



**First Quarter Report 2010  
For the period ended March 31, 2010**

**Board of Trustees**

Gerry Schulte, Chairman	Evergreen Metro District
Greg Demko, Secretary/Treasurer	Monroe, North Carolina
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**Investment Advisor and Administrator**  
Davidson Fixed Income Management, Inc.

Chris Blackwood	Portfolio Manager and Administrator
Bob Krug	Client Services Manager
Trisha Mingo	Operations Coordinator
Danielle Caldwell	Operations Assistant

**Custodian**  
U.S. Bank N.A.

**Auditor**  
BKD LLP

**Credit Rating**





For the period ended March 31, 2010

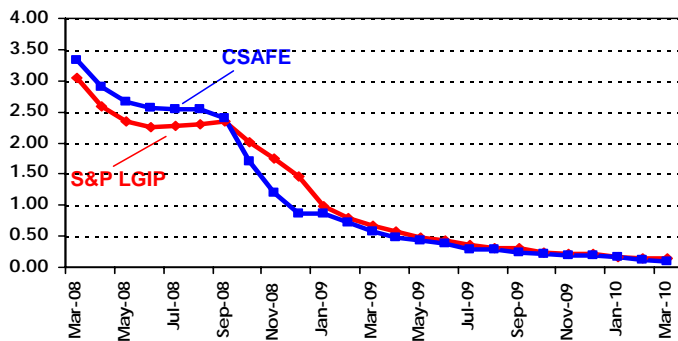
**CSAFE SUMMARY**

- ◆ 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.

**MARKET COMMENTARY**

The U.S. economy continues to slowly recover from the depth of the recession. In the first quarter, the labor markets produced the first job growth in over two years (+162,000 jobs). Unfortunately, the unemployment rate remained painfully high at 9.7% in March 2010 (down from a high of 10.0% in December 2009). The housing market appears to have bottomed out, however, this sector continues to be weighed down by weak demand. Thus, the new home market is range bound, posting starts of 524,000 and 611,000 the last ten months. The rebound in oil prices has pushed up CPI (year-over-year) in excess of 2% each of the past four months. Retail sales jumped sharply in March 2010 with a gain of 7.6% (year-over-year). The Federal Reserve continues to provide stimulus by holding the effective Fed Funds rate at approximately 0.16%. While term securities showed the first uptick in months with one year agencies rising to a yield of 0.57% (up from 0.39% in January), the yield curve is still low to the ground. Therefore, CSAFE’s daily yield decreased from 0.18% on December 31, 2009 to 0.08% on March 31, 2010.

**NATIONAL LGIP BENCHMARK COMPARISON**



**QUARTERLY SUMMARY**

Net Assets	\$708,627,602
30 Day Yield	0.08%
7 Day Yield	0.08%
Expense Ratio	0.1530%
Weighted Avg Maturity (days)	37
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 March 31, 2010

**STATEMENT OF OPERATIONS**

	<u>For the Period Ending</u>	
	3/31/2010	Year-to-Date
<b>Gross Investment Income</b>	\$427,731	\$427,731
<b>Expenses</b>		
Audit Fees	17,500	17,500
Activity & Transaction Fees	5,481	5,481
Admin/Advisory Fees	184,420	184,420
Association Dues	400	400
Board Expenses	1,270	1,270
Client Statements	0	0
Custodial Fees	20,106	20,106
Insurance	0	0
Interest	(28)	(28)
Internet/Web Page	2,067	2,067
Legal Fees	10,565	10,565
Miscellaneous Fees	323	323
Rating Agency Fee	0	0
Miscellaneous Credits	0	0
<b>Total</b>	<u>242,103</u>	<u>242,103</u>
<b>Net Investment Income</b>	<u>\$185,627</u>	<u>\$185,627</u>

**STATEMENT OF CHANGES IN NET ASSETS**

Shares Purchased	596,745,372	596,745,372
Shares Redeemed	(501,153,905)	(501,153,905)
Net Change in Share Transactions	<u>\$95,591,467</u>	<u>\$95,591,467</u>
Investment activities:		
Net Investment Income	185,627	185,627
Net increase in net assets from share operations	<u>\$185,627</u>	<u>\$185,627</u>
Distributions to participants from net investment income	(185,627)	(185,627)
Net Change in Assets	<u>\$95,777,095</u>	<u>\$95,777,095</u>
Net Assets at Beginning of Period	<u>\$612,850,507</u>	<u>\$612,850,507</u>
Net Assets at End of Period	<u>\$708,627,602</u>	<u>\$708,627,602</u>

**STATEMENT OF NET ASSETS**

**Assets**

Investments in securities	
U.S. treasuries	0
Corporate fixed note	23,125,839
U.S. government agencies	132,352,709
Commercial paper	24,950,216
Total investment in securities	<u>\$180,428,764</u>
Bank CD	10,000,000
Cash and cash equivalents	517,854,754
Other assets	
Accrued interest	502,285
Total Assets	<u>\$708,785,803</u>

**Liabilities**

Accrued expenses	<u>158,201</u>
Net assets applicable to shares outstanding	<u>\$708,627,602</u>
Total Liabilities	<u>\$708,785,803</u>



For the period ended March 31, 2010

**PORTFOLIO ASSETS**

Security Description	S&P Credit Rating		Yield	Maturity	Cost	Book Value	Market Value (1)
	Short-Term	Long-Term					
<b>U.S. Agencies</b>							
FHLMC	A-1+	AAA	0.183%	4/13/2010	4,995,125	4,999,700	5,000,000
FNMA	A-1+	AAA	0.224%	5/15/2010	7,170,450	7,141,716	7,141,577
FHLB	A-1+	AAA	0.310%	6/11/2010	5,136,550	5,102,960	5,103,639
FFCB	A-1+	AAA	0.180%	8/16/2010	10,000,000	10,002,170	10,000,170
FHLB	A-1+	AAA	0.499%	10/29/2010	20,000,000	20,050,411	20,044,411
FFCB	A-1+	AAA	0.710%	11/12/2010	8,039,456	8,029,681	8,029,606
FFCB	A-1+	AAA	0.200%	11/16/2010	17,000,000	17,004,110	16,999,010
FHLB	A-1+	AAA	0.355%	1/20/2011	6,029,760	6,035,525	6,017,964
FHLB	A-1+	AAA	0.250%	2/25/2011	7,000,000	7,001,678	6,988,378
FHLB	A-1+	AAA	0.550%	3/23/2011	10,000,000	10,003,315	9,994,315
FHLB	A-1+	AAA	0.570%	4/13/2011	12,000,000	12,000,562	11,996,962
FHLMC	A-1+	AAA	0.197%	9/19/2011	24,981,368	24,983,183	24,986,781
<b>Total</b>					132,352,709	132,355,010	132,302,813
<b>Commercial Paper (4)</b>							
FCAR	A-1+	n/a	0.551%	4/27/2010	3,992,667	3,998,411	3,999,200
FCAR	A-1+	n/a	0.602%	6/25/2010	3,988,067	3,994,334	3,997,200
GE Capital Corp	A-1+	n/a	0.250%	7/6/2010	2,996,854	2,998,000	2,997,600
GE Capital Corp	A-1+	n/a	0.280%	8/4/2010	2,995,800	2,997,083	2,996,400
FCAR	A-1+	n/a	0.381%	8/25/2010	3,992,400	3,993,836	3,994,400
GE Capital Corp	A-1+	n/a	0.290%	9/3/2010	2,994,925	2,996,242	2,994,900
FCAR	A-1+	n/a	0.471%	9/15/2010	3,989,503	3,991,279	3,992,800
<b>Total</b>					24,950,216	24,969,184	24,972,500
<b>Corporate Fixed Note</b>							
Wells Fargo	A-1+	AA-	0.34%	8/9/2010	6,122,580	6,130,971	6,126,458
GE Capital Services Corp	A-1+	AA+	0.56%	12/1/2010	10,400,234	10,435,350	10,433,851
Wells Fargo	A-1+	AA-	0.71%	2/1/2011	5,285,350	5,291,355	5,286,630
GE Capital Services Corp	A-1+	AA+	0.65%	2/22/2011	1,317,675	1,318,940	1,315,227
<b>Total</b>					23,125,839	23,176,616	23,162,166
<b>Collateralized Certificate of Deposit (2)</b>							
BBVA Compass	A-1	A+	1.30%	6/2/2010	10,000,000	10,106,849	10,106,849
<b>Total</b>					10,000,000	10,106,849	10,106,849
<b>Collateralized Bank Deposits (2)</b>							
US Bank DDA	A-1+	AA-	0.005%		8,993,613	8,995,414	8,995,414
US Bank Checking	A-1+	AA-	0.005%		227,592	227,592	227,592
JP Morgan	A-1+	AA-	0.200%		99,903,982	99,917,682	99,917,682
JP Morgan	A-1+	AA-	0.300%		100,066,755	100,115,274	100,115,274
Wells Fargo	A-1+	AA	0.180%		149,539,483	149,562,152	149,562,152
<b>Total</b>					358,731,425	358,818,114	358,818,114
<b>Bank Deposit - FDIC TAG (5)</b>							
Guaranty Bank	A-1+	AAA	0.200%		593	593	593
<b>Total</b>					593	593	593
<b>Money Market Funds (4)</b>							
Fidelity Prime	AAAm	n/a	0.192%		70,466,417	70,477,498	70,477,498
RBC Institutional	AAAm	n/a	0.115%		70,384,690	70,393,000	70,393,000
Dreyfus Institutional	AAAm	n/a	0.102%		11,087,117	11,091,699	11,091,699
Reserve Primary (3)					7,184,512	7,397,239	7,397,239
<b>Total</b>					159,122,736	159,359,436	159,359,436
<b>Expenses</b>							
Accrued Amount					(158,201)	(158,201)	(158,201)
<b>Total</b>					(158,201)	(158,201)	(158,201)
<b>Total Assets (6)</b>					\$ 708,125,317	\$ 708,627,602	\$ 708,564,271
<b>Net Asset Value Per Share</b>							<b>\$1.00</b>

**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) 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 March 31, 2010 CSAFE had received a total of 98.6% of its principal balance outstanding in the Reserve on 9/15/08. Additional distributions are expected later in 2010.
- 4) Commercial paper and money market funds are not assigned long-term credit ratings.
- 5) Rating based upon FDIC insurance.
- 6) The information contained in this statement is unaudited. Audited financial statements are completed annually and are available at [www.csafe.org](http://www.csafe.org).