



Fourth Quarter Report 2010
For the period ended December 31, 2010

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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



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

For the period ended December 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.

QUARTERLY SUMMARY

Net Assets	\$707,656,823
30 Day Yield	0.18%
7 Day Yield	0.19%
Expense Ratio	0.2060%
Weighted Avg Maturity (days)	37
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 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	\$427,731	\$552,153	\$754,298	\$684,398	\$2,418,580
Contribution Revenue				\$1,669,415	
Expenses					
Audit Fees	17,500	12,932	-		30,432
Activity & Transaction Fees	5,481	5,033	7,292	7,823	25,629
Admin/Advisory Fees	184,420	299,427	314,515	310,175	1,108,536
Association Dues	400	125	-	400	925
Board Expenses	1,270	2,666	24,143	930	29,009
Client Statements	-	-	-	-	-
Custodial Fees	20,106	19,127	22,739	24,967	86,938
Insurance	-	-	-	13,437	13,437
Interest	(28)	(29)	(29)	(23)	(110)
Internet/Web Page	2,067	1,654	3,687	1,899	9,307
Legal Fees	10,565	2,642	5,200	720	19,127
Miscellaneous Fees	323	765	2,176	33,551	36,815
Rating Agency Fee	-	-	-	-	-
Miscellaneous Credits	-	-	-	(150)	(150)
Total	242,103	344,340	379,723	393,730	1,359,896
Net Investment Income	\$185,627	\$207,813	\$374,575	\$1,960,083	\$2,728,099

STATEMENT OF CHANGES IN NET ASSETS

Shares Purchased	596,745,372	648,883,471	310,650,267	307,129,985	1,863,409,095
Shares Redeemed	(501,153,905)	(532,583,976)	(353,597,989)	(381,783,193)	(1,769,119,063)
Net Change in Share Transactions	\$95,591,467	\$116,299,495	(\$42,947,721)	(\$74,653,208)	\$94,290,032
Investment activities:					
Net Investment Income	185,627	207,813	374,575	1,960,083	2,728,099
Net increase in net assets from share operations	\$185,627	207,813	374,575	1,960,083	\$2,728,099
Distributions to participants from net investment income	(185,627)	(207,813)	(374,575)	(1,960,083)	(2,728,099)
Net Change in Assets	\$95,777,095	\$116,507,308	(\$42,573,146)	(\$72,693,125)	\$97,018,131
Net Assets at Beginning of Period	\$610,638,692	\$706,415,787	\$822,923,095	\$780,349,949	\$610,638,692
Net Assets at End of Period	\$706,415,787	\$822,923,095	\$780,349,949	\$707,656,823	\$707,656,823

STATEMENT OF NET ASSETS

Assets

Investments in securities					
U.S. treasuries	-	-	15,603,535	-	
Corporate fixed note	23,125,839	23,125,839	17,003,259	6,603,025	
U.S. government agencies	132,352,709	213,063,559	170,063,559	154,018,141	
Commercial paper	24,950,216	140,771,606	167,992,673	214,913,905	
Total investment in securities	\$180,428,764	\$376,961,004	\$370,663,026	\$375,535,071	
Bank CD	10,000,000	-	-	-	
Cash and cash equivalents	512,812,354	442,761,823	406,497,043	328,250,353	
Other assets					
Contribution Receivable	2,830,585	2,830,585	2,830,585	3,600,000	
Accrued interest	502,285	517,528	493,127	407,005	
Total Assets	\$706,573,988	\$823,070,941	\$780,483,781	\$707,792,429	

Liabilities

Accrued expenses	158,201	147,846	133,833	135,606	
Net assets applicable to shares outstanding	\$706,415,787	\$822,923,095	\$780,349,948	\$707,656,823	
Total Liabilities	\$706,573,988	\$823,070,941	\$780,483,781	\$707,792,429	

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								
FHLB	A-1+/P-1	AAA/Aaa	0.500%	1/20/2011	6,029,760.00	6,025,183.99	6,025,345.03	0.85%
FHLB FRN	A-1+/P-1	AAA/Aaa	0.710%	2/22/2011	17,990,460.00	18,002,993.95	18,002,739.37	2.54%
FFCB FRN	A-1+/P-1	AAA/Aaa	0.880%	3/21/2011	10,000,927.86	9,992,550.88	9,992,331.42	1.41%
FFCB FRN	A-1+/P-1	AAA/Aaa	0.200%	3/21/2011	5,000,905.67	5,000,044.64	4,999,829.13	0.71%
FHLMC FRN	A-1+/P-1	AAA/Aaa	0.260%	4/1/2011	6,006,789.30	6,008,829.56	6,009,448.11	0.85%
FFCB FRN	A-1+/P-1	AAA/Aaa	0.250%	5/3/2011	10,001,000.00	10,004,664.23	10,002,329.98	1.41%
FHLB	A-1+/P-1	AAA/Aaa	0.220%	5/24/2011	8,000,000.00	8,004,675.07	8,015,875.07	1.13%
FFCB FRN	A-1+/P-1	AAA/Aaa	0.213%	3/15/2011	5,000,585.00	5,005,076.22	5,002,931.46	0.71%
FHLB FRN	A-1+/P-1	AAA/Aaa	0.218%	6/13/2011	14,000,000.00	14,003,039.22	14,005,839.22	1.98%
FHLB FRN	A-1+/P-1	AAA/Aaa	0.351%	5/27/2011	10,000,000.00	10,003,839.96	10,001,839.96	1.41%
FFCB FRN	A-1+/P-1	AAA/Aaa	0.280%	12/13/2012	20,003,980.00	20,005,575.93	19,991,699.38	2.83%
FHLMC FRN	A-1+/P-1	AAA/Aaa	0.600%	4/3/2012	41,983,733.40	41,992,401.18	41,987,286.26	5.94%
Total					154,018,141	154,048,875	154,037,494	21.77%
Commercial Paper (4)								
GE Capital Corp	A-1+/P-1	n/a	0.602%	1/18/2011	3,983,800.00	3,998,866.67	3,999,600.00	0.57%
GE Capital Corp	A-1+/P-1	n/a	0.603%	2/14/2011	3,982,000.00	3,997,066.67	3,998,400.00	0.56%
FCAR A-1+	A-1+/P-1	n/a	0.500%	2/2/2011	26,939,625.00	26,988,000.00	26,991,900.00	3.81%
Credit Agricole North America	A-1+/P-1	n/a	0.588%	5/27/2011	7,965,030.00	7,981,020.00	7,984,800.00	1.13%
Toyota Motor Credit	A-1+/P-1	n/a	0.310%	1/5/2011	19,979,333.40	19,999,311.11	20,000,000.00	2.83%
Societe General	A-1/P-1	n/a	0.505%	6/13/2011	19,924,250.00	19,954,269.44	19,952,000.00	2.82%
Nat'l Bank of Canada NY	A-1/P-1	n/a	0.452%	6/17/2011	19,932,500.00	19,958,250.00	19,950,000.00	2.82%
Credit Agricole North America	A-1+/P-1	n/a	0.643%	6/24/2011	24,383,271.11	24,424,213.33	24,436,300.00	3.45%
GE Capital Corp	A-1+/P-1	n/a	0.400%	7/15/2011	14,955,000.00	14,967,500.00	14,952,000.00	2.12%
Societe General	A-1/P-1	n/a	0.502%	7/15/2011	14,943,750.00	14,959,375.00	14,952,000.00	2.11%
Toyota Motor Credit	A-1+/P-1	n/a	0.410%	6/14/2011	9,973,805.56	9,981,322.23	9,976,000.00	1.41%
FCAR A-1+	A-1+/P-1	n/a	0.603%	8/1/2011	3,982,933.33	3,985,866.66	3,986,000.00	0.56%
National Rural Utilities	A-1/P-1	n/a	0.360%	3/2/2011	15,985,440.00	15,990,400.00	15,990,400.00	2.26%
Toyota Motor Credit	A-1+/P-1	n/a	0.351%	5/2/2011	7,988,333.33	7,990,588.89	7,988,800.00	1.13%
National Rural Utilities	A-1/P-1	n/a	0.300%	1/7/2011	19,994,833.33	19,999,000.00	20,000,000.00	2.83%
Total					214,913,905	215,175,050	215,158,200	30.41%
Corporate Fixed Note								
GE Capital Services Corp	n/a	AA+/Aa2	0.654%	2/22/2011	1,317,675.00	1,287,074.04	1,286,504.55	0.18%
Wells Fargo	n/a	AA-/Aa3	0.712%	2/1/2011	5,285,350.00	5,158,094.80	5,154,359.59	0.73%
Total					6,603,025	6,445,169	6,440,864	0.91%
Collateralized Bank Deposits (2)								
US Bank Checking	A-1+	AA	0.050%	1/1/2011	\$127,666.64	\$127,666.64	\$127,666.64	
JP Morgan - Money Market Savin	A-1+	AA-	0.200%	1/1/2011	89,821.08	90,720.23	90,720.23	0.01%
JP Morgan -Stable Balance Accou	A-1+	AA-	0.300%	1/1/2011	112,218,272.40	112,227,495.80	112,227,495.80	15.86%
JP Morgan -CP O/N Sweep	A-1+	AA-	0.360%	1/1/2011	35,080,448.97	35,085,497.54	35,085,497.54	4.96%
JP Morgan -Repo O/N Sweep	A-1+	AA-	0.300%	1/1/2011	24,031,543.41	24,044,848.35	24,044,848.35	3.40%
Wells Fargo High Yield Savings	A-1+	AA-	0.200%	1/1/2011	56,575.76	58,610.55	58,610.55	0.01%
US Bank	A-1+	AA	0.050%	1/1/2011	-	963.19	963.19	0.00%
Total					171,604,328	171,635,802	171,635,802	24.24%
Money Market Funds (4)								
Fidelity 2014	AAAm/Aaa	N/A	0.235%	1/1/2011	67,476,773.44	67,490,353.11	67,490,353.11	9.54%
Dreyfus	AAAm/Aaa	N/A	0.189%	1/1/2011	21,634,107.57	21,636,067.96	21,636,067.96	3.06%
FFI 258	AAAm/Aaa	N/A	0.151%	1/1/2011	67,535,143.58	67,548,106.97	67,548,106.97	9.55%
Fidelity 690 - CSAFE Escrow (7)	AAAm/Aaa	N/A	0.180%	1/1/2011	3,600,000.00	3,600,278.44	3,600,278.44	0.51%
The Prime Fund (3)		N/A	0.000%	1/1/2011	-	212,726.85	212,726.85	0.03%
Total					160,246,025	160,487,533	160,487,533	22.68%
Expenses								
Accrued Amount					(132,340.09)	(132,340.09)	(132,340.09)	-0.02%
Daily Expense					(3,265.83)	(3,265.83)	(3,265.83)	0.00%
Total					(135,606)	(135,606)	(135,606)	-0.02%
Total Assets (6)					\$ 707,249,818	\$ 707,656,823	\$ 707,624,288	100.00%
Net Asset Value Per Share							\$1.00	

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 Crederein 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. Crederein Fund Services LLC will continue the process of liquidating the portfolio of The Primary Fund. As of December 31, 2010 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) 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.
- 7) Escrow Interest as of December 31, 2010 total \$22,526.62 not included in balance