

Colorado Local Government Liquid Asset Trust

Annual Report

COLOTRUST PRIME Portfolio
COLOTRUST PLUS+ Portfolio

December 31, 2007

(With report of independent auditors thereon)



Chairman's Letter

December 31, 2007

Dear COLOTRUST Participants:

On behalf of your twelve member Board of Trustees and CISC, our pool administrator and portfolio manager, we are pleased to present the Audited Financials for the period ending December 31, 2007 with the unqualified opinion of the auditors.

Normally, we reserve this space to discuss the financial highlights of COLOTRUST during the past year, which, by the way, was another record year, with COLOTRUST balances reaching a new record of \$4.25 billion. However, given the financial events of the past year, we believe it prudent to instead delve into the following question: are my funds in COLOTRUST safe? Our belief is that local government investment pools---such as COLOTRUST---constitute one of the safest investment options available to local governments. These programs, when designed and managed conservatively, like COLOTRUST, preserve principal and provide daily liquidity, while at the same time offering a competitive yield to their participants.

What are the safeguards that make COLOTRUST a safe investment option?

- All trust securities are held in safekeeping at Wells Fargo bank, which is the third party custodian for the securities held by COLOTRUST for its Participants.
- All program assets are held at Wells Fargo bank, which is the third-party safekeeping agent and custodian for the funds in COLOTRUST. Only the designated officials of a participant are permitted to direct the movement of funds, and such funds can only be moved to pre-approved bank accounts. Access to participant funds is limited solely to those persons authorized by the participant and the custodian. If any pool administrator, portfolio manager or other service provider for the pool were to be substituted for another, your funds would remain in a safekeeping account and would not be affected.
- Program assets may be invested only in securities which are permissible investments under Colorado State Statutes. These permitted investments are considered to be appropriate for public funds because they have a high degree of safety and liquidity. In addition, the pooled investment funds are managed in compliance with specific investment guidelines and policies established by the COLOTRUST Board of Trustees which are, in some instances, even more conservative than the applicable state investment laws. For example, COLOTRUST cannot invest in other money market funds.
- The COLOTRUST PRIME portfolio has earned a "AAAm" designation from Standard and Poor's, while the COLOTRUST PLUS+ portfolio carries a "AAAm" rating from Standard and Poor's, a "AAAV1+" from Fitch Ratings, and a "Aaa" designation from Moody's. These are the highest ratings that can be awarded to a local government investment pool. These ratings signify the aforementioned rating agencies have concluded that the portfolio is invested in a conservative manner, its investment holdings are of the highest quality, the expected volatility is low and the liquidity is strong enough to meet participant demand. Analysts from each of these rating agencies review the portfolio investments on a weekly basis for compliance with their rating guidelines.
- COLOTRUST is overseen by a Board of Trustees comprised of participants in the program who represent your interests and oversee the overall operation of the pool. The Board of Trustees selects the program administrator, legal counsel and the safekeeping/custodial bank. The COLOTRUST Board meets frequently to review the safety of your program and is in regular communication with the program administrator.

While the present market circumstances are challenging, the Board has faith in our investment advisor and their 20 years of experience in managing local government investment pools to guide us through this latest market cycle. We believe the portfolio represented herein is constructed to emphasize safety, liquidity and yield, the hallmarks of effective public sector investment practices. On behalf of the COLOTRUST Board of Trustees, we thank you for your continued trust in COLOTRUST, and we pledge to continue to earn your trust in us.

Respectfully,



Al Dominguez
Chairman, Board of Trustees



Report of Independent Auditors

To the Board of Trustees and Participants of Colorado Local Government Liquid Asset Trust

In our opinion, the accompanying statements of net assets, including the portfolio of investments, and the related statements of operations and of changes in net assets present fairly, in all material respects, the financial position of COLOTRUST PRIME Portfolio and COLOTRUST PLUS+ Portfolio (constituting Colorado Local Government Liquid Asset Trust, hereafter referred to as the "Trust") at December 31, 2007, the results of each of their operations for the year then ended and the changes in each of their net assets for each of the two years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Trust'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. These 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, which included confirmation of securities at December 31, 2007 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.



PricewaterhouseCoopers LLP
Denver, CO
March 21, 2008



Colorado Local Government Liquid Asset Trust

STATEMENTS OF NET ASSETS – December 31, 2007

Investments, at value	Principal Amount	Coupon Rate	Maturity	Effective Yield	COLOTRUST PRIME Market Value	COLOTRUST PLUS+ Market Value
Repurchase Agreements (39%, 15%, respectively)*						
BMO Capital Markets Corp. (7%, 0%, respectively)* (Collateralized by U.S. Government Agency Securities and U.S. Treasury Obligations with coupon rates between 5.50% and 6.00% and maturing between 05/15/08 and 08/15/28.) Market Value: \$36,290,381.	\$35,000,000	4.15%	01/02/08	4.15%	\$ 35,000,000	\$ -
UBS Financial Services (32%, 0%, respectively)* (Collateralized by U.S. Government Agency Securities with coupon rates of 0.00%, and maturing between 02/01/11 and 07/01/37.) Market Value: \$164,747,521.	161,514,828	4.60	01/02/08	4.60	161,514,828	-
UBS Financial Services (0%, 15%, respectively)* (Collateralized by U.S. Government Agency Securities with coupon rates of 0.00%, and maturing between 02/01/29 and 01/01/38.) Market Value: \$440,529,822.	431,890,013	4.60	01/02/08	4.60	-	431,890,013
(Cost of \$196,514,828 and \$431,890,013, respectively)					<u>196,514,828</u>	<u>431,890,013</u>
U.S. Government Agency Securities (47%, 7%, respectively)*						
Freddie Mac Notes (9%, 0%, respectively)*	9,500,000	5.50	01/18/08	4.49	9,503,819	-
	35,000,000	0.00	01/30/08	4.43	35,016,275	-
Fannie Mae Notes (9%, 0%, respectively)*	10,000,000	3.25	01/15/08	5.28	9,994,150	-
	20,000,000	3.25	08/15/08	4.29	20,063,940	-
	15,000,000	4.50	10/15/08	4.44	14,991,900	-
Federal Home Loan Bank Notes (29%, 7%, respectively)*	10,000,000	3.58 - Var.	01/10/08	3.58	-	9,999,000
	30,000,000	3.58 - Var.	01/10/08	3.58	-	29,997,000
	10,000,000	3.58 - Var.	01/10/08	3.58	9,999,000	-
	13,000,000	5.25	02/01/08	4.75	12,937,509	-
	30,000,000	0.00	02/13/08	4.38	29,966,670	-
	40,000,000	3.56 - Var.	02/28/08	3.56	-	39,955,560
	10,000,000	3.56 - Var.	02/28/08	3.56	9,934,630	-
	25,000,000	4.11 - Var.	11/20/08	3.16	24,998,200	-
	50,000,000	4.11 - Var.	11/20/08	3.16	-	49,973,000
	20,000,000	4.83 - Var.	12/01/08	4.83	20,020,300	-
	30,000,000	4.83 - Var.	12/01/08	4.83	-	29,997,840
	12,000,000	4.63	12/04/08	4.63	11,998,164	-
	30,000,000	4.21 - Var.	12/10/08	3.26	30,000,000	-
	45,000,000	4.21 - Var.	12/10/08	3.26	-	44,993,115
(Cost of \$239,105,453 and \$205,000,000, respectively)					<u>239,424,557</u>	<u>204,915,515</u>



* Denotes Percentage of Net Assets

Var. denotes interest rates are variable.

See accompanying notes to financial statements.

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Investments, at value (cont.)	Principal Amount	Coupon Rate	Maturity	Effective Yield	COLOTRUST PRIME Market Value	COLOTRUST PLUS+ Market Value
Corporate Securities						
(0%, 6%, respectively)*						
General Electric Capital Corp.	\$25,000,000	5.29 - Var.	01/15/08	4.94%	\$ -	\$ 25,003,150
Merrill Lynch & CO	45,000,000	4.89 - Var.	08/22/08	4.89	-	44,863,335
UBS AG Stamford CT	30,000,000	5.025	10/03/08	5.03	-	30,000,000
AIG SunAmerica Global Finance XXIII	15,000,000	3.90	10/22/08	5.22	-	14,827,050
Nationwide Life Global Funding	25,000,000	5.06 - Var.	12/15/08	5.23	-	25,008,450
Toyota Motor Credit Corp.	30,000,000	5.08 - Var.	01/05/09	5.11	-	29,955,150
					-	169,657,135
(Cost of \$0 and \$169,817,604, respectively)						
Commercial Paper						
(0%, 41%, respectively)*						
Mont Blanc Capital Corp.	50,000,000	0.00	01/09/08	5.33	-	49,931,350
UBS Finance Delaware LLC	50,000,000	0.00	01/11/08	5.43	-	49,928,350
Barton Capital LLC	50,000,000	0.00	01/11/08	5.25	-	49,916,050
Societe Generale North America	50,000,000	0.00	01/15/08	5.23	-	49,902,300
Mont Blanc Capital Corp.	50,000,000	0.00	01/16/08	5.02	-	49,877,900
Barton Capital LLC	50,000,000	0.00	01/18/08	4.99	-	49,862,900
Mont Blanc Capital Corp.	30,000,000	0.00	01/23/08	5.13	-	29,894,850
Barton Capital LLC	50,000,000	0.00	01/25/08	5.08	-	49,809,000
CAFCO LLC	50,000,000	0.00	01/31/08	5.44	-	49,761,750
CIESCO LLC	50,000,000	0.00	02/06/08	4.98	-	49,717,950
Bank of America Corp.	50,000,000	0.00	02/22/08	5.50	-	49,662,700
Ranger Funding CO LLC	50,000,000	0.00	02/27/08	5.13	-	49,568,850
Ranger Funding CO LLC	40,581,000	0.00	02/27/08	5.05	-	40,231,070
Societe Generale North America	50,000,000	0.00	02/28/08	5.12	-	49,625,000
CAFCO LLC	50,000,000	0.00	02/28/08	5.36	-	49,561,950
Societe Generale North America	50,000,000	0.00	03/18/08	5.40	-	49,493,450
Merrill Lynch & CO	50,000,000	0.00	03/24/08	5.47	-	49,447,250
General Electric Capital Corp.	35,000,000	0.00	03/25/08	5.38	-	34,610,520
CIESCO LLC	50,000,000	0.00	03/26/08	5.38	-	49,368,400
Citigroup Funding Inc.	50,000,000	0.00	03/27/08	4.79	-	49,429,200
Kitty Hawk Funding Corp.	53,436,000	0.00	04/01/08	5.05	-	52,756,828
Kitty Hawk Funding Corp.	50,000,000	0.00	04/10/08	5.06	-	49,307,000
Ranger Funding CO LLC	50,802,000	0.00	04/10/08	5.13	-	50,097,884
Bank of America Corp.	50,000,000	0.00	05/27/08	4.73	-	48,997,100
Citigroup Funding Inc.	50,000,000	0.00	06/23/08	4.90	-	48,833,350
					-	1,199,592,952
(Cost of \$0 and \$1,199,824,092, respectively)						



* Denotes Percentage of Net Assets

Var. denotes interest rates are variable.
See accompanying notes to financial statements.

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Investments, at value (cont.)	Principal Amount	Coupon Rate	Maturity	Effective Yield	COLOTRUST PRIME Market Value	COLOTRUST PLUS+ Market Value
Total Investments in Securities (Cost of \$435,620,281 and \$2,006,531,709, respectively)					\$435,939,385	\$2,006,055,615
Deposit Balances in Custodian Banks (14%, 31%, respectively)*						
Wells Fargo Bank, N.A. (14%, 21%, respectively)		4.65%		4.65%	71,518,723	622,628,495
JPMorgan Chase Bank, N.A. (0%, 10%, respectively)		4.60		4.60	-	275,000,000
Other assets						
Accrued interest receivable					<u>1,548,768</u>	<u>3,265,095</u>
Total assets					<u>509,006,876</u>	<u>2,906,949,205</u>
Less liabilities						
Administration and investment advisory fees					<u>62,411</u>	<u>417,112</u>
Net assets					<u>\$508,944,465</u>	<u>\$2,906,532,093</u>
Components of capital						
Capital (Par Value)					508,625,361	2,907,008,188
Unrealized appreciation (depreciation) on Investments					<u>319,104</u>	<u>(476,095)</u>
Net assets					\$508,944,465	\$2,906,532,093
Outstanding participant shares					<u>508,625,361</u>	<u>2,907,008,188</u>
Net asset value per share					<u>\$1.00</u>	<u>\$1.00</u>



* Denotes Percentage of Net Assets

Var. denotes interest rates are variable.
See accompanying notes to financial statements.

STATEMENTS OF OPERATIONS (Twelve Months Ended December 31, 2007)

	COLOTRUST PRIME	COLOTRUST PLUS+
Investment income	<u>\$24,134,971</u>	<u>\$172,921,259</u>
Expenses:		
Administration and investment advisory fees	<u>764,794</u>	<u>5,301,363</u>
Net investment income	<u>23,370,177</u>	<u>167,619,896</u>
Change in net unrealized appreciation (depreciation) on investments	<u>347,811</u>	<u>(349,939)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$23,717,988</u>	<u>\$167,269,957</u>

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN NET ASSETS (Twelve Months Ended December 31, 2007 and December 31, 2006)

	COLOTRUST PRIME		COLOTRUST PLUS+	
	2007	2006	2007	2006
From investment activities:				
Net investment income	\$ 23,370,177	\$ 23,037,010	\$167,619,896	\$ 124,489,148
Net change in unrealized appreciation (depreciation) on investments	<u>347,811</u>	<u>28,980</u>	<u>(349,939)</u>	<u>164,501</u>
Net increase in net assets resulting from operations	23,717,988	23,065,990	167,269,957	124,653,649
Distributions to participants from net investment income	(23,370,177)	(23,037,010)	(167,619,896)	(124,489,148)
Net increase in net assets from share transactions	<u>51,042,366</u>	<u>33,255,895</u>	<u>270,381,382</u>	<u>912,904,202</u>
Net increase in net assets	51,390,177	33,284,875	270,031,443	913,068,703
Net assets:				
Beginning of period	<u>457,554,287</u>	<u>424,269,412</u>	<u>2,636,500,650</u>	<u>1,723,431,947</u>
End of period	<u>\$ 508,944,464</u>	<u>\$ 457,554,287</u>	<u>\$2,906,532,093</u>	<u>\$2,636,500,650</u>

See accompanying notes to financial statements.



Notes to Financial Statements December 31, 2007

Note 1. Summary of Significant Accounting Policies

The Colorado Local Government Liquid Asset Trust (the Trust) began operations on January 1, 1985, as an investment trust established for local government entities in Colorado to pool surplus funds for investment purposes under the provision of Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes. The Trust is exempt from registration with the Securities and Exchange Commission. The Trust presently offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME began operations on January 1, 1985 and COLOTRUST PLUS+ began operations on May 16, 1994. Both portfolios operate like money market mutual funds with each share valued at \$1.00.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following significant accounting policies are also in conformity with accounting principles generally accepted in the United States of America for investment companies. Such policies are consistently followed by the Trust in the preparation of the financial statements.

Securities Valuation

Securities, other than repurchase agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities. Repurchase agreements are recorded at cost, which approximates market value.

Securities Transactions and Investment Income

Securities transactions are accounted for on a trade date basis. Realized gains and losses from securities transactions are recorded on a specific identification basis. Interest income is recognized on the accrual basis and includes amortization of premiums and accretion of discounts. Amortization of premium and accretion of discount accrual method utilized is straight line and it is deemed that there is no significant difference compared to the effective interest method.

Derivative Instruments

The Trust's investment policies do not allow for investments in derivatives and, for the periods ended December 31, 2007 and December 31, 2006, the Trust held no financial instruments which meet the definition of a derivative according to Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS 133).

Dividends to Participants

Distributions from net investment income are declared and paid daily. The Trust's policy is to distribute net realized capital gains, if any, annually. Net realized gains have not been significant since the inception of the Trust.

Income Taxes

The Trust is a nontaxable entity, and accordingly, no provision for income or other taxes has been recorded in the accompanying financial statements.

Note 2. Deposits and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government (including the Trust) deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized by the depository. The eligible collateral is determined by PDPA. PDPA allows the eligible depository to create a single collateral pool for all public funds. The pool is to be maintained by another depository or held in trust for all amounts of local government deposits in excess of federal insurance levels as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.



The Trust has received rulings from the Federal Deposit Insurance Corporation that deposits made by the Trust are actually the deposits of the participants and thus each participant in the Trust is insured for its proportionate share of any deposit, up to the limit of \$100,000 for the participant's accounts in the custodian bank and its pro rata share of the Trust's deposits.

At December 31, 2007, the deposit balances at the custodian bank were \$71,518,723 and \$897,628,495 for the COLOTRUST PRIME portfolio and COLOTRUST PLUS+ portfolio, respectively. As a result, approximately 31% of the total assets held by the COLOTRUST PLUS+ portfolio are concentrated at two custodian banks, Wells Fargo and JPMorgan Chase Bank. The amount of deposits fully collateralized to the extent of each participant cannot be reasonably determined by the Trust as the balances of participants' separate deposits in the custodian bank are not available. Deposits not fully collateralized, if any, would be subject to inclusion in the custodian bank's single institution collateral pool for public deposits. Interest earned on cash sweep investment vehicles as a percentage of total income earned accounted for 8% on the COLOTRUST PRIME portfolio and 31% on the COLOTRUST PLUS+ portfolio for the year ending December 31, 2007.

Custodian

Wells Fargo Bank, N.A. serves as the custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investment and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust may also use JPMorgan Chase Bank, Bank One, and KeyBank as a safekeeping agent for repurchase agreements and other deposit balances.

Investment in Securities

Colorado statutes specify investments meeting defined rating and risk criteria in which local government investment pools may invest. The Board of Trustees has further limited investment instruments for the COLOTRUST PRIME and COLOTRUST PLUS+ portfolios. COLOTRUST PRIME may invest in U.S. Treasury securities, certain approved obligations of agencies of the U.S. government, and written repurchase agreements collateralized by U.S. Treasury securities, or certain approved obligations of U.S. government agencies. COLOTRUST PLUS+ may invest in U.S. Treasury securities, certain approved obligations of agencies of the U.S. government, commercial paper rated in the highest rating category and any security allowed under CRS 24-75-601 and written repurchase agreements collateralized by U.S. Treasury securities or certain approved obligations of U.S. government agencies.

Investments may be categorized as follows: (1) insured or registered or for which the securities are held by the Trust or the custodian bank in the Trust's name (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the Trust's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer or by its trust department or agent but not in the Trust's name.

Investment securities are categorized to give an indication of the level of risk, including credit risk. All investments of the Trust, including the repurchase agreements described in note 4, are classified in Category 1.

Note 3. Guarantee

MBIA Inc., parent of Colorado Investor Services Corporation (CISC), and MBIA Insurance Corporation, a financial guarantor and provider of specialized financial services to the public sector, has issued a guarantee to protect participants' principal and interest during the term of their investment in the Trust and upon liquidation of funds. This commitment provides that MBIA Inc. will pay to the Trust without limit the amount of any realized loss which results in a material decline in the constant net asset value per share maintained by each portfolio, including any reductions in participant balances adjusted to maintain the constant net asset value.

MBIA Inc.'s payment commitment is effective, subject to certain conditions agreed to by the Trust, so long as CISC serves as Investment Advisor and Administrator for the Trust. The cost of the guarantee is included in the fee paid to the Investment Advisor and Administrator for the Trust.

Note 4. Repurchase Agreements

Funds are released from the Trust's portfolios for repurchase agreements only when collateral has been wired to the custodian bank, and for the period ended December 31, 2007, the Trust held no uncollateralized repurchase agreements. The custodian bank reports the market value of the collateral securities to the Trust at least on a weekly basis. If the seller of the agreement defaults and the value of the collateral declines, the immediate realization of the full amount of the agreement by the Trust may be limited. Interest earned on repurchase agreements as a percentage of total income earned accounted for 47% on the COLOTRUST PRIME portfolio and 12% on the COLOTRUST PLUS+ portfolio for the year ending December 31, 2007.

Note 5. Administration and Investment Advisory Fees

Investment advisory services and administration and marketing services are provided by CISC. Trust fees are calculated daily and paid monthly. The total fees for the Trust are as follows: 0.180% of the average daily net assets of the portfolios up to \$1,500,000,000; and 0.150% of the average daily net assets exceeding \$1,500,000,000. The fees are collected by CISC and used to pay all expenses related to the Trust.

Note 6. Share Transactions

Transactions in shares during the twelve months ended December 31, 2007 and 2006 for the COLOTRUST PRIME portfolio were as follows:

	<u>2007</u>	<u>2006</u>
Shares sold	1,085,740,756	935,655,122
Shares issued on reinvestment of distributions	23,375,811	23,055,243
Shares redeemed	<u>(1,058,074,201)</u>	<u>(925,454,470)</u>
Net increase / decrease	<u>51,042,366</u>	<u>33,255,895</u>

Transactions in shares during the twelve months ended December 31, 2007 and 2006 for the COLOTRUST PLUS+ portfolio were as follows:

	<u>2007</u>	<u>2006</u>
Shares sold	9,865,903,194	9,380,839,055
Shares issued on reinvestment of distributions	167,734,776	124,574,757
Shares redeemed	<u>(9,763,256,588)</u>	<u>(8,592,509,610)</u>
Net increase / decrease	<u>270,381,382</u>	<u>912,904,202</u>

Note 7. Financial Highlights

COLOTRUST PRIME

	2007	2006	Years Ended 2005	2004	2003
Per Share Data					
Net Asset Value - Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Net Investment Income Earned and Distributed to Shareholders	\$0.050	\$0.048	\$0.030	\$0.012	\$0.010
Net Asset Value - End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
TOTAL RETURN	5.075%	4.928%	3.092%	1.219%	1.009%
RATIOS					
Net Assets-End of period (\$000 Omitted)	\$508,944	\$457,554	\$424,269	\$297,007	\$400,306
Ratio of Expenses to Average Net Assets	0.162%	0.165%	0.170%	0.170%	0.168%
Ratio of Net Investment Income to Average Net Assets	4.953%	4.842%	3.109%	1.219%	1.009%

COLOTRUST PLUS+

	2007	2006	Years Ended 2005	2004	2003
Per Share Data					
Net Asset Value - Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Net Investment Income Earned and Distributed to Shareholders	\$0.051	\$0.049	\$0.031	\$0.013	\$0.010
Net Asset Value - End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
TOTAL RETURN	5.253%	5.007%	3.171%	1.279%	1.026%
RATIOS					
Net Assets-End of period (\$000 Omitted)	\$2,906,532	\$2,636,501	\$1,723,432	\$1,756,055	\$1,661,248
Ratio of Expenses to Average Net Assets	0.162%	0.165%	0.170%	0.170%	0.168%
Ratio of Net Investment Income to Average Net Assets	5.122%	4.920%	3.147%	1.279%	1.026%

Note 8. New Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS No.157"), which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 does not require new fair value measurements, but is applied to the extent that other accounting pronouncements require or permit fair value measurements. SFAS No. 157 emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or liability. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. Management does not believe the adoption of SFAS No. 157 will impact the financial statement amounts, however, the Funds will be required to disclose the extent to which fair value is used to measure assets and liabilities and the inputs used to develop the measurements.



Board of Trustees

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Town of Telluride

Steve Dazzio
City of Englewood

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Scott Wright
Town of Avon

Management

Administrator: MBIA-Colorado Investor Services Corporation (CISC)

Investment Advisor: MBIA-Colorado Investor Services Corporation (CISC)

Legal Counsel: Sherman & Howard, L.L.C.

Professional Services

Independent Auditors: PricewaterhouseCoopers LLP

Custodians: Wells Fargo Bank N.A.
JPMorgan Chase Bank, N.A.

