



**Second Quarter Report 2011
For the period ended June 30, 2011**

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Investment Advisor and Administrator

Davidson Fixed Income Management, Inc.

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Glenn Scott	Portfolio Manager
Bob Krug	Client Services Manager
Linda Olson	Asst. Fund Administrator
Danielle Caldwell	LGIP Associate

Custodian

U.S. Bank N.A.

Auditor

BKD LLP

Credit Rating



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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	\$964,341,137
30 Day Yield	0.11%
7 Day Yield	0.10%
Expense Ratio	0.1747%
Weighted Avg Maturity (days)	43
Weighted Avg Life (days)	95
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 June 30, 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	\$576,211	\$659,402			\$1,235,613
Contribution Revenue					
Expenses					
Audit Fees	25,300	8,600			33,900
Activity & Transaction Fees	7,539	8,452			15,991
Admin/Advisory Fees	282,879	343,712			626,590
Association Dues	375	0			375
Board Expenses	6,586	6,055			12,641
Client Statements	0	0			0
Custodial Fees	20,512	22,910			43,423
Insurance	(14)	0			(14)
Interest	(13)	(6)			(19)
Internet/Web Page	2,005	3,012			5,018
Legal Fees	2,326	0			2,326
Miscellaneous Fees	580	1,000			1,580
Rating Agency Fee	28,200	0			28,200
Miscellaneous Credits	(30)	(60)			(90)
Total	<u>376,245</u>	<u>393,676</u>			<u>769,920</u>
Net Investment Income	<u>\$199,966</u>	<u>\$265,727</u>			<u>\$465,693</u>

STATEMENT OF CHANGES IN NET ASSETS

Shares Purchased	547,035,478	700,393,597		1,247,429,075
Shares Redeemed	(428,415,057)	(562,773,206)		(991,188,264)
Net Change in Share Transactions	<u>\$118,620,421</u>	<u>\$137,620,391</u>		<u>\$256,240,812</u>
Investment activities:				
Net Investment Income	199,966	265,727		465,693
Net increase in net assets from share operations	<u>\$199,966</u>	<u>265,727</u>		<u>\$465,693</u>
Distributions to participants from net investment income	(199,966)	(265,727)		(465,693)
Net Change in Assets	<u>\$118,820,387</u>	<u>\$137,886,118</u>		<u>\$256,706,504</u>
Net Assets at Beginning of Period	<u>\$707,656,823</u>	<u>\$826,477,210</u>		<u>\$1,534,134,033</u>
Net Assets at End of Period	<u>\$826,477,210</u>	<u>\$964,363,328</u>		<u>\$1,790,840,537</u>

STATEMENT OF NET ASSETS

Assets

Investments in securities				
Corporate floating note	22,004,121	22,004,121		
U.S. government agencies	109,995,503	162,958,686		
Commercial paper	252,269,975	183,068,186		
Total investment in securities	<u>\$384,269,599</u>	<u>\$368,030,993</u>		
Bank CD	-	-		
Cash and cash equivalents	437,965,996	592,202,315		
Other assets				
Contribution Receivable	3,600,000	3,600,000		
Accrued Interest	790,786	683,810		
Total Assets	<u>\$826,626,381</u>	<u>\$964,517,118</u>		

Liabilities

Accrued expenses	149,170	153,791		
Net assets applicable to shares outstanding	<u>\$826,477,211</u>	<u>\$964,363,328</u>		
Total Liabilities	<u>\$826,626,381</u>	<u>\$964,517,118</u>		

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								
FFCB FRN	A-1+/P-1	AAA/Aaa	0.280%	12/13/2012	20,003,980.00	20,004,933.17	20,012,042.09	2.07%
FHLMC FRN	A-1+/P-1	AAA/Aaa	0.261%	4/3/2012	41,983,733.40	41,995,046.20	42,013,053.55	4.35%
FHLB	A-1+/P-1	AAA/Aaa	0.410%	4/27/2012	20,000,000.00	20,017,994.44	20,019,994.44	2.08%
FFCB FRN	A-1+/P-1	AAA/Aaa	0.500%	5/2/2012	10,029,410.00	10,037,743.33	10,030,333.33	1.04%
FFCB	A-1+/P-1	AAA/Aaa	0.250%	6/18/2012	21,781,402.86	21,778,387.22	22,395,515.87	2.26%
FNMA	A-1+/P-1	AAA/Aaa	0.244%	6/22/2012	9,092,160.00	9,091,064.95	9,231,396.69	0.94%
FHLMC FRN	A-1+/P-1	AAA/Aaa	0.080%	1/10/2013	<u>40,068,000.00</u>	<u>40,094,067.83</u>	<u>40,155,596.03</u>	<u>4.16%</u>
Total					162,958,686	163,019,237	163,857,932	16.90%
Commercial Paper ⁽⁴⁾								
General Electric Capital Corp	A-1+/P-1	n/a	0.400%	7/15/2011	14,955,000.00	14,997,666.67	14,998,500.00	1.56%
FCAR A-1+	A-1+/P-1	n/a	0.603%	8/1/2011	3,982,933.33	3,997,933.33	3,999,200.00	0.41%
Nat'l Australia Fdg (DE)	A-1+/P-1	n/a	0.326%	7/1/2011	26,957,343.75	27,000,000.00	27,000,000.00	2.80%
FCAR A-1+	A-1+/P-1	n/a	0.451%	8/1/2011	26,939,250.00	26,989,537.50	26,994,600.00	2.80%
Credit Agricole North America	A-1/P-1	n/a	0.658%	11/23/2011	6,468,305.28	6,482,851.74	6,490,250.00	0.67%
FCAR A-1+	A-1+/P-1	n/a	0.602%	11/1/2011	7,967,333.33	7,983,600.00	7,989,600.00	0.83%
Toronto Dominion Holdings (USA)	A-1+/P-1	n/a	0.311%	12/19/2011	39,907,000.00	39,941,100.00	39,916,000.00	4.14%
General Electric Capital Corp	A-1+/P-1	n/a	0.311%	12/9/2011	14,969,000.00	14,979,204.17	14,970,000.00	1.55%
National Bank of Canada NY CP	A-1/P-1	n/a	0.301%	3/9/2012	23,946,200.00	23,949,600.00	23,908,800.00	2.48%
National Australia Funding DE CP	A-1+/P-1	n/a	0.245%	1/9/2012	<u>16,975,819.86</u>	<u>16,977,786.67</u>	<u>16,955,800.00</u>	<u>1.76%</u>
Total					183,068,186	183,299,280	183,222,750	19.01%
Corporate Floating Note								
General Electric Capital Corp FRN	A-1+/P-1	AA+/Aa2	0.493%	11/21/2011	6,915,770.55	6,912,960.50	6,911,098.23	0.72%
General Electric Capital Corp FRN	A-1+/P-1	AA+/Aa2	0.284%	8/15/2011	4,001,492.00	4,001,653.93	4,002,148.75	0.41%
Metlife Institute FRN	A-1+/P-1	AA-/Aa3	0.703%	3/27/2012	7,462,322.26	7,452,380.03	7,455,641.07	0.77%
Metlife Institute FRN	A-1+/P-1	AA-/Aa3	0.703%	3/27/2012	<u>3,624,536.37</u>	<u>3,620,419.41</u>	<u>3,623,573.88</u>	<u>0.38%</u>
Total					22,004,121	21,987,414	21,992,462	2.28%
Collateralized Bank Deposits ⁽²⁾								
US Bank - Checking	A-1+/P-1	AA-/Aa2	0.050%	7/1/2011	22,850.29	\$22,850.29	\$22,850.29	0.00%
US Bank - Money Market Savings	A-1+/P-1	AA-/Aa2	0.050%	7/1/2011	734.96	\$734.96	\$734.96	0.00%
JP Morgan - Money Market Savings	A-1+/P-1	AA-/Aa1	0.200%	7/1/2011	64,652,817.99	64,672,390.13	64,672,390.13	6.71%
JP Morgan - Stable Balance Account	A-1+/P-1	AA-/Aa1	0.300%	7/1/2011	112,356,537.25	112,413,786.19	112,413,786.19	11.66%
JP Morgan -CP O/N Sweep	A-1+/P-1	AA-/Aa1	0.360%	7/1/2011	39,104,203.30	39,126,029.17	39,126,029.17	4.06%
JP Morgan -Repo O/N Sweep	A-1+/P-1	AA-/Aa1	0.300%	7/1/2011	24,778,825.78	24,791,187.19	24,791,187.19	2.57%
Wells Fargo High Yield Savings	A-1+/P-1	AA-/Aa2	0.180%	7/1/2011	<u>240,152,788.77</u>	<u>240,224,118.87</u>	<u>240,224,118.87</u>	<u>24.91%</u>
Total					481,068,758	481,251,097	481,251,097	49.90%
Money Market Funds ⁽⁴⁾								
AIM Gov't & Agency	AAAm/Aaa	N/A	0.020%	7/1/2011	111,131,288.40	111,144,930.41	111,144,930.41	11.53%
Fidelity 690 - CSAFE Escrow ⁽⁶⁾	AAAm/Aaa	N/A	0.070%	7/1/2011	3,602,268.64	3,602,433.21	3,602,433.21	0.37%
The Primary Fund ⁽³⁾		N/A	0.000%	7/1/2011	-	212,726.85	212,726.85	0.02%
Total					114,733,557	114,960,090	114,960,090	11.92%
Expenses								
Accrued Amount					(149,894.75)	(149,894.75)	(149,894.75)	-0.02%
Daily Expense					<u>(3,895.83)</u>	<u>(3,895.83)</u>	<u>(3,895.83)</u>	<u>0.00%</u>
Total					(153,791)	(153,791)	(153,791)	-0.02%
Total Assets ⁽⁵⁾					<u>\$ 963,679,518</u>	<u>\$ 964,363,328</u>	<u>\$ 965,130,541</u>	<u>100.00%</u>

Net Asset Value Per Share
\$1.00
Notes:

- 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.
- 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.
- 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.
- Commercial paper and money market funds are not assigned long-term credit ratings.
- The information contained in this statement is unaudited. Audited financial statements are completed annually and are available at www.csafe.org.
- Escrow Interest as of December 31, 2010 total \$22,526.62 not included in balance