

Minnesota School District Liquid Asset Fund Plus

*Annual Report
June 30, 2009*

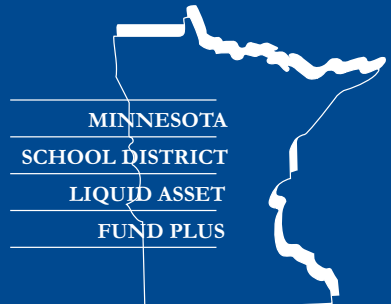


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*This information does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the investment objectives, risks, charges and expenses before investing in any of the Fund's series. This and other information about the Fund's series is available in the Fund's current Information Statement, which should be read carefully before investing. A copy of the Fund's Information Statement may be obtained by calling 1-888-4-MSDLAF or is available on the Fund's website at www.msdlaf.org. While the MSDLAF+ Liquid Class and Max Class seek to maintain a stable net asset value of \$1.00 per share and the MSDLAF+ TERM series seek to achieve a net asset value of \$1.00 per share at its stated maturity, it is possible to lose money investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Fund are distributed by **PFM Fund Distributors, Inc.**, member Financial Industry Regulatory Authority (FINRA) (www.finra.org). PFM Fund Distributors, Inc. is a wholly owned subsidiary of PFM Asset Management LLC. Member SIPC.*

Message from the Chairperson of the Board of Trustees

On behalf of the Board of Trustees of the Minnesota School District Liquid Asset Fund Plus (“MSDLAF” or “the Fund”), I am pleased to share with you the Fund’s annual report for the fiscal year ended June 30, 2009.

The Fund was created in November 1984 and will be celebrating its 25th anniversary later this year. For nearly a quarter of a century, the Fund has been providing cash management and investment services tailored to the unique needs of Minnesota school districts. The combination of the MSDLAF Term series with the Liquid and MAX Classes of the MSDLAF+ Portfolio provides Participants with various investment options within the Fund that give Participants the opportunity to maximize earnings while maintaining safety of principal as an investment priority.

The past year has been one of the most challenging times in the history of the Fund as a result of the credit crisis and other turmoil in the financial markets. However, the Fund’s primary objective has been – and remains – safety of principal and the Fund has steadfastly maintained this focus over the past year. The Fund’s MSDLAF+ Portfolio and MSDLAF Term series continue to hold a AAAM and AAAF ratings, respectively, from Standard & Poor’s (“S&P”). These ratings are a testament to the paramount importance of adhering to the Fund’s overall objective of safety of principal and not chasing more risky investments which could leave the Fund’s assets exposed to losses.

In spite of difficult market conditions and a decreasing interest rate environment, we have seen the continued participation of Minnesota school districts in the Fund. The MSDLAF+ Portfolio ended its fiscal year with net assets of nearly \$1.5 billion. So despite the challenges of the current investing market, Fund participation remains strong.

As a Participant in MSDLAF, you also have convenient access to your account information 24 hours a day, seven days a week through EON (Easy Online Network). This service provided by the Fund’s Administrator allows Participants access to downloadable check details, customized reports, up-to-the-minute online account balances and consolidated online electronic statements. Participants also are able to initiate transactions online up to six months in advance and can view current and previous monthly account statements and current yield information.

In closing, the Board of Trustees would like to take this opportunity to thank our Participants for their dedication and continued loyalty to the Fund. The Board of Trustees and all of those associated with MSDLAF+ are continually working on ways to serve you better, and will work hard to maintain the safety of your investments while maximizing return and ensuring liquidity. Please feel free to contact us with any questions or concerns you may have.

Sincerely,
Harold Remme, Chair
MSDLAF Board of Trustees

Message from the Investment Adviser

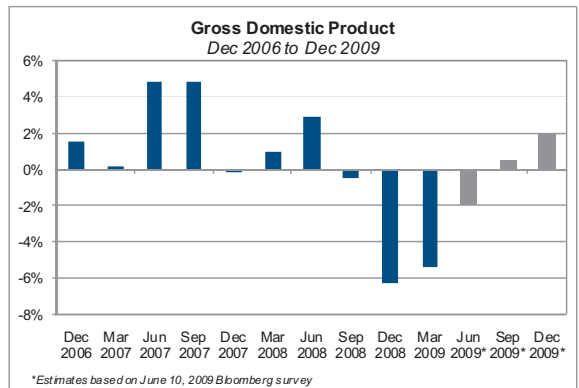
The recession that erupted in December of 2007 is now in its nineteenth month, the longest since the Great Depression. However, recent economic reports show that the pace of decline has slowed, which supports the view that the U.S. economy may be in the process of bottoming. Despite the challenges faced by the financial markets and the broader U.S. economy during 2008 and the first half of 2009, we are pleased to report that we were successful in preserving the safety of your investments in MSDLAF at all times, while generating a competitive return.

Since the recession began, nearly 6.5 million jobs have been lost, which has pushed unemployment to its highest level since 1983. High levels of unemployment coupled with economic uncertainty have led to reductions in consumer spending and an increase in savings. As the economy faltered in 2008, the savings rate increased steeply, demonstrating that consumers would boost savings to ride out the recession. The coincidence of a rising savings rate and abrupt drop off in retail sales contributed to the economic downturn. Since the consumer accounts for more than 70% of U.S. Gross Domestic Product (GDP), lower spending is a drag on the entire economy.

First quarter GDP declined at an annual rate of -5.5% according to the government's final revision. Year-over-year real GDP fell by -2.5% after contracting by -0.8% in the fourth quarter. As shown in the chart to the right, many economists are forecasting GDP will start to reverse course and that recovery will begin in the third quarter followed by a return to modest growth by year end.

Meanwhile, the Federal Reserve ("Fed") has been utilizing its entire toolbox to help guide the economy into recovery. The Fed has continued to maintain an extraordinarily low level of the Federal Funds rate. Further, the Fed also plans to purchase up to \$300 billion of Treasury securities, and will continue to provide support for mortgage lending and housing markets by purchasing a total of up to \$1.25 trillion of agency mortgage-backed securities and up to \$200 billion of agency debt. A timetable has not been set for the Fed to begin reversing its policy of aggressive credit easing; indeed despite inflation concerns and recent increases in long-term rates, the Fed has maintained its stance that supporting the economy should be its primary objective.

Since the end of last year the Fed has targeted a range for the Federal Funds rate between 0.00% and 0.25%. Accordingly, short term U.S. Treasury and Federal Agency securities yields have followed suit and remain near historical lows.



Throughout the financial market and economic turmoil of 2008 and 2009, MSDLAF has maintained its record as a secure investment for short term funds. The safety of underlying investments was never in question, the net asset value of shares remained stable, and MSDLAF also provided competitive yields and liquidity to its investors.

In the second half of 2008, we extended the MSDLAF+ Portfolio (the “Fund”) average maturity anticipating lower yields, and increased liquidity as a defensive measure. The Fund was positioned well in order to take advantage of the collapsing federal agency spreads when short term rates reached historic lows. In order to offset the historically low yields on short-term securities, FDIC insured certificates of deposit were approved as permitted investments and two year floating rate federal agency securities and registered money market funds were utilized. Additionally, the floating rate securities that the Fund has taken advantage of have the yield advantage of investing in a longer term security but the protection of a floating rate should rates rise. These investments have added significant value to the Fund by allowing us to take advantage of more favorable yields without compromising safety or liquidity.

The worst of the recession and financial market disruption is likely behind us, although it is not clear if we are actually on an upward trend. Though, until there is substantial improvement in the economy, it is expected that short term rates will remain near zero. We will continue to keep the Fund’s maturity toward the maximum level that is prudent as long as short term rates remain in their current ranges.

We look forward to continuing to work with Participants to develop and implement effective investment strategies to meet their investment objectives.

Respectfully,
PFM Asset Management LLC

July 13, 2009

About the Fund

The Minnesota School District Liquid Asset Fund Plus (“MSDLAF” or “the Fund”) was established on November 29, 1984 as a common law trust organized pursuant to the Minnesota Joint Powers Act. It was created to provide professional investment services to Minnesota school districts at a reasonable cost. MSDLAF offers its Participants multiple professionally managed portfolios which offer competitive money market rates. The Fund stresses “safety of principal” as the number one objective and each of its portfolios are rated by Standard and Poor’s. Additional fixed income investment products are available through the Investment Adviser to assist MSDLAF Participants in seeking to maximize results.

Public Focus

Since it was established, the Fund’s single focus has been serving the investment needs of its Participants. The Fund’s activities are directed by a Board of Trustees, all of whom are representatives of Minnesota school districts. The MSDLAF Board of Trustees contracts for services with professional service providers who are industry leaders in their fields. As a result, the Fund is accountable solely to its Participants.

Investment Options

Currently, MSDLAF offers Participants the Liquid Class and the MAX Class of the MSDLAF+ Portfolio, a short-term money market fund, and also MSDLAF Term, which offers Participants fixed-term investments with a minimum maturity of 60 days to a maximum maturity of one year. Additionally, fixed-term investments and individually managed portfolios, which are not a part of the Fund, are available under a separate agreement with the Fund’s investment adviser.

The Liquid Class

The Liquid Class of the MSDLAF+ Portfolio seeks to preserve principal, provide daily liquidity and earn a high level of income, consistent with its objectives of preserving principal. This class is rated AAAM* by Standard & Poor’s and offers Participants: daily liquidity, interest earned daily and credited monthly, competitive money market rates and unlimited check writing privileges.

The MAX Class

The MAX Class of the MSDLAF+ Portfolio seeks to preserve principal, but provides investors an alternative for funds which don’t need to be as liquid as those in the Liquid Class. This class is rated AAAM* by Standard & Poor’s. There is a 14-day minimum deposit period for investments in the MAX Class and a requirement to provide 24-hour notice of withdrawal, but the 14-day requirement is waived for State Payments sent directly to MSDLAF via Automated Clearing House (ACH) transfer.

** These ratings are based on Standard & Poor’s (“S&P”) analysis of each portfolio’s credit quality, market price exposure and management. According to S&P rating criteria, the AAAM rating signifies excellent safety of invested principal and a superior capacity to maintain a \$1.00 per share net asset value and the AAAM rating that a fund’s portfolio holdings provide extremely strong protection against losses from credit defaults. However, it should be understood that these ratings are not a “market” rating or a recommendation to buy, hold or sell the securities.*

MSDLAF Term

MSDLAF Term provides a fixed-rate, fixed-term investment option within the Trust to complement the Liquid and MAX Classes of the MSDLAF+ Portfolio. The projected earnings rate for investments in MSDLAF Term are determined when the shares are purchased and earnings are declared and paid on a planned withdrawal date. Multiple MSDLAF Term series will be created with staggered maturity dates. Each Series of MSDLAF Term is a portfolio of Permitted Investments and will have a Series-specific Scheduled Withdrawal Date. The investment strategy of MSDLAF Term is to match the cash flows required to meet Participants' planned withdrawals, including the projected earnings, with the cash flows from the portfolio. Funds of a Participant would be invested in MSDLAF Term through same day wire or transfers from the Participant's account in the Liquid Class. Upon withdrawal of a MSDLAF Term investment, funds will be transferred to the Participant's account in the Liquid Class or upon the request of a Participant, transferred by bank wire to a pre-authorized Participant bank account. MSDLAF Term is rated AAAf* by Standard & Poor's.

Fixed Income Investment Program

The Board of Trustees approved the Investment Adviser making available to Participants a fixed income investment program. This program will allow Participants to individually invest in securities issued by the United States Government or agencies or instrumentalities thereof, certificates of deposit and other fixed income investments permitted by Minnesota law. The Investment Adviser will offer investment advice on a non-discretionary basis and assist Participants in the purchase of these investments for an advisory fee, based upon factors such as the amount and complexity of the transaction. The CDs available through this program are usually issued in denominations up to the maximum amount insured by the FDIC and are not held as a part of the Fund, and, within the limits and to the extent of insurance provided by the FDIC, may be separately insured by the FDIC from any certificates of deposit which may be held by the Fund.

Individually Managed Portfolios

Individualized portfolios ("Individual Portfolios") are designed to offer Participants a comprehensive solution to their investment needs and enable them to invest in longer-term investments in a manner that is coordinated by the Investment Adviser with their investment in the Fund. The portfolios are created pursuant to a separate agreement between a Participant and the Fund's Investment Adviser. The Investment Adviser has agreed with the Fund that fees for these programs shall not exceed 25 basis points (0.25%) of the daily net assets under management in each respective portfolio. The Custodian will hold assets in an Individual Portfolio in a separate account in the Participant's name. Individual Portfolios may be appropriate for certain operating funds and reserves ("Separate Account Management") or for bond proceeds ("Bond Account Management"), as further described below:

Separate Account Management (SAM) In the SAM program, the Investment Adviser works with each Participant to create a comprehensive investment strategy and individualized portfolio of fixed income investments for that Participant. Each SAM account is created by the Investment Adviser following a review of budget and cash flow projections and schedules. SAM accounts can be managed on either a discretionary or non-discretionary basis. Participants participating in the SAM program may receive a cash flow review, investment

policy review and assistance in determining acceptable benchmarks, in addition to other cash management services (during the term of the investment advisory agreement).

Bond Account Management (BAM) In the BAM program, the Investment Adviser works closely with the Participant to create a comprehensive investment strategy and portfolio for the Participant while focusing on the project's disbursement needs for the bond financed project. In addition, the Investment Adviser offers arbitrage rebate services, investment policy review and development, cash flow modeling, and cash management services.

Services

To simplify investing, MSDLAF also offers a variety of cash management tools to assist public agencies in effectively managing their cash, such as automatic transfers, which help Participants minimize the effort of transferring funds. MSDLAF also provides unlimited sub-accounting, which allows Participants to easily track investments for different funds or entities. As a Participant in MSDLAF, you may access your account information 24 hours a day, seven days a week through EON (Easy Online Network). This on-line service provided by the Investment Adviser offers complete, up-to-date account and investment information, pertinent general information, transaction input up to six months in advance, current and previous monthly statements, and current yield information. MSDLAF's Investment Adviser also provides a number of specialized services for bond proceeds to help Participants comply with complex arbitrage rebate regulations. These services include expenditure tests and arbitrage rebate tracking.

We Value Your Participation

The Board of Trustees is committed to managing the Fund in a manner that meets the investment and associated record-keeping and cash management needs of its Participants. We are interested in your feedback. For additional information, please call us at 1-888-4-MSDLAF or visit us online at www.msdlaf.org.

Report of Independent Auditors

To the Board of Trustees and Participants of the
Minnesota School District Liquid Asset Fund Plus

In our opinion, the accompanying statement of assets and liabilities of the MSDLAF+ Portfolio of the Minnesota School District Liquid Asset Fund Plus (the "Fund"), including the statement of net assets, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the Fund at June 30, 2009, and the results of its operations, the changes in its net assets and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as the "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.



New York, New York
October 7, 2009

MSDLAF+ Portfolio

Statement of Assets and Liabilities

June 30, 2009

Assets	
Investments	\$1,553,131,623
Pending redemptions	511,476
Cash	4,941,062
Interest receivable	2,130,551
Total assets	1,560,714,712
Liabilities	
Payable for securities purchased but not yet received	84,997,511
Subscriptions received in advance	3,627,069
Investment advisory fees payable	
Liquid Class	17,536
MAX Class	82,993
Administration fees payable	
Liquid Class	23,983
MAX Class	110,079
Marketing fees payable	
Liquid Class	8,379
MAX Class	39,654
Sponsorship fees payable	
Liquid Class	9,881
MAX Class	46,761
Banking fees payable	13,229
Audit fees payable	34,400
Legal fees payable	1,850
Other expenses payable	59,439
Total liabilities	89,072,764
Net Assets	\$1,471,641,948
Net Assets Consist of:	
Liquid Class Shares (applicable to 227,435,965 outstanding shares of beneficial interest; unlimited shares authorized; equivalent to \$1.00 per share)	227,435,965
MAX Class Shares (applicable to 1,244,205,983 outstanding shares of beneficial interest; unlimited shares authorized; equivalent to \$1.00 per share)	1,244,205,983

The accompanying notes are an integral part of these financial statements.

MSDLAF+ Portfolio

Statement of Net Assets

June 30, 2009

	Face Amount	Value
Bankers' Acceptances (2.08%)		
Bank of America		
0.95% 7/2/09	\$ 1,103,000	\$ 1,102,971
0.95% 7/7/09	1,293,000	1,292,795
0.95% 7/8/09	2,445,000	2,444,548
0.95% 7/9/09	1,681,000	1,680,645
0.95% 7/13/09	24,106,000	24,098,367
<i>Total Bankers' Acceptances</i>		<u>30,619,326</u>
Certificates of Deposit (13.32%)		
1st Chatham Bank		
1.55% 12/28/09	240,000	240,000
Affiliated Bank		
1.85% 12/28/09	240,000	240,000
Amcore Bank		
2.00% 12/28/09	240,000	240,000
American Bank		
1.90% 12/28/09	240,000	240,000
American National Bank		
1.25% 6/3/10	245,000	245,000
American National Bank of Minnesota		
1.85% 12/28/09	240,000	240,000
Appalachian Community Bank		
2.10% 12/28/09	240,000	240,000
Aquesta Bank		
1.75% 12/28/09	240,000	240,000
Bank of Choice		
1.80% 12/28/09	240,000	240,000
Bank of Ellijay		
1.95% 12/28/09	240,000	240,000
Bank of Grove		
1.25% 5/28/10	245,000	245,000
Bank of Kremlin		
2.00% 12/28/09	240,000	240,000
Bank of Lincoln County		
1.90% 12/28/09	240,000	240,000
Bank of Nashville		
1.00% 12/15/09	247,000	247,000
Bank of North Carolina		
1.60% 12/28/09	240,000	240,000
Bank of Oakfield		
1.80% 12/28/09	240,000	240,000
Bank of St. Elizabeth		
1.75% 12/28/09	240,000	240,000
Bank of the Ozarks		
1.75% 12/28/09	240,000	240,000

The accompanying notes are an integral part of these financial statements.

MSDLAF+ Portfolio

Statement of Net Assets (continued)

June 30, 2009

	Face Amount	Value
Certificates of Deposit (13.32%) (continued)		
Bank of the West		
1.25% 5/28/10	\$ 245,000	\$ 245,000
Bank of Virginia		
1.75% 12/28/09	240,000	240,000
Bank of Whitman		
1.50% 6/3/10	245,000	245,000
Bankannapolis		
2.50% 12/28/09	240,000	240,000
Bitterroot Valley Bank		
1.50% 12/28/09	240,000	240,000
Boundary Waters Bank		
1.30% 5/21/10	245,000	245,000
Brunswick State Bank		
1.55% 12/28/09	240,000	240,000
Business Bank of Burlington		
2.00% 12/28/09	240,000	240,000
Business Bank of Minnetonka		
1.15% 5/28/10	245,000	245,000
Business First Bank		
2.00% 12/28/09	240,000	240,000
Cecil Federal Bank		
1.65% 5/21/10	245,000	245,000
Cedarstone Bank		
2.00% 12/28/09	240,000	240,000
Central Bank of Stillwater		
1.65% 5/21/10	245,000	245,000
Charter Bank		
1.50% 12/28/09	240,000	240,000
Chevy Chase Bank		
1.75% 12/28/09	240,000	240,000
Chinatrust Bank		
2.62% 12/28/09	240,000	240,000
Citizens Bank		
1.60% 12/28/09	240,000	240,000
Citizens Bank of Mukwonago		
2.00% 12/28/09	240,000	240,000
Citizens Bank of Pagosa Springs		
1.75% 12/28/09	240,000	240,000
Citizens Bank of Pennsylvania ⁽¹⁾		
2.07% 8/13/09	20,000,000	20,000,000
1.39% 10/9/09	40,000,000	40,000,000
1.54% 3/4/10	30,000,000	30,000,000
1.39% 5/11/10	25,000,000	25,000,000
1.27% 6/1/10	25,000,000	25,000,000
1.47% 6/10/10	10,000,000	10,000,000

The accompanying notes are an integral part of these financial statements.

MSDLAF+ Portfolio

Statement of Net Assets (continued)

June 30, 2009

	Face Amount	Value
Certificates of Deposit (13.32%) (continued)		
Citizens State Bank		
2.41% 12/28/09	\$ 240,000	\$ 240,000
Citizens Trust Bank		
1.60% 12/28/09	240,000	240,000
City National Bank of Taylor		
1.55% 12/28/09	240,000	240,000
Coatesville Savings Bank		
1.95% 12/28/09	240,000	240,000
Cobiz Bank		
1.90% 12/28/09	240,000	240,000
Columbia Bank		
1.65% 12/28/09	240,000	240,000
Commerce Bank		
1.40% 6/11/10	245,000	245,000
Commerce State Bank		
1.50% 12/28/09	240,000	240,000
Commonwealth National Bank		
1.00% 12/15/09	247,000	247,000
Community 1st Bank		
0.85% 12/15/09	247,000	247,000
Community Bank of Central Wisconsin		
1.50% 5/28/10	245,000	245,000
Community Bank of Oak Park River		
1.60% 12/28/09	240,000	240,000
Community Commerce Bank		
1.05% 12/15/09	247,000	247,000
Community Resource Bank		
1.75% 12/28/09	240,000	240,000
Community Savings Bank		
1.81% 12/28/09	240,000	240,000
Community Shores Bank		
1.73% 12/28/09	240,000	240,000
Community West Bank		
1.81% 12/28/09	240,000	240,000
Connecticut Bank & Trust Co.		
0.95% 12/15/09	247,000	247,000
Cornerstone Bank		
2.00% 12/28/09	240,000	240,000
Countrywide Bank		
2.03% 12/28/09	240,000	240,000
Crown Bank		
1.65% 5/21/10	245,000	245,000
Dakota Community Bank		
1.50% 12/28/09	240,000	240,000

The accompanying notes are an integral part of these financial statements.

MSDLAF+ Portfolio

Statement of Net Assets (continued)

June 30, 2009

	Face Amount	Value
Certificates of Deposit (13.32%) (continued)		
Dallas City Bank		
2.05% 12/28/09	\$ 240,000	\$ 240,000
East Carolina Bank		
1.15% 6/4/10	245,000	245,000
Farmers & Merchants State Bank		
1.10% 12/15/09	247,000	247,000
Farmers Bank		
2.00% 12/28/09	240,000	240,000
Fidelity Bank		
1.50% 12/28/09	240,000	240,000
Fidelity Bank of Florida		
1.10% 12/15/09	247,000	247,000
Fifth Third Bank		
1.76% 12/28/09	240,000	240,000
Financial Federal Savings Bank		
1.60% 12/28/09	240,000	240,000
First Bethany Bank & Trust		
2.00% 12/28/09	240,000	240,000
First Commerce Community Bank		
1.25% 5/28/10	245,000	245,000
First Community Bank		
2.25% 12/28/09	240,000	240,000
First Community Bank of America		
1.60% 12/28/09	240,000	240,000
First Credit Bank		
1.50% 6/3/10	245,000	245,000
First Federal Savings & Loan		
1.60% 12/28/09	240,000	240,000
First Federal Savings Bank of Boston		
1.60% 12/28/09	240,000	240,000
First Federal Savings & Loan Association of Olathe		
1.40% 5/28/10	245,000	245,000
First National Bank of Hebronville		
2.75% 12/28/09	240,000	240,000
First National Bank of Plainview		
0.95% 12/15/09	247,000	247,000
First National Bank of Syracuse		
1.60% 12/28/09	240,000	240,000
First Regional Bank		
2.00% 12/28/09	240,000	240,000
First Southern National Bank		
1.55% 12/28/09	240,000	240,000
First State Bank		
1.00% 7/14/09	248,000	248,000

The accompanying notes are an integral part of these financial statements.

MSDLAF+ Portfolio

Statement of Net Assets (continued)

June 30, 2009

	Face Amount	Value
Certificates of Deposit (13.32%) (continued)		
First State Bank Lynnville		
2.10% 12/28/09	\$ 240,000	\$ 240,000
First State Financial Inc.		
1.40% 6/3/10	245,000	245,000
First Utah Bank		
1.35% 5/28/10	245,000	245,000
Flagstar Bank		
1.56% 6/3/10	245,000	245,000
Floridian Community Bank		
1.50% 6/16/10	245,000	245,000
Folsom Lake Bank		
1.73% 5/28/10	245,000	245,000
Foundations Bank		
1.55% 12/28/09	240,000	240,000
Franklin Security Bank		
2.20% 12/28/09	240,000	240,000
Frontenac Bank		
1.60% 5/21/10	245,000	245,000
Frontier Bank		
1.00% 12/15/09	247,000	247,000
Georgia Bank & Trust Company of Augusta		
1.00% 12/15/09	247,000	247,000
Georgia Banking Company		
2.00% 12/28/09	240,000	240,000
Glenwood State Bank		
1.00% 7/14/09	248,000	248,000
Great Eastern Bank		
1.10% 12/15/09	247,000	247,000
Great Midwest Bank		
1.50% 12/28/09	240,000	240,000
Guardian Bank		
1.85% 12/28/09	240,000	240,000
Gunnison Valley Bank		
1.85% 12/28/09	240,000	240,000
HCSB		
2.00% 12/28/09	240,000	240,000
Henderson State Bank		
1.60% 12/28/09	240,000	240,000
Heritage Bank & Trust		
2.00% 12/28/09	240,000	240,000
Heritage Bank of N. Florida		
2.25% 12/28/09	240,000	240,000
Home Savings Bank		
1.75% 12/28/09	240,000	240,000

The accompanying notes are an integral part of these financial statements.

MSDLAF+ Portfolio

Statement of Net Assets (continued)

June 30, 2009

	Face Amount	Value
Certificates of Deposit (13.32%) (continued)		
Hometown Bank		
1.90% 12/28/09	\$ 240,000	\$ 240,000
Hometown Bank, Va		
2.00% 12/28/09	240,000	240,000
Idaho First Bank		
1.80% 12/28/09	240,000	240,000
Inland Northwest Bank		
1.85% 12/28/09	240,000	240,000
International Bank of Chicago		
2.25% 12/28/09	240,000	240,000
Kaw Valley Bank		
1.15% 5/28/10	245,000	245,000
Legacy Texas Bank		
1.75% 12/28/09	240,000	240,000
Liberty Bank		
1.50% 12/28/09	240,000	240,000
Lisle Savings Bank		
1.25% 5/21/10	245,000	245,000
Luana Savings Bank		
1.40% 12/28/09	240,000	240,000
Lydian Private Bank		
2.15% 10/13/09	245,000	245,000
Marshall & Ilsley Bank (NV)		
1.61% 12/15/09	247,000	247,000
Marshall And Ilsley Bank (WI)		
1.67% 12/15/09	247,000	247,000
Mercantile Bank of Michigan		
2.00% 12/28/09	240,000	240,000
Merchants State Bank		
1.25% 5/28/10	245,000	245,000
Midtown Bank & Trust Co.		
1.15% 12/15/09	247,000	247,000
Monticello Banking Company		
2.00% 12/28/09	240,000	240,000
Morris State Bank		
1.62% 12/28/09	240,000	240,000
Mountain Commerce Bank		
1.69% 12/28/09	240,000	240,000
Mountain First Bank & Trust Co		
1.80% 12/28/09	240,000	240,000
Neighborhood National Bank		
1.20% 5/28/10	245,000	245,000
New Century Bank		
1.25% 6/16/10	245,000	245,000

The accompanying notes are an integral part of these financial statements.

MSDLAF+ Portfolio

Statement of Net Assets (continued)

June 30, 2009

	Face Amount	Value
Certificates of Deposit (13.32%) (continued)		
New City Bank		
2.50% 12/28/09	\$ 240,000	\$ 240,000
Nexity Bank		
1.60% 6/11/10	245,000	245,000
North County Bank		
1.85% 12/28/09	240,000	240,000
OBA Federal Savings Bank		
1.50% 12/28/09	240,000	240,000
Oceanside Bank		
1.50% 6/11/10	245,000	245,000
ONB Bank & Trust Company		
2.00% 12/28/09	240,000	240,000
One World Bank		
1.90% 12/28/09	240,000	240,000
Orrstown Bank		
2.00% 12/28/09	240,000	240,000
Pacific Commerce Bank		
1.15% 5/28/10	245,000	245,000
Patriot Bank		
1.15% 6/4/10	245,000	245,000
Pender State Bank		
1.75% 12/28/09	240,000	240,000
Pinnacle Bank		
1.60% 12/28/09	240,000	240,000
Pinnacle Bank of South Carolina		
1.25% 5/28/10	245,000	245,000
Platte Valley National Bank (NE)		
1.75% 12/28/09	240,000	240,000
Platte Valley National Bank (WY)		
1.75% 12/28/09	240,000	240,000
Plaza Bank		
1.85% 12/28/09	240,000	240,000
Post Oak Bank, Tx		
2.00% 12/28/09	240,000	240,000
Premier Business Bank		
2.10% 12/28/09	240,000	240,000
Prime Alliance Bank		
2.00% 12/28/09	240,000	240,000
Privatebank		
1.65% 12/28/09	240,000	240,000
Profinium Financial		
2.05% 12/28/09	240,000	240,000
Prosper Bank		
2.25% 12/28/09	240,000	240,000

The accompanying notes are an integral part of these financial statements.

MSDLAF+ Portfolio

Statement of Net Assets (continued)

June 30, 2009

	Face Amount	Value
Certificates of Deposit (13.32%) (continued)		
Prosperity Bank		
2.00% 12/28/09	\$ 240,000	\$ 240,000
Quantum National Bank		
2.26% 12/28/09	240,000	240,000
Regal Financial Bank		
2.50% 12/28/09	240,000	240,000
Republic Bank		
0.90% 12/15/09	247,000	247,000
Republic First Bank		
1.35% 7/14/09	248,000	248,000
Resource Bank		
1.50% 12/28/09	240,000	240,000
Seaside National Bank & Trust		
1.10% 12/15/09	247,000	247,000
Seattle Bank		
2.95% 12/28/09	240,000	240,000
Security Bank of Tulsa		
1.85% 12/28/09	240,000	240,000
Security Business Bank of San Diego		
1.90% 12/28/09	240,000	240,000
Security State Bank of Howard Lake		
1.25% 5/21/10	245,000	245,000
Shelter Financial Bank		
1.65% 12/28/09	240,000	240,000
Signature Bank		
2.00% 12/28/09	240,000	240,000
Slovak Savings Bank		
1.15% 6/16/10	245,000	245,000
Sonabank, N.A.		
1.50% 12/28/09	240,000	240,000
South County Bank		
1.40% 6/3/10	245,000	245,000
Southwest Bank		
1.67% 12/15/09	247,000	247,000
Southwest Community Bank		
2.50% 12/28/09	240,000	240,000
St. Louis Bank		
2.00% 12/28/09	240,000	240,000
State Bank of India		
1.75% 12/28/09	240,000	240,000
Stearns Bank N.A.		
0.80% 12/15/09	247,000	247,000
Summit Bank		
1.50% 12/28/09	240,000	240,000

The accompanying notes are an integral part of these financial statements.

MSDLAF+ Portfolio

Statement of Net Assets (continued)

June 30, 2009

	Face Amount	Value
Certificates of Deposit (13.32%) (continued)		
Surrey Bank & Trust		
1.50% 12/28/09	\$ 240,000	\$ 240,000
Synovus Bank of Jacksonville		
2.96% 12/28/09	240,000	240,000
Tamalpais		
1.51% 12/28/09	240,000	240,000
Tennessee State Bank		
1.55% 6/3/10	245,000	245,000
Texas Community Bank		
2.10% 12/28/09	240,000	240,000
The First		
1.30% 7/14/09	248,000	248,000
Tomatobank N.A.		
1.85% 12/28/09	240,000	240,000
Traditional Bank		
1.85% 12/28/09	240,000	240,000
Tri-County National Bank		
1.75% 12/28/09	240,000	240,000
Trisummit Bank		
1.25% 5/21/10	245,000	245,000
United Commercial Bank		
1.55% 12/28/09	240,000	240,000
Valley National Bank		
1.80% 6/11/10	245,000	245,000
Valliance Bank		
1.95% 12/28/09	240,000	240,000
Viking Bank		
1.18% 5/28/10	245,000	245,000
Wayne County Bank		
1.75% 12/28/09	240,000	240,000
Wesbanco Bank		
1.95% 12/28/09	240,000	240,000
West Pointe Bank		
2.00% 12/28/09	240,000	240,000
Western Commercial Bank		
1.65% 12/28/09	240,000	240,000
Wilshire State Bank		
2.00% 12/28/09	240,000	240,000
Worthington National Bank		
1.80% 12/28/09	240,000	240,000
Zions First National Bank		
1.95% 12/28/09	240,000	240,000
Total Certificates of Deposit		<u>195,953,000</u>

The accompanying notes are an integral part of these financial statements.

MSDLAF+ Portfolio

Statement of Net Assets (continued)

June 30, 2009

	Face Amount	Value
Commercial Paper (28.53%)		
Bank of America		
0.50% 9/24/09	\$ 5,236,000	\$ 5,229,819
BNP Paribas Finance Inc		
0.38% 8/11/09	5,000,000	4,997,836
0.34% 9/16/09	40,000,000	39,970,911
Calyon North America, Inc.		
0.66% 8/4/09	5,000,000	4,996,883
0.39% 9/2/09	12,000,000	11,991,915
0.40% 9/10/09	7,000,000	6,994,547
0.37% 9/24/09	44,000,000	43,961,561
CBA (DE) Finance		
0.35% 9/21/09	40,000,000	39,968,111
0.34% 9/11/09	5,000,000	4,996,600
General Electric Capital Services		
0.52% 7/14/09	20,000,000	19,996,245
0.55% 7/29/09	15,000,000	14,993,583
0.37% 8/27/09	8,000,000	7,995,313
JP Morgan Chase Funding		
0.35% 8/13/09	35,000,000	34,985,368
Nordea North America, Inc.		
0.55% 7/16/09	27,000,000	26,993,813
0.30% 8/10/09	18,000,000	17,994,000
Rabobank USA Finance Corp		
0.35% 9/23/09	15,000,000	14,987,750
Societe Generale		
0.62% 7/31/09	5,000,000	4,997,417
0.38% 8/17/09	19,000,000	18,990,698
0.35% 10/1/09	50,000,000	49,955,278
Svenska Handelsbanken Inc		
0.54% 8/5/09	10,000,000	9,994,750
0.34% 9/21/09	35,000,000	34,972,894
<i>Total Commercial Paper</i>		<u>419,965,292</u>
Money Market Funds (18.43%)		
Fidelity Institutional Money Market Government Portfolio, Class I		
0.20% 7/1/09	189,800,000	189,800,000
First American Government Obligation Fund, Class Z		
0.22% 7/1/09	81,400,000	81,400,000
<i>Total Money Market Funds</i>		<u>271,200,000</u>

The accompanying notes are an integral part of these financial statements.

MSDLAF+ Portfolio**Statement of Net Assets (continued)**

June 30, 2009

	Face Amount	Value
U.S. Government and Agency Obligations (36.72%)		
Fannie Mae Mortgage Backed Security Discount Note		
3.36% 9/1/09	\$ 10,000,000	\$ 9,944,028
Fannie Mae Notes		
1.83% 8/15/09	8,000,000	8,034,604
0.48% ⁽²⁾ 10/16/09	50,000,000	50,016,983
0.68% ⁽²⁾ 10/22/10	67,000,000	67,060,988
Federal Farm Credit Bank Notes		
0.92% ⁽²⁾ 12/22/09	15,000,000	15,000,000
1.15% ⁽²⁾ 1/24/11	25,000,000	25,000,000
Federal Home Loan Bank Notes		
3.03% 10/2/09	5,000,000	5,024,562
3.03% 10/2/09	5,000,000	4,990,323
1.13% ⁽²⁾ 10/5/09	20,000,000	20,000,000
2.97% 10/9/09	23,800,000	23,897,641
0.84% ⁽²⁾ 2/10/10	25,000,000	25,000,000
1.13% 2/18/10	10,000,000	9,993,485
0.87% ⁽²⁾ 2/23/10	20,000,000	20,000,000
0.83% 4/20/10	10,000,000	9,999,090
0.58% ⁽²⁾ 5/5/10	25,000,000	25,000,000
0.33% ⁽²⁾ 5/21/10	25,000,000	24,990,924
Federal Home Loan Bank Notes (Callable)		
0.70% 6/25/10	10,000,000	10,000,000
Freddie Mac Notes		
1.85% 11/18/09	3,000,000	3,025,778
0.63% ⁽²⁾ 1/8/10	50,000,000	50,000,000
0.72% ⁽²⁾ 1/22/10	50,000,000	50,000,000
0.53% 4/30/10	8,150,000	8,308,074
0.70% ⁽²⁾ 3/9/11	20,000,000	20,000,000
1.21% ⁽²⁾ 4/7/11	10,000,000	10,002,028
U.S. Treasury Bills		
0.15% 7/30/09	40,000,000	39,995,256
U.S. Treasury Notes		
0.65% 6/30/10	5,000,000	5,110,241
Total U.S. Government and Agency Obligations.		540,394,005

The accompanying notes are an integral part of these financial statements.

MSDLAF+ Portfolio

Statement of Net Assets (continued)

June 30, 2009

	Face Amount	Value
Repurchase Agreements (6.46%)		
Goldman Sachs		
0.12% 7/1/09	\$ 30,000,000	\$ 30,000,000
(Dated 6/30/09, repurchase price \$30,000,100, collateralized by US Treasury securities, 0%, maturing 2/15/21, market value \$30,600,026)		
Deutsche Bank		
0.14% 7/2/09	65,000,000	65,000,000
(Dated 7/1/09, repurchase price \$65,000,253, collateralized by Federal Home Loan Bank securities, 0% to 5.25%, maturing 8/5/09 to 6/10/14, market value \$66,302,908)		
<i>Total Repurchase Agreements</i>		<u>95,000,000</u>
Total Investments (105.54%)		1,553,131,623
Other Liabilities in Excess of Other Assets (-5.54%)		<u>(81,489,675)</u>
Net Assets (100.00%)		<u>\$1,471,641,948</u>

(1) Guaranteed by Federal Home Loan Bank Letters of Credit.

(2) Floating rate note; rate shown is that which was in effect at June 30, 2009.

The accompanying notes are an integral part of these financial statements.

MSDLAF+ Portfolio

Statement of Operations

Year Ended June 30, 2009

Investment Income	
Interest income	\$ 19,688,432
<i>Total investment income</i>	<u>19,688,432</u>
Expenses	
Investment advisory fees	889,326
Administration fees	
Liquid Class	270,144
MAX Class	1,006,620
Marketing fees	
Liquid Class	68,561
MAX Class	354,294
Sponsorship fees	
Liquid Class	126,175
MAX Class	419,229
Banking fees	672,607
Audit fees	34,400
Liability insurance premiums	14,498
Legal fees	9,070
Other fees	65,472
<i>Total expenses</i>	<u>3,930,396</u>
Less: Fee Waivers by Administrator	(12,309)
Fee Waivers by Sponsors	(7,693)
Expenses Paid Indirectly	(152,510)
<i>Net Expenses</i>	<u>3,757,884</u>
Net Investment Income	15,930,548
Net Realized Gain on Investment Securities Sold	92,024
Net Increase in Net Assets Resulting from Operations	<u>\$ 16,022,572</u>

The accompanying notes are an integral part of these financial statements.

MSDLAF+ Portfolio

Statements of Changes in Net Assets

	Year Ended June 30, 2009	Year Ended June 30, 2008
INCREASE (DECREASE) IN NET ASSETS		
Operations		
Net investment income	\$15,930,548	\$ 38,966,328
Realized net gain on investment securities sold	92,024	125,936
<i>Net increase in net assets</i>	<u>16,022,572</u>	<u>39,092,264</u>
Distributions		
Net investment income, net of realized gain on investment securities sold		
Liquid Class	(1,979,710)	(6,569,303)
MAX Class	(14,042,862)	(32,522,961)
<i>Total distributions</i>	<u>(16,022,572)</u>	<u>(39,092,264)</u>
Capital Share Transactions (at \$1.00 per share)		
Issued		
Liquid Class	5,813,337,235	5,803,908,259
MAX Class	4,490,802,229	4,371,283,240
<i>Total shares issued</i>	<u>10,304,139,464</u>	<u>10,175,191,499</u>
Redeemed		
Liquid Class	(5,796,191,434)	(5,807,041,485)
MAX Class	(4,232,895,564)	(4,187,708,581)
<i>Total shares redeemed</i>	<u>(10,029,086,998)</u>	<u>(9,994,750,066)</u>
Distributions reinvested		
Liquid Class	1,979,710	6,569,303
MAX Class	14,042,862	32,522,961
<i>Total distributions reinvested</i>	<u>16,022,572</u>	<u>39,092,264</u>
Net increase from capital share transactions	291,075,038	219,533,697
Net Assets		
Beginning of year	<u>1,180,566,910</u>	<u>961,033,213</u>
End of year	<u>\$1,471,641,948</u>	<u>\$ 1,180,566,910</u>

The accompanying notes are an integral part of these financial statements.

MSDLAF+ Portfolio
Financial Highlights

For a Share Outstanding Throughout the Period

Liquid Class

	Year Ended June 30,				
	2009	2008	2007	2006	2005
Net asset value,					
beginning of period	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000
Income from operations					
Net investment income	0.011	0.038	0.047	0.035	0.014
Total from operations	0.011	0.038	0.047	0.035	0.014
Less: Distributions					
Net investment income	(0.011)	(0.038)	(0.047)	(0.035)	(0.014)
Total distributions	(0.011)	(0.038)	(0.047)	(0.035)	(0.014)
Net asset value,					
end of period	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000
Total return	1.14%	3.82%	4.81%	3.60%	1.44%
Ratios/Supplemental Data					
Net assets, end of year(000) . .	\$227,436	\$208,310	\$204,874	\$211,013	\$167,868
Ratio of expenses to average net assets before waivers and expenses paid indirectly	0.70%	0.64%	0.65% ⁽¹⁾	0.70% ⁽¹⁾	0.75% ⁽¹⁾
Ratio of expenses to average net assets after waivers and expenses paid indirectly	0.68%	0.64%	0.65% ⁽¹⁾	0.70% ⁽¹⁾	0.75% ⁽¹⁾
Ratio of net investment income to average net assets before waivers and expenses paid indirectly	1.07%	3.74%	4.71%	3.56%	1.44%
Ratio of net investment income to average net assets after waivers and expenses paid indirectly	1.09%	3.74%	4.71%	3.56%	1.44%

(1) For the period July 1, 2001 through October 31, 2006, the Liquid Class of the MSDLAF+ Portfolio pursued its investment objective by investing in the Cadre Institutional Investors Trust Money Market Portfolio (the "Portfolio"). The expense ratios shown above during this period include the expenses of the Portfolio which were allocated to the Liquid Class.

The accompanying notes are an integral part of these financial statements.

MSDLAF+ Portfolio

Financial Highlights

For a Share Outstanding Throughout the Period

MAX Class

	Year Ended June 30,		November 1,
	2009	2008	2006 ⁽¹⁾ through June 30, 2007
Net asset value, beginning of period	\$1.000	\$1.000	\$1.000
Income from operations			
Net investment income	0.015	0.041	0.034
Total from operations	0.015	0.041	0.034
Less: Distributions			
Net investment income	(0.015)	(0.041)	(0.034)
Total distributions	(0.015)	(0.041)	(0.034)
Net asset value, end of period	\$1.000	\$1.000	\$1.000
Total return	1.56%	4.18%	3.41%
Ratios/Supplemental Data			
Net assets, end of year(000)	\$1,244,206	\$972,256	\$756,159
Ratio of expenses to average net assets before waivers and expenses paid indirectly . . .	0.29%	0.29%	0.29% ⁽²⁾
Ratio of expenses to average net assets after waivers and expenses paid indirectly	0.27%	0.29%	0.29% ⁽²⁾
Ratio of net investment income to average net assets before waivers and expenses paid indirectly	1.48%	4.00%	5.07% ⁽²⁾
Ratio of net investment income to average net assets after waivers and expenses paid indirectly	1.50%	4.00%	5.07% ⁽²⁾

(1) Date of commencement of operations.

(2) Annualized.

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

1. Description of the Fund

The Minnesota School District Liquid Asset Fund Plus (“MSDLAF”, or the “Fund”) was established on November 29, 1984, as a common law trust organized under Section 471.59 of the Minnesota Statutes (the Joint Powers Act). The purpose of the Fund is to enable such school districts and other organized bodies to pool their available funds for investment. The Fund may invest only in instruments as authorized by Section 118a.04 of the Minnesota Statutes (“Permitted Investments”). Shares of MSDLAF’s portfolios are offered exclusively to Minnesota school districts, intermediate units, cooperative units, regional information centers and joint purchasing units.

The Fund currently consists of the Liquid and MAX Classes of the MSDLAF+ Portfolio and the TERM Series. The MSDLAF+ Portfolio has a Liquid Class of shares and a MAX Class of shares. These financial statements and related notes encompass only the Liquid and the MAX Classes of the MSDLAF+ Portfolio. The financial statements of each MSDLAF TERM Series are prepared following the termination date of each individual MSDLAF TERM series.

MSDLAF Term's shares have termination dates of up to one year. Each Series of MSDLAF Term is a portfolio of Permitted Investments and will have a Series-specific termination date. Multiple MSDLAF Term Series are created with staggered maturity dates. MSDLAF Term offers its Participants an estimated yield on their investments when the shares are purchased. The investment strategy of MSDLAF Term is to match, as closely as possible, the cash flows required to meet Participants' planned redemptions, including the projected dividend, with the cash flows from the portfolio. Consistent with this strategy, active trading of securities held by the portfolio will be practiced with the objective of enhancing the overall yield of the portfolio. A Participant only receives dividends from the investment of the MSDLAF Term Series in which it is invested. At the termination date of any MSDLAF Term Series, any excess net income of the Series may be distributed in the form of a supplemental dividend only to Participants of the Series that are outstanding on the termination date of the Series, and the excess net income will be allocated on a pro rata basis to all Participants then outstanding. The investment portfolio of each MSDLAF Term Series is accounted for independent of the investment portfolio of any other Series or portfolio of MSDLAF. In the event a MSDLAF Term Series portfolio were to realize a loss (whether of principal or interest), no contribution would be made to such MSDLAF Term Series from any other Series or portfolio of MSDLAF to offset such loss. No Series would constitute security or collateral for any other Series or portfolio.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in preparation of its financial statements.

Use of estimates in financial statement preparation

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Valuation of investments

Portfolio securities are valued at amortized cost, which approximates market value. The amortized cost method involves valuing a security at its cost on the date of purchase and recording a constant amortization or accretion to maturity of any discount or premium. It is the Fund's policy to compare amortized cost and fair values of the securities periodically throughout each month and as of the last business day of each month. Fair value is determined by reference to quoted market prices of specific or comparable securities.

Investment transactions

Security transactions are accounted for on trade date (date the order to buy or sell is executed). Costs used in determining realized gains and losses on the sale of investment securities are those of specific securities sold. Interest income is recorded using the accrual method. Discounts and premiums are accreted and amortized, respectively, to interest income over the lives of the respective securities.

The Portfolio adopted FASB Statement No. 157, "Fair Value Measurements" ("Statement 157"). Statement 157 establishes a framework for measuring fair value in GAAP, clarifies the definition of fair value within that framework, and expands

disclosures about the use of fair value measurements to increase consistency and comparability among fair value estimates used in financial reporting. Statement 157 defines fair value as the price that the Portfolio would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Statement 157 establishes a three-tier hierarchy of levels for fair value measurements based upon the transparency of inputs to the valuation, as follows:

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Inputs other than quoted prices that are observable for the asset, including quoted prices for similar investments based on interest rates, credit risk and like factors.

Level 3 – Unobservable inputs for the assets, including the Portfolios' own assumption for determining fair value.

Portfolio investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Money market securities are valued using amortized cost, as outlined in Rule 2a-7 under the Investment Company Act of 1940, however, the Portfolio is not registered under this act. Generally, amortized cost approximates the current fair value of a security, but since the value is not obtained from a quoted price in an active market, such securities held by the Portfolio are categorized as Level 2 under the Statement 157 hierarchy.

Income and expenses allocations

Income, common expenses and realized gains and losses are allocated to the classes of the MSDLAF+ Portfolio based on the relative net assets of each class when earned or incurred. Expenses specific to a class of shares of the MSDLAF+ Portfolio, such as administrative, marketing, sponsorship and banking fees, are allocated to the class of shares to which they relate.

Certain expenses of the Fund, such as legal, trustee, and insurance fees, are allocated between the MSDLAF+ Portfolio and each MSDLAF Term Series based on the relative net assets of each when such expenses are incurred. Income, realized gains and losses and expenses specific to Series of MSDLAF Term, such as investment advisory, administration, audit, banking and rating fees, are allocated to the MSDLAF Term Series to which they relate.

Income tax status

Pursuant to Section 115 of the Internal Revenue Code, because the Fund performs an essential governmental function, income generated by the Fund should not be subject to Federal income taxes. Furthermore, income of the Fund also should not be subject to state and local income taxes. Accordingly, no provision for income taxes has been made in these financial statements.

Repurchase agreements

Repurchase agreements entered into with broker-dealers are secured by U.S. government or agency obligations. The Fund's custodian takes possession of the collateral pledged for investments in repurchase agreements. Repurchase agreements are collateralized at 102% of the obligation's principal and interest value.

In the event of default on the obligation to repurchase, the Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. If the seller defaults and the value of the collateral declines, realization of the value of the obligation by the Fund may be delayed. In the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral may be subject to delays from legal proceedings.

Subsequent events evaluation

In accordance with FASB Statement No. 165, “Subsequent Events”, the Fund has evaluated subsequent events through October 7, 2009, the date through which procedures were performed to prepare the financial statements for issuance. No events have taken place that meet the definition of a subsequent event that require disclosure in these financial statements.

3. Fund Expenses

Pursuant to an Investment Advisory Agreement with MSDLAF, PFM Asset Management LLC (“PFM”) serves as the Investment Adviser and Administrator of the Fund, and PFM’s wholly-owned subsidiary, PFM Fund Distributors, Inc., has been delegated the authority to provide marketing services to the Fund.

Investment advisory fees

For its advisory services provided to the MSDLAF+ Portfolio, PFM is paid a fee at an annual rate which is determined as follows:

MSDLAF+ Portfolio Average Daily Net Assets	Rate
First \$1,500,000,000	.080%
\$1,500,000,001 to \$2,000,000,000	.075%
\$2,000,000,001 to \$2,500,000,000	.070%
\$2,500,000,001 to \$3,000,000,000	.065%
Over \$3,000,000,000	.060%

Such fees are calculated daily and payable monthly.

Under the terms of its Investment Advisory Agreement with PFM, each MSDLAF Term Series pays PFM a monthly fee for investment advisory and administration at the annual rate of 0.25% of each Series average daily net assets. Such fee is calculated daily and paid monthly. At its discretion, PFM may waive some or all of its fees for each MSDLAF Term Series, and such waiver may be discontinued at any time.

Administration fees

Under its Agreement with the Fund, PFM is paid a fee for its services as Administrator to the MSDLAF+ Portfolio at an annual rate which was determined as follows:

Average Daily Net Assets by Class	Rate Applied to the Liquid Class	Rate Applied to the MAX Class
First \$250,000,000	0.15%	0.12%
\$250,000,001 to \$500,000,000	0.14%	0.11%
Over \$500,000,000	0.13%	0.10%

Such fees are calculated daily and payable monthly.

Marketing fees

Pursuant to the authority granted under its Agreement with the Fund, PFM has delegated its duty to provide marketing services for the Fund to its wholly-owned broker/dealer subsidiary, PFM Fund Distributors, Inc. For the marketing services it provides to the MSDLAF+ Portfolio, PFM Fund Distributors, Inc. is paid a fee at an annual rate according to the schedule that follows:

Total Average Daily Net Fund Assets Breakpoint	Rate Applied to the MSDLAF+ Portfolio
First \$750,000,000	0.040%
\$750,000,001 to \$1,500,000,000	0.035%
\$1,500,000,001 to \$3,000,000,000	0.030%
Over \$3,000,000,000	0.020%

For the purpose of calculating breakpoints to determine the applicable rates above, the total average daily net assets of all Fund programs shall be included, including but not limited to: the Liquid Class of the MSDLAF+ Portfolio or Liquid Portfolio, as applicable, the MAX Class of the MSDLAF+ Portfolio or MAX Portfolio, as applicable, each MSDLAF+ Term Series, all SAM accounts, all BAM Accounts, the individualized portfolios, the Fixed Term Investment Program, or any other investment program approved, endorsed or otherwise made available to Participants by the Fund or PFM. The fee is computed daily and payable monthly from the Liquid Class and MAX Class of the MSDLAF+ Portfolio based on the average daily net assets in each such class.

PFM Fund Distributors, Inc. is not compensated for the services it provides to the MSDLAF Term Series.

Sponsorship fees

The Minnesota School Boards Association, Minnesota Association of School Administrators and Minnesota Association of School Business Officials (collectively, the “Sponsors”) sponsor the Fund. The Sponsors are paid sponsorship fees at the following rates:

Organization	Rate Applied to the Liquid Class	Rate Applied to the MAX Class
Minnesota School Boards Association (“MSBA”)	0.05%	0.025%
Minnesota Association of School Administrators (“MASA”)	0.01%	0.01%
Minnesota Association of School Business Officials (“MASBO”)	0.01%	0.01%

The rates for the Liquid and MAX Classes of the MSDLAF+ Portfolio shown in the preceding chart were the same as the rates applied to the average daily net assets of the Fund’s former Liquid and MAX Portfolios, respectively, prior to the reorganization described in note 1 above. Such fees are calculated daily and payable monthly.

Other Fund expenses

The Fund pays expenses incurred by its Trustees and officers (in connection with the discharge of their duties), insurance for the Trustees, fees for cash management and

custodial services, audit fees and legal fees. Expenses, which are not specifically related to any portfolio or Series of the Fund, are allocated between the portfolio or Series to which they relate. During the year ended June 30, 2009, the Custodian's fees were reduced by \$152,510 as a result of earnings credits from cash balances.

Fee Reduction Agreements

Effective May 5, 2009, the Trust entered into a Fee Reduction Agreement with PFM and a Fee Reduction Agreement with the Sponsors (each a "Service Provider") pursuant to which each Service Provider individually may, but shall not be obligated to, temporarily reduce a portion of its fees payable from the Liquid Class of the MSDLAF+ Portfolio to assist that class in an attempt to maintain a positive yield. In the event that a Service Provider elects to initiate a fee reduction, such fee reduction shall be applicable to the computation of the net asset value ("NAV") of the Liquid Class on the business day immediately following the date on which the Service Provider gives notice to the Trust on the rate of the fee reduction to be applied in calculating the NAV. A fee reduction shall remain in effect until notice is provided to the Trust by the Service Provider regarding its intent to terminate its fee reduction or revise, upward or downward, the rate of its fee reduction.

At any time after a fee reduction has been terminated, the relevant Service Provider may elect to have the amount of its accumulated reduced fees restored in whole or in part under the conditions described in the Service Provider's Fee Reduction Agreement with the Trust by way of a payment of fees in excess of the rate it was entitled to, prior to any fee reduction, all as set forth in the respective Fee Reduction Agreement. In all cases, the amount of accumulated reduced fees to be restored in a given month may not exceed 115% of the fees payable under the terms of each Service Providers related agreement with the Fund.

As of June 30, 2009, the amount of fees waived under the Trust's Fee Reduction Agreements with PFM, MSBA, MASA and MASBO totaled \$12,309, \$4,617, \$1,538 and \$1,538, respectively.

Representations and indemnifications

The Fund has entered into agreements with several of its service providers which provide for indemnification against losses, costs, claims and liabilities arising from the performance of their obligations under such agreements, except for gross negligence or bad faith. The Fund has had no claims or payments pursuant to these or prior agreements, and the Fund's management believes the likelihood of a claim being made is remote.

4. Dividends and Distributions

On a daily basis, the MSDLAF+ Portfolio declares dividends and distributions for its Liquid and MAX Classes from its net investment income, and net realized gains or losses from securities transactions, if any. Such dividends and distributions are payable to participants of record at the time of the previous computation of the Fund's net asset value and are distributed to each Participant's account by purchase of additional shares of Fund on the last day of each month.

Dividends to Participants of MSDLAF Term are declared and paid on the termination date of each Series, except for dividends on shares redeemed pursuant to a planned early redemption or a premature redemption before the termination date of such series, which will be declared and paid when such shares are redeemed.

5. Governmental Accounting Standards (unaudited)

Under Governmental Accounting Standards ("GAS"), state and local governments and other municipal entities are required to disclose credit risk, concentration of credit risk, and interest rate risk for investment portfolios. Although the Fund is not subject to GAS, the following risk disclosures of its investment portfolio as of June 30, 2009 have been provided for the information of the Funds participants.

Credit Risk

The MSDLAF+ Portfolio invests in short-term debt securities, including: debt obligations issued or guaranteed by the U.S. government or an agency or instrumentality of the U.S. government ("Government Securities"); certificates of deposit and time deposits that are fully insured by the Federal Deposit Insurance Corporation ("FDIC"); bankers' acceptances issued by domestic banks; commercial paper issued by U.S. corporations or their Canadian subsidiaries rated in the highest rating category for debt obligations by at least two nationally recognized statistical rating organizations ("NRSROs"); general obligation bonds of any state or local government with taxing powers rated A or better by an NRSRO; revenue bonds of any state or local government with taxing powers rated AA or better by an NRSRO; general obligations of the Minnesota Housing Finance Agency rated A or better by NRSRO; repurchase agreements with respect to the foregoing types of securities; and other investment instruments permitted for the investment of school districts organized under the laws of Minnesota, as described in the Minnesota Statutes, Sections 118A.04 and 118A.05 and further described in the Fund's Information Statement.

As of June 30, 2009, the MSDLAF+ Portfolio was comprised of investments which were, in aggregate, rated by Standard and Poor's ("S&P") as noted in the chart that follows:

S&P Rating	% of MSDLAF+ Portfolio
AAA	37.4%
AAAm	17.5%
A-1+	20.3%
A-1	19.0%
Not Rated	5.0%

The above ratings of the MSDLAF+ Portfolio include the ratings of collateral underlying repurchase agreements in effect at June 30, 2009.

Concentration of Credit Risk

The MSDLAF+ Portfolio's investment portfolio at June 30, 2009 included the following issuers which individually represented greater than 5% of its total investment portfolio:

Issuer	%
Fidelity Institutional Money Market Government Portfolio	12.2%
Federal Home Loan Bank	11.5%
Freddie Mac	9.1%
Fannie Mae	8.7%
First American Government Obligation Fund	5.2%

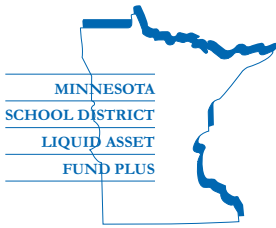
Interest Rate Risk

The MSDLAF+ Portfolio's investment policy limits its exposure to market value fluctuations due to changes in interest rates by requiring that (1) the MSDLAF+ Portfolio maintain a dollar-weighted average maturity of not greater than ninety days; and (2) requiring that any investment securities purchased by the MSDLAF+ Portfolio have remaining maturities of 397 days or less.

The weighted average maturity of the MSDLAF+ Portfolio's entire portfolio at June 30, 2009 was 59 days. The fair value and weighted average maturity of the types of investments the Portfolio was invested in at June 30, 2009 is as follows:

Type of Investments	Fair Value	Weighted Average Maturity
U.S. Government Agency Bonds	\$ 485,344,480	37 Days
U.S. Government Agency Discount Notes	9,944,028	63 Days
Commercial Paper	419,965,292	64 Days
Certificate of Deposits	195,953,000	212 Days
Money Market Funds	271,200,000	1 Days
U.S. Treasuries	45,105,498	67 Days
Bankers Acceptance	30,619,325	12 Days
Repurchase Agreements	95,000,000	2 Days
	<u>\$1,553,131,623</u>	

The weighted average maturities shown above are calculated based on the stated maturity dates with the following exceptions: (1) floating or variable rate securities are assumed to have an effective maturity of the date upon which the securities interest rate next resets; and (2) the effective maturity of callable securities is assumed to be its stated maturity unless the security had been called as of the reporting date, in which case the effective maturity would be assumed to be its called date.



Sponsoring Organizations

Minnesota Association of School Administrators

Dr. Charles Kyte*, Executive Director

Minnesota School Boards Association

Robert Meeks*, Executive Director

Minnesota Association of School Business Officials

Connie Nordquist, Executive Director

Service Providers

Investment Advisor & Administrator

PFM Asset Management LLC

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North Front & Market Streets
Harrisburg, Pennsylvania 17101-2044

222 North LaSalle, Suite 910
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PFM Fund Distributors, Inc.

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Minneapolis, Minnesota 55402

One Keystone Plaza, Suite 300
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Harrisburg, Pennsylvania 17101-2044

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U.S. Bank, N.A.

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St. Paul, Minnesota 55107

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300 Madison Avenue
New York, New York 10017

Legal Counsel

Knutson, Flynn & Deans

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Mendota Heights, Minnesota 55120

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Minnesota School District Liquid Asset Fund Plus

c/o Minnesota School Boards Association

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