



**Fourth Quarter Report 2011
For the period ended December 31, 2011**

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Custodian
U.S. Bank N.A.

Auditor
BKD LLP

Credit Rating



1600 Broadway, Suite 1100 ♦ Denver, CO 80202
303-296-6340 ♦ 800-541-2953
www.csafe.org

CSAFE SUMMARY

- ◆ Colorado Surplus Asst Fund Trust (“CSAFE”) is a local government investment pool trust fund organized under C.R.S. §24-75-701, et seq., registered as such with the Colorado Securities Commissioner pursuant to the Local Government Investment Pool Trust Fund Administration and Enforcement Act, C.R.S. §11-51-901, et seq. As such a trust, CSAFE pools and invests the funds of Colorado local government participants within the investment policies and limitations set forth in CSAFE’s Indenture of Trust and C.R.S. §24-75-601, et seq. Participants include municipalities, counties, school districts and special districts.
- ◆ CSAFE invests primarily in United States Treasuries, United States Agencies, Primary Dealer Repurchase Agreements (collateralized at 102%), highly rated commercial paper (with short term ratings of A-1 or better), AAAm rated money market funds, highly rated corporate bonds and Colorado Depositories (with short term ratings of A-1 or better) in which the deposits are collateralized at 102% of market value under the provisions of the Public Depository Protection Act.
- ◆ CSAFE 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.
- ◆ CSAFE seeks to maintain, but does not guarantee, a constant net asset value at \$1.00 per share.
- ◆ The Investment Advisor and Administrator is Davidson Fixed Income Management, Inc.

QUARTERLY SUMMARY

Net Assets	\$788,814,928
Average Year to Date Yield	0.11%
30 Day Yield	0.07%
7 Day Yield	0.08%
Expense Ratio	17.07%
Weighted Avg Maturity (days)	45
Weighted Avg Life (days)	96
Net Asset Value Per Share	\$1.00

DISCLOSURE STATEMENT

As Chairman of the CSAFE Board of Trustees, I hereby attest that CSAFE is in compliance with the provisions of Part 7, Article 75 Title 24, C.R.S., and all other applicable laws and regulations. Additionally, I attest that the Commissioner and the Board of Trustees consent to the disclosure of such information by Securities Commissioner as provided for in Section §11-51-908, C.R.S.



Gerry Schulte, Evergreen Metropolitan District
Chairman of the Board of Trustees, CSAFE



For the period ended December 31, 2011

STATEMENT OF OPERATIONS

	For the Period Ending				Year-to-Date
	3/31/2011	6/30/2011	9/30/2011	12/31/2011	
Gross Investment Income	\$611,304	\$649,903	\$507,631	\$511,695	\$2,280,533
Contribution Revenue					
Expenses					
Admin/Advisory Fees	295,613	343,516	295,168	296,784	1,231,081
General Expenses	17,783	26,376	60,903	69,902	174,963
Total	313,396	369,892	356,070	366,686	1,406,044
Net Investment Income	\$297,908	\$280,011	\$151,560	\$145,009	\$874,489

STATEMENT OF CHANGES IN NET ASSETS

Shares Purchased	547,035,478	700,393,597	272,798,268	290,061,207	1,810,288,551
Shares Redeemed	(428,415,057)	(562,773,206)	(342,345,144)	(396,337,109)	(1,729,870,517)
Net Change in Share Transactions	\$118,620,421	\$137,620,391	(\$69,546,876)	(\$106,275,902)	80,418,034
Investment activities:					
Net Investment Income	297,908	280,011	151,560	145,009	874,489
Change in net unrealized gain on investments or net adjustments	(113,423)	(14,287)	(18,455)	(3,736)	(149,901)
Net increase in net assets from share operations	\$184,485	265,724	133,105	141,273	724,588
Net Change in Assets	\$118,804,905	\$137,886,115	(\$69,413,771)	(\$106,134,628)	\$81,142,622
Net Assets at Beginning of Period	\$707,672,306	\$826,477,211	\$964,363,327	\$894,949,556	\$707,672,306
Net Assets at End of Period	\$826,477,211	\$964,363,327	\$894,949,556	\$788,814,928	\$788,814,928

STATEMENT OF NET ASSETS

Assets					
Investments in securities					
Corporate floating note	22,010,082	22,009,529	25,777,944	23,660,909	
U.S. government agencies	110,041,158	163,034,945	223,052,804	202,126,046	
Commercial paper	252,644,453	183,299,280	262,438,132	352,410,269	
Total investment in securities	384,695,693	368,343,754	511,268,880	578,197,224	
Bank CD	-	-	-	-	
Cash and cash equivalents	437,965,996	592,202,315	379,955,657	207,818,116	
Other assets					
Contribution Receivable	3,600,000	3,600,000	3,600,000	2,700,000	
Accrued Interest	375,654	371,049	268,245	250,663	
Total Assets	\$826,637,343	\$964,517,118	\$895,092,782	\$788,966,003	
Liabilities					
Accrued expenses	160,131	153,791	143,226	151,075	
Net assets applicable to shares outstanding	\$826,477,211	\$964,363,326	\$894,949,556	\$788,814,928	
Total Liabilities	\$826,637,342	\$964,517,117	\$895,092,782	\$788,966,003	

PORTFOLIO ASSETS

Security Description	S&P Credit Rating		Yield	Maturity	Cost	Book Value	Market Value ⁽¹⁾	% of Assets
	Short-Term	Long-Term						
U.S. Agencies								
FHLMC FRN	A-1+/P-1	AAA/Aaa	0.375%	4/3/2012	41,983,733.40	42,004,196.67	42,009,240.00	5.32%
FFCB FRN	A-1+/P-1	AAA/Aaa	0.192%	12/13/2012	20,003,980.00	20,005,019.52	20,020,800.00	2.54%
FFCB FRN	A-1+/P-1	AAA/Aaa	0.226%	5/2/2012	10,029,410.00	10,022,900.16	10,008,500.00	1.27%
FHLMC FRN	A-1+/P-1	AAA/Aaa	0.500%	1/10/2013	40,068,000.00	40,069,193.27	40,024,400.00	5.08%
FHLB FRN	A-1+/P-1	AAA/Aaa	0.060%	7/19/2012	39,995,936.00	40,008,581.23	39,995,600.00	5.07%
FFCB FRN	A-1+/P-1	AAA/Aaa	0.060%	7/10/2013	49,968,100.00	49,992,780.90	49,955,500.00	6.34%
Total					202,049,159	202,102,672	202,014,040	25.61%
Commercial Paper ⁽⁴⁾								
National Bank of Canada NY	A-1/P-1	n/a	0.301%	3/9/2012	23,946,200.00	23,986,400.00	23,976,240.00	3.04%
National Australia Funding DE	A-1+/P-1	n/a	0.245%	1/9/2012	16,975,819.86	16,999,074.44	16,999,150.00	2.15%
National Australia Funding DE	A-1+/P-1	n/a	0.341%	2/1/2012	24,959,152.78	24,992,680.56	24,994,250.00	3.16%
Bank of Nova Scotia (NY)	A-1+/P-1	n/a	0.265%	1/12/2012	34,976,812.50	34,997,165.97	34,997,550.00	4.43%
Bank of Nova Scotia (NY)	A-1+/P-1	n/a	0.265%	1/17/2012	3,997,320.56	3,999,528.89	3,999,560.00	0.51%
FCAR A-1+	A-1+/P-1	n/a	0.502%	6/19/2012	7,974,333.33	7,981,111.11	7,969,760.00	1.01%
University of California	A-1+/P-1	n/a	0.250%	2/23/2012	17,886,077.78	17,893,411.81	17,890,155.00	2.27%
Cornell University	A-1+/P-1	n/a	0.220%	3/13/2012	12,090,313.28	12,094,676.00	12,087,295.00	1.53%
FCAR A-1+	A-1+/P-1	n/a	0.421%	4/2/2012	4,991,250.00	4,994,633.33	4,993,250.00	0.63%
Mass College of Pharmacy	A-1/P-1	n/a	0.230%	1/11/2012	14,750,154.98	14,755,057.25	14,755,114.64	1.87%
Northwestern University	A-1+/P-1	n/a	0.150%	2/16/2012	14,481,808.83	14,484,223.33	14,480,046.24	1.84%
Baylor University	A-1+/P-1	n/a	0.220%	3/6/2012	14,990,375.00	14,994,041.67	14,985,900.00	1.90%
Salvation Army	A-1+/P-1	n/a	0.250%	4/4/2012	9,990,694.44	9,993,472.22	9,982,900.00	1.27%
Duke University	A-1+/P-1	n/a	0.220%	3/22/2012	9,353,078.80	9,355,366.80	9,348,955.20	1.19%
GE Capital Corporation	A-1+/P-1	n/a	0.371%	5/21/2012	13,973,956.11	13,979,711.67	13,958,980.00	1.77%
Nationwide Life Insurance CO	A-1/P-1	n/a	0.230%	1/4/2012	24,994,526.86	24,999,520.84	24,999,750.00	3.17%
Salvation Army	A-1+/P-1	n/a	0.250%	5/1/2012	29,969,166.67	29,974,791.67	29,933,700.00	3.80%
General Electric Capital Corp	A-1+/P-1	n/a	0.280%	4/5/2012	9,990,666.67	9,992,611.11	9,982,700.00	1.27%
Texas Department of Economic Development	A-1+/P-1	n/a	0.150%	1/5/2012	19,998,000.00	19,999,666.67	19,999,600.00	2.54%
Nationwide Life Insurance CO	A-1/P-1	n/a	0.230%	1/9/2012	5,999,041.67	5,999,693.33	5,999,700.00	0.76%
National Bank of Canada NY	A-1/P-1	n/a	0.270%	3/27/2012	6,994,802.50	6,995,485.00	6,991,180.00	0.89%
Toyota Motor Credit Corp	A-1+/P-1	n/a	0.491%	6/29/2012	19,950,183.33	19,951,000.00	19,920,000.00	2.53%
Sumitomo Trust & Bank	A-1/P-1	n/a	0.260%	2/17/2012	8,996,815.00	8,996,945.00	8,995,590.00	1.14%
JP Morgan -CP O/N Sweep	A-1+/P-1	AA-/Aa1	0.300%	10/1/2011	14,422,193.00	14,424,780.16	14,422,193.00	4.51%
Total					366,652,744	366,835,049	366,663,519	49.17%
Corporate Floating Note								
General Electric Capital Corp FRN	A-1+/P-1	AA-/Aa2	0.298%	11/21/2011	11,086,858.63	11,051,606.89	11,051,894.70	1.40%
MetLife Institute FRN	A-1+/P-1	AA-/Aa3	0.760%	3/27/2012	12,445,200.00	12,566,837.89	12,419,640.00	1.58%
Total					23,532,059	23,618,445	23,471,535	2.98%
Tri-Party Repurchase Agreements								
JP Morgan -Repo O/N Sweep	A-1+/P-1	AA-/Aa1	0.250%	10/1/2011	30,418,653.00	30,423,517.48	30,418,653.00	3.86%
Total					30,418,653	30,423,517	30,418,653	3.86%
Collateralized Bank Deposits ⁽²⁾								
JP Morgan - Money Market Savings	A-1+/P-1	AA-/Aa2	0.050%	10/1/2011	5,462,420.04	5,462,969.82	5,462,420.04	0.73%
JP Morgan - Stable Balance Account	A-1+/P-1	AA-/Aa2	0.050%	10/1/2011	112,555,013.40	112,584,612.08	112,555,013.40	15.13%
Wells Fargo High Yield Savings	A-1+/P-1	AA-/Aa1	0.200%	10/1/2011	9,892.07	9,916.83	9,892.07	0.00%
US Bank - Checking Account	A-1+/P-1	AA-/Aa1	0.300%	10/1/2011	14,498.22	14,498.22	14,498.22	0.00%
Total					118,041,824	118,071,997	118,041,824	15.87%
Money Market Funds ⁽⁴⁾								
AIM Gov't & Agency	AAA/Am/Aaa	N/A	0.020%	10/1/2011	44,935,446.38	44,935,527.01	44,935,446.38	17.19%
AIM Premier US Government	AAA/Am/Aaa	N/A	0.020%	10/1/2011	2,700,180.18	2,700,230.49	2,700,180.18	0.40%
The Primary Fund ⁽⁵⁾		N/A	0.000%	10/1/2011	-	212,726.85	-	0.02%
Total					47,635,627	47,848,484	47,635,627	17.62%
Total Accrued Interest								
Accrued Interest						635,937	635,937	
Accreted/Accrued Interest								
Accreted/Accrued Interest						(65,839)		
Expenses								
Accrued Amount						(151,072.00)	(151,072.00)	
Total Assets ⁽⁶⁾								
					\$ 788,330,065	\$ 788,814,931	\$ 788,730,062	
Net Asset Value Per Share								
							\$1.00	

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Notes:

1) All of the securities held in the portfolio are valued each week using a third party pricing service (U.S. Bank N.A.). Other assets in the portfolio such as repurchase agreements, money market funds and bank deposits are valued at cost.

2) In October 2008, the FDIC insurance limit was raised to \$250,000. All bank deposits in amounts greater than \$250,000 were collateralized according to the regulations of the Public Deposit Protection Act.

3) Effective November 24, 2010 Crederain Fund Services LLC became the liquidating services agent for The Reserve Primary Money Market Fund ("Reserve") and the fund changed its name to The Primary Fund. Crederain Fund Services LLC will continue the process of liquidating the portfolio of The Primary Fund. As of June 30, 2011 CSAFE had 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 are completed annually and are available at www.csafe.org.