



**Third Quarter Report 2010
For the period ending September 30, 2010**

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US Bank N.A.

Credit Rating



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For the period ending September 30, 2010

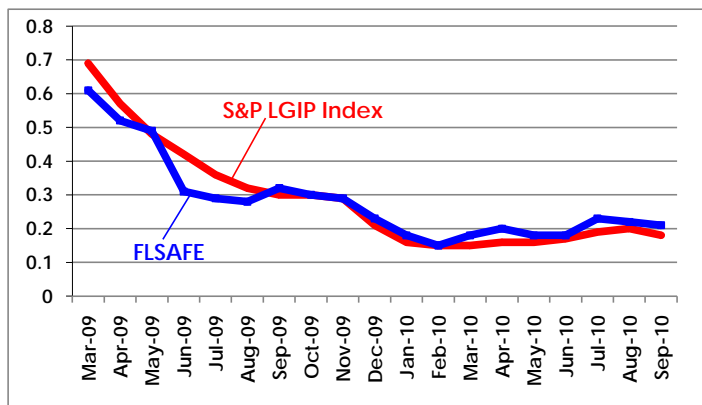
SUMMARY

- ◆ 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.
- ◆ FLSAFE is authorized to invest in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated Commercial Paper, AAAM rated Money Market funds, highly rated corporate bonds and Florida Depositories in which the deposits are collateralized under Florida Statutes 280.
- ◆ 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 average 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 objectives of FLSAFE.
- ◆ The Investment Advisor and Administrator is Davidson Fixed Income Management, Inc.

MARKET COMMENTARY

Fears of "double dip recession" subsided throughout the third quarter. The European sovereign debt crisis was no longer a worry after the European bank stress tests results were released. The market indices ended the quarter positive; Dow Jones Industrial Average index returned 11.13%, S&P 500 index returned 11.29% and the NASDAQ Composite Index returned 12.62%. As for economic data the outlook is still grayish. Unemployment remains high at 9.6%, which resulted in consumer borrowing declining for the sixth consecutive month. Inflation remains low on the radar due to consumer price increase of 0.3% and retail sales increase of 0.6%. The housing markets continue to show slow signs of improvement. Existing and new homes sales increased, respectively 10.0% and 4.3%. Existing home sales remain 19.1% lower versus 1 year ago and new home sales remain 21.5% lower compared to September 2009. Employment was lower by 95,000 in September. Government temporary and local workers lead the decline. US gross domestic product increased 1.7% in the second quarter. The loss of 8 million jobs during the recession continue to weigh down the economic recovery.

NATIONAL LGIP BENCHMARK COMPARISON



QUARTERLY SUMMARY

Total Assets	\$188,481,991
30 Day Yield	0.21%
7 Day Yield	0.22%
Expense Ratio	0.052%
Weighted Average Maturity (days)	57
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, 2010

STATEMENT OF OPERATIONS

	For the Period Ending				Year-to-Date
	3/31/2010	6/30/2010	9/30/2010	12/31/2010	
Gross Investment Income	\$158,486	\$183,338	\$217,340		\$559,164
Expenses					
Activity & Transaction	1,503	1,815	2,281		5,599
Admin/Advisory	73,455	73,953	76,065		223,473
Association Dues	0	0	0		0
Audit	12,700	1,000	6,500		20,200
Board Expenses	295	0	0		295
Client Recording Fees	0	402	345		746
Custodian	5,470	6,698	6,428		18,596
Insurance	0	25,222	1,359		26,581
Internet/website	2,804	1,922	2,051		6,777
Interest	(5)	(3)	(2)		(10)
Legal fees	1,184	1,024	3,150		5,358
Rating Agency	8,500	0	0		8,500
Tax Filing	0	765	0		765
Miscellaneous Expenses	366	43	172		580
Miscellaneous Credits	0	0	0		0
Total	\$106,271.20	\$112,839.78	\$98,347.99		\$317,458.97
Net Investment Income	\$52,215	\$70,498	\$118,992		\$241,705

STATEMENT OF CHANGES IN NET ASSETS

Shares Purchased	\$47,796,621	\$20,509,113	\$19,508,750		\$87,814,483
Shares Redeemed	(\$45,808,561)	(\$20,865,096)	(\$30,523,224)		(\$97,196,882)
Net Change in Share Transactions	\$1,988,060	(\$355,984)	(\$11,014,474)		(\$9,382,398)
Investment activities:					
Net Investment Income	\$52,215	\$70,498	\$118,992		\$241,705
Net increase in net assets from share operations	\$52,215	\$70,498	\$118,992		\$241,705
Distributions to participants from net investment income	(\$52,215)	(\$70,498)	(\$118,992)		(\$241,705)
Net Change in Assets	\$2,040,275	(\$285,486)	(\$10,895,482)		(\$9,140,693)
Net Assets at Beginning of Period	\$197,622,684	\$199,662,959	\$199,377,473		\$596,663,115
Net Assets at End of Period	\$199,662,959	\$199,377,473	\$188,481,991		\$587,522,422

STATEMENT OF NET ASSETS

Assets				
Investments in securities				
U.S. treasuries	\$0	\$0	\$9,500,000	
U.S. government agencies	\$66,921,792	\$58,900,000	\$43,900,000	
Commercial paper	\$11,000,000	\$40,400,000	\$46,170,000	
Total investment in securities	\$77,921,792	\$99,300,000	\$99,570,000	
Bank CD	\$4,000,000	\$0	\$0	
Cash and cash equivalents	\$117,512,873	\$99,856,521	\$88,587,268	
Other assets				
Accrued interest	\$264,889	\$257,573	\$363,024	
Total Assets	\$199,699,554	\$199,414,094	\$188,520,292	
Liabilities				
Accrued expenses	\$36,595	\$36,621	\$38,301	
Net assets applicable to shares outstanding	\$199,662,959	\$199,377,473	\$188,481,991	
Total Liabilities	\$199,699,554	\$199,414,094	\$188,520,292	



PORTFOLIO ASSETS

Security Description	S&P Credit Rating		CUSIP	Yield	Maturity Date	Face Amount	Book Value	Market Value (1)
	Short-Term	Long-Term						
US Agencies								
FHLB	A-1+	AAA	3133XUXL2	0.499%	10/29/10	5,000,000.00	5,025,136.99	5,026,636.99
FPCB FRN	A-1+	AAA	31331GVW6	0.260%	11/12/10	2,000,000.00	2,002,830.31	2,002,581.48
FNMA	A-1+	AAA	31359MZL0	0.313%	12/15/10	2,650,000.00	2,714,457.09	2,715,958.33
FHLMC	A-1+	AAA	3137EABW8	0.345%	01/07/11	2,250,000.00	2,264,991.66	2,265,668.02
FPCB FRN	A-1+	AAA	31331JEH2	0.200%	11/16/10	8,000,000.00	8,006,000.60	8,004,400.60
FHLB FRN	A-1+	AAA	3133XVY88	0.220%	12/03/10	5,000,000.00	4,999,525.56	4,999,751.33
FPCB FRN	A-1+	AAA	31331JKY8	0.199%	03/21/11	4,000,000.00	3,999,823.31	3,999,633.29
FPCB FRN	A-1+	AAA	31331JMU4	0.270%	05/03/11	4,000,000.00	4,002,005.72	3,999,771.20
FHLB	A-1+	AAA	3133XYM28	0.360%	06/13/11	6,000,000.00	6,001,206.46	6,004,206.46
FHLB FRN	A-1+	AAA	3133XYJ22	0.280%	05/27/11	5,000,000.00	5,001,517.06	5,001,517.06
US Treasury Note	A-1+	AAA	912828LV0	1.000%	8/31/2011	<u>9,500,000.00</u>	<u>9,568,308.63</u>	<u>9,570,796.53</u>
Total						53,400,000.00	53,585,803.39	53,590,921.29
Commercial Paper								
FCAR A-1+	A-1+/P-1	(4)	3024A1LJ0	0.551%	11/18/10	1,400,000.00	1,398,973.33	1,399,300.00
FCAR A-1+	A-1+/P-1	(4)	3024A1KC6	0.602%	10/12/10	2,000,000.00	1,999,633.33	1,999,800.00
GE Capital Corp	A-1+/P-1	(4)	36959JK44	0.310%	10/04/10	2,000,000.00	1,999,948.33	2,000,000.00
ANZ National International	A-1+/P-1	(4)	0018A3L36	0.581%	11/03/10	1,500,000.00	1,499,202.50	1,499,550.00
Toronto Dominion Holdings USA	A-1+/P-1	(4)	89116FMW7	0.496%	12/30/10	7,000,000.00	6,991,337.50	6,993,700.00
Toyota Motor Credit	A-1+/P-1	(4)	89233HKT0	0.531%	10/27/10	7,000,000.00	6,997,320.56	6,998,600.00
FCAR A-1+	A-1+/P-1	(4)	3024A1P15	0.500%	02/01/11	2,770,000.00	2,765,267.91	2,764,737.00
FCAR A-1+	A-1+/P-1	(4)	3024A1P23	0.500%	02/02/11	3,000,000.00	2,994,833.33	2,994,300.00
Credit Agricole North America	A-1+/P-1	(4)	22532CST2	0.588%	05/27/11	2,000,000.00	1,992,265.00	1,990,400.00
Societe General North America	A-1	(4)	83365STD5	0.505%	06/13/11	6,000,000.00	5,978,537.50	5,968,800.00
NBCNY CP	A-1	(4)	63306UTH5	0.452%	06/17/11	6,000,000.00	5,980,575.00	5,968,200.00
Credit Agricole North America	A-1+/P-1	(4)	22532CTQ7	0.643%	06/24/11	<u>5,500,000.00</u>	<u>5,473,991.12</u>	<u>5,470,300.00</u>
Total						46,170,000.00	46,071,885.41	46,047,687.00
Total Investments in Securities						99,570,000.00	99,657,688.80	99,638,608.29
Collateralized Bank Deposits (QPD) (2)								
Bank of America	A-1	A+		0.550%		45,812,930.70	45,979,095.77	45,979,095.77
Wachovia Savings - SPFM	A-1+	AA		0.130%		15,448.39	34,512.36	34,512.36
Wachovia Checking - GAIC	A-1+	AA		0.200%		8,020,571.23	8,049,183.47	8,049,183.47
Regions Bank Checking				0.100%		<u>1,079.40</u>	<u>1,079.40</u>	<u>1,079.40</u>
Total						53,850,029.72	54,063,871.00	54,063,871.00
Cash and Cash Equivalents								
Reserve Primary Fund	(3)	(4)	RPIXX	(3)		540,324.45	579,257.70	579,257.70
Fidelity 2014	AAAm / Aaa	(4)	FIPXX	0.290%		18,445,670.70	18,466,376.16	18,466,376.16
Dreyfus	AAAm / Aaa	(4)	DADXX	0.270%		<u>15,751,243.52</u>	<u>15,753,098.41</u>	<u>15,753,098.41</u>
Total						34,737,238.67	34,798,732.27	34,798,732.27
Expenses								
Accrued Amount						(37,272.40)	(37,272.40)	(37,272.40)
Daily Expense						<u>(1,028.92)</u>	<u>(1,028.92)</u>	<u>(1,028.92)</u>
Total						(38,301.32)	(38,301.32)	(38,301.32)
TOTAL ASSETS (5)						188,118,967.07	188,481,990.75	188,462,910.24
						NET ASSET VALUE		\$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) All bank deposits in amounts greater than \$250,000 are collateralized according Chapter 280 Florida Statutes.

3) The Reserve Primary Money Market Fund ("Reserve") was rated AAAm/Aaa as of Sept. 12, 2008. The Reserve is in the process of liquidating its portfolio. As of September 30, 2010 FLSAFE has received a total of 99.04% of its principal balance outstanding in the Reserve on 9/15/08.

4) Commercial paper and money market funds are not assigned long-term credit ratings.

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