



Annual Report

DECEMBER 31, 2016
(REPORT OF INDEPENDENT AUDITORS WITHIN)

COLOTRUST PRIME Rated AAAM by Standard & Poor's
COLOTRUST PLUS+ Rated AAAM by Standard & Poor's

Standard & Poor's Ratings in no way guarantee favorable performance results and should not be construed as safety in an investment.



A Trusted Investment Since 1985

Chairman's Letter

December 31, 2016

To the Participants of COLOTRUST:

On behalf of the eleven members of the COLOTRUST Board of Trustees and Public Trust Advisors, LLC (Public Trust), the pool administrator and investment advisor, we are pleased to present the audited financials for the year ending December 31, 2016.

This time of year offers us an opportunity to reflect on the previous year and look forward to the year ahead. In partnership with Public Trust, the Board of Trustees is pleased to report that, in many aspects, 2016 represented a year of significant growth for COLOTRUST. We note a few important highlights below:

Assets: COLOTRUST assets under management grew year-over-year by more than \$1.2 billion, representing a 35% increase. Assets peaked in June above \$5.4 billion.

Performance: During 2016, COLOTRUST experienced an increase of 22 basis points (0.22%) for COLOTRUST PRIME as well as an increase of 58 basis points (0.58%) in yield for COLOTRUST PLUS+

Participation: During 2016 the number of participants in COLOTRUST grew by more than 4%. As participation continues to grow, COLOTRUST achieves further economies of scale and greater investment buying power, both of which correspond with an even better Participant experience.

Safety: COLOTRUST's top priority will always be the safety of the public funds we manage on our Participants' behalf. To that end, we are always working on creating more secure and efficient systems. In 2016, we were pleased to introduce a new audit enhancement that notifies all authorized contacts when any account changes have been requested and processed.

As we progress through 2017, the entire team at COLOTRUST is working diligently to keep the positive momentum going. The Federal Open Market Committee (FOMC) recently increased the fed funds target rate to a new range of 0.50% - 0.75%. This recent rate hike had an almost immediate positive impact on the COLOTRUST PRIME and COLOTRUST PLUS+ daily yields. After a nearly decade long stretch of near-zero interest rates, we are pleased to offer this much needed interest income to our local government partners throughout the state of Colorado.

In closing, we resolve to continue to work closely with the more than 1,200 local government COLOTRUST Participants, striving to be an LGIP leader not only in the state of Colorado but throughout the country. Through 31 years of successful operations, the maintenance of dozens of strategic partnerships, and the navigation of a variety of economic cycles, one thing remains abundantly clear: the COLOTRUST Participants are our greatest asset. Our sincerest thanks for your continued participation and commitment to COLOTRUST.

Respectfully,



Al Dominguez Jr., J.D.

Chairman, Board of Trustees

Independent Auditors' Report



CliftonLarsonAllen

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Trustees and Audit Committee
COLOTRUST
Denver, Colorado

We have audited the accompanying financial statements of COLOTRUST, which comprise the statement of net assets as of December 31, 2016, the statement of operations for the year then ended, the related statements of changes in net assets for the years ended December 31, 2016 and 2015 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of COLOTRUST as of December 31, 2016, the results of its operations for the year then ended, and the changes in net assets for the years ended December 31, 2016 and 2015 in accordance with accounting principles generally accepted in the United States of America.



CliftonLarsonAllen LLP

Denver, Colorado
February 3, 2017

STATEMENT OF NET ASSETS – DECEMBER 31, 2016

INVESTMENTS, AT VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	COLOTRUST PRIME Fair Value	COLOTRUST PLUS+ Fair Value
Overnight Repurchase Agreements (20%, 1%, respectively)*						
Bank of America/Merrill Lynch Tri-Party (5%, 0% respectively)* (Collateralized by U.S. Government Agency Securities with coupon rates between 0.00% and 1.125% and maturing between 12/08/2017 and 03/23/2028.) Market value plus accrued interest: \$25,508,371	\$25,004,973	0.48%	1/3/17	0.48%	\$25,004,973	\$ -
RBC Tri-Party (15%, 0% respectively)* (Collateralized by U.S. Government Agency Securities with coupon rates between 2.354% and 5.00% and maturing between 10/01/2027 and 12/01/2046.) Market value plus accrued interest: \$79,870,472	78,304,384	0.40	1/3/17	0.40	78,304,384	-
Bank of America/Merrill Lynch Tri-Party (0%, 1% respectively)* (Collateralized by U.S. Government Agency Securities with coupon rates between 0.78% and 1.125% and maturing between 09/17/2017 and 12/08/2017.) Market value plus accrued interest: \$25,508,872	25,004,973	0.48	1/3/17	0.48	-	25,004,973
Cost of (\$103,309,357, \$25,004,973 respectively)					<u>103,309,357</u>	<u>25,004,973</u>
U.S. Government Treasury Securities (27%, 5% respectively)*						
Treasury Notes/Bonds (15%, 4% respectively)*						
5,000,000	0.50	1/31/17	0.55	4,999,805	-	
5,000,000	0.63	2/15/17	0.56	5,000,391	-	
5,000,000	0.75	3/15/17	0.50	5,002,539	-	
10,000,000	1.00	3/31/17	0.52	10,011,719	-	
10,000,000	0.50	4/30/17	0.57	9,997,656	-	
10,000,000	0.63	5/31/17	0.62	10,000,391	-	
10,000,000	0.63	6/30/17	0.64	9,999,219	-	
10,000,000	0.88	8/15/17	0.73	10,008,984	-	
10,000,000	0.63	8/31/17	0.75	9,991,406	-	
40,000,000	0.88	1/31/17	0.50	-	40,012,500	
40,000,000	0.88	5/15/17	0.58	-	40,043,752	
50,000,000	1.00	9/15/17	0.80	-	50,070,315	
40,000,000	0.72 - Var.	10/31/17	0.41	-	40,053,696	

* Denotes percentage of net assets

The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS – DECEMBER 31, 2016

INVESTMENTS, AT VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	COLOTRUST PRIME Fair Value	COLOTRUST PLUS+ Fair Value
Treasury Bills (12%, 1% respectively)*	\$30,000,000	Disc**	1/12/17	0.42%	\$29,996,175	\$ -
	30,000,000	Disc**	1/19/17	0.41	29,993,868	-
	50,000,000	Disc**	2/9/17	0.47	-	49,975,035
Cost of (\$135,008,974, \$220,180,868 respectively)					135,002,153	220,155,298
U.S. Government Agency Securities (37%, 0% respectively)*						
Fannie Mae Notes (2%, 0% respectively)*	10,000,000	Disc**	2/15/17	0.54	9,993,394	-
Federal Home Loan Bank Notes (26%, 0% respectively)*	30,000,000	Disc**	1/5/17	0.48	29,998,401	-
	20,000,000	Disc**	1/20/17	0.53	19,994,376	-
	10,000,000	0.71 - Var.	7/12/17	0.65	10,003,300	-
	15,000,000	0.67 - Var.	8/4/17	0.69	15,010,350	-
	9,200,000	0.88 - Var.	8/21/17	0.59	9,217,296	-
	10,070,000	0.91	8/25/17	0.64	10,087,320	-
	10,000,000	0.69 - Var.	9/6/17	0.67	10,001,400	-
	12,000,000	0.93 - Var.	9/7/17	0.69	12,019,800	-
	10,000,000	0.71 - Var.	11/13/17	0.60	10,009,600	-
	10,000,000	0.73 - Var.	12/19/17	0.67	10,005,700	-
Federal Farm Credit Bank (9%, 0% respectively)*	10,000,000	0.36	2/1/17	0.59	10,000,100	-
	14,000,000	0.70 - Var.	2/21/17	0.54	14,002,800	-
	10,000,000	Disc**	5/11/17	0.65	9,976,497	-
	10,000,000	0.77 - Var.	5/30/17	0.74	10,001,400	-
Cost of (\$190,295,103, \$0 respectively)					190,321,734	-
Commercial Paper (0%, 93% respectively)*						
Liberty Street Funding LLC A-1+***, P-1	50,000,000	Disc**	1/5/17	1.06	-	49,994,085
Manhattan Asset Funding Co. A-1, P-1	50,000,000	Disc**	1/9/17	0.94	-	49,989,585
Nordea Bank AB A-1+, P-1	50,000,000	Disc**	1/9/17	0.64	-	49,992,915
Manhattan Asset Funding Co. A-1, P-1	50,000,000	Disc**	1/12/17	0.91	-	49,986,095
Albion Capital LLC A-1, P-1	50,000,000	Disc**	1/17/17	0.90	-	49,980,000
Mizuho Bank Ltd./NY A-1, P-1	50,000,000	Disc**	1/19/17	0.72	-	49,981,945
Concord Minuteman Cap Co. A-1, P-1	30,000,000	Disc**	1/20/17	0.90	-	29,985,825
Caisse des Depot et Consignations A-1+, P-1	100,000,000	Disc**	1/23/17	0.69	-	99,958,000
Versailles Com Paper LLC A-1, P-1	50,000,000	Disc**	1/23/17	0.91	-	49,972,335
Bedford Row Funding Corp. A-1+, P-1	45,000,000	1.31 - Var.	1/24/17	1.60	-	44,991,000
Australia & New Zealand Banking Group Ltd. A-1+, P-1	33,500,000	Disc**	1/25/17	0.68	-	33,484,758
Commonwealth Bank of Australia A-1+, P-1	50,000,000	1.24 - Var.	1/27/17	2.04	-	49,969,300

* Denotes percentage of net assets ** Denotes securities purchased at a discount from par

*** In accordance with S&P guidelines A-1 rated commercial paper maturing within seven business days is deemed to be rated A-1+
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS – DECEMBER 31, 2016

INVESTMENTS, AT VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	COLOTRUST PRIME Fair Value	COLOTRUST PLUS+ Fair Value
Jupiter Securitization Co. A-1, P-1	\$30,000,000	Disc**	1/27/17	0.75%	\$ -	\$29,983,668
NRW Bank A-1+, P-1	50,000,000	Disc**	1/30/17	0.68	-	49,972,445
Toronto Dominion Holding (USA) Inc. A-1+, P-1	30,000,000	Disc**	1/31/17	0.78	-	29,981,067
Ontario Teachers' Finance Trust A-1+, P-1	23,000,000	Disc**	2/2/17	0.70	-	22,986,099
Ridgefield Funding Co. LLC A-1, P-1	50,000,000	Disc**	2/2/17	0.79	-	49,966,000
Atlantic Asset Securitization LLC A-1, P-1	50,000,000	Disc**	2/3/17	0.94	-	49,958,195
LMA Americas LLC A-1, P-1	50,000,000	Disc**	2/3/17	0.94	-	49,958,195
Liberty Street Funding LLC A-1, P-1	45,000,000	Disc**	2/6/17	0.95	-	44,958,677
Nieuw Amsterdam Rec. Corp. A-1, P-1	50,000,000	Disc**	2/6/17	0.95	-	49,954,085
Caisse des Depot et Consignations A-1+, P-1	50,000,000	Disc**	2/8/17	0.71	-	49,963,335
Atlantic Asset Securitization LLC A-1, P-1	47,600,000	Disc**	2/9/17	0.94	-	47,552,838
Fairway Finance Corp. A-1, P-1	30,000,000	Disc**	2/9/17	0.94	-	29,970,276
Lexington Parker Capital A-1, P-1	25,000,000	Disc**	2/10/17	0.95	-	24,974,333
Ontario Teachers' Finance Trust A-1+, P-1	25,000,000	Disc**	2/10/17	0.71	-	24,980,750
Thunder Bay Funding LLC A-1, P-1	50,000,000	1.08 - Var.	2/10/17	1.87	-	49,955,000
LMA Americas LLC A-1, P-1	45,000,000	Disc**	2/13/17	0.94	-	44,950,500
Ontario Teachers' Finance Trust A-1+, P-1	75,000,000	1.22 - Var.	2/14/17	1.70	-	74,955,000
Versailles Com Paper LLC A-1, P-1	50,000,000	Disc**	2/16/17	0.95	-	49,940,665
Collateralized Commercial Paper Co. A-1, P-1	50,000,000	1.24 - Var.	2/17/17	1.31	-	49,995,000
NRW. Bank A-1+, P-1	50,000,000	Disc**	2/17/17	0.73	-	49,953,720
Old Line Funding LLC A-1+, P-1	15,000,000	Disc**	2/21/17	0.73	-	14,984,763
Thunder Bay Funding LLC A-1, P-1	35,000,000	Disc**	2/21/17	0.97	-	34,953,111
Kells Funding LLC A-1+, P-1	50,000,000	Disc**	2/23/17	0.87	-	49,937,360
Manhattan Asset Funding Co. A-1, P-1	50,000,000	1.09 - Var.	2/24/17	1.09	-	50,000,000
Institutional Secured Funding LLC A-1, P-1	50,000,000	Disc**	2/27/17	0.99	-	49,922,970
Rabobank Nederland NV NY A-1, P-1	50,000,000	Disc**	3/1/17	0.85	-	49,929,680
Victory Receivables Corp. A-1, P-1	25,000,000	Disc**	3/1/17	0.98	-	24,959,333
Liberty Street Funding LLC A-1, P-1	25,000,000	Disc**	3/2/17	0.98	-	24,958,668
Atlantic Asset Securitization LLC A-1, P-1	50,000,000	Disc**	3/3/17	0.99	-	49,915,125
ING (US) Funding A-1, P-1	50,000,000	Disc**	3/3/17	0.85	-	49,926,500
Concord Minuteman Cap Co. A-1, P-1	28,136,000	Disc**	3/6/17	1.01	-	28,084,933
Toronto Dominion Holding (USA) Inc. A-1+, P-1	50,000,000	Disc**	3/6/17	0.74	-	49,933,085
Gotham Funding Corp. A-1, P-1	29,200,000	Disc**	3/7/17	1.01	-	29,146,199
KfW A-1+, P-1	50,000,000	Disc**	3/7/17	0.75	-	49,931,140
Toyota Motor Credit Corp. A-1+, P-1	50,000,000	1.05 - Var.	3/7/17	1.04	-	50,000,000
Microsoft Corp. A-1+, P-1	50,000,000	Disc**	3/8/17	0.75	-	49,930,110
Toronto Dominion Holding (USA) Inc. A-1+, P-1	29,835,000	Disc**	3/9/17	0.75	-	29,792,685
Commonwealth Bank of Australia A-1+, P-1	25,000,000	1.27 - Var.	3/10/17	0.62	-	25,031,000
Ontario Teachers' Finance Trust A-1+, P-1	25,000,000	Disc**	3/10/17	0.76	-	24,963,543
Svenska Handelsbanken AB A-1+, P-1	50,000,000	Disc**	3/10/17	0.76	-	49,927,085
Commonwealth Bank of Australia A-1+, P-1	50,000,000	Disc**	3/13/17	0.77	-	49,922,945

* Denotes percentage of net assets ** Denotes securities purchased at a discount from par
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS – DECEMBER 31, 2016

INVESTMENTS, AT VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	COLOTRUST PRIME Fair Value	COLOTRUST PLUS+ Fair Value
Dexia Credit Local SA NY A-1+, P-1	\$40,000,000	Disc**	3/13/17	0.77%	\$ -	\$ 39,938,356
LMA Americas LLC A-1, P-1	50,000,000	Disc**	3/13/17	1.05	-	49,895,570
Ridgefield Funding Co. LLC A-1, P-1	50,000,000	Disc**	3/14/17	1.06	-	49,893,110
Chariot Funding LLC A-1, P-1	40,000,000	Disc**	3/15/17	1.06	-	39,913,332
Kells Funding LLC A-1+, P-1	50,000,000	Disc**	3/15/17	0.95	-	49,902,085
Ridgefield Funding Co. LLC A-1, P-1	50,000,000	1.02 - Var.	3/15/17	1.16	-	49,985,000
Svenska Handelsbanken AB A-1+, P-1	25,000,000	Disc**	3/16/17	0.78	-	24,959,360
KfW A-1+, P-1	48,000,000	Disc**	3/17/17	0.78	-	47,920,949
Svenska Handelsbanken AB A-1+, P-1	50,000,000	Disc**	3/17/17	0.78	-	49,917,655
Old Line Funding LLC A-1+, P-1	36,584,000	Disc**	3/20/17	0.98	-	36,505,140
Nordea Bank AB A-1+, P-1	40,000,000	Disc**	3/21/17	0.80	-	39,928,900
Toronto Dominion Holding (USA) Inc. A-1+, P-1	50,000,000	Disc**	3/21/17	0.80	-	49,911,125
Liberty Street Funding LLC A-1, P-1	50,000,000	Disc**	3/22/17	1.11	-	49,875,860
Victory Receivables Corp. A-1, P-1	50,000,000	Disc**	3/22/17	1.11	-	49,875,860
Anglesea Funding LLC A-1, P-1	50,000,000	Disc**	3/24/17	0.94	-	49,891,500
Credit Agricole CIB NY A-1, P-1	32,500,000	Disc**	3/27/17	0.68	-	32,447,376
Jupiter Securitization Co. A-1, P-1	50,000,000	1.20 - Var.	3/28/17	1.73	-	49,935,750
Microsoft Corp. A-1+, P-1	50,000,000	Disc**	3/29/17	0.83	-	49,898,640
Toyota Motor Credit Corp. A-1+, P-1	50,000,000	1.17 - Var.	3/31/17	1.10	-	50,021,450
LMA Americas LLC A-1, P-1	40,000,000	Disc**	4/3/17	1.19	-	39,878,844
Ontario Teachers' Finance Trust A-1+, P-1	30,000,000	Disc**	4/4/17	0.85	-	29,934,291
LA Fayette Asset Securitization LLC A-1, P-1	50,000,000	Disc**	4/6/17	1.20	-	49,842,375
Collateralized Commercial Paper II Co. A-1, P-1	50,000,000	Disc**	4/10/17	1.02	-	49,859,720
Anglesea Funding LLC A-1, P-1	50,000,000	0.95 - Var.	4/11/17	0.95	-	50,000,000
Dexia Credit Local SA NY A-1+, P-1	50,000,000	Disc**	4/21/17	0.92	-	49,860,000
Kells Funding LLC A-1+, P-1	50,000,000	1.11 - Var.	4/26/17	1.11	-	49,999,000
Kells Funding LLC A-1+, P-1	45,000,000	1.00 - Var.	5/9/17	0.27	-	45,000,000
Bedford Row Funding Corp. A-1+, P-1	50,000,000	Disc**	5/10/17	1.23	-	49,779,845
Chariot Funding LLC A-1, P-1	40,000,000	1.29 - Var.	5/18/17	1.59	-	39,953,600
Collateralized Commercial Paper Co. A-1, P-1	50,000,000	1.19 - Var.	5/26/17	1.18	-	50,000,000
Coca-Cola Co. A-1+, P-1	50,000,000	Disc**	6/9/17	1.05	-	49,769,680
Old Line Funding LLC A-1+, P-1	50,000,000	Disc**	6/19/17	1.25	-	49,710,250
Old Line Funding LLC A-1+, P-1	50,000,000	1.08 - Var.	6/20/17	0.78	-	50,000,000
Bedford Row Funding Corp. A-1+, P-1	50,000,000	1.39 - Var.	6/21/17	1.38	-	50,000,000
Collateralized Commercial Paper II Co. A-1, P-1	50,000,000	Disc**	6/28/17	1.30	-	49,682,500
Toyota Motor Credit Corp. A-1+, P-1	50,000,000	Disc**	7/10/17	1.23	-	49,680,000
Anglesea Funding LLC A-1, P-1	50,000,000	1.09 - Var.	8/14/17	0.77	-	50,000,000
Cost of (\$0, \$4,032,556,277 respectively)					-	4,032,913,049
Total Investments in Securities					428,633,244	4,278,073,320
Cost of (\$428,613,434, \$4,277,742,118 respectively)						

* Denotes percentage of net assets ** Denotes securities purchased at a discount from par
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS – DECEMBER 31, 2016

	Principal Amount	Coupon Rate	Maturity	Effective Yield	COLOTRUST PRIME Fair Value	COLOTRUST PLUS+ Fair Value
Deposit Balances in Custody Banks (16%, 1%, respectively)*						
Wells Fargo Cash/Repo (16%, 1% respectively)*		0.50%	1/3/17	0.50%	\$ 83,712,272	\$ 64,938,701
Cost of (\$83,712,272, \$64,938,701 respectively)					<u>83,712,272</u>	<u>64,938,701</u>
Other Assets						
Accrued Interest Receivable					231,952	882,048
Total Assets					<u>512,577,468</u>	<u>4,343,894,069</u>
Less Liabilities						
Administration and Investment Advisory Fees					44,290	435,032
Total Liabilities					<u>44,290</u>	<u>435,032</u>
Net Assets					<u>\$512,533,178</u>	<u>\$4,343,459,037</u>
Components of Capital						
Capital (Par Value)					\$512,513,368	\$4,343,127,835
Unrealized Appreciation on Investments					19,810	331,202
Net Assets					<u>\$512,533,178</u>	<u>\$4,343,459,037</u>
Outstanding Participant Shares					<u>512,513,368</u>	<u>4,343,127,835</u>
Net Asset Value per Share					<u>\$1.00</u>	<u>\$1.00</u>

* Denotes percentage of net assets

The accompanying notes are an integral part of these financial statements

STATEMENT OF OPERATIONS

(Year Ended December 31, 2016)

	COLOTRUST PRIME	COLOTRUST PLUS+
Investment Income	\$1,793,300	\$32,449,288
Expenses:		
Administration and Investment Advisory Fees	530,911	4,963,996
Net Investment Income	1,262,389	27,485,292
Net Realized Gain on Investments	2,217	22,100
Change in Net Unrealized Appreciation on Investments	165,275	7,697
Net Realized Gain and Unrealized Gain on Investments	167,492	29,797
Net Increase in Net Assets Resulting from Operations	\$1,429,881	\$27,515,089

STATEMENTS OF CHANGES IN NET ASSETS

(Years Ended December 31, 2016 and December 31, 2015)

	COLOTRUST PRIME		COLOTRUST PLUS+	
	2016	2015	2016	2015
From Investment Activities:				
Net Investment Income	\$ 1,262,389	\$ 99,028	\$ 27,485,292	\$ 5,853,931
Net Change in Unrealized Appreciation/(Depreciation) on Investments	165,275	(121,744)	7,697	192,520
Realized Gain/(Loss) on Investments	2,217	(1,403)	22,100	10,545
Net Increase/(Decrease) in Net Assets Resulting from Operations	1,429,881	(24,119)	27,515,089	6,056,996
Distributions to Participants from Net Investment Income	(1,262,389)	(99,028)	(27,485,292)	(5,853,931)
Distributions to Participants from Net Realized Gain/(Loss)	(2,217)	1,403	(22,100)	(10,545)
Net Increase/(Decrease) in Net Assets from Share Transactions	220,356,354	(5,118,505)	1,308,897,647	392,126,622
Net Increase/(Decrease) in Net Assets	220,521,629	(5,240,249)	1,308,905,344	392,319,142
Net Assets:				
Beginning of Period	292,011,549	297,251,798	3,034,553,693	2,642,234,551
End of Period	\$512,533,178	\$292,011,549	\$4,343,459,037	\$3,034,553,693

The accompanying notes are an integral part of these financial statements

Notes to Financial Statements - December 31, 2016

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 fair 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. The 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 period ended December 31, 2016, the Trust held no financial instruments which meet the definition of a derivative according to Financial Accounting Standards Board ("FASB") Accounting Standards Topic (ASC) 815 "Derivative instruments and Hedging Activities".

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, in a reasonable time frame after the gain is realized.

Income Taxes

The Trust is not subject to federal, state or local income taxes, and accordingly no tax provision has been made. The Trust files tax returns annually. The Trust is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. The Trust's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

Note 2. Fair Value Measurements

In accordance with FASB guidance, the Trust utilizes ASC 820 "Fair Value Measurement and Disclosure" to define fair value, establish a framework for measuring fair value, and expand disclosure requirements regarding fair value measurements. ASC 820 does not require new fair value measurements, but is applied to the extent that other accounting pronouncements require or permit fair value measurements. This standard 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. Various inputs are used in determining the value of the Trust's portfolio investments defined pursuant to this standard.

These inputs are summarized into three broad levels:

- Level 1 – Quoted prices in active markets for identical securities.
- Level 2 – Prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others. Debt securities are valued in accordance with the evaluated bid price supplied by the pricing service and generally categorized as Level 2 in the hierarchy. Securities that are categorized as Level 2 in the hierarchy include, but are not limited to, repurchase agreements, U.S government agency securities, corporate securities, and commercial paper.

- Level 3 – Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

There have been no significant changes in valuation techniques used in valuing any such positions held by the Trust since the beginning of the fiscal year. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used as of December 31, 2016 to value the Trust’s investments in securities and other financial instruments is included in the “Valuation Inputs Summary” and “Level 3 Valuation Reconciliation of Assets” (if applicable) as noted below.

Valuation Inputs Summary (for the fiscal period ended December 31, 2016)

PRIME Portfolio

Investments in Securities at Value*	Valuation Inputs			
	Level 1	Level 2	Level 3	Total
Repurchase Agreements	\$ -	\$103,309,357	\$ -	\$103,309,357
U.S. Government Treasury Securities	-	135,002,153	-	135,002,153
U.S. Government Agency Securities	-	190,321,734	-	190,321,734
Total	\$ -	\$428,633,244	\$ -	\$428,633,244

PLUS+ Portfolio

Investments in Securities at Value*	Valuation Inputs			
	Level 1	Level 2	Level 3	Total
Repurchase Agreements	\$ -	\$25,004,973	\$ -	\$25,004,973
U.S. Government Treasury Securities	-	220,155,298	-	220,155,298
Commercial Paper	-	4,032,913,049	-	4,032,913,049
Total	\$ -	\$4,278,073,320	\$ -	\$4,278,073,320

* For the years ended December 31, 2016 and December 31, 2015, the PRIME Portfolio and the PLUS+ Portfolio did not have significant unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value is not applicable.

Note 3. Deposits and Investments

Deposits

The Colorado Public Deposit Protection Act (PDDPA) requires that official custodians of public funds (including local government investment pools) 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 PDDPA. PDDPA 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 \$250,000 for the participant’s accounts in the custodian bank and its pro rata share of the Trust’s deposits.

At December 31, 2016, the deposit balances at the custodian banks were \$83,712,272 and \$64,938,701 for the COLOTRUST PRIME portfolio and COLOTRUST PLUS+ portfolio, respectively. As a result, approximately 16% of the total assets held by the COLOTRUST PRIME portfolio, and 1% of the total assets held by the COLOTRUST PLUS+ portfolio are concentrated at the custodian bank, Wells Fargo. 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 interest earned accounted for less than 1% on the COLOTRUST PRIME portfolio and less than 1% on the COLOTRUST PLUS+ portfolio for the year ending December 31, 2016.

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 NA, Bank of the West, and US Bancorp as a safekeeping agent.

Risk Disclosure

The portfolios are subject to the following risks:

- Counterparty Risk – Counterparty risk is the risk that the counterparty or a third party will not fulfill its obligation to the Trust.
- Interest Rate Risk – Interest rate risk is the risk that the value of fixed-income securities will generally decline as prevailing interest rates rise, which may cause a Trust’s NAV to likewise decrease, and vice versa.
- Market Risk – Market risk is the daily potential for an investor to experience losses from fluctuations in securities prices. This risk cannot be diversified away.
- Credit Risk - Credit Risk is the risk an issuer will be unable to make principal and interest payments when due, or will default on its obligations.

The Trust attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques. The Trust limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. The Trust’s policy is to limit its exposure to any non-government issuer to 5% of net assets.

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.

All investments fall under the categorization of (3) as mentioned in the preceding paragraph.

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, 2016, 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 interest earned accounted for 39% on the COLOTRUST PRIME portfolio and 6% on the COLOTRUST PLUS+ portfolio for the year ending December 31, 2016.

Note 5. Administration and Investment Advisory Fees

Investment advisory services and administration and marketing services are provided by Public Trust Advisors, LLC. Trust fees are calculated daily and paid monthly. The Daily Fee shall be calculated as follows: The Investment Property Value is multiplied by the Applicable Fee Rate and is divided by 365 or 366 days in the event of a leap year to equal the Daily Fee accrual. The Investment Property Value shall be based on the current day’s shares outstanding. For weekend days and holidays, the shares outstanding for the previous business day will be utilized for the calculation of fees. The Applicable Fee Rate shall be determined monthly on the first business day of each month and shall be at an annual rate equal to twelve (12 basis points). The fees are collected by Public Trust Advisors, LLC and used to pay all expenses related to the Trust.

Note 6. Share Transactions

Transactions in shares during the twelve months ended December 31, 2016 and 2015 for the COLOTRUST PRIME portfolio were as follows:

	2016	2015
Shares sold	697,216,423	482,634,455
Shares issued on reinvestment of distributions	1,264,497	99,016
Shares redeemed	(478,124,566)	(487,851,976)
Net increase/(decrease)	<u>220,356,354</u>	<u>(5,118,505)</u>

At December 31, 2016, five participants held more than a 5% participation interest in COLOTRUST PRIME. The holdings of these five participants is approximately 68% of the portfolio at December 31, 2016. Investment activities of these participants could have a material impact on COLOTRUST PRIME.

Transactions in shares during the twelve months ended December 31, 2016 and 2015 for the COLOTRUST PLUS+ portfolio were as follows:

	2016	2015
Shares sold	10,962,325,176	8,728,317,934
Shares issued on reinvestment of distributions	27,492,003	5,862,402
Shares redeemed	(9,680,919,532)	(8,342,053,714)
Net increase	<u>1,308,897,647</u>	<u>392,126,622</u>

At December 31, 2016, three participants held more than a 5% participation interest in COLOTRUST PLUS+. The holdings of these three participants is approximately 27% of the portfolio at December 31, 2016. Investment activities of these participants could have a material impact on COLOTRUST PLUS+.

Note 7. Financial Highlights for a Share Outstanding Throughout Each Period

COLOTRUST PRIME

	2016	2015	Years Ended 2014	2013	2012
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	\$0.003	\$0.000	\$0.000	\$0.000	\$0.001
Net Asset Value - End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
TOTAL RETURN	0.281%	0.030%	0.006%	0.030%	0.037%
RATIOS					
Net Assets-End of period (\$000 Omitted)	\$512,533	\$292,012	\$297,252	\$416,534	\$374,680
Ratio of Expenses to Average Net Assets Gross	0.120%	0.120%	0.120%	0.120%	0.119%
Ratio of Expenses to Average Net Assets Waived	0.000%	0.004%	0.018%	0.012%	0.013%
Ratio of Expenses to Average Net Assets	0.120%	0.116%	0.102%	0.108%	0.106%
Ratio of Net Investment Income to Average Net Assets	0.285%	0.031%	0.006%	0.027%	0.029%

COLOTRUST PLUS+

	2016	2015	Years Ended 2014	2013	2012
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	\$0.007	\$0.002	\$0.001	\$0.002	\$0.001
Net Asset Value - End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
TOTAL RETURN	0.650%	0.175%	0.115%	0.128%	0.223%
RATIOS					
Net Assets-End of period (\$000 Omitted)	\$4,343,459	\$3,034,554	\$2,642,235	\$2,717,765	\$2,782,155
Ratio of Expenses to Average Net Assets Gross	0.120%	0.120%	0.120%	0.120%	0.119%
Ratio of Expenses to Average Net Assets Waived	0.000%	0.005%	0.017%	0.008%	0.000%
Ratio of Expenses to Average Net Assets	0.120%	0.115%	0.103%	0.112%	0.119%
Ratio of Net Investment Income to Average Net Assets	0.664%	0.177%	0.115%	0.127%	0.226%

Note 8. Subsequent Events

In accordance with the provisions set forth in ASC 855-10, Subsequent Events, Management has evaluated the possibility of subsequent events existing in the Trust's financial statements. Management has determined that there were no material events that would require disclosure in the Trust's financial statements as of February 3, 2017.

Note 9. Related Parties

All trustees of COLOTRUST are officers of participating governments.

BOARD OF TRUSTEES

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Finance Director, Town of Telluride

[Ms. Kristen Colonell](#)

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