



**Third Quarter Report 2009
For the period ending September 30, 2009**

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U.S. Bank N.A.

Credit Rating



3452 Lake Lynda Drive, Suite 365 ♦ Orlando, FL 32817
866-999-1216 ♦ 866-999-1214 fax
www.flsafe.org



For the period ending September 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.

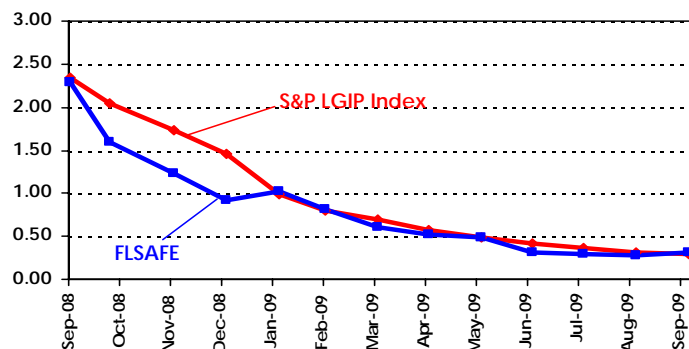
FLSAFE SUMMARY

- ◆ 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 is slowly emerging from the recession. While the economy is still losing jobs, the losses are occurring at a slower pace. For example, job losses totaled 1.3 million in the second quarter but third quarter losses totaled "only" 768,000. With a surge in sales to 5.57 million in September, existing homes sales topped the 5 million mark for three consecutive months (last time this occurred was November 2007). The CPI decreased each of the past six months from March to August (year over year) reflecting continued low inflation risk. Consumer spending temporarily surged in the third quarter due to the Cash for Clunkers program. 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 0.40% on June 30, 2009 to 0.32% on September 30, 2009.

NATIONAL LGIP BENCHMARK COMPARISON



QUARTERLY SUMMARY

Total Assets	\$166,832,096
30 Day Yield	0.31%
7 Day Yield	0.31%
Expense Ratio	0.25%
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 September 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	\$263,856		\$1,414,249
Expenses					
Audit	0	6,750	20,250		27,000
Activity & Transaction	1,596	1,732	1,557		4,885
Admin/Advisory	77,074	85,275	91,908		254,257
Association Dues	0	0	0		0
Board Expenses	0	0	0		0
Custodian	15,930	14,741	3,200		33,871
Insurance	0	28,616	20,776		49,392
Internet/website	956	1,771	2,303		5,030
Interest	(4)	(4)	(4)		(12)
Legal fees	15,270	1,845	960		18,075
Client Recording Fees	0	1,379	0		1,379
Rating Agency	8,000	0	0		8,000
Tax Filing Fee		850	0		850
Miscellaneous Expenses	72	163	91		325
Miscellaneous Credits	(167)	0	0		(167)
Total	118,727	143,117	141,040		402,884
Net Investment Income	\$569,614	\$264,867	\$122,815		\$1,011,365

STATEMENT OF CHANGES IN NET ASSETS

Shares Purchased	61,843,634	98,377,063	18,500,000		\$178,720,698
Shares Redeemed	(87,502,090)	(54,878,108)	(105,706,839)		(\$248,087,037)
Net Change in Share Transactions	(\$25,658,456)	\$43,498,956	(\$87,206,839)		(\$69,366,340)
Investment activities:					
Net Investment Income	\$569,614	\$264,867	\$122,815		\$1,011,365
Net increase in net assets from share operations	\$569,614	\$264,867	\$122,815		\$1,011,365
Distributions to participants from net investment income	(\$569,614)	(\$264,867)	(\$122,815)		(\$1,011,365)
Net Change in Assets	(\$25,088,842)	\$43,763,822	(\$87,084,024)		(\$68,354,975)
Net Assets at Beginning of Period	\$235,241,140	\$210,152,298	\$253,916,120		\$235,241,140
Net Assets at End of Period	\$210,152,298	\$253,916,120	\$166,832,096		\$166,886,165

STATEMENT OF NET ASSETS

Assets

Investments in securities					
Bank certificates of deposit	0	10,000,000	10,000,000		
U.S. government agencies	20,000,000	5,000,000	18,000,000		
Commercial paper	4,902,815	13,978,276	10,979,964		
Total investment in securities	\$24,902,815	\$28,978,276	\$38,979,964		
Cash and cash equivalents	185,003,644.03	224,817,722.58	127,756,587.10		
Other assets					
Accrued interest	292,246.38	178,780.78	139,218.47		
Total Assets	\$210,198,705	\$253,974,779	\$166,875,770		

Liabilities

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



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	5,007,603	5,020,103
FHLB	A-1+	AAA	0.60%	8/20/2010	5,000,000	5,003,452	5,004,952
FFCB	A-1+	AAA	0.54%	9/15/2010	3,000,000	3,000,710	3,000,710
FHLB	A-1+	AAA	0.50%	10/29/2010	<u>5,000,000</u>	<u>5,000,137</u>	<u>4,995,637</u>
Total					18,000,000	18,011,902	18,021,402
Commercial Paper							
GE Capital Services Corp	A-1+	(4)	0.58%	12/17/2009	3,988,658	3,995,038	4,003,580
GE Capital Services Corp	A-1+	(4)	0.48%	11/23/2009	2,993,920	2,997,880	3,002,760
Prudential Funding	A-1+	(4)	0.42%	10/22/2009	<u>3,997,387</u>	<u>3,999,020</u>	<u>4,001,233</u>
Total					10,979,964	10,991,938	11,007,573
Bank CD (Collateralized)							
BBVA Compass	A-1	A+	1.30%	6/3/2010	4,000,000	4,016,241	4,016,241
BBVA Compass	A-1	A+	1.15%	3/5/2010	3,000,000	3,010,775	3,010,775
BBVA Compass	A-1	A+	1.00%	12/4/2009	<u>3,000,000</u>	<u>3,009,370</u>	<u>3,009,370</u>
Total					10,000,000	10,036,386	10,036,386
Total Investments in Securities					38,979,964	39,040,226	39,065,362
Collateralized Bank Deposits							
Regions Bank - Checking			0.01%		21,013	21,013	21,013
Bank of America	A-1+	A+	0.52%		<u>41,400,788</u>	<u>41,424,683</u>	<u>41,424,683</u>
Total					41,421,801	41,445,696	41,445,696
FDIC Insured Bank Deposits							
SunTrust			0.40%		<u>40,000,000</u>	<u>40,002,630</u>	<u>40,002,630</u>
Total					40,000,000	40,002,630	40,002,630
Money Market Funds							
DWS	AAAm	(4)	0.300%		8,755,297	8,758,308	8,758,308
Fidelity	AAAm	(4)	0.340%		15,889,968	15,895,430	15,895,430
RBC	AAAm	(4)	0.370%		16,063,037	16,068,063	16,068,063
Reserve Primary (3)		(4)	0.000%		<u>5,626,484</u>	<u>5,665,417</u>	<u>5,665,417</u>
Total					46,334,786	46,387,218	46,387,218
Cash and Cash Equivalents					127,756,587	127,835,544	127,835,544
Expenses							
Accrued Expenses					<u>(43,674)</u>	<u>(43,674)</u>	<u>(43,674)</u>
Total					(43,674)	(43,674)	(43,674)
Total Assets					166,692,878	166,832,096	166,857,232
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 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 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 pro rata distribution of assets. On September 23, 2009 a federal court hearing was convened on the matter of the SEC vs. the Reserve Management Company, Inc. et al. As of September 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.