 4) Commercial paper and money market funds are not assigned long-term credit ratings.