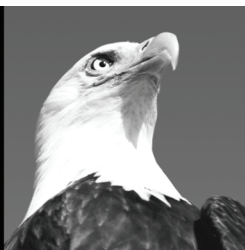


**Federated**

WORLD-CLASS INVESTMENT MANAGER<sup>®</sup>



# ARIZONA MUNICIPAL CASH TRUST

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**A Portfolio of Money Market Obligations Trust**

## **ANNUAL SHAREHOLDER REPORT**

October 31, 2009

**Institutional Service Shares**

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**SHAREHOLDER EXPENSE EXAMPLE**

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**QUARTERLY PORTFOLIO SCHEDULE**

**Not FDIC Insured ■ May Lose Value ■ No Bank Guarantee**

# FINANCIAL HIGHLIGHTS – INSTITUTIONAL SERVICE SHARES

(For a Share Outstanding Throughout Each Period)

<b>Year Ended October 31</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Net Asset Value, Beginning of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Income From Investment Operations:</b>					
Net investment income	0.003	0.021	0.031	0.028	0.017
Net realized gain (loss) on investments	(0.000) <sup>1</sup>	0.000 <sup>1</sup>	0.000 <sup>1</sup>	0.000 <sup>1</sup>	(0.000) <sup>1</sup>
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>0.003</b>	<b>0.021</b>	<b>0.031</b>	<b>0.028</b>	<b>0.017</b>
<b>Less Distributions:</b>					
Distributions from net investment income	(0.003)	(0.021)	(0.031)	(0.028)	(0.017)
Distributions from net realized gain on investments	(0.000) <sup>1</sup>	(0.000) <sup>1</sup>	(0.000) <sup>1</sup>	—	—
<b>TOTAL DISTRIBUTIONS</b>	<b>(0.003)</b>	<b>(0.021)</b>	<b>(0.031)</b>	<b>(0.028)</b>	<b>(0.017)</b>
<b>Net Asset Value, End of Period</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
<b>Total Return<sup>2</sup></b>	<b>0.32%</b>	<b>2.18%</b>	<b>3.13%</b>	<b>2.81%<sup>3</sup></b>	<b>1.71%<sup>4</sup></b>

## **Ratios to Average Net Assets:**

Net expenses	0.69% <sup>5</sup>	0.65% <sup>5</sup>	0.64%	0.61%	0.60%
Net investment income	0.30%	2.05%	3.08%	2.73%	1.74%
Expense waiver/reimbursement <sup>6</sup>	0.40%	0.30%	0.40%	0.47%	0.51%

## **Supplemental Data:**

Net assets, end of period (000 omitted)	\$55,915	\$78,311	\$96,744	\$77,258	\$108,332
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1 Represents less than \$0.001.

2 Based on net asset value.

3 During the period, the Fund was reimbursed by an affiliated shareholder services provider, which had an impact of 0.03% on the total return.

4 During the period, the Fund was reimbursed by an affiliated shareholder services provider, which had an impact of 0.02% on the total return.

5 The net expense ratio is calculated without reduction for expense offset arrangements. The net expense ratios are 0.69% and 0.65% for the years ended October 31, 2009 and 2008, respectively, after taking into account these expense reductions.

6 This expense decrease is reflected in both the net expense and the net investment income ratios shown above.

See Notes which are an integral part of the Financial Statements

## SHAREHOLDER EXPENSE EXAMPLE (UNAUDITED)

As a shareholder of the Fund, you incur ongoing costs, including management fees and to the extent applicable, distribution (12b-1) fees and/or shareholder services fees and other Fund expenses. This Example is intended to help you to understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. It is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from May 1, 2009 to October 31, 2009.

### **ACTUAL EXPENSES**

The first section of the table below provides information about actual account values and actual expenses. You may use the information in this section, together with the amount you invested, to *estimate* the expenses that you incurred over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first section under the heading entitled “Expenses Paid During Period” to estimate the expenses attributable to your investment during this period.

### **HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES**

The second section of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an *assumed* rate of return of 5% per year before expenses, which is not the Fund’s actual return. Thus, you should *not* use the hypothetical account values and expenses to estimate the actual ending account balance or your expenses for the period. Rather, these figures are required to be provided to enable you to compare the ongoing costs of investing in the Fund with other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only. Therefore, the second section of the table is useful in comparing ongoing costs only, and will not help you determine the relative *total* costs of owning different funds.

	<b>Beginning Account Value 5/1/2009</b>	<b>Ending Account Value 10/31/2009</b>	<b>Expenses Paid During Period<sup>1</sup></b>
<b>Actual</b>	\$1,000	\$1,000.50	\$3.48
<b>Hypothetical (assuming a 5% return before expenses)</b>	\$1,000	\$1,021.73	\$3.52

- 1 Expenses are equal to the Fund's annualized net expense ratio of 0.69%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half-year period).

# PORTFOLIO OF INVESTMENTS SUMMARY TABLES (UNAUDITED)

At October 31, 2009, the Fund's portfolio composition<sup>1</sup> was as follows:

	<b>Percentage of Total Net Assets</b>
Variable Rate Demand Instruments	82.3%
Municipal Notes	17.7%
Other Assets and Liabilities—Net <sup>2,3</sup>	(0.0)%
<b>TOTAL</b>	<b>100.0%</b>

At October 31, 2009, the Fund's effective maturity schedule<sup>4</sup> was as follows:

<b>Securities with an Effective Maturity of:</b>	<b>Percentage of Total Net Assets</b>
1-7 Days	82.3%
8-30 Days	0.0%
31-90 Days	0.0%
91-180 Days	0.0%
181 Days or more	17.7%
Other Assets and Liabilities—Net <sup>2,3</sup>	(0.0)%
<b>TOTAL</b>	<b>100.0%</b>

- 1 See the Fund's Prospectus and Statement of Additional Information for a description of these investments.
- 2 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.
- 3 Represents less than 0.1%.
- 4 Effective maturity is determined in accordance with the requirements of Rule 2a-7 under the Investment Company Act of 1940, which regulates money market mutual funds.

# PORTFOLIO OF INVESTMENTS

October 31, 2009

**Principal  
Amount**

**Value**

Principal Amount		Value
	SHORT-TERM MUNICIPALS—100.0% <sup>1,2</sup>	
	<b>Arizona—100.0%</b>	
\$1,700,000	Apache County, AZ IDA, 1983 (Series A) Weekly VRDNs (Tucson Electric Power Co.)/(Credit Suisse, Zurich LOC), 0.250%, 11/4/2009	\$1,700,000
2,550,000	Arizona Board of Regents, (Series 2008A) Weekly VRDNs (Arizona State University)/(Lloyds TSB Bank PLC, London LOC), 0.160%, 11/4/2009	2,550,000
1,400,000	Arizona Health Facilities Authority, (2008 Series D) Weekly VRDNs (Catholic Healthcare West)/(Bank of America N.A. LOC), 0.190%, 11/4/2009	1,400,000
1,585,000	Casa Grande, AZ IDA, (Series 2002A) Weekly VRDNs (Price Cos., Inc.)/(Bank of America N.A. LOC), 0.400%, 11/5/2009	1,585,000
2,500,000	Coconino County, AZ Pollution Control Corp., (Series 1998) Daily VRDNs (Arizona Public Service Co.)/(KBC Bank N.V. LOC), 0.200%, 11/2/2009	2,500,000
7,221,000	Flagstaff, AZ IDA, (Series 1999) Weekly VRDNs (Joy Cone Co.)/(Citizens Bank of Pennsylvania LOC), 2.500%, 11/5/2009	7,221,000
2,500,000	Maricopa County, AZ School District No. 17 (Tolleson Elementary), (Series 2009C), 3.00% Bonds, 7/1/2010	2,538,069
2,275,000	Maricopa County, AZ, IDA MFH, (Series 2000A) Weekly VRDNs (Las Gardenias Apartments LP)/(FNMA LOC), 0.310%, 11/5/2009	2,275,000
3,000,000	Maricopa County, AZ, IDA Solid Waste Disposal, (Series 2009) Weekly VRDNs (DC Paloma 2 LLC)/(CoBank, ACB LOC), 0.520%, 11/5/2009	3,000,000
2,610,000	Maricopa County, AZ, IDA, (Series 1999) Weekly VRDNs (Redman Homes, Inc.)/(Credit Suisse, Zurich LOC), 0.500%, 11/5/2009	2,610,000
2,000,000	<sup>3,4</sup> Mesa, AZ Utility System, Clipper Tax-Exempt Certificates Trust (Series 2009-33) Weekly VRDNs (State Street Bank and Trust Co. LIQ)/(State Street Bank and Trust Co. LOC), 0.210%, 11/5/2009	2,000,000
1,550,000	Phoenix, AZ IDA, (Series 2000) Weekly VRDNs (MechoShade West, Inc.)/(JPMorgan Chase Bank, N.A. LOC), 0.510%, 11/5/2009	1,550,000
1,000,000	Phoenix, AZ IDA, (Series 2008) Weekly VRDNs (Southwestern College of Phoenix)/(Comerica Bank LOC), 0.370%, 11/5/2009	1,000,000
2,460,000	Pima County, AZ, 4.00% Bonds, 7/1/2010	2,517,700
2,100,000	Pinal County, AZ IDA, (Series 2002) Weekly VRDNs (D.A. Holdings LLC)/(Wells Fargo Bank, N.A. LOC), 0.560%, 11/5/2009	2,100,000
4,030,000	Pinal County, AZ IDA, (Series 2002) Weekly VRDNs (Milky Way Dairy LLC)/(Rabobank Nederland NV, Utrecht LOC), 0.560%, 11/5/2009	4,030,000
1,000,000	Pinal County, AZ IDA, (Series 2005) Weekly VRDNs (Three C Eloy LLC)/(Bank of America N.A. LOC), 0.420%, 11/5/2009	1,000,000
425,000	Pinal County, AZ IDA, (Series 2006) Weekly VRDNs (Three C Eloy LLC)/(CoBank, ACB LOC), 0.520%, 11/5/2009	425,000

Principal Amount		Value
	SHORT-TERM MUNICIPALS—continued <sup>1,2</sup>	
	<b>Arizona—continued</b>	
\$2,590,000	Pinal County, AZ IDA, (Series 2007) Weekly VRDNs (Artistic Paver Mfg. Phoenix, Inc.)/(SunTrust Bank LOC), 0.700%, 11/4/2009	\$ 2,590,000
1,050,000	Pinal County, AZ USD No. 20 (Maricopa), (Series D), 5.25% Bonds, 7/1/2010	1,080,875
1,500,000	<sup>3,4</sup> Salt River Project, AZ Agricultural Improvement & Power District, (ROCs-RR-II-R-12276) Weekly VRDNs (Citibank NA, New York LIQ), 0.210%, 11/5/2009	1,500,000
1,450,000	Scottsdale, AZ IDA, (Series 2006C) Weekly VRDNs (Scottsdale Healthcare Hospitals)/(FSA INS)/(Citibank NA, New York LIQ), 0.270%, 11/4/2009	1,450,000
700,000	Scottsdale, AZ IDA, (series 2006E) Weekly VRDNs (Scottsdale Healthcare Hospitals)/(FSA INS)/(Citibank NA, New York LIQ), 0.270%, 11/4/2009	700,000
1,055,500	<sup>3,4</sup> Scottsdale, AZ Municipal Property Corp. Excise Tax, Floater Certificates (Series 2006-1523) Weekly VRDNs (Rabobank Nederland NV, Utrecht LIQ), 0.210%, 11/5/2009	1,055,500
3,725,000	Tempe, AZ School District No. 213 (Maricopa County), 3.25% Bonds, 7/1/2010	3,790,905
1,000,000	Yavapai County, AZ IDA Hospital Facilities, (Series 2008B) Weekly VRDNs (Northern Arizona Healthcare System, Inc.)/(Banco Bilbao Vizcaya Argentaria SA LOC), 0.210%, 11/5/2009	1,000,000
750,000	Yavapai County, AZ IDA Solid Waste Disposal, (Series 2008A) Weekly VRDNs (Allied Waste North America, Inc.)/(Bank of America N.A. LOC), 0.300%, 11/5/2009	750,000
	TOTAL MUNICIPAL INVESTMENTS—100.0% (AT AMORTIZED COST) <sup>5</sup>	55,919,049
	OTHER ASSETS AND LIABILITIES – NET—(0.0)% <sup>6</sup>	(3,767)
	TOTAL NET ASSETS—100%	\$55,915,282

Securities that are subject to the federal alternative minimum tax (AMT) represent 51.2% of the portfolio as calculated based upon total market value (percentage is unaudited).

1 *The Fund may only invest in securities rated in one of the two highest short-term rating categories by nationally recognized statistical rating organizations (NRSROs) or unrated securities of comparable quality. An NRSRO's two highest rating categories are determined without regard for sub-categories and gradations. For example, securities rated SP-1+, SP-1 or SP-2 by Standard & Poor's, MIG-1 or MIG-2 by Moody's Investors Service or F-1+, F-1 or F-2 by Fitch Ratings, are all considered rated in one of the two highest short-term rating categories.*

*Securities rated in the highest short-term rating category (and unrated securities of comparable quality) are identified as First Tier securities. Securities rated in the second highest short-term rating category (and unrated securities of comparable quality) are identified as Second Tier securities. The Fund follows applicable regulations in determining whether a security is rated and whether a security rated by multiple NRSROs in different rating categories should be identified as a First or Second Tier security.*

At October 31, 2009, the portfolio securities were rated as follows:  
Tier Rating Percentages Based on Total Market Value (unaudited)

First Tier	Second Tier
100.0%	0.0%

- 2 Current rate and next reset date shown for Variable Rate Demand Notes.
- 3 Denotes a restricted security that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) is subject to a contractual restriction on public sales. At October 31, 2009, these restricted securities amounted to \$4,555,500, which represented 8.1% of total net assets.
- 4 Denotes a restricted security that may be resold without restriction to “qualified institutional buyers” as defined in Rule 144A under the Securities Act of 1933 and that the Fund has determined to be liquid under criteria established by the Fund’s Board of Trustees (the “Trustees”). At October 31, 2009, these liquid restricted securities amounted to \$4,555,500, which represented 8.1% of total net assets.
- 5 Also represents cost for federal tax purposes.
- 6 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.

Note: The categories of investments are shown as a percentage of total net assets at October 31, 2009.

Various inputs are used in determining the value of the Fund’s investments. These inputs are summarized in the three broad levels listed below:

Level 1—quoted prices in active markets for identical securities

Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3—significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used, as of October 31, 2009, in valuing the Fund’s assets carried at fair value:

#### Valuation Inputs

	Level 1 – Quoted Prices and Investments in Mutual Funds	Level 2 – Other Significant Observable Inputs	Level 3 – Significant Unobservable Inputs	Total
<b>Debt Securities:</b>				
Short-Term Municipals	\$—	\$55,919,049	\$—	\$55,919,049

The following acronyms are used throughout this portfolio:

FNMA —Federal National Mortgage Association  
FSA —Financial Security Assurance  
IDA —Industrial Development Authority  
INS —Insured  
LIQ —Liquidity Agreement  
LOC —Letter of Credit  
MFH —Multi-Family Housing  
ROCs —Reset Option Certificates  
USD —Unified School District  
VRDNs—Variable Rate Demand Notes

See Notes which are an integral part of the Financial Statements

# STATEMENT OF ASSETS AND LIABILITIES

October 31, 2009

## **Assets:**

Total investments in securities, at amortized cost and value	\$55,919,049
Income receivable	119,795
Receivable for shares sold	3,000
<b>TOTAL ASSETS</b>	<b>56,041,844</b>

## **Liabilities:**

Payable for shares redeemed	\$ 3,000
Bank overdraft	81,297
Income distribution payable	247
Payable for Directors'/Trustees' fees	319
Payable for portfolio accounting fees	10,437
Payable for shareholder services fee (Note 5)	14,383
Payable for share registration costs	12,109
Accrued expenses	4,770
<b>TOTAL LIABILITIES</b>	<b>126,562</b>

Net assets for 55,947,923 shares outstanding \$55,915,282

## **Net Assets Consist of:**

Paid-in capital	\$55,947,923
Accumulated net realized loss on investments	(32,394)
Distributions in excess of net investment income	(247)
<b>TOTAL NET ASSETS</b>	<b>\$55,915,282</b>

## **Net Asset Value, Offering Price and Redemption Proceeds Per Share:**

\$55,915,282 ÷ 55,947,923 shares outstanding, no par value, unlimited shares authorized \$ 1.00

See Notes which are an integral part of the Financial Statements

# STATEMENT OF OPERATIONS

Year Ended October 31, 2009

## Investment Income:

Interest	\$871,321
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## Expenses:

Investment adviser fee (Note 5)	\$ 350,661
Administrative personnel and services fee (Note 5)	150,000
Custodian fees	4,653
Transfer and dividend disbursing agent fees and expenses	49,896
Directors'/Trustees' fees	1,468
Auditing fees	18,500
Legal fees	5,360
Portfolio accounting fees	41,752
Shareholder services fee (Note 5)	183,088
Account administration fee	33,793
Share registration costs	62,678
Printing and postage	12,468
Insurance premiums	4,620
Miscellaneous	41,673
<b>TOTAL EXPENSES</b>	<b>960,610</b>

## Waivers and Reduction:

Waiver of investment adviser fee (Note 5)	\$(327,829)
Waiver of administrative personnel and services fee (Note 5)	(24,122)
Reduction of custodian fees (Note 6)	(218)
<b>TOTAL WAIVERS AND REDUCTION</b>	<b>(352,169)</b>
Net expenses	608,441
Net investment income	262,880
Net realized loss on investments	(32,394)
Change in net assets resulting from operations	\$230,486

See Notes which are an integral part of the Financial Statements

# STATEMENT OF CHANGES IN NET ASSETS

Year Ended October 31	2009	2008
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	\$ 262,880	\$ 2,362,401
Net realized gain (loss) on investments	(32,394)	27,990
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	230,486	2,390,391
<b>Distributions to Shareholders:</b>		
Distributions from net investment income	(262,926)	(2,362,706)
Distributions from net realized gain on investments	(27,574)	(55,345)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(290,500)	(2,418,051)
<b>Share Transactions:</b>		
Proceeds from sale of shares	442,626,924	637,315,436
Net asset value of shares issued to shareholders in payment of distributions declared	265,409	2,305,451
Cost of shares redeemed	(465,227,908)	(658,025,956)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(22,335,575)	(18,405,069)
Change in net assets	(22,395,589)	(18,432,729)
<b>Net Assets:</b>		
Beginning of period	78,310,871	96,743,600
End of period (including distributions in excess of net investment income of \$(247) and \$(201), respectively)	\$ 55,915,282	\$ 78,310,871

See Notes which are an integral part of the Financial Statements

# NOTES TO FINANCIAL STATEMENTS

October 31, 2009

## 1. ORGANIZATION

Money Market Obligations Trust (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust consists of 39 portfolios. The financial statements included herein are only those of Arizona Municipal Cash Trust (the "Fund"), a diversified portfolio. The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held. Each portfolio pays its own expenses. The Fund offers one class of shares: Institutional Service Shares. The investment objective of the Fund is to provide current income exempt from federal regular income tax and Arizona income taxes consistent with the stability of principal and liquidity. Interest income from the Fund's investments may be subject to the federal AMT for individuals and corporations.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. These policies are in conformity with U.S. generally accepted accounting principles (GAAP).

### Investment Valuation

Securities are valued at amortized cost. Under the amortized cost valuation method, an investment is valued initially at its cost as determined in accordance with GAAP. The Fund then adjusts the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost of the investment and the amount payable at its maturity. If amortized cost is determined not to approximate market value, the fair value of the portfolio securities will be determined under procedures established by and under the general supervision of the Trustees.

### Investment Income, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Distributions to shareholders are recorded on the ex-dividend date. Distributions of net investment income are declared daily and paid monthly.

### Premium and Discount Amortization

All premiums and discounts are amortized/accreted.

### Federal Taxes

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the year ended October 31, 2009, the Fund did not have a liability for any uncertain tax positions. The Fund recognizes interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. As of October 31, 2009, tax years 2006 through 2009 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America and the Commonwealth of Massachusetts.

## When-Issued and Delayed Delivery Transactions

The Fund may engage in when-issued or delayed delivery transactions. The Fund records when-issued securities on the trade date and maintains security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed delivery basis are marked to market daily and begin earning interest on the settlement date. Losses may occur on these transactions due to changes in market conditions or the failure of counterparties to perform under the contract.

## Restricted Securities

Restricted securities are securities that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) are subject to contractual restrictions on public sales. In some cases, when a security cannot be offered for public sale without first being registered, the issuer of the restricted security has agreed to register such securities for resale, at the issuer's expense, either upon demand by the Fund or in connection with another registered offering of the securities. Many such restricted securities may be resold in the secondary market in transactions exempt from registration. Restricted securities may be determined to be liquid under criteria established by the Trustees. The Fund will not incur any registration costs upon such resales. Restricted securities are valued at amortized cost in accordance with Rule 2a-7 under the Act.

## Temporary Guarantee Program

The Fund participated in the Temporary Guarantee Program for Money Market Funds (the "Program") offered by the U.S. Treasury Department through its expiration on September 18, 2009. The fee for the Program was recognized ratably over the period of participation and is included in miscellaneous expense on the Fund's Statement of Operations.

## Other

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

## 3. SHARES OF BENEFICIAL INTEREST

The following table summarizes share activity:

<b>Year Ended October 31</b>	<b>2009</b>	<b>2008</b>
Shares sold	442,626,924	637,315,436
Shares issued to shareholders in payment of distributions declared	265,409	2,305,451
Shares redeemed	(465,227,908)	(658,025,956)
<b>NET CHANGE RESULTING FROM FUND SHARE TRANSACTIONS</b>	<b>(22,335,575)</b>	<b>(18,405,069)</b>

#### 4. FEDERAL TAX INFORMATION

The tax character of distributions as reported on the Statement of Changes in Net Assets for the years ended October 31, 2009 and 2008, was as follows:

	2009	2008
Tax-exempt income	\$262,926	\$2,362,706
Ordinary income <sup>1</sup>	\$ —	\$ 54,929
Long-term capital gains	\$ 27,574	\$ 416

As of October 31, 2009, the components of distributable earnings on a tax basis were as follows:

Distributions in excess of tax-exempt income	\$ (247)
Capital loss carryforwards	\$(32,394)

1 For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

At October 31, 2009, the Fund had a capital loss carryforward of \$32,394 which will reduce the Fund's taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Code and thus will reduce the amount of distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal income tax. Pursuant to the Code, such capital loss carryforward will expire in 2017.

#### 5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

##### Investment Adviser Fee

Federated Investment Management Company is the Fund's investment adviser (the "Adviser"). The advisory agreement between the Fund and the Adviser provides for an annual fee equal to 0.40% of the Fund's average daily net assets. The Adviser may voluntarily choose to waive any portion of its fee. The Adviser can modify or terminate this voluntary waiver at any time at its sole discretion. For the year ended October 31, 2009, the Adviser voluntarily waived \$327,829 of its fee.

##### Administrative Fee

Federated Administrative Services (FAS), under the Administrative Services Agreement, provides the Fund with administrative personnel and services. The fee paid to FAS is based on the average aggregate daily net assets of certain Federated funds as specified below:

Administrative Fee	Average Aggregate Daily Net Assets of the Federated Funds
0.150%	on the first \$5 billion
0.125%	on the next \$5 billion
0.100%	on the next \$10 billion
0.075%	on assets in excess of \$20 billion

The administrative fee received during any fiscal year shall be at least \$150,000 per portfolio and \$40,000 per each additional class of Shares. FAS may voluntarily choose to waive any portion of its fee. FAS can modify or terminate this voluntary waiver at any time at its sole discretion. For the year ended October 31, 2009, the net fee paid to FAS was 0.144% of average daily net assets of the Fund. FAS waived \$24,122 of its fee.

## **Shareholder Services Fee**

The Fund may pay fees (Service Fees) up to 0.25% of the average daily net assets of the Fund's Shares to financial intermediaries or to Federated Shareholder Services Company (FSSC) for providing services to shareholders and maintaining shareholder accounts. FSSC may voluntarily reimburse the Fund for shareholder services fees. This voluntary reimbursement can be modified or terminated at any time. For the year ended October 31, 2009, FSSC received \$1,254 of fees paid by the Fund.

## **Interfund Transactions**

During the year ended October 31, 2009, the Fund engaged in purchase and sale transactions with funds that have a common investment adviser (or affiliated investment advisers), common Directors/Trustees and/or common Officers. These purchase and sale transactions complied with Rule 17a-7 under the Act and amounted to \$189,105,000 and \$242,130,000, respectively.

## **General**

Certain Officers and Trustees of the Fund are Officers and Directors or Trustees of the above companies.

## **6. EXPENSE REDUCTION**

Through arrangements with the Fund's custodian, net credits realized as a result of uninvested cash balances were used to reduce custody expenses. For the year ended October 31, 2009, the Fund's expenses were reduced by \$218 under these arrangements.

## **7. CONCENTRATION OF RISK**

Since the Fund invests a substantial portion of its assets in issuers located in one state, it will be more susceptible to factors adversely affecting issuers of that state than would be a comparable tax-exempt mutual fund that invests nationally. In order to reduce the credit risk associated with such factors, at October 31, 2009, 77.7% of the securities in the portfolio of investments were backed by letters of credit or bond insurance of various financial institutions and financial guaranty assurance agencies. The largest percentage of investments insured by or supported (backed) by a letter of credit from any one institution or agency was 12.9% of total investments.

## **8. LINE OF CREDIT**

The Fund participates in a \$100,000,000 unsecured, uncommitted revolving line of credit (LOC) agreement with PNC Bank. The LOC was made available for extraordinary or emergency purposes, primarily for financing redemption payments. Borrowings are charged interest at a rate offered to the Fund by PNC Bank at the time of the borrowing. As of October 31, 2009, there were no outstanding loans. During the year ended October 31, 2009, the Fund did not utilize the LOC.

## **9. INTERFUND LENDING**

Pursuant to an Exemptive Order issued by the Securities and Exchange Commission (SEC), the Fund, along with other funds advised by subsidiaries of Federated Investors, Inc., may participate in an interfund lending program. This program provides an alternative credit facility allowing the Fund to borrow from other participating affiliated funds. As of October 31, 2009, there were no outstanding loans. During the year ended October 31, 2009, the program was not utilized.

## **10. LEGAL PROCEEDINGS**

Since October 2003, Federated Investors, Inc. and related entities (collectively, "Federated"), and various Federated funds (Federated Funds) have been named as defendants in several class action lawsuits now pending in the United States District Court for the District of Maryland. The lawsuits were purportedly filed on behalf of people who purchased, owned and/or redeemed shares of Federated-sponsored mutual funds during specified periods beginning November 1, 1998. The suits are generally similar in alleging that Federated engaged in illegal and improper trading practices including market timing and late trading in concert with certain institutional traders, which allegedly caused financial injury to the mutual fund shareholders. These lawsuits began to be filed shortly after Federated's first public announcement that it had received requests for information on shareholder trading activities in the Federated Funds from the SEC, the Office of the New York State Attorney General (NYAG), and other authorities. In that regard, on November 28, 2005, Federated announced that it had reached final settlements with the SEC and the NYAG with respect to those matters. As Federated previously reported in 2004, it has already paid approximately \$8.0 million to certain funds as determined by an independent consultant. As part of these settlements, Federated agreed to pay for the benefit of fund shareholders additional disgorgement and a civil money penalty in the aggregate amount of an additional \$72 million. Federated entities have also been named as defendants in several additional lawsuits that are now pending in the United States District Court for the Western District of Pennsylvania, alleging, among other things, excessive advisory and Rule 12b-1 fees. The Board of the Federated Funds retained the law firm of Dickstein Shapiro LLP to represent the Federated Funds in these lawsuits. Federated and the Federated Funds and their respective counsel have been defending this litigation, and none of the Federated Funds remains a defendant in any of the lawsuits (though some could potentially receive any recoveries as nominal defendants). Additional lawsuits based upon similar allegations may be filed in the future. The potential impact of these lawsuits, all of which seek unquantified damages, attorneys' fees and expenses, and future potential similar suits is uncertain. Although we do not believe that these lawsuits will have a material adverse effect on the Federated Funds, there can be no assurance that these suits, the ongoing adverse publicity and/or other developments resulting from the regulatory investigations will not result in increased Federated Fund redemptions, reduced sales of Federated Fund shares or other adverse consequences for the Federated Funds.

## **11. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 24, 2009, the date the financial statements were issued, and determined that no events have occurred that require additional disclosure.

## **12. FEDERAL TAX INFORMATION (UNAUDITED)**

For the year ended October 31, 2009, the amount of long-term capital gains designated by the Fund was \$27,574.

For the year ended October 31, 2009, 100.0% of the distributions from net investment income is exempt from federal income tax, other than the federal AMT.

# REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

## **TO THE BOARD OF TRUSTEES OF MONEY MARKET OBLIGATIONS TRUST AND SHAREHOLDERS OF ARIZONA MUNICIPAL CASH TRUST:**

We have audited the accompanying statement of assets and liabilities of Arizona Municipal Cash Trust (the “Fund”) (one of the portfolios constituting Money Market Obligations Trust), including the portfolio of investments, as of October 31, 2009, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund’s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2009, by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Arizona Municipal Cash Trust, a portfolio of Money Market Obligations Trust, at October 31, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

*Ernst & Young LLP*

Boston, Massachusetts  
December 24, 2009

## BOARD OF TRUSTEES AND TRUST OFFICERS

The Board is responsible for managing the Trust's business affairs and for exercising all the Trust's powers except those reserved for the shareholders. The following tables give information about each Board member and the senior officers of the Fund. Where required, the tables separately list Board members who are "interested persons" of the Fund (i.e., "Interested" Board members) and those who are not (i.e., "Independent" Board members). Unless otherwise noted, the address of each person listed is Federated Investors Tower, 1001 Liberty Avenue, Pittsburgh, PA 15222. The address of all Independent Board members listed is 4000 Ericsson Drive, Warrendale, PA 15086-7561; Attention: Mutual Fund Board. As of December 31, 2008, the Trust comprised 39 portfolios, and the Federated Fund Complex consisted of 40 investment companies (comprising 149 portfolios). Unless otherwise noted, each Officer is elected annually. Unless otherwise noted, each Board member oversees all portfolios in the Federated Fund Complex and serves for an indefinite term. The Fund's Statement of Additional Information includes additional information about Trust Trustees and is available, without charge and upon request, by calling 1-800-341-7400.

### INTERESTED TRUSTEES BACKGROUND

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**Name**

**Birth Date**

**Positions Held with Trust  
Date Service Began**

**Principal Occupation(s) for Past Five Years,  
Other Directorships Held and Previous Position(s)**

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**John F. Donahue\***

Birth Date: July 28, 1924

TRUSTEE

Began serving: October 1988

**Principal Occupations:** Director or Trustee of the Federated Fund Complex; Chairman and Director, Federated Investors, Inc.; Chairman of the Federated Fund Complex's Executive Committee.

**Previous Positions:** Chairman of the Federated Fund Complex; Trustee, Federated Investment Management Company; Chairman and Director, Federated Investment Counseling.

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**J. Christopher Donahue\***

Birth Date: April 11, 1949

PRESIDENT AND TRUSTEE

Began serving: April 1989

**Principal Occupations:** Principal Executive Officer and President of the Federated Fund Complex; Director or Trustee of some of the Funds in the Federated Fund Complex; President, Chief Executive Officer and Director, Federated Investors, Inc.; Chairman and Trustee, Federated Investment Management Company; Trustee, Federated Investment Counseling; Chairman and Director, Federated Global Investment Management Corp.; Chairman, Federated Equity Management Company of Pennsylvania and Passport Research, Ltd. (investment advisory subsidiary of Federated); Trustee, Federated Shareholder Services Company; Director, Federated Services Company.

**Previous Positions:** President, Federated Investment Counseling; President and Chief Executive Officer, Federated Investment Management Company, Federated Global Investment Management Corp. and Passport Research, Ltd.

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\* *Family relationships and reasons for "interested" status: John F. Donahue is the father of J. Christopher Donahue; both are "interested" due to their beneficial ownership of shares of Federated Investors, Inc. and the positions they hold with Federated and its subsidiaries.*

## INDEPENDENT TRUSTEES BACKGROUND

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**Name**

**Birth Date**

**Positions Held with Trust  
Date Service Began**

**Principal Occupation(s) for Past Five Years,  
Other Directorships Held and Previous Position(s)**

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**John T. Conroy, Jr., Ph.D.**

Birth Date: June 23, 1937  
TRUSTEE

Began serving: August 1991

**Principal Occupations:** Director or Trustee of the Federated Fund Complex; Chairman of the Board, Investment Properties Corporation; Partner or Trustee in private real estate ventures in Southwest Florida; Assistant Professor in Theology, Blessed Edmund Rice School for Pastoral Ministry.

**Previous Positions:** President, Investment Properties Corporation; Senior Vice President, John R. Wood and Associates, Inc., Realtors; President, Naples Property Management, Inc. and Northgate Village Development Corporation.

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**Nicholas P. Constantakis**

Birth Date: September 3, 1939  
TRUSTEE

Began serving: October 1999

**Principal Occupation:** Director or Trustee of the Federated Fund Complex.

**Other Directorship Held:** Director and Chairman of the Audit Committee, Michael Baker Corporation (architecture, engineering and construction services).

**Previous Position:** Partner, Andersen Worldwide SC.

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**John F. Cunningham**

Birth Date: March 5, 1943  
TRUSTEE

Began serving: January 1999

**Principal Occupation:** Director or Trustee of the Federated Fund Complex.

**Other Directorships Held:** Chairman, President and Chief Executive Officer, Cunningham & Co., Inc. (strategic business consulting); Trustee Associate, Boston College.

**Previous Positions:** Director, Redgate Communications and EMC Corporation (computer storage systems); Chairman of the Board and Chief Executive Officer, Computer Consoles, Inc.; President and Chief Operating Officer, Wang Laboratories; Director, First National Bank of Boston; Director, Apollo Computer, Inc.

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**Maureen Lally-Green**

Birth Date: July 5, 1949  
TRUSTEE

Began serving: August 2009

**Principal Occupations:** Director or Trustee of the Federated Fund Complex; Director, Office of Church Relations, Diocese of Pittsburgh; Adjunct Professor of Law, Duquesne University School of Law.

**Other Directorships Held:** Director, Auberle; Trustee St. Francis University; Director, Ireland Institute of Pittsburgh; Director, UPMC Mercy Hospital; Regent, St. Vincent Seminary; Director, Epilepsy Foundation of Western and Central Pennsylvania; Director, Saint Thomas More Society, Allegheny County; Director, Carlow University.

**Previous Position:** Pennsylvania Superior Court Judge.

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Name	Birth Date	Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)
<b>Peter E. Madden</b>	Birth Date: March 16, 1942 TRUSTEE	Began serving: August 1991	<p><b>Principal Occupation:</b> Director or Trustee and Chairman of the Board of the Federated Fund Complex.</p> <p><b>Other Directorship Held:</b> Board of Overseers, Babson College.</p> <p><b>Previous Positions:</b> Representative, Commonwealth of Massachusetts General Court; President, Chief Operating Officer and Director, State Street Bank and Trust Company and State Street Corporation (retired); Director, VISA USA and VISA International; Chairman and Director, Massachusetts Bankers Association; Director, Depository Trust Corporation; Director, The Boston Stock Exchange.</p>
<b>Charles F. Mansfield, Jr.</b>	Birth Date: April 10, 1945 TRUSTEE	Began serving: January 1999	<p><b>Principal Occupations:</b> Director or Trustee and Chairman of the Audit Committee of the Federated Fund Complex; Management Consultant.</p> <p><b>Previous Positions:</b> Chief Executive Officer, PBTC International Bank; Partner, Arthur Young &amp; Company (now Ernst &amp; Young LLP); Chief Financial Officer of Retail Banking Sector, Chase Manhattan Bank; Senior Vice President, HSBC Bank USA (formerly, Marine Midland Bank); Vice President, Citibank; Assistant Professor of Banking and Finance, Frank G. Zarb School of Business, Hofstra University; Executive Vice President DVC Group, Inc. (marketing, communications and technology).</p>
<b>R. James Nicholson</b>	Birth Date: February 4, 1938 TRUSTEE	Began serving: April 2008	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Fund Complex; Senior Counsel, Brownstein Hyatt Farber Schrek, P.C.; Former Secretary of the U.S. Dept. of Veterans Affairs; Former U.S. Ambassador to the Holy See; Former Chairman of the Republican National Committee.</p> <p><b>Other Directorships Held:</b> Director, Horatio Alger Association; Director, The Daniels Fund.</p> <p><b>Previous Positions:</b> Colonel, U.S. Army Reserve; Partner, Calkins, Kramer, Grimshaw and Harring, P.C.; General Counsel, Colorado Association of Housing and Building; Chairman and CEO, Nicholson Enterprises, Inc. (real estate holding company); Chairman and CEO, Renaissance Homes of Colorado.</p>
<b>Thomas M. O'Neill</b>	Birth Date: June 14, 1951 TRUSTEE	Began serving: October 2006	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Fund Complex; Managing Director and Partner, Navigator Management Company, L.P. (investment and strategic consulting).</p> <p><b>Other Directorships Held:</b> Board of Overseers, Children's Hospital of Boston; Visiting Committee on Athletics, Harvard College.</p> <p><b>Previous Positions:</b> Chief Executive Officer and President, Managing Director and Chief Investment Officer, Fleet Investment Advisors; President and Chief Executive Officer, Aeltus Investment Management, Inc.; General Partner, Hellman, Jordan Management Co., Boston, MA; Chief Investment Officer, The Putnam Companies, Boston, MA; Credit Analyst and Lending Officer, Fleet Bank; Director and Consultant, EZE Castle Software (investment order management software); Director, Midway Pacific (lumber).</p>

<b>Name</b>	<b>Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)</b>
<b>Birth Date</b> <b>Positions Held with Trust Date Service Began</b> <b>John S. Walsh</b> Birth Date: November 28, 1957 TRUSTEE Began serving: January 1999	<b>Principal Occupations:</b> Director or Trustee of the Federated Fund Complex; President and Director, Heat Wagon, Inc. (manufacturer of construction temporary heaters); President and Director, Manufacturers Products, Inc. (distributor of portable construction heaters); President, Portable Heater Parts, a division of Manufacturers Products, Inc.  <b>Previous Position:</b> Vice President, Walsh & Kelly, Inc.
<b>James F. Will</b> Birth Date: October 12, 1938 TRUSTEE Began serving: April 2006	<b>Principal Occupations:</b> Director or Trustee of the Federated Fund Complex; formerly, Vice Chancellor and President, Saint Vincent College.  <b>Other Directorships Held:</b> Trustee, Saint Vincent College; Alleghany Corporation.  <b>Previous Positions:</b> Chairman, President and Chief Executive Officer, Armco, Inc.; President and Chief Executive Officer, Cyclops Industries; President and Chief Operating Officer, Kaiser Steel Corporation.

## OFFICERS

<b>Name</b>	<b>Principal Occupation(s) for Past Five Years and Previous Position(s)</b>
<b>Birth Date</b> <b>Positions Held with Trust Date Service Began</b> <b>John W. McGonigle</b> Birth Date: October 26, 1938 EXECUTIVE VICE PRESIDENT AND SECRETARY Began serving: October 1988	<b>Principal Occupations:</b> Executive Vice President and Secretary of the Federated Fund Complex; Vice Chairman, Executive Vice President, Secretary and Director, Federated Investors, Inc.  <b>Previous Positions:</b> Trustee, Federated Investment Management Company and Federated Investment Counseling; Director, Federated Global Investment Management Corp., Federated Services Company and Federated Securities Corp.
<b>Richard A. Novak</b> Birth Date: December 25, 1963 TREASURER Began serving: January 2006	<b>Principal Occupations:</b> Principal Financial Officer and Treasurer of the Federated Fund Complex; Senior Vice President, Federated Administrative Services; Financial and Operations Principal for Federated Securities Corp., Edgewood Services, Inc. and Southpointe Distribution Services, Inc.  <b>Previous Positions:</b> Controller of Federated Investors, Inc.; Vice President, Finance of Federated Services Company; held various financial management positions within The Mercy Hospital of Pittsburgh; Auditor, Arthur Andersen & Co.
<b>Richard B. Fisher</b> Birth Date: May 17, 1923 VICE PRESIDENT Began serving: October 1988	<b>Principal Occupations:</b> Vice Chairman or Vice President of some of the Funds in the Federated Fund Complex; Vice Chairman, Federated Investors, Inc.; Chairman, Federated Securities Corp.  <b>Previous Positions:</b> President and Director or Trustee of some of the Funds in the Federated Fund Complex; Executive Vice President, Federated Investors, Inc.; Director and Chief Executive Officer, Federated Securities Corp.

Name	Birth Date	Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years and Previous Position(s)
<b>Brian P. Bouda</b>	Birth Date: February 28, 1947	CHIEF COMPLIANCE OFFICER AND SENIOR VICE PRESIDENT Began serving: August 2004	<b>Principal Occupations:</b> Senior Vice President and Chief Compliance Officer of the Federated Fund Complex; Vice President and Chief Compliance Officer of Federated Investors, Inc. and Chief Compliance Officer of its subsidiaries. Mr. Bouda joined Federated in 1999 and is a member of the American Bar Association and the State Bar Association of Wisconsin.
<b>Deborah A. Cunningham</b>	Birth Date: September 15, 1959	CHIEF INVESTMENT OFFICER Began serving: May 2004	<b>Principal Occupations:</b> Deborah A. Cunningham was named Chief Investment Officer of money market products in 2004, serves as a Senior Portfolio Manager and is a Vice President of the Trust. Ms. Cunningham was named an Executive Vice President of the Fund's Adviser in 2009. She joined Federated in 1981 and was a Senior Vice President of the Fund's Adviser from 1997 to 2009. Ms. Cunningham is a Chartered Financial Analyst and received her M.S.B.A. in Finance from Robert Morris College.
<b>Mary Jo Ochson</b>	Birth Date: September 12, 1953	CHIEF INVESTMENT OFFICER Began serving: May 2004	<b>Principal Occupations:</b> Mary Jo Ochson was named Chief Investment Officer of tax-exempt, fixed-income products in 2004 and is a Vice President of the Trust. She joined Federated in 1982 and has been a Senior Portfolio Manager and a Senior Vice President of the Fund's Adviser since 1996. Ms. Ochson is a Chartered Financial Analyst and received her M.B.A. in Finance from the University of Pittsburgh.
<b>Susan R. Hill</b>	Birth Date: June 20, 1963	VICE PRESIDENT Began serving: May 2004	<b>Principal Occupations:</b> Susan R. Hill is Vice President of the Fund. Ms. Hill joined Federated in 1990 and has been a Senior Portfolio Manager since 2003 and a Senior Vice President of the Fund's Adviser since 2005. Ms. Hill was a Portfolio Manager from 1994 until 2003 and served as Vice President of the Fund's Adviser from 1997 until 2004 and an Assistant Vice President of the Fund's Adviser from 1994 until 1997. Ms. Hill is a Chartered Financial Analyst and received an M.S. in Industrial Administration from Carnegie Mellon University.
<b>Jeff A. Kozemchak</b>	Birth Date: January 15, 1960	VICE PRESIDENT Began serving: May 2004	<b>Principal Occupations:</b> Jeff A. Kozemchak is Vice President of the Trust. Mr. Kozemchak joined Federated in 1987 and has been a Senior Portfolio Manager since 1996 and a Senior Vice President of the Fund's Adviser since 1999. He was a Portfolio Manager until 1996 and a Vice President of the Fund's Adviser from 1993 to 1998. Mr. Kozemchak is a Chartered Financial Analyst and received his M.S. in Industrial Administration from Carnegie Mellon University in 1987.
<b>Paige M. Wilhelm</b>	Birth Date: May 28, 1962	VICE PRESIDENT Began serving: August 2006	<b>Principal Occupations:</b> Paige M. Wilhelm is Vice President of the Trust. Ms. Wilhelm joined Federated in 1985 and has been a Senior Vice President of the Fund's Adviser since January 2006 and a Senior Portfolio Manager since January 2004. She is responsible for portfolio management and research in the fixed-income area concentrating on taxable money market instruments. Previous associations include Senior Credit Analyst, Federated Investors; Performance Analysis Supervisor; Performance Analyst, Federated Investment Counseling. Ms. Wilhelm is a member of the CFA Society of Pittsburgh and received her B.S. from Indiana University and her M.B.A. from Duquesne University.

# EVALUATION AND APPROVAL OF ADVISORY CONTRACT – MAY 2009

## **ARIZONA MUNICIPAL CASH TRUST (THE “FUND”)**

The Fund’s Board reviewed the Fund’s investment advisory contract at meetings held in May 2009. The Board’s decision regarding the contract reflects the exercise of its business judgment on whether to continue the existing arrangements.

In this connection, the Federated funds’ Board had previously appointed a Senior Officer, whose duties include specified responsibilities relating to the process by which advisory fees are to be charged to a Federated fund. The Senior Officer has the authority to retain consultants, experts, or staff as may be reasonably necessary to assist in the performance of his duties, reports directly to the Board, and may be terminated only with the approval of a majority of the independent members of the Board. The Senior Officer prepared and furnished to the Board an independent, written evaluation that covered topics discussed below. The Board considered that evaluation, along with other information, in deciding to approve the advisory contract.

During its review of the contract, the Board considered compensation and benefits received by the Adviser. This included the fees received for services provided to the Fund by other entities in the Federated organization and research services received by the Adviser from brokers that execute Federated fund trades, as well as advisory fees. The Board is also familiar with and considered judicial decisions concerning allegedly excessive investment advisory fees, which have indicated that the following factors may be relevant to an Adviser’s fiduciary duty with respect to its receipt of compensation from a fund: the nature and quality of the services provided by the Adviser, including the performance of the fund; the Adviser’s cost of providing the services; the extent to which the Adviser may realize “economies of scale” as a fund grows larger; any indirect benefits that may accrue to the Adviser and its affiliates as a result of the Adviser’s relationship with a fund; performance and expenses of comparable funds; and the extent to which the independent Board members are fully informed about all facts the Board deems relevant bearing on the Adviser’s services and fees. The Board further considered management fees (including any components thereof) charged to institutional and other clients of the Adviser for what might be viewed as like services, and the cost to the Adviser and its affiliates of supplying services pursuant to the management fee agreements, excluding any intra-corporate profit and profit margins of the Adviser and its affiliates for supplying such services. The Board was aware of these factors and was guided by them in its review of the Fund’s advisor contract to the extent it considered them to be appropriate and relevant, as discussed further below.

The Board considered and weighed these circumstances in light of its substantial accumulated experience in governing the Fund and working with Federated on matters relating to the Federated funds, and was assisted in its deliberations by independent legal counsel. Throughout the year, the Board has requested and received substantial and detailed information about the Fund and the Federated organization that was in addition to the extensive materials that comprise and accompany the Senior Officer's evaluation. Federated provided much of this information at each regular meeting of the Board, and furnished additional reports in connection with the particular meeting at which the Board's formal review of the advisory contract occurred. Between regularly scheduled meetings, the Board also received information on particular matters as the need arose. Thus, the Board's consideration of the advisory contract included review of the Senior Officer's evaluation, accompanying data and additional reports covering such matters as: the Adviser's investment philosophy, revenue, profitability, personnel and processes; investment and operating strategies; the Fund's short- and long-term performance (in absolute terms, both on a gross basis and net of expenses, as well as in relationship to its particular investment program and certain competitor or "peer group" funds and/or other benchmarks, as appropriate), and comments on the reasons for performance; the Fund's investment objectives; the Fund's expenses (including the advisory fee itself and the overall expense structure of the Fund, both in absolute terms and relative to similar and/or competing funds, with due regard for contractual or voluntary expense limitations); the use and allocation of brokerage commissions derived from trading the Fund's portfolio securities (if any); and the nature, quality and extent of the advisory and other services provided to the Fund by the Adviser and its affiliates. The Board also considered the preferences and expectations of Fund shareholders and their relative sophistication; the continuing state of competition in the mutual fund industry and market practices; the range of comparable fees for similar funds in the mutual fund industry; the Fund's relationship to the Federated family of funds which include a comprehensive array of funds with different investment objectives, policies and strategies which are available for exchange without the incurrence of additional sales charges; compliance and audit reports concerning the Federated funds and the Federated companies that service them (including communications from regulatory agencies), as well as Federated's responses to any issues raised therein; and relevant developments in the mutual fund industry and how the Federated funds and/or Federated are responding to them. The Board's evaluation process is evolutionary. The criteria considered and the emphasis placed on relevant criteria change in recognition of changing circumstances in the mutual fund marketplace.

With respect to the Fund's performance and expenses in particular, the Board has found the use of comparisons to other mutual funds with comparable investment programs to be particularly useful, given the high degree of competition in the mutual fund business. The Board focused on comparisons

with other similar mutual funds more heavily than non-mutual fund products or services because it is believed that they are more relevant. For example, other mutual funds are the products most like the Fund, they are readily available to Fund shareholders as alternative investment vehicles, and they are the type of investment vehicle in fact chosen and maintained by the Fund's investors. The range of their fees and expenses therefore appears to be a generally reliable indication of what consumers have found to be reasonable in the precise marketplace in which the Fund competes. The Fund's ability to deliver competitive performance when compared to its peer group was a useful indicator of how the Adviser is executing the Fund's investment program, which in turn assisted the Board in reaching a conclusion that the nature, extent, and quality of the Adviser's investment management services were such as to warrant continuation of the advisory contract. In this regard, the Senior Officer has reviewed Federated's fees for providing advisory services to products outside the Federated family of funds (e.g., institutional and separate accounts). He concluded that mutual funds and institutional accounts are inherently different products. Those differences include, but are not limited to, different types of targeted investors; being subject to different laws and regulations; different legal structures; different average account sizes; different associated costs; different portfolio management techniques made necessary by different cash flows and portfolio manager time spent in review of securities pricing. The Senior Officer did not consider these fee schedules to be determinative in judging the appropriateness of mutual fund advisory contracts.

The Senior Officer reviewed reports compiled by Federated, using data supplied by independent fund ranking organizations, regarding the performance of, and fees charged by, other mutual funds, noting his view that comparisons to fund peer groups are highly important in judging the reasonableness of proposed fees.

The Fund's performance fell below the median of the relevant peer group for the one-year period covered by the report. The Board discussed the Fund's performance with the Adviser and recognized the efforts being undertaken by the Adviser. The Board will continue to monitor these efforts and the performance of the Fund.

The Board also received financial information about Federated, including reports on the compensation and benefits Federated derived from its relationships with the Federated funds. These reports covered not only the fees under the advisory contracts, but also fees received by Federated's subsidiaries for providing other services to the Federated funds under separate contracts (e.g., for serving as the Federated funds' administrator). The reports also discussed any indirect benefit Federated may derive from its receipt of research services from brokers who execute Federated fund trades. In addition, the Board considered the fact that, in order for a fund to be competitive in the marketplace, Federated and its affiliates frequently waived fees and/or

reimbursed expenses and have disclosed to fund investors and/or indicated to the Board their intention to do so in the future, where appropriate. Moreover, the Board receives regular reports regarding the institution or elimination of these voluntary waivers.

Federated furnished reports, requested by the Senior Officer, that reported revenues on a fund-by-fund basis and made estimates of the allocation of expenses on a fund-by-fund basis, using allocation methodologies specified by the Senior Officer. The Senior Officer noted that, although they may apply consistent allocation processes, the inherent difficulties in allocating costs (and the unavoidable arbitrary aspects of that exercise) and the lack of consensus on how to allocate those costs may render such allocation reports unreliable. The allocation reports were considered in the analysis by the Board but were determined to be of limited use.

The Board and the Senior Officer also reviewed a report compiled by Federated comparing profitability information for Federated to other publicly held fund management companies. In this regard, the Senior Officer noted the limited availability of such information, but nonetheless concluded that Federated's profit margins did not appear to be excessive and the Board agreed.

The Senior Officer's evaluation also discussed the notion of possible realization of "economies of scale" as a fund grows larger. The Board considered in this regard that the Adviser has made significant and long-term investments in areas that support all of the Federated funds, such as personnel and processes for the portfolio management, compliance, and risk management functions; and systems technology; and that the benefits of these efforts (as well as any economies, should they exist) were likely to be enjoyed by the fund complex as a whole. Finally, the Board also noted the absence of any applicable regulatory or industry guidelines on this subject, which (as discussed in the Senior Officer's evaluation) is compounded by the lack of any common industry practice or general pattern with respect to structuring fund advisory fees with "breakpoints" that serve to reduce the fee as the fund attains a certain size. The Senior Officer did not recommend institution of breakpoints in pricing Federated's fund advisory services at this time.

It was noted in the materials for the Board meeting that for the period covered by the report, the Fund's investment advisory fee, after waivers and expense reimbursements, if any, was below the median of the relevant peer group. The Board reviewed the fees and other expenses of the Fund with the Adviser and was satisfied that the overall expense structure of the Fund remained competitive.

The Senior Officer's evaluation noted his belief that the information and observations contained in his evaluation supported a finding that the proposed management fees are reasonable, and that Federated appeared to provide appropriate administrative services to the Fund for the fees paid. Under these

circumstances, no changes were recommended to, and no objection was raised to, the continuation of the Fund's advisory contract. The Board concluded that the nature, quality and scope of services provided the Fund by the Adviser and its affiliates were satisfactory.

In its decision to continue an existing investment advisory contract, the Board was mindful of the potential disruptions of the Fund's operations and various risks, uncertainties and other effects that could occur as a result of a decision to terminate or not renew an advisory contract. In particular, the Board recognized that many shareholders have invested in the Fund on the strength of the Adviser's industry standing and reputation and with the expectation that the Adviser will have a continuing role in providing advisory services to the Fund. Thus, the Board's approval of the advisory contract reflected the fact that it is the shareholders who have effectively selected the Adviser by virtue of having invested in the Fund.

The Board based its decision to approve the advisory contract on the totality of the circumstances and relevant factors and with a view to past and future long-term considerations. Not all of the factors and considerations identified above were necessarily relevant to the Fund, nor did the Board consider any one of them to be determinative. With respect to the factors that were relevant, the Board's decision to approve the contract reflects its determination that Federated's performance and actions provided a satisfactory basis to support the decision to continue the existing arrangements.

## VOTING PROXIES ON FUND PORTFOLIO SECURITIES

A description of the policies and procedures that the Fund uses to determine how to vote proxies, if any, relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling 1-800-341-7400. A report on "Form N-PX" of how the Fund voted any such proxies during the most recent 12-month period ended June 30 is available from Federated's Web site at FederatedInvestors.com. To access this information from the "Products" section of the Web site, click on the "Prospectuses and Regulatory Reports" link under "Related Information," then select the appropriate link opposite the name of the Fund; or select the name of the Fund and from the Fund's page, click on the "Prospectuses and Regulatory Reports" link. Form N-PX filings are also available at the SEC's Web site at [www.sec.gov](http://www.sec.gov).

## QUARTERLY PORTFOLIO SCHEDULE

The Fund files with the SEC a complete schedule of its portfolio holdings, as of the close of the first and third quarters of its fiscal year, on "Form N-Q." These filings are available on the SEC's Web site at [www.sec.gov](http://www.sec.gov) and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. (Call 1-800-SEC-0330 for information on the operation of the Public Reference Room.) You may also access this information from the "Products" section of Federated's Web site at FederatedInvestors.com by clicking on "Portfolio Holdings" under "Related Information," then selecting the appropriate link opposite the name of the Fund; or select the name of the Fund and from the Fund's page, click on the "Portfolio Holdings" link.

# NOTES

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Mutual funds are not bank deposits or obligations, are not guaranteed by any bank and are not insured or guaranteed by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency. Investment in mutual funds involves investment risk, including the possible loss of principal. Although money market funds seek to maintain a stable net asset value of \$1.00 per share, there is no assurance that they will be able to do so.

This report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's Prospectus, which contains facts concerning its objective and policies, management fees, expenses and other information.

# Federated

WORLD-CLASS INVESTMENT MANAGER<sup>®</sup>

Arizona Municipal Cash Trust  
Federated Investors Funds  
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Warrendale, PA 15086-7561

Contact us at **FederatedInvestors.com**  
or call 1-800-341-7400.

Federated Securities Corp., Distributor

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