



**Fourth Quarter Report 2010
For the period ending December 31, 2010**

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Credit Rating



3452 Lake Lynda Drive, Suite 114 ♦ Orlando, FL 32817
866-999-1215 ♦ 866-999-1214 fax
www.flsafe.org



For the period ending December 31, 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.

QUARTERLY SUMMARY

Total Assets	\$187,942,290
30 Day Yield	0.19%
7 Day Yield	0.19%
Expense Ratio	0.200%
Weighted Average Maturity (days)	43
Weighted Average Life (days)	93
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 December 31, 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	\$155,165	\$714,329
Expenses					
Activity & Transaction	1,503	1,815	2,281	2,011	\$7,610
Admin/Advisory	73,455	73,953	76,065	71,070	\$294,544
Association Dues	-	-	-	-	\$0
Audit	12,700	1,000	6,500	8,150	\$28,350
Board Expenses	295	-	-	-	\$295
Client Recording Fees	-	402	345	-	\$746
Custodian	5,470	6,698	6,428	6,143	\$24,739
Insurance	-	25,222	1,359	-	\$26,581
Internet/website	2,804	1,922	2,051	1,804	\$8,581
Interest	(5)	(3)	(2)	(1)	(\$11)
Legal fees	1,184	1,024	3,150	1,440	\$6,798
Rating Agency	8,500	-	-	-	\$8,500
Tax Filing	-	765	-	-	\$765
Miscellaneous Expenses	366	43	172	493	\$1,073
Miscellaneous Credits	-	-	-	-	\$0
Total	\$106,271	\$112,840	\$98,348	\$91,110	\$408,569
Net Investment Income	\$52,215	\$70,498	\$118,992	\$64,055	\$305,760

STATEMENT OF CHANGES IN NET ASSETS

Shares Purchased	\$47,796,621	\$20,509,113	\$19,508,750	\$4,050,000	\$91,864,483
Shares Redeemed	(\$45,808,561)	(\$20,865,096)	(\$30,523,224)	(\$8,703,124)	(\$105,900,005)
Net Change in Share Transactions	\$1,988,060	(\$355,984)	(\$11,014,474)	(\$4,653,124)	(\$14,035,522)
Investment activities:					
Net Investment Income	\$52,215	\$70,498	\$118,992	\$64,055	\$305,760
Net increase in net assets from share operations	\$52,215	\$70,498	\$118,992	\$64,055	\$305,760
Distributions to participants from net investment income	(\$52,215)	(\$70,498)	(\$118,992)	(\$64,055)	(\$305,760)
Net Change in Assets	\$2,040,275	(\$285,486)	(\$10,895,482)	(\$4,589,069)	(\$13,729,762)
Net Assets at Beginning of Period	\$197,082,983	\$199,123,258	\$198,837,772	\$187,942,290	\$782,986,303
Net Assets at End of Period	\$199,123,258	\$198,837,772	\$187,942,290	\$183,353,221	\$183,353,221

STATEMENT OF NET ASSETS

Assets					
Investments in securities					
U.S. treasuries	\$0	\$0	\$9,563,457	\$0	
U.S. government agencies	\$66,987,929	\$59,029,622	\$44,032,317	\$36,268,587	
Commercial paper	\$10,973,217	\$40,335,240	\$46,030,312	\$53,288,760	
Total investment in securities	\$77,961,146	\$99,364,863	\$99,626,086	\$89,557,347	
Bank CD	\$4,000,000	\$0	\$0	\$0	
Cash and cash equivalents	\$116,973,172	\$99,856,521	\$88,587,268	\$93,880,134	
Other assets					
Accrued interest	\$225,535	192,710	\$306,937	\$45,792	
Total Assets	\$199,159,853	\$199,414,094	\$188,520,292	\$183,483,273	
Liabilities					
Deposit by Investmnet Advisor				\$97,002	
Accrued expenses	\$36,595	\$36,621	\$38,301	\$33,050	
Net assets applicable to shares outstanding	\$199,123,258	\$199,377,473	\$188,481,991	\$183,353,221	
Total Liabilities	\$199,159,853	\$199,414,094	\$188,520,292	\$183,483,273	



For the period ending December 31, 2010

PORTFOLIO ASSETS

Security Description	S&P Credit Rating		CUSIP	Yield	Maturity Date	Cost	Book Value	Market Value (1)
	Short-Term	Long-Term						
US Agencies								
FHLMC	A-1+	AAA	3137EABW8	0.345%	01/07/11	2,273,625.00	2,267,052.50	2,266,850.54
FFCB FRN	A-1+	AAA	31331JKY8	0.199%	03/21/11	4,000,371.15	3,999,666.70	3,999,578.91
FFCB FRN	A-1+	AAA	31331JMU4	0.270%	05/03/11	4,000,400.00	4,001,865.70	4,000,932.00
FHLB FRN	A-1+	AAA	3133XYM28	0.360%	06/13/11	6,000,000.00	6,001,302.52	6,002,502.52
FHLB FRN	A-1+	AAA	3133XYJ22	0.280%	05/27/11	5,000,000.00	5,001,919.97	5,000,919.97
FHLMC FRN	A-1+	AAA	3134G1QD9	0.261%	04/03/12	<u>14,994,190.50</u>	<u>14,997,286.14</u>	<u>14,995,459.38</u>
Total						36,268,586.65	36,269,093.53	36,266,243.32
Commercial Paper								
FCAR A-1+	A-1+/P-1	(4)	3024A1U84	0.613%	07/08/11	1,771,886.66	1,774,329.71	1,774,482.00
Toyota Motor Credit	A-1+/P-1	(4)	89233HTE4	0.410%	06/14/11	6,981,663.89	6,986,925.56	6,983,200.00
FCAR A-1+	A-1+/P-1	(4)	3024A1P15	0.500%	02/01/11	2,763,805.97	2,768,807.36	2,769,446.00
FCAR A-1+	A-1+/P-1	(4)	3024A1P23	0.500%	02/02/11	2,993,333.33	2,998,666.67	2,999,100.00
Credit Agricole North America	A-1+/P-1	(4)	22532CST2	0.588%	05/27/11	1,991,257.50	1,995,255.00	1,996,200.00
Societe General North America	A-1/P-1	(4)	83365STD5	0.505%	06/13/11	5,977,275.00	5,986,280.83	5,985,600.00
NBCNY CP	A-1/P-1	(4)	63306UTH5	0.452%	06/17/11	5,979,750.00	5,987,475.00	5,985,000.00
Credit Agricole North America	A-1+/P-1	(4)	22532CTQ7	0.643%	06/24/11	5,473,795.56	5,482,986.67	5,485,700.00
GE Capital Corp	A-1+/P-1	(4)	36959JUF8	0.400%	07/15/11	6,979,000.00	6,984,833.33	6,977,600.00
Societe General North America	A-1/P-1	(4)	83365SUF8	0.502%	07/15/11	2,988,750.00	2,991,875.00	2,990,400.00
FCAR A-1+	A-1+/P-1	(4)	3024A1V18	0.603%	08/01/11	1,394,026.67	1,395,053.34	1,395,100.00
Toyota Motor Credit	A-1+/P-1	(4)	89233HS21	0.351%	05/02/11	2,995,625.00	2,996,470.83	2,995,800.00
National Rural Utilities	A-1/P-1		63557MN77	0.290%	1/7/2011	<u>4,998,590.28</u>	<u>4,999,758.33</u>	<u>5,000,000.00</u>
Total						53,288,759.86	53,348,717.63	53,337,628.00
Total Investments in Securities						89,557,346.51	89,617,811.16	89,603,871.32
Collateralized Bank Deposits (QPD) (2)								
Bank of America	A-1/P-1	A+/Aa3		0.450%		44,701,045.82	44,676,494.02	44,676,494.02
Wachovia Savings - SPFM	A-1+/P-1	AA/Aa2		0.130%		30,069.24	29,454.84	29,454.84
Wachovia Checking - GAIC	A-1+/P-1	AA/Aa2		0.200%		12,051,759.05	12,055,008.08	12,055,008.08
Regions Bank - Escrow Account (3)	B/NP	BB+/Ba3		0.000%		200,000.00	200,000.00	200,000.00
Regions Bank - Checking Account	B/NP	BB+/Ba3		0.000%		<u>1,203.99</u>	<u>1,203.99</u>	<u>1,203.99</u>
Total						56,984,078.10	56,962,160.93	56,962,160.93
Cash and Cash Equivalents								
Fidelity 2014	AAAm/Aaa	(4)	FIPXX	0.240%		17,174,171.89	17,177,578.25	17,177,578.25
Dreyfus	AAAm/Aaa	(4)	DADXX	0.190%		2,719,456.03	2,719,941.93	2,719,941.93
FFI Fund 258	AAAm/Aaa	(4)	MLIXX	0.150%		<u>17,002,428.15</u>	<u>17,005,780.80</u>	<u>17,005,780.80</u>
Total						36,896,056.07	36,903,300.98	36,903,300.98
Expenses								
Accrued Amount						(32,143.52)	(32,143.52)	(32,143.52)
Daily Expense						<u>(906.47)</u>	<u>(906.47)</u>	<u>(906.47)</u>
Total						(33,049.99)	(33,049.99)	(33,049.99)
TOTAL ASSETS (5)						183,404,430.69	183,450,223.08	183,436,283.24
						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. As of December 31, 2010 FLSAFE has recognized the Reserve Primary Loss and has begun to amortize the participants portion of the loss.

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.