



AQUILA[®]
Tax-Free Fund
of Colorado

Annual Report

March 31, 2022





Aquila Tax-Free Fund of Colorado

Maintaining Perspective with Reason for Optimism

Serving Colorado investors since 1987



May, 2022

Dear Fellow Shareholder:

We recognize that the beginning of 2022 has presented a challenging period for fixed income markets, including municipal bonds. The markets have been driven by a number of factors, both domestically and globally, that have produced significant headwinds for rate-sensitive fixed income investments. These include a continuation of higher inflation levels, rising interest rates and subsequent bond price declines, and a shift in the Federal Reserve's monetary policy. In addition, ongoing supply chain disruptions, along with concerns about rising energy and commodity prices resulting from geopolitical tensions abroad, all have likely contributed to some consternation for municipal bond investors.

Despite inevitable changes in market conditions, we look forward to the coming fiscal year with continued optimism, underscored by the everlasting need for infrastructure (such as hospitals, schools and roadways) financed through municipal bonds, the underlying strength of municipal bond fundamentals, and what we believe to be the many benefits the asset class continues to afford investors. Let's briefly reflect on some key market events and ponder what lies ahead.

Interest Rates and Federal Reserve Response

The primary driver of bond yields, prices, and relative performance is interest rates. Consistent with the general level of interest rates, municipal bond yields have moved higher thus far in 2022, particularly on the lower end of the yield curve. This upward rate bias was spurred in anticipation of, and by, the Federal Reserve ("the Fed") which began raising its Federal Funds rate (the interest rate that banks charge one another to borrow or lend excess reserves overnight) in mid-March to help manage rising inflation. The March increase marked the first time the Federal Reserve has raised rates since 2018.

The Federal Reserve has indicated a willingness to carry out additional rate hikes this year as it may deem appropriate. The Fed's goal is to control inflation, which has risen to its highest level in 40 years, while at the same time, striving to avoid an economic recession thereby enabling a "soft landing". Adding to the Fed's dilemma is the need to reduce its \$9 trillion balance sheet, which is expected to be trimmed by \$95 billion per month.

The result has been a dramatic increase in municipal bond yields, especially with the market's anticipation of further interest rate hikes. And given the inverse relationship between bond yields and prices, municipal bond valuations have

dropped significantly in response. Of note, 10-year AAA municipal bond yields (as measured by Bloomberg) increased from 1.04% as of December 31st to 2.22% by the end of the first quarter of 2022. This contributed to 10-year municipal bonds underperforming their U.S. Treasury counterparts. Some investors reacted by selling their investment portfolio holdings (referred to as “outflows” for mutual funds), which created a seeming oversupply of municipal bonds in the secondary market relative to investor demand, and contributed to the municipal bond market’s slide in valuation.

Relative Yields and Valuations

Recent changes in the relationship between municipal bond yields and those of U.S. Treasuries have resulted in favorable Municipal/Treasury yield ratios (the AAA rated municipal bond yield divided by the U.S. Treasury yield). For instance, the rising interest rate environment caused the 10-year Municipal/Treasury ratio (per Thompson Reuters Municipal Market Data (“MMD”)) to rise from 68.8% as of December 31, 2021 to 93.7% as of March 31, 2022. As the Fed continues to pursue its path towards higher interest rates with a goal to help dampen inflation, municipal bond yields are generally expected to continue to increase in unison. While municipal bond yields have risen and prices have correspondingly decreased, we believe this environment bodes well for investors interested in income, and accentuates relative price valuations and the attractive opportunities they present for municipal bonds.

As mentioned earlier, municipal bond yields moved higher during the beginning of 2022, particularly on the lower end of the yield curve. This trend has led to the yield curve “flattening” at the time of this letter relative to the prior year, which means there is less of a difference between short-term and long-term yields for bonds of similar credit quality. It also gives market participants an interesting choice when considering investment opportunities.

Your fund typically invests in securities of intermediate-term maturity and duration with a goal to persevere in whatever markets we may face. Thus, a “flatter” yield curve, with attractive yields at the shorter end of the duration spectrum, may be viewed as being beneficial. Regardless of interest rates and the shape of the yield curve, your fund’s portfolio is actively managed consistent with its stated investment objective.

Maintaining Perspective

We believe it is important to keep in mind two key benefits of investing in municipal bonds (and municipal bond funds):

- the income from municipal bonds is generally tax-exempt; and,
- municipal bonds are considered, for the most part, to be safe investments with a low default rate on a comparative basis to other types of investments.

Your fund’s investment objective is to provide as high a level of current income exempt from state and regular federal income taxes as is consistent with preservation of capital. Your portfolio management team is locally-based in your state, which provides them with an up-close perspective on the economy and bond issuers in local municipalities, cities, and overall within the state. These investment professionals

draw upon their many years of experience in analyzing securities, observing market and economic cycles, and recognizing risks and opportunities for your benefit. And on a tax-equivalent basis (compared with taxable income generated by similar investments), the tax-exempt income provided to you as a shareholder can provide an important advantage to you.

We believe it is essential for shareholders to remain focused on their long-term financial goals. A common mistake that investors make is to allow fear or uncertainty keep them from participating in financial opportunities, rather than sticking with their intended plans. It is therefore important for us all to remain focused on our individual financial goals, our time frame for achieving them, and our tolerance for risk. We encourage you to speak with a financial professional to review your investment portfolio to ensure it continues to align with your individual goals.

Regardless of the direction of interest rates and Federal monetary policy, it is important to remember that your municipal bond fund is actively managed, maintaining broadly diversified, high-quality portfolios, generally with an intermediate average maturity. We remain committed to effective risk management, seeking to provide you, our shareholders, with what we believe to be an appropriate level of risk-adjusted return. As always, thank you for being a valued shareholder of Aquila Group of Funds.

Sincerely,



A handwritten signature in dark ink, appearing to read "Diana P. Herrmann". The signature is fluid and cursive, written over a light-colored background.

Diana P. Herrmann, Vice Chair and President

Any information in this Shareholder Letter regarding market or economic trends or the factors influencing the Fund's historical or future performance are statements of opinion as of the date of this report. These statements should not be relied upon for any other purposes. Past performance is no guarantee of future results, and there is no guarantee that any market forecasts discussed will be realized.



Aquila Tax-Free Fund of Colorado

ANNUAL REPORT Management Discussion

Serving Colorado investors since 1987



U.S. Economy

The U.S. economy recovered throughout 2021, primarily due to states re-opening and strong consumer activity, despite direct federal stimulus funds to individuals drying up. Consumer spending on goods exceeded pre-pandemic levels, while spending on services are now near pre-pandemic spending levels. The \$1 trillion infrastructure bill signed at the end of 2021, was implemented to fund infrastructure projects over the next five years and is expected to increase economic activity. However, higher interest rates, inflationary pressures and the Russian invasion of Ukraine have dampened consumer activity. U.S. gross domestic product (“GDP”) growth has slowed significantly over the first quarter of 2022, after growing 6.9% during the fourth quarter of last year.

As inflation continues to increase at levels not seen in over 40 years with continued supply chain issues, even with the waning of the Coronavirus Omicron variant, U.S. stocks posted their first quarterly loss in March since the pandemic began over two years ago. The U.S. economy continues to expand and the Federal Reserve (the “Fed”) is expected to raise the Fed Funds rate (the target interest rate set by the Fed at which commercial banks borrow and lend their extra reserves to one another overnight) multiple times in 2022 as it tightens monetary policy to fight inflation, which is above the Fed’s 2.0% target level. (Subsequent to Aquila Tax-Free Fund of Colorado’s fiscal year end, on May 4th, the Fed increased the Fed Funds rate by 50 basis points (“bps”) – this level of increase has not occurred since 2000 – and indicated that while 50 bps increases would be considered at the time of the Fed’s next couple of meetings, the Fed was not actively considering a 75 bp increase in rates in conjunction with any single meeting. The May 4th Fed Funds increase represented the first time since 2006 that the Fed has implemented rate increases at back-to-back meetings.)

Collectively, inflation and the Russian invasion of Ukraine have pushed prices upward for most commodities. Similarly, yields are rising amidst increased inflation fears, tighter monetary policy and easing of COVID-related concerns, but confidence in stronger growth is also higher. As a result, at the March 31, 2022 quarter end, the Treasury yield curve had risen on the short-end and the 3-year Treasury was inverted with prices expected to rise on inflation expectations. The U.S. trade deficit widened to a record high at the end of 2021 as imports of consumer goods rose sharply. Markets are anticipating strong consumer spending as Omicron wanes and as households continue to have high rates of savings and experience wage growth, but inflation remains a concern. The unemployment rate has steadily decreased over the past year and some businesses are reportedly reducing operating hours, due to labor shortages.

MANAGEMENT DISCUSSION (continued)

Labor market conditions are expected to remain tight as wage pressures continue with low unemployment and record levels of quits and job openings on a shortage of workers across many sectors of the economy.

Municipal Market

Municipal rates shifted higher over the first quarter of 2022, particularly in the 1-5 year range of the yield curve. This move in rates was spurred on by the Fed, with the municipal market pricing-in anticipation of a series of rate hikes, as the Fed hiked rates for the first time since 2018. Overall, the yield curve at the fiscal year end is now flatter than it was a year ago, with adjustments on the longer-end of the yield curve less severe, as the market continues to incorporate what had been deemed until more recently as a transitory view of inflation.

Although yields have risen from their lows, rates remain well below current inflation levels. Last summer's consensus for the inflation outlook was for a peak around year end to the first quarter of 2022. However, the consensus did not anticipate the economic impact of the events in Ukraine. Supply chains have recovered some, but the war in Ukraine continues to pressure commodities and energy prices.

The currently high rate of inflation and bond yields which, while higher, continue to be relatively low particularly when compared to recent inflation releases. The result is that real rates, incorporating the impact of inflation, are actually negative. Thus, the current outlook for additional rate hikes seems reasonable and likely. The Treasury curve may have recently inverted, but the municipal curve remains upwardly sloped as of the fiscal year end. Recent movements between municipals and Treasuries have resulted in favorable municipals/Treasury ratios, with 10-year municipals yielding over 90% of Treasuries. We anticipate that municipal rates will continue to increase as the Fed pursues its path towards higher interest rates to dampen inflation.

As rates ramp-up, existing positions of callable bonds will likely experience fewer calls going forward. In addition, taxable muni yields have risen in parallel with Treasury yields which has rendered many taxable municipal refundings uneconomical. As a result, year to date through March 31st national taxable muni issuance is approximately 40% of last year's issuance over the same period.

Through the middle of April, municipal-bond mutual funds have collectively lost cash for nine straight weeks, with weekly withdrawals of more than \$1 billion for eight of those weeks. The outflows are the result of concerns about the outlook for additional rate hikes as the Fed seeks to contain current inflation levels. As investors pull back from the market, elevated secondary market trading activity has created the opportunity to capture higher yields at the portfolio level.

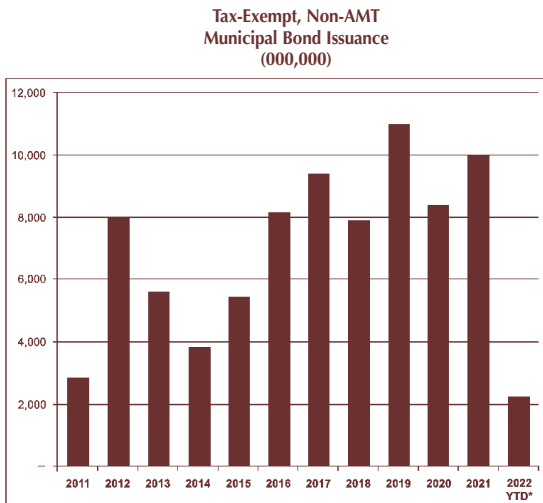
Colorado Bond Market and Economy

Colorado's economy has reached and exceeded pre-pandemic levels in most industries, as spending on services which were hit hardest during the pandemic, rose to 99.5% of spending compared to the fourth quarter of 2019. Retail sales continue to be at record highs, up 17.3% in 2021 as sales of motor vehicles and parts were

MANAGEMENT DISCUSSION (continued)

up approximately \$4.6 billion, contributing to 20% of retail sales growth even with the continued supply shortages and production delays. The fastest growing sectors in 2021 were clothing stores, gas stations and sporting goods and hobby stores that were the most negatively impacted during the recession. According to the New York Federal Reserve Survey of Consumer Expectations, year-ahead household spending expectations remained strong in January. According to the Colorado Secretary of State's Office, over 40,400 businesses dissolved during 2021, an increase of 7.7% from 2020 and new business filings increased through the end of 2021. The U.S. Bureau of Labor Statistics reports that the State's unemployment rate of 4.0% in February continued to decline, the lowest rate since February 2020. Colorado's labor force participation rate improved to 68.5% in January, the third highest in the nation. As of January, Colorado had gained 98.4% of the jobs it lost since the pandemic began.

According to the Colorado Legislative Council ("CLC") March 2022 economic forecast, Colorado's revenue will increase by \$1.7 billion in 2022, as individual and corporate income taxes and sales tax revenues exceeded expectations due to strong consumer and business activity. Colorado's 2021 general fund revenues were \$14.3 billion, up 11.2% from fiscal year 2020. General fund revenues are expected to increase 11.6% in fiscal year 2022 and 0.6% in fiscal year 2023 to \$16.1 billion. Consumer spending rebounded in 2021 and returned to pre-pandemic growth rates in the second half of the year. The labor market continues to recover as some sectors struggle to find workers.



Source: Bloomberg and Kirkpatrick Pettis Capital Management

Colorado tax-exempt, non-AMT (alternative minimum tax), issuance in the first quarter of 2022 decreased approximately 13%, \$2.2 billion compared to \$2.5 billion for the first quarter of 2021. We expect that the majority of issuance in 2022 will be in the form of new money general obligation bonds issued by school districts, which issued \$504.5 million of general obligation bonds throughout the first quarter. School districts and municipalities each have \$270 million and \$374 million in general obligation bonds authorization remaining from the November 2021 election.

As of the March 31st fiscal year end, over 44% of your Fund's bond holdings were allocated to general obligation bonds which rely upon property taxes for repayment. We do not see any material immediate credit risks for these credits given

MANAGEMENT DISCUSSION (continued)

the stability of the property tax funded revenue model and a lack of exposure to significant coronavirus related expenditure increases for most of these bonds. Property tax collections in Colorado have been robust over the past year and property values have continued to appreciate.

Fund Performance, Outlook and Strategy

With a relatively flat yield curve and tight credit spreads, we remain cautious in our selection of municipal bonds. We have recently been taking advantage of the higher interest rate environment by initiating security swaps structured to reduce lower book yield securities and replace them with higher yielding securities in our 10 to 15 year maturity range. Given the current slope of the municipal curve, this can be accomplished without adding meaningful extension risk to our target portfolio duration of 4.5-4.75 years. With Fed minutes pointing toward earlier, faster rate hikes and more aggressive tightening, we continue to resist the temptation to meaningfully extend duration. However, should the yield curve steepen, we would consider slightly lengthening duration to take advantage of higher rates.

The total return for the A share class, based upon net asset value (“NAV”), was -4.67% for the fiscal-year ended March 31, 2022 compared to -4.37% for Bloomberg Municipal Bond: Quality Intermediate Total Return Unhedged USD (the “Index”). The portfolio was defensively positioned with a goal to withstand our current rising interest rate market with increasing credit concerns and inflation at 40-year highs. The shorter duration, higher credit quality, overweight position in pre-refunded securities, underweighted positions in healthcare and transportation sectors all contributed to unfavorable performance versus the Index during the first three quarters of the past year. Over this period, risk was rewarded for lower credit quality, riskier sectors and longer maturity securities. As credit spreads squeezed tighter over 2021, investors continued to stretch further down the risk spectrum to replace the legacy yield on maturing high-grade bonds. However, market conditions reversed over the quarter ended March 31st as investors became increasingly concerned about inflation and the number and magnitude of additional Fed rate hikes. Thus, while our shorter duration, overweight exposure to pre-refunded securities, and underweight exposure to riskier sectors were all headwinds to performance compared to the Index during the first three quarters of your Fund’s fiscal year, these same factors collectively became tailwinds during your Fund’s fourth quarter, improving relative investment performance in a market highly concerned about interest rate risk, inflation and the future of the economy. With market sentiment becoming increasingly fearful, we believe our portfolio characteristics should continue to benefit future performance.

Credit research remains the cornerstone of our strategy, with vigilant monitoring of pandemic affected issuers and sectors. Under our overall defensive portfolio strategy, your Fund held approximately 92% AA or higher credit quality as of March 31st, due to currently narrow credit spreads in the municipal market. Although we have recently experienced some spread widening, we view credit risk as not being sufficiently rewarded, particularly for longer maturities. As the economy recovers, we

MANAGEMENT DISCUSSION (continued)

have expanded our effort to evaluate currently under-represented sectors and bonds with attractive structures or relative spreads. These particular sectors and bonds present an opportunity to capture incremental yield while diversifying risk. Furthermore, these under-represented sectors present an opportunity to increase exposure to holdings with yields commensurate to, or exceeding, potential volatility.

Mutual fund investing involves risk and loss of principal is possible.

The market prices of the Fund's securities may rise or decline in value due to general market conditions, such as real or perceived adverse economic, political or regulatory conditions, recessions, inflation, changes in interest rates, lack of liquidity in the bond markets, the spread of infectious illness or other public health issues, armed conflict including Russia's military invasion of Ukraine, sanctions against Russia, other nations or individuals or companies and possible countermeasures, market disruptions caused by tariffs, trade disputes or other factors, or adverse investor sentiment. When market prices fall, the value of your investments may go down. In the past several years, financial markets have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty. These conditions may continue, recur, worsen or spread.

Rates of inflation have recently risen. The value of assets or income from an investment may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Fund's assets can decline as can the value of the Fund's distributions.

The global pandemic of the novel coronavirus respiratory disease designated COVID-19 has resulted in major disruption to economies and markets around the world, including the United States. Global financial markets have experienced extreme volatility and severe losses, and trading in many instruments has been disrupted. Liquidity for many instruments has been greatly reduced for periods of time. Some sectors of the economy and individual issuers have experienced particularly large losses. These circumstances may continue for an extended period of time, and may continue to affect adversely the value and liquidity of the Fund's investments. Following Russia's recent invasion of Ukraine, Russian securities have lost all, or nearly all, their market value. Other securities or markets could be similarly affected by past or future geopolitical or other events or conditions. Governments and central banks, including the U.S. Federal Reserve, have taken extraordinary and unprecedented actions to support local and global economies and the financial markets. These actions have resulted in significant expansion of public debt, including in the U.S. The consequences of high public debt, including its future impact on the economy and securities markets, may not be known for some time.

The value of your investment will generally go down when interest rates rise. A rise in interest rates tends to have a greater impact on the prices of longer term or longer duration securities. In recent years, interest rates and credit spreads in the U.S. have been at historic lows, which means there is more risk that they may go up. The U.S. Federal Reserve has recently started to raise certain interest rates. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale and could also result in increased redemptions from the Fund.

Investments in the Fund are subject to possible loss due to the financial failure of the issuers of underlying securities and their inability to meet their debt obligations.

The value of municipal securities can be adversely affected by changes in the financial condition of one or more individual municipal issuers or insurers of municipal issuers, regulatory developments, legislative actions, and by uncertainties and public perceptions concerning these and other factors. The Fund may be affected significantly by adverse economic, political or other events affecting state and other municipal issuers in which it invests, and may be more volatile than a more geographically diverse fund.

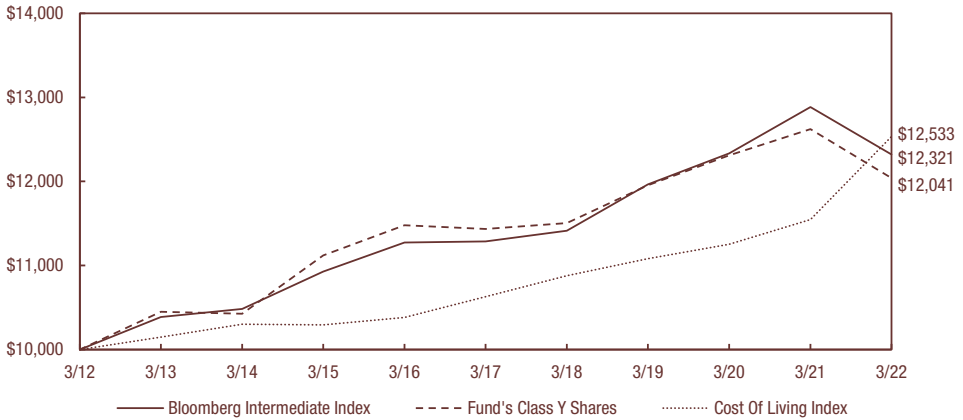
A portion of income may be subject to local, state, Federal and/or alternative minimum tax. Capital gains, if any, are subject to capital gains tax.

These risks may result in share price volatility.

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PERFORMANCE REPORT

The following graph illustrates the value of \$10,000 invested in the Class Y shares of Aquila Tax-Free Fund of Colorado (the “Fund”) for the 10-year period ended March 31, 2022 as compared with the Bloomberg Municipal Bond: Quality Intermediate TR Unhedged Index (the “Bloomberg Intermediate Index”) and the Consumer Price Index (a cost of living index). The performance of each of the other classes is not shown in the graph but is included in the table below. It should be noted that the Bloomberg Intermediate Index does not include any operating expenses nor sales charges, and being nationally oriented, does not reflect state-specific bond market performance.



Class and Inception Date	Average Annual Total Return for periods ended March 31, 2022			
	1 Year	5 Years	10 Years	Since Inception
Class A since 5/21/87				
With Maximum Sales Charge	(7.54)%	0.18%	1.42%	4.35%
Without Sales Charge	(4.67)	1.00	1.83	4.47
Class C since 4/30/96				
With CDSC*	(6.52)	0.05	0.88	2.55
Without CDSC	(5.58)	0.05	0.88	2.55
Class Y since 4/30/96				
No Sales Charge	(4.60)	1.04	1.87	3.66
Bloomberg Intermediate Index	(4.37)	1.77	2.11	4.91 (Class A) 4.18 (Class C & Y)

Total return figures shown for the Fund reflect any change in price and assume all distributions, including capital gains, within the period were invested in additional shares. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund Shares. The rates of return will vary and the principal value of an investment will fluctuate with market conditions. Shares, if redeemed, may be worth more or less than their original cost. A portion of each class's income may be subject to Federal and state income taxes. Past performance is not predictive of future investment results.

* CDSC = 1% contingent deferred sales charge imposed on redemptions made within the first 12 months after purchase.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees of Aquila Municipal Trust and the Shareholders of Aquila Tax-Free Fund of Colorado:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Aquila Tax-Free Fund of Colorado (the “Fund”), including the schedule of investments, as of March 31, 2022, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and financial highlights for each of the five years in the period then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of March 31, 2022, 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 its financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the auditor for the Trust since 2005.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting, 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.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of March 31, 2022 by correspondence with the custodian. We believe that our audit provides a reasonable basis for our opinion.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
May 27, 2022

AQUILA TAX-FREE FUND OF COLORADO
SCHEDULE OF INVESTMENTS
MARCH 31, 2022

Principal Amount		Ratings Moody's, S&P and Fitch (unaudited)	Value
	General Obligation Bonds (39.9%)		
	City & County (1.6%)		
	Crested Butte, Colorado Fire Protection District		
\$ 1,040,000	4.000%, 12/01/36 Series 2022	A1/NR/NR	\$ 1,159,725
	Englewood, Colorado		
1,000,000	5.000%, 12/01/30	NR/AA+/NR	1,144,970
	Wheat Ridge, Colorado Urban Renewal Authority Tax Increment		
1,270,000	5.000%, 12/01/31	NR/AA-/NR	<u>1,522,235</u>
	Total City & County		<u>3,826,930</u>
	Lease (0.5%)		
	Colorado State Rural COP		
1,000,000	4.000%, 12/15/35 Series 2020A	Aa2/AA-/NR	<u>1,083,820</u>
	Metropolitan District (1.6%)		
	Denver, Colorado Urban Renewal Authority, Tax Increment Revenue, Stapleton Senior Series A-1		
2,600,000	5.000%, 12/01/25	NR/NR/AA-	2,649,660
	Denver, Colorado Urban Renewal Authority, Tax Increment Revenue, Stapleton Senior Series B-1		
1,000,000	5.000%, 12/01/25	Aa3/NR/NR	<u>1,100,060</u>
	Total Metropolitan District		<u>3,749,720</u>
	School Districts (35.7%)		
	Adams 12 Five Star Schools, Colorado		
3,000,000	5.000%, 12/15/25	Aa1/AA/NR	3,243,390
1,000,000	5.000%, 12/15/25	Aa1/AA/NR	1,108,550
1,435,000	5.000%, 12/15/29	Aa1/AA/NR	1,617,575
1,000,000	5.500%, 12/15/31	Aa1/AA/NR	1,207,480
3,150,000	5.000%, 12/15/32	Aa1/AA/NR	3,543,277
	Adams & Arapahoe Counties, Colorado Joint School District #28]		
4,125,000	5.000%, 12/01/30	Aa1/NR/AA	4,646,111

AQUILA TAX-FREE FUND OF COLORADO
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2022

Principal Amount	General Obligation Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	School Districts (continued)		
	Adams & Weld Counties, Colorado School District #27J		
\$ 1,030,000	5.000%, 12/01/22	Aa2/AA/NR	\$ 1,053,577
2,000,000	5.000%, 12/01/24	Aa2/AA/NR	2,047,780
1,000,000	5.000%, 12/01/25	Aa2/AA/NR	1,078,710
1,060,000	5.000%, 12/01/28	Aa2/AA/NR	1,172,371
3,895,000	5.000%, 12/01/29	Aa2/AA/NR	4,299,184
1,150,000	5.000%, 12/01/29	Aa2/AA/NR	1,324,639
	Arapahoe County, Colorado School District #001 Englewood		
1,465,000	5.000%, 12/01/27	Aa2/NR/NR	1,614,313
	Arapahoe County, Colorado School District #006 Littleton		
1,000,000	5.000%, 12/01/27	Aa1/NR/NR	1,113,570
	Boulder, Larimer & Weld Counties, Colorado Series A		
2,000,000	5.000%, 12/15/24	Aa1/AA+/NR	2,162,260
	Boulder, Larimer & Weld Counties, Colorado Series C		
2,000,000	5.000%, 12/15/28	Aa1/AA+/NR	2,257,320
	Boulder, Larimer & Weld Counties, Colorado, St. Vrain Valley School District RE-1J Series C		
1,000,000	5.000%, 12/15/29	Aa1/AA+/NR	1,127,710
	Costilla County, Colorado School District No. R-30 Sierra Grande		
2,180,000	5.000%, 12/01/32	Aa2/NR/NR	2,577,676
	Denver, Colorado City & County School District No. 1		
2,000,000	5.000%, 12/01/29	Aa1/AA+/AA+	2,252,660
1,000,000	5.000%, 12/01/34 Series 2022A	Aa1/AA+/AA+	1,227,280
	Denver, Colorado City & County School District No. 1 Series B		
2,000,000	5.000%, 12/01/25	Aa1/AA+/AA+	2,158,500
4,000,000	5.000%, 12/01/27	Aa1/AA+/AA+	4,310,520

AQUILA TAX-FREE FUND OF COLORADO
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2022

Principal Amount	General Obligation Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	School Districts (continued)		
	Eagle County School District, Colorado, Eagle, Garfield & Routt School District #50J		
\$ 1,000,000	5.000%, 12/01/29	Aa1/AA/NR	\$ 1,126,330
	El Paso County, Colorado School District #2, Harrison		
2,000,000	5.000%, 12/01/31	Aa2/AA/NR	2,344,380
	El Paso County, Colorado School District #20 Refunding		
2,255,000	5.000%, 12/15/29	Aa1/NR/NR	2,546,211
1,250,000	5.000%, 12/15/31	Aa1/NR/NR	1,406,663
	Grand County, Colorado School District #2, East Grand		
1,075,000	5.000%, 12/01/33 Series 2022	Aa2/NR/NR	1,304,244
	Jefferson County, Colorado School District #R-1 Refunding		
2,225,000	5.000%, 12/15/30	Aa1/AA/NR	2,544,087
1,500,000	5.000%, 12/15/30	Aa1/AA/NR	1,768,725
2,600,000	5.000%, 12/15/31	Aa1/AA/NR	3,058,796
	La Plata County, Colorado School District #9-R Durango Refunding		
3,000,000	4.500%, 11/01/23	Aa2/NR/NR	3,006,240
	Larimer County, Colorado School District No. R 1 Poudre		
1,000,000	5.000%, 12/15/30	Aa1/NR/AA+	1,177,780
800,000	5.000%, 12/15/30	Aa1/NR/NR	942,224
	Larimer, Weld & Boulder Counties, Colorado School District No. R-2J, Thompson Refunding		
1,500,000	4.250%, 12/15/24	Aa2/NR/NR	1,529,070
	Mesa County, Colorado Valley School District No. 051, Grand Junction		
3,000,000	5.000%, 12/01/23	Aa2/NR/NR	3,158,850
650,000	5.000%, 12/01/34 Series 2022	Aa2/NR/NR	790,660
	Pitkin County, Colorado School District No. 1, Aspen		
1,000,000	4.000%, 12/01/32	Aaa/NR/NR	1,130,250

AQUILA TAX-FREE FUND OF COLORADO
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2022

Principal Amount	General Obligation Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	<u>School Districts (continued)</u>		
	Pueblo County, Colorado School District No. 60		
\$ 2,000,000	5.000%, 12/15/30	Aa2/AA/NR	\$ 2,390,340
	Pueblo County, Colorado School District No. 70		
1,390,000	4.000%, 12/01/32 Series 2021A	Aa2/AA/NR	1,553,714
1,500,000	4.000%, 12/01/33	Aa2/AA/NR	1,669,140
	Summit County, Colorado School District No. RE 1 Refunding		
2,000,000	5.000%, 12/01/28	Aaa/NR/NR	2,266,900
	Weld County, Colorado School District No. 6, Greeley		
1,000,000	4.000%, 12/01/34	Aa2/AA/NR	<u>1,116,200</u>
	Total School Districts		<u>83,975,257</u>
	<u>Water & Sewer (0.5%)</u>		
	Central Colorado Water Conservancy District, Adams Morgan & Weld Counties		
1,185,000	5.000%, 12/01/24	NR/A/NR	<u>1,243,764</u>
	Total General Obligation Bonds		<u>93,879,491</u>
	<u>Revenue Bonds (50.7%)</u>		
	<u>City & County (1.2%)</u>		
	Denver, Colorado City & County COP, Convention Center Expansion Project Series 2018A		
1,500,000	5.000%, 06/01/30	Aa2/AA+/AA+	1,653,990
	Grand Junction, Colorado COP		
1,000,000	5.000%, 12/01/31	NR/AA-/NR	<u>1,172,860</u>
	Total City & County		<u>2,826,850</u>
	<u>Electric (2.3%)</u>		
	Colorado Springs, Colorado Utilities Revenue, Refunding Series A		
1,000,000	5.000%, 11/15/27	Aa2/AA+/AA	1,104,090

AQUILA TAX-FREE FUND OF COLORADO
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2022

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Electric (continued)		
	Colorado Springs, Colorado Utilities Revenue Refunding Series B		
\$ 2,600,000	5.000%, 11/15/23	Aa2/AA+/AA	\$ 2,652,858
	Estes Park, Colorado Power & Communications Enterprise Revenue Refunding & Improvement Series 2019A		
1,310,000	5.000%, 11/01/30	NR/A+/NR	<u>1,547,529</u>
	Total Electric		<u>5,304,477</u>
	Higher Education (13.7%)		
	Colorado Educational & Cultural Facility Authority, University of Denver Project		
845,000	4.000%, 03/01/24	A1/NR/NR	860,649
7,000,000	5.250%, 03/01/25 NPFQ Insured.	A1/A+/NR	7,477,540
	Colorado Educational & Cultural Facility Authority Refunding, University of Denver Project		
1,000,000	5.250%, 03/01/26 NPFQ Insured.	A1/A+/NR	1,116,410
	Colorado Mountain College COP, Series 2021		
340,000	4.000%, 12/01/32	Aa3/NR/NR	375,833
	Colorado School of Mines Institutional Enterprise, Series B		
1,845,000	5.000%, 12/01/29	A1/A+/NR	2,118,964
685,000	4.000%, 12/01/33	Aa3/NR/NR	755,911
	Colorado State Board Community Colleges & Occupational Education, Refunding & Improvement, Arapahoe Community College, Series 2017A		
1,000,000	5.000%, 11/01/30	Aa3/NR/NR	1,149,500
	Colorado State Board Community Colleges & Occupational Education, Refunding & Improvement, System Wide Refunding, Series 2019A		
1,110,000	5.000%, 11/01/30	Aa3/NR/NR	1,312,109
1,710,000	5.000%, 11/01/32	Aa3/NR/NR	2,013,970
835,000	5.000%, 11/01/33	Aa3/NR/NR	982,060

AQUILA TAX-FREE FUND OF COLORADO
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2022

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Higher Education (continued)		
	Colorado State Board of Governors University Enterprise System, Series C		
\$ 2,905,000	5.000%, 03/01/26 SHEIP Insured.	Aa2/AA/NR	\$ 3,143,762
1,250,000	5.000%, 03/01/28 SHEIP Insured.	Aa2/AA/NR	1,429,850
2,100,000	5.000%, 03/01/29 SHEIP Insured.	Aa2/AA/NR	2,400,216
	University of Colorado Enterprise System, Series A		
1,165,000	5.000%, 06/01/26 NPFGE Insured.	Aa1/NR/AA+	1,305,196
	University of Colorado Enterprise System, Series A-1		
2,000,000	5.000%, 06/01/28	Aa1/NR/AA+	2,328,120
	University of Colorado Enterprise System, Series 2019B		
1,000,000	5.000%, 06/01/32	Aa1/NR/AA+	1,175,320
1,000,000	5.000%, 06/01/33	Aa1/NR/AA+	1,173,520
	University of Northern Colorado Greeley Institutional Enterprise Refunding, SHEIP, Series A		
1,000,000	5.000%, 06/01/25 SHEIP Insured.	Aa2/AA/NR	<u>1,060,330</u>
	Total Higher Education		<u>32,179,260</u>
	Hospital (0.5%)		
	Colorado Health Facilities Authority, Sanford		
1,000,000	5.000%, 11/01/30 Series 2019A	NR/A+/AA-	<u>1,163,240</u>
	Lease (14.3%)		
	Arapahoe County, Colorado School District No. 5 Cherry Creek COP		
2,295,000	5.000%, 12/15/33 Series 2022	NR/AA/NR	2,818,099
	Arvada, Colorado COP		
1,190,000	4.000%, 12/01/29	NR/AA+/NR	1,275,263
	Colorado State BEST COP Series K		
3,500,000	5.000%, 03/15/30	Aa2/AA-/NR	3,934,175
2,500,000	5.000%, 03/15/31	Aa2/AA-/NR	2,801,425

AQUILA TAX-FREE FUND OF COLORADO
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2022

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Lease (continued)		
\$ 2,000,000	Colorado State BEST COP Series M 5.000%, 03/15/31	Aa2/AA-/NR	\$ 2,305,960
500,000	Colorado State BEST COP 5.000%, 03/15/32 Series 2020 R	Aa2/AA-/NR	595,085
1,000,000	Colorado State COP Rural Colorado 4.000%, 12/15/34 Series 2020 A	Aa2/AA-/NR	1,087,330
2,000,000	Colorado State Higher Education Capital Construction Lease 5.000%, 12/15/33 Series 2021 A	Aa2/AA-/NR	2,427,860
1,690,000	Colorado State Higher Education Capital Construction Lease 5.000%, 11/01/26	Aa2/AA-/NR	1,896,281
1,065,000	Denver, Colorado City & County COP (Fire Station & Library Facilities) 5.000%, 12/01/25	Aa1/AA+/AA+	1,179,487
1,570,000	Douglas County, Colorado COP (Libraries) 5.000%, 12/01/27	Aa2/NR/NR	1,683,856
1,525,000	Foothills Park and Recreation District, Colorado COP 4.000%, 12/01/33 Series 2021	NR/AA-/NR	1,685,598
1,380,000	Foothills Park and Recreation District, Colorado COP Refunding & Improvement 5.000%, 12/01/26 AGMC Insured	NR/AA/NR	1,519,615
1,000,000	Jefferson County, Colorado School District No. R-1 COP 5.000%, 12/15/27	Aa3/AA-/NR	1,099,910
2,515,000	Rangeview Library District Project, Colorado COP 5.000%, 12/15/27 AGMC Insured	Aa2/AA/NR	2,770,021
1,000,000	South Suburban Park and Recreation District, Colorado COP 5.000%, 12/15/31	NR/AA-/NR	1,156,200
1,010,000	Thompson School District No R2-J (Larimer, Weld And Boulder Counties, Colorado COP, Series 2014 4.000%, 12/15/35 Series 2021	NR/AA-/NR	1,109,374
750,000	4.500%, 12/01/26	A1/NR/NR	792,765

AQUILA TAX-FREE FUND OF COLORADO
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2022

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	<u>Lease (continued)</u>		
	Westminster, Colorado COP		
\$ 1,480,000	4.250%, 12/01/22 AGMC Insured	A1/AA/NR	\$ 1,483,049
	Total Lease.		<u>33,621,353</u>
	<u>Sales Tax (3.4%)</u>		
	Broomfield, Colorado Sales & Use Tax		
1,000,000	5.000%, 12/01/30	Aa3/NR/NR	1,144,970
	City of Fruita, Colorado Sales & Use Tax		
1,110,000	4.000%, 10/01/33	NR/AA-/NR	1,187,134
	Commerce City, Colorado Sales & Use Tax		
1,000,000	5.000%, 08/01/26 BAMAC Insured	Aa3/AA/NR	1,094,680
	Denver, Colorado City & County Dedicated Tax Revenue, Series 2021A		
1,000,000	4.000%, 08/01/32	Aa3/AA-/AA-	1,126,620
1,165,000	4.000%, 08/01/33	Aa3/AA-/AA-	1,304,928
1,000,000	4.000%, 08/01/35 Series 2021A	Aa3/AA-/AA-	1,112,840
	Westminster, Colorado Economic Development Authority, Mandalay Gardens Urban Renewal Project		
1,090,000	4.000%, 12/01/22	NR/AA-/NR	<u>1,109,217</u>
	Total Sales Tax		<u>8,080,389</u>
	<u>Tax Increment (0.9%)</u>		
	Park Creek, Colorado Metropolitan District Senior Limited Property Tax Supported		
1,850,000	4.000%, 12/01/34 AGMC Insured	NR/AA/A	<u>2,039,866</u>
	<u>Transportation (4.3%)</u>		
	E-470 Public Highway Authority, Colorado Senior Revenue		
2,515,000	5.000%, 09/01/36	A2/A/NR	2,959,375
	Regional Transportation District, Colorado COP, Series A		
2,000,000	5.000%, 06/01/26	A1/AA/AA-	2,178,620

AQUILA TAX-FREE FUND OF COLORADO
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2022

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	<u>Transportation (continued)</u>		
	Regional Transportation District, Colorado Sales Tax Refunding, Fastracks Project Series 2013A		
\$ 3,000,000	5.000%, 11/01/32	Aa2/AA+/AA	\$ 3,715,920
	Roaring Fork Transportation Authority Property Tax Revenue, Series 2021A		
500,000	4.000%, 12/01/33	NR/AA-/NR	560,310
650,000	4.000%, 12/01/34	NR/AA-/NR	727,396
	Total Transportation		<u>10,141,621</u>
	<u>Water & Sewer (10.1%)</u>		
	Arapahoe, Colorado Water & Wastewater Public Improvement District		
1,320,000	5.000%, 12/01/24	NR/AA-/NR	1,425,679
1,020,000	5.000%, 12/01/25	NR/AA-/NR	1,099,733
	Broomfield, Colorado Sewer and Waste Water		
1,550,000	5.000%, 12/01/24 AGMC Insured	Aa3/AA/NR	1,586,719
	Central Weld County, Colorado Water District		
250,000	4.000%, 12/01/32 AGMC Insured	NR/AA/NR	277,388
200,000	4.000%, 12/01/33 AGMC Insured	NR/AA/NR	221,568
	Colorado Water Resource & Power Development Authority		
925,000	5.000%, 09/01/25	Aaa/AAA/AAA	1,019,757
	Denver, Colorado City and County Board Water Commissioners Master Resolution, Refunding, Series B		
1,000,000	4.000%, 12/15/22	Aaa/AAA/AAA	1,002,020
	Denver, Colorado City and County Board Water Commissioners, Series B		
850,000	5.000%, 09/15/29	Aaa/AAA/AAA	978,639
	East Cherry Creek Water & Sanitation District Arapahoe County Water Revenue Activity Enterprise Refunding, Series 2020		
1,085,000	5.000%, 11/15/32	NR/AA-/NR	1,289,316

AQUILA TAX-FREE FUND OF COLORADO
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2022

Principal Amount	Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Water & Sewer (continued)		
	Firestone, Colorado Water Enterprise, Series 2020		
\$ 750,000	5.000%, 12/01/32 BAMAC Insured	NR/AA/NR	\$ 893,228
1,705,000	Greeley, Colorado Water Revenue 5.000%, 08/01/28	Aa2/AA+/NR	1,903,172
2,680,000	Greeley, Colorado Water Revenue Refunding & Improvement 5.000%, 08/01/34 Series 2022	NR/AA+/NR	3,296,641
1,465,000	North Weld County, Colorado Water District Enterprise Revenue Refunding 4.000%, 11/01/22 AGMC Insured	NR/AA/NR	1,488,425
1,000,000	Parker, Colorado Water & Sanitation District Water & Sewer Enterprise Refunding 5.000%, 11/01/22 AGMC Insured	A1/AA+/NR	1,002,790
1,000,000	4.000%, 11/01/33	NR/AA+/NR	1,106,620
500,000	Parker, Colorado Water & Sanitation District Water & Sewer Enterprise Refunding & Improvement 5.000%, 11/01/33 Series 2022	NR/AA+/NR	618,185
865,000	5.000%, 11/01/34 Series 2022	NR/AA+/NR	1,067,894
800,000	St. Vrain, Colorado Sanitation District Wastewater Revenue Refunding and Improvement Bonds, Series 2020 4.000%, 12/01/31	NR/AA/NR	892,568
1,970,000	Thornton, Colorado Water Enterprise Revenue, Series 2013 4.000%, 12/01/24	Aa2/AA/NR	2,041,925
500,000	Upper Eagle Regional Water Authority, Eagle County, Colorado Refunding and Improvement 4.000%, 12/01/32 AGMC Insured	NR/AA/NR	557,240
	Total Water & Sewer		<u>23,769,507</u>
	Total Revenue Bonds		<u>119,126,563</u>

AQUILA TAX-FREE FUND OF COLORADO
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2022

Principal Amount		Ratings Moody's, S&P and Fitch (unaudited)	Value
	Pre-Refunded Bonds (7.6%)††		
	Pre-Refunded General Obligation Bonds (4.0%)		
	School Districts (4.0%)		
	Adams County, Colorado School District #50		
\$ 1,000,000	4.000%, 12/01/23	Aa2/AA/NR	\$ 1,017,700
3,000,000	4.000%, 12/01/24	Aa2/AA/NR	3,053,100
	Eagle County School District, Colorado, Eagle, Garfield & Routt School District #50J		
1,170,000	5.000%, 12/01/25	Aa1/AA/NR	1,231,753
	Garfield, Pitkin, & Eagle Counties, Colorado School District #RE-1 Roaring Fork		
1,600,000	5.000%, 12/15/27	Aa2/NR/NR	1,773,168
	Larimer County, Colorado School District No. R 1 Poudre		
1,000,000	5.000%, 12/15/27	Aa1/NR/NR	1,108,230
	San Miguel County, Colorado School District R-1 Telluride		
1,055,000	5.000%, 12/01/25	Aa1/AA/NR	<u>1,137,754</u>
	Total Pre-Refunded General Obligation Bonds		<u>9,321,705</u>
	Pre-Refunded Revenue Bonds (3.6%)		
	Electric (0.4%)		
	Colorado Springs, Colorado Utilities Revenue, Series C-2		
1,060,000	5.000%, 11/15/23	Aa2/AA+/AA	<u>1,084,422</u>
	Higher Education (1.8%)		
	University of Colorado Enterprise System		
1,270,000	5.000%, 06/01/25	Aa1/NR/AA+	1,353,833
	University of Colorado Enterprise System, Series A		
2,620,000	5.000%, 06/01/29	Aa1/NR/AA+	<u>2,864,944</u>
	Total Higher Education		<u>4,218,777</u>

AQUILA TAX-FREE FUND OF COLORADO
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2022

Principal Amount	Pre-Refunded Revenue Bonds (continued)	Ratings Moody's, S&P and Fitch (unaudited)	Value
	Sales Tax (1.4%)		
	Boulder, Colorado General Fund Capital Improvement Projects		
\$ 2,235,000	4.000%, 10/01/25	Aa1/AAA/NR	\$ 2,266,067
	Castle Rock, Colorado Sales & Use Tax		
1,015,000	4.000%, 06/01/25	Aa3/AA/NR	<u>1,042,567</u>
	Total Sales Tax		<u>3,308,634</u>
	Total Pre-Refunded Revenue Bonds		<u>8,611,833</u>
	Total Pre-Refunded Bonds		<u>17,933,538</u>
	Total Municipal Bonds (cost \$232,887,948)		<u>230,939,592</u>
Shares	Short-Term Investment (1.0%)		
2,311,413	Dreyfus Treasury Obligations Cash Management - Institutional Shares, 0.15%* (cost \$2,311,413)	Aaa-mf/AAAm/NR	<u>2,311,413</u>
	Total Investments (cost \$235,199,361-note 4)	99.2%	233,251,005
	Other assets less liabilities	<u>0.8</u>	<u>1,873,710</u>
	Net Assets	<u>100.0%</u>	<u>\$235,124,715</u>

Portfolio Distribution By Quality Rating (unaudited)	Percentage of Investments†
Aaa of Moody's or AAA of S&P or Fitch	2.8%
Prerefunded bonds\ETM bonds ††.	7.8
Aa of Moody's or AA of S&P or Fitch	81.1
A of Moody's or S&P	<u>8.3</u>
	<u>100.0%</u>

AQUILA TAX-FREE FUND OF COLORADO
SCHEDULE OF INVESTMENTS (continued)
MARCH 31, 2022

PORTFOLIO ABBREVIATIONS

AGMC - Assured Guaranty Municipal Corp.
BAMAC - Build America Mutual Assurance Company
BEST - Building Excellent Schools Today
COP - Certificates of Participation
NPFPG - National Public Finance Guarantee
NR - Not Rated
SHEIP - State Higher Education Intercept Program

- * The rate is an annualized seven-day yield at period end.
- † Where applicable, calculated using the highest rating of the three NRSRO. Percentages in this table do not include the Short-Term Investment.
- †† Pre-refunded bonds are bonds for which U.S. Government Obligations usually have been placed in escrow to retire the bonds at their earliest call date.

See accompanying notes to financial statements.

AQUILA TAX-FREE FUND OF COLORADO
STATEMENT OF ASSETS AND LIABILITIES
MARCH 31, 2022

ASSETS

Investments at value (cost \$235,199,361)	\$ 233,251,005
Interest receivable	2,823,587
Receivable for Fund shares sold	540,000
Other assets	<u>34,141</u>
Total assets	<u><u>236,648,733</u></u>

LIABILITIES

Payable for Fund shares redeemed	1,249,126
Management fee payable	98,099
Dividends payable	64,127
Distribution and service fees payable	57
Accrued expenses payable	<u>112,609</u>
Total liabilities	<u><u>1,524,018</u></u>

NET ASSETS	<u><u>\$ 235,124,715</u></u>
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Net Assets consist of:

Capital Stock – Authorized an unlimited number of shares, par value \$0.01 per share	\$ 235,234
Additional paid-in capital	239,786,284
Total distributable earnings (losses)	<u>(4,896,803)</u>
	<u><u>\$ 235,124,715</u></u>

CLASS A

Net Assets	<u><u>\$ 153,537,156</u></u>
Capital shares outstanding	<u>15,370,161</u>
Net asset value and redemption price per share	<u>\$ 9.99</u>
Maximum offering price per share (100/97 of \$9.99)	<u><u>\$ 10.30</u></u>

CLASS C

Net Assets	<u><u>\$ 4,466,318</u></u>
Capital shares outstanding	<u>448,121</u>
Net asset value and offering price per share	<u><u>\$ 9.97</u></u>

CLASS Y

Net Assets	<u><u>\$ 77,121,241</u></u>
Capital shares outstanding	<u>7,705,092</u>
Net asset value, offering and redemption price per share	<u><u>\$ 10.01</u></u>

See accompanying notes to financial statements.

AQUILA TAX-FREE FUND OF COLORADO
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2022

Investment Income

Interest income \$ 5,959,146

Expenses

Management fees (note 3) \$ 1,350,722
Distribution and service fees (note 3) 150,360
Transfer and shareholder servicing agent fees 126,123
Legal fees 79,933
Trustees' fees and expenses (note 7) 66,293
Registration fees and dues 27,659
Auditing and tax fees 24,200
Shareholders' reports 15,086
Insurance 13,512
Custodian fees 10,989
Compliance services (note 3) 8,357
Credit facility fees (note 10) 4,413
Miscellaneous 29,976
Total Expenses 1,907,623

Management fees waived (note 3) (54,029)
Net expenses 1,853,594
Net investment income 4,105,552

Realized and Unrealized Gain (Loss) on Investments:

Net realized gain (loss) from securities transactions (1,051,297)
Change in unrealized appreciation (depreciation) on
investments (14,794,591)
Net realized and unrealized gain (loss) on investments (15,845,888)
Net change in net assets resulting from operations \$ (11,740,336)

See accompanying notes to financial statements.

AQUILA TAX-FREE FUND OF COLORADO
STATEMENTS OF CHANGES IN NET ASSETS

	<u>Year Ended</u> <u>March 31, 2022</u>	<u>Year Ended</u> <u>March 31, 2021</u>
OPERATIONS:		
Net investment income	\$ 4,105,552	\$ 4,684,735
Realized gain (loss) from securities transactions	(1,051,297)	—
Change in unrealized appreciation (depreciation) on investments	<u>(14,794,591)</u>	<u>1,921,923</u>
Change in net assets resulting from operations	<u>(11,740,336)</u>	<u>6,606,658</u>
DISTRIBUTIONS TO SHAREHOLDERS (note 9):		
Class A Shares	(2,612,113)	(3,140,983)
Class C Shares	(31,867)	(58,131)
Class Y Shares	<u>(1,455,510)</u>	<u>(1,483,000)</u>
Change in net assets from distributions	<u>(4,099,490)</u>	<u>(4,682,114)</u>
CAPITAL SHARE TRANSACTIONS (note 6):		
Proceeds from shares sold	20,695,264	46,676,277
Reinvested dividends and distributions	3,295,515	3,771,077
Cost of shares redeemed	<u>(54,699,699)</u>	<u>(36,584,021)</u>
Change in net assets from capital share transactions	<u>(30,708,920)</u>	<u>13,863,333</u>
Change in net assets	(46,548,746)	15,787,877
NET ASSETS:		
Beginning of period	<u>281,673,461</u>	<u>265,885,584</u>
End of period	<u>\$ 235,124,715</u>	<u>\$ 281,673,461</u>

See accompanying notes to financial statements.

AQUILA TAX-FREE FUND OF COLORADO
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

1. Organization

Aquila Tax-Free Fund of Colorado (the “Fund”) is one of six series of Aquila Municipal Trust, a Massachusetts business trust registered under the Investment Company Act of 1940 (the “1940 Act”) as a non-diversified, open-end management investment company. The Fund, which commenced operations on October 12, 2013, is the successor to Tax-Free Fund of Colorado. Tax-Free Fund of Colorado transferred all of its assets and liabilities in exchange for shares of the Fund on October 11, 2013 pursuant to an agreement and plan of reorganization (the “reorganization”). The reorganization was approved by shareholders of Tax-Free Fund of Colorado on September 17, 2013. The reorganization was accomplished by exchanging the assets and liabilities of the predecessor fund for shares of the Fund. Shareowners holding shares of Tax-Free Fund of Colorado received corresponding shares of the Fund in a one-to-one exchange ratio in the reorganization. Accordingly, the reorganization, which was a tax-free exchange, had no effect on the Fund’s operations. The Fund is authorized to issue an unlimited number of shares. Class A Shares are sold at net asset value plus a sales charge of varying size (depending upon a variety of factors) paid at the time of purchase and bear a distribution fee. Class C Shares are sold at net asset value with no sales charge payable at the time of purchase but with a level charge for service and distribution fees for six years thereafter. Class C Shares automatically convert to Class A Shares after six years. Class Y Shares are sold only through authorized financial institutions acting for investors in a fiduciary, advisory, agency, custodial or similar capacity, and are not offered directly to retail customers. Class Y Shares are sold at net asset value with no sales charge, no redemption fee, no contingent deferred sales charge (“CDSC”) and no distribution fee. As of the date of this report, there were no Class F Shares outstanding. All classes of shares represent interests in the same portfolio of investments and are identical as to rights and privileges but differ with respect to the effect of sales charges, the distribution and/or service fees borne by each class, expenses specific to each class, voting rights on matters affecting a single class and the exchange privileges of each class.

2. Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America for investment companies.

- a) *Portfolio valuation:* Municipal securities are valued each business day based upon information provided by a nationally prominent independent pricing service and periodically verified through other pricing services. In the case of securities for which market quotations are readily available, securities are valued by the pricing service at the mean of bid and ask quotations. If a market quotation or a valuation from the pricing service is not readily available, the security is valued at fair value determined in good faith under procedures established by and under the general supervision of the Board of Trustees.
- b) *Fair value measurements:* The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund’s own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund’s investments and are summarized in the following fair value hierarchy:

AQUILA TAX-FREE FUND OF COLORADO
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, based on the best information available.

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 valuation inputs, representing 100% of the Fund’s investments, used to value the Fund’s net assets as of March 31, 2022:

<u>Valuation Inputs*</u>	<u>Investments in Securities</u>
Level 1 – Quoted Prices	\$ 2,311,413
Level 2 – Other Significant Observable Inputs — Municipal Bonds*	230,939,592
Level 3 – Significant Unobservable Inputs	<u>—</u>
Total	<u>\$ 233,251,005</u>

* See schedule of investments for a detailed listing of securities.

- c) *Subsequent events*: In preparing these financial statements, the Fund has evaluated events and transactions for potential recognition or disclosure through the date these financial statements were issued.
- d) *Securities transactions and related investment income*: Securities transactions are recorded on the trade date. Realized gains and losses from securities transactions are reported on the identified cost basis. Interest income is recorded daily on the accrual basis and is adjusted for amortization of premium and accretion of original issue and market discount.
- e) *Federal income taxes*: It is the policy of the Fund to continue to qualify as a regulated investment company by complying with the provisions of the Internal Revenue Code applicable to certain investment companies. The Fund intends to make distributions of income and securities profits sufficient to relieve it from all, or substantially all, Federal income and excise taxes.

Management has reviewed the tax positions for each of the open tax years (2019 – 2021) or expected to be taken in the Fund’s 2022 tax returns and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

AQUILA TAX-FREE FUND OF COLORADO
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022

- f) *Multiple Class Allocations*: All income, expenses (other than class-specific expenses), and realized and unrealized gains or losses are allocated daily to each class of shares based on the relative net assets of each class. Class-specific expenses, which include distribution and service fees and any other items that are specifically attributed to a particular class, are also charged directly to such class on a daily basis.
- g) *Use of estimates*: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.
- h) *Reclassification of capital accounts*: Accounting principles generally accepted in the United States of America require that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications had no effect on net assets or net asset value per share. For the year ended March 31, 2022, there were no items identified that have been reclassified among components of net assets.
- i) The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standard Codification Topic 946 “Financial Services-Investment Companies”.

3. Fees and Related Party Transactions

a) Management Arrangements:

Aquila Investment Management LLC (the “Manager”), a wholly-owned subsidiary of Aquila Management Corporation, the Fund’s founder and sponsor, serves as the Manager for the Fund under an Advisory and Administration Agreement with the Fund. The portfolio management of the Fund has been delegated to a Sub-Adviser as described below. Under the Advisory and Administration Agreement, the Manager provides all administrative services to the Fund, other than those relating to the day-to-day portfolio management. The Manager’s services include providing the office of the Fund and all related services as well as overseeing the activities of the Sub-Adviser and managing relationships with all the various support organizations to the Fund such as the shareholder servicing agent, custodian, legal counsel, auditors and distributor and additionally maintaining the Fund’s accounting books and records. For its services, the Manager is entitled to receive a fee which is payable monthly and computed as of the close of business each day at the annual rate of 0.50% of net assets of the Fund.

The Manager has contractually agreed to waive fees through September 30, 2022 to the extent necessary in order to pass savings through to the shareholders with respect to the Sub-Adviser’s contractual fee waiver such that its fees are as follows: the annual rate shall be equivalent to 0.48% of net assets of the Fund up to \$400 million; 0.46% of the Fund’s net assets above that amount to \$1 billion and 0.44% of the Fund’s net assets above \$1 billion. The Manager may not terminate the arrangement without the approval of the

AQUILA TAX-FREE FUND OF COLORADO
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022

Board of Trustees. For the year ended March 31, 2022, the Fund incurred management fees of \$1,350,722 of which \$54,029 was waived under the contractual fee waiver.

Kirkpatrick Pettis Capital Management (the “Sub-Adviser”) serves as the Investment Sub-Adviser for the Fund under a Sub-Advisory Agreement between the Manager and the Sub-Adviser. Under this agreement, the Sub-Adviser continuously provides, subject to oversight of the Manager and the Board of Trustees of the Fund, the investment program of the Fund and the composition of its portfolio, arranges for the purchases and sales of portfolio securities, and provides for daily pricing of the Fund’s portfolio. For its services, the Sub-Adviser is entitled to receive a fee from the Manager which is payable monthly and computed as of the close of business each day at the annual rate of 0.20%. The Sub-Adviser has contractually agreed to waive its fee through September 30, 2022 such that its annual rate of fees is at 0.16% of net assets of the Fund up to \$400 million; 0.14% of net assets above \$400 million up to \$1 billion; and 0.12% of net assets above \$1 billion.

Under a Compliance Agreement with the Manager, the Manager is compensated by the Fund for compliance related services provided to enable the Fund to comply with Rule 38a-1 of the Investment Company Act of 1940, as amended (the “1940 Act”).

Specific details as to the nature and extent of the services provided by the Manager and the Sub-Adviser are more fully defined in the Fund’s Prospectus and Statement of Additional Information.

b) *Distribution and Service Fees:*

The Fund has adopted a Distribution Plan (the “Plan”) pursuant to Rule 12b-1 (the “Rule”) under the 1940 Act. Under one part of the Plan, with respect to Class A Shares, the Fund is authorized to make distribution fee payments to broker-dealers or others (“Qualified Recipients”) selected by Aquila Distributors LLC (the “Distributor”), including, but not limited to, any principal underwriter of the Fund, with which the Distributor has entered into written agreements contemplated by the Rule and which have rendered assistance in the distribution and/or retention of the Fund’s shares or servicing of shareholder accounts. While the Fund’s Distribution Plan applicable to Class A Shares permits the Fund to make distribution fee payments at the rate of up to 0.15% on the entire net assets represented by Class A Shares, the Fund currently makes payment of this distribution fee at the annual rate of 0.075%. For the year ended March 31, 2022, distribution fees on Class A Shares amounted to \$95,010 of which the Distributor retained \$6,517.

Under another part of the Plan, the Fund is authorized to make payments with respect to Class C Shares to Qualified Recipients which have rendered assistance in the distribution and/or retention of the Fund’s Class C shares or servicing of shareholder accounts. These payments are made at the annual rate of 0.75% of the Fund’s average net assets represented by Class C Shares and for the year ended March 31, 2022, amounted to \$41,513. In addition, under a Shareholder Services Plan, the Fund is authorized to make service fee payments with respect to Class C Shares to Qualified Recipients for providing personal services and/or maintenance of shareholder accounts. These payments are made at the annual rate of 0.25% of the Fund’s average net assets represented by Class C

AQUILA TAX-FREE FUND OF COLORADO
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022

Shares and for the year ended March 31, 2022, amounted to \$13,837. The total of these payments with respect to Class C Shares amounted to \$55,350 of which the Distributor retained \$13,821.

Specific details about the Plans are more fully defined in the Fund's Prospectus and Statement of Additional Information.

Under a Distribution Agreement, the Distributor serves as the exclusive distributor of the Fund's shares. Through agreements between the Distributor and various brokerage and advisory firms ("financial intermediaries"), the Fund's shares are sold primarily through the facilities of these financial intermediaries having offices within Colorado, with the bulk of any sales commissions inuring to such financial intermediaries. For the year ended March 31, 2022, total commissions on sales of Class A Shares amounted to \$14,557 of which the Distributor received \$12,921.

c) Transfer and shareholder servicing fees:

The Fund occasionally compensates financial intermediaries in connection with the sub-transfer agency related services provided by such entities in connection with their respective Fund shareholders so long as the fees are deemed by the Board of Trustees to be reasonable in relation to (i) the value of the services and the benefits received by the Fund and certain shareholders; and (ii) the payments that the Fund would make to another entity to perform similar ongoing services to existing shareholders.

4. Purchases and Sales of Securities

During the year ended March 31, 2022, purchases of securities and proceeds from the sales of securities aggregated \$36,842,174 and \$58,659,910, respectively.

At March 31, 2022, the aggregate tax cost for all securities was \$235,164,554. At March 31, 2022, the aggregate gross unrealized appreciation for all securities in which there is an excess of value over tax cost amounted to \$2,476,336 and aggregate gross unrealized depreciation for all securities in which there is an excess of tax cost over value amounted to \$4,389,885 for a net unrealized depreciation of \$1,913,549.

5. Portfolio Orientation

Since the Fund invests principally and may invest entirely in double tax-free municipal obligations of issuers within Colorado, it is subject to possible risks associated with economic, political, or legal developments or industrial or regional matters specifically affecting Colorado and whatever effects these may have upon Colorado issuers' ability to meet their obligations. At March 31, 2022, the Fund had all of its long-term portfolio holdings invested in the securities of Colorado issuers.

AQUILA TAX-FREE FUND OF COLORADO
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022

6. Capital Share Transactions

Transactions in Capital Shares of the Fund were as follows:

	Year Ended March 31, 2022		Year Ended March 31, 2021	
	Shares	Amount	Shares	Amount
Class A Shares				
Proceeds from shares sold..	479,420	\$ 5,095,327	847,244	\$ 9,112,612
Reinvested dividends and distributions	213,994	2,253,402	248,986	2,670,579
Cost of shares redeemed ...	<u>(2,151,069)</u>	<u>(22,641,448)</u>	<u>(1,875,223)</u>	<u>(20,140,834)</u>
Net change	<u>(1,457,655)</u>	<u>(15,292,719)</u>	<u>(778,993)</u>	<u>(8,357,643)</u>
Class C Shares:				
Proceeds from shares sold..	40,472	425,735	67,528	722,509
Reinvested dividends and distributions	2,916	30,683	5,238	56,062
Cost of shares redeemed ...	<u>(224,188)</u>	<u>(2,374,944)</u>	<u>(228,396)</u>	<u>(2,448,094)</u>
Net change	<u>(180,800)</u>	<u>(1,918,526)</u>	<u>(155,630)</u>	<u>(1,669,523)</u>
Class Y Shares:				
Proceeds from shares sold .	1,432,179	15,174,202	3,423,398	36,841,156
Reinvested dividends and distributions	95,758	1,011,430	97,180	1,044,436
Cost of shares redeemed ..	<u>(2,815,439)</u>	<u>(29,683,307)</u>	<u>(1,300,179)</u>	<u>(13,995,093)</u>
Net change	<u>(1,287,502)</u>	<u>(13,497,675)</u>	<u>2,220,399</u>	<u>23,890,499</u>
Total transactions in Fund shares	<u>(2,925,957)</u>	<u>\$ (30,708,920)</u>	<u>1,285,776</u>	<u>\$ 13,863,333</u>

7. Trustees' Fees and Expenses

At March 31, 2022, there were 9 Trustees, one of whom is affiliated with the Manager and is not paid any fees. The total amount of Trustees' service fees (for carrying out their responsibilities) and attendance fees paid during the year ended March 31, 2022 was \$63,949. Attendance fees are paid to those in attendance at regularly scheduled quarterly Board Meetings and meetings of the independent Trustees held prior to each quarterly Board Meeting, as well as additional meetings (such as Audit, Nominating, Shareholder and special meetings). Trustees are reimbursed for their expenses such as travel, accommodations and meals incurred in connection with attendance at Board Meetings and the Annual Meeting of Shareholders. For the year ended March 31, 2022, due to the COVID-19 pandemic, such meeting-related expenses were reduced and amounted to \$2,344.

AQUILA TAX-FREE FUND OF COLORADO
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022

8. Securities Traded on a When-Issued Basis

The Fund may purchase or sell securities on a when-issued basis. When-issued transactions arise when securities are purchased or sold by the Fund with payment and delivery taking place in the future in order to secure what is considered to be an advantageous price and yield to the Fund at the time of entering into the transaction. Beginning on the date the Fund enters into a when-issued transaction, cash or other liquid securities are segregated in an amount equal to or greater than the value of the when-issued transaction. These transactions are subject to market fluctuations and their current value is determined in the same manner as for other securities.

9. Income Tax Information and Distributions

The Fund declares dividends daily from net investment income and makes payments monthly. Net realized capital gains, if any, are distributed annually and are taxable. Dividends and capital gains distributions are paid in additional shares at the net asset value per share or in cash, at the shareholder's option.

The Fund intends to maintain, to the maximum extent possible, the tax-exempt status of interest payments received from portfolio municipal securities in order to allow dividends paid to shareholders from net investment income to be exempt from regular Federal and State of Colorado income taxes. Due to the distribution levels maintained by the Fund and the differences between financial statement reporting and Federal income tax reporting requirements, distributions made by the Fund may not be the same as the Fund's net investment income, and/or net realized securities gains. As a result of the passage of the Regulated Investment Company Act of 2010 (the "Act"), losses incurred in this fiscal year and beyond retain their character as short-term or long-term, have no expiration date and are utilized before capital losses incurred prior to the enactment of the Act. At March 31, 2022, the Fund had capital loss carry forwards of \$1,919,671 of which \$1,752,283 retains its character of short-term and \$167,388 retains its character of long-term; both have no expiration. This carryover is available to offset future net realized gains on securities transactions to the extent provided for in the Internal Revenue Code. As of March 31, 2022, the Fund had post-October losses of \$1,057,379, which is deferred until fiscal 2023 for tax purposes.

The tax character of distributions was as follows:

	Year Ended <u>March 31, 2022</u>	Year Ended <u>March 31, 2021</u>
Net tax-exempt income.....	\$ 4,099,490	\$ 4,680,747
Ordinary Income.....	—	1,367
	<u>\$ 4,099,490</u>	<u>\$ 4,682,114</u>

AQUILA TAX-FREE FUND OF COLORADO
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022

As of March 31, 2022, the components of distributable earnings on a tax basis were:

Undistributed tax-exempt income.....	\$ 57,923
Unrealized depreciation.....	(1,913,549)
Accumulated net realized loss.....	(1,919,671)
Post October losses.....	(1,057,379)
Other temporary differences.....	(64,127)
	<u>\$ (4,896,803)</u>

The difference between book basis and tax basis undistributed income is due to the timing difference, and other temporary differences, in recognizing dividends paid and the tax treatment of market discount amortization and the deduction of distributions payable.

10. Credit Facility

Since August 30, 2017, Bank of New York Mellon and the Aquila Group of Funds (comprised of nine funds) have been parties to a \$40 million credit agreement, which currently terminates on August 24, 2022 (per the August 25, 2021 amendment). In accordance with the Aquila Group of Funds Guidelines for Allocation of Committed Line of Credit, each fund is responsible for payment of its proportionate share of

- a) a 0.17% per annum commitment fee; and,
- b) interest on amounts borrowed for temporary or emergency purposes by the fund (at the applicable per annum rate selected by the Aquila Group of Funds at the time of the borrowing of either (i) the One-month Eurodollar Rate plus 1% or (ii) the sum of the higher of (a) the Prime Rate, (b) the Federal Funds Effective Rate, or (c) the One-month Eurodollar Rate plus 1%).

There were no borrowings under the credit agreement during the year ended March 31, 2022.

11. Risks

Mutual fund investing involves risk and loss of principal is possible.

The market prices of the Fund's securities may rise or decline in value due to general market conditions, such as real or perceived adverse economic, political or regulatory conditions, recessions, inflation, changes in interest rates, lack of liquidity in the bond markets, the spread of infectious illness or other public health issues, armed conflict including Russia's military invasion of Ukraine, sanctions against Russia, other nations or individuals or companies and possible countermeasures, market disruptions caused by tariffs, trade disputes or other factors, or adverse investor sentiment. When market prices fall, the value of your investment may go down. In the past several years, financial markets have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty. These conditions may continue, recur, worsen or spread.

AQUILA TAX-FREE FUND OF COLORADO
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022

Rates of inflation have recently risen. The value of assets or income from an investment may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Fund's assets can decline as can the value of the Fund's distributions.

The global pandemic of the novel coronavirus respiratory disease designated COVID-19 has resulted in major disruption to economies and markets around the world, including the United States. Global financial markets have experienced extreme volatility and severe losses, and trading in many instruments has been disrupted. Liquidity for many instruments has been greatly reduced for periods of time. Some sectors of the economy and individual issuers have experienced particularly large losses. These circumstances may continue for an extended period of time, and may continue to affect adversely the value and liquidity of the Fund's investments. Following Russia's recent invasion of Ukraine, Russian securities have lost all, or nearly all, their market value. Other securities or markets could be similarly affected by past or future geopolitical or other events or conditions. Governments and central banks, including the U.S. Federal Reserve, have taken extraordinary and unprecedented actions to support local and global economies and the financial markets. These actions have resulted in significant expansion of public debt, including in the U.S. The consequences of high public debt, including its future impact on the economy and securities markets, may not be known for some time.

The value of your investment will generally go down when interest rates rise. A rise in interest rates tends to have a greater impact on the prices of longer term or longer duration securities. In recent years, interest rates and credit spreads in the U.S. have been at historic lows, which means there is more risk that they may go up. The U.S. Federal Reserve has recently started to raise certain interest rates. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale and could also result in increased redemptions from the Fund.

Investments in the Fund are subject to possible loss due to the financial failure of the issuers of underlying securities and their inability to meet their debt obligations.

The value of municipal securities can be adversely affected by changes in the financial condition of one or more individual municipal issuers or insurers of municipal issuers, regulatory developments, legislative actions, and by uncertainties and public perceptions concerning these and other factors. The Fund may be affected significantly by adverse economic, political or other events affecting state and other municipal issuers in which it invests, and may be more volatile than a more geographically diverse fund.

A portion of income may be subject to local, state, Federal and/or alternative minimum tax. Capital gains, if any, are subject to capital gains tax.

These risks may result in share price volatility.

AQUILA TAX-FREE FUND OF COLORADO
FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	Class A				
	Year Ended March 31,				
	2022	2021	2020	2019	2018
Net asset value, beginning of period	<u>\$10.64</u>	<u>\$10.56</u>	<u>\$10.46</u>	<u>\$10.31</u>	<u>\$10.51</u>
Income from investment operations:					
Net investment income ⁽¹⁾	0.16	0.18	0.22	0.24	0.26
Net gain (loss) on securities (both realized and unrealized)	<u>(0.65)</u>	<u>0.08</u>	<u>0.10</u>	<u>0.15</u>	<u>(0.20)</u>
Total from investment operations	<u>(0.49)</u>	<u>0.26</u>	<u>0.32</u>	<u>0.39</u>	<u>0.06</u>
Less distributions (note 9):					
Dividends from net investment income	(0.16)	(0.18)	(0.22)	(0.24)	(0.26)
Distributions from capital gains	—	—	—	—	—
Total distributions	<u>(0.16)</u>	<u>(0.18)</u>	<u>(0.22)</u>	<u>(0.24)</u>	<u>(0.26)</u>
Net asset value, end of period	<u>\$9.99</u>	<u>\$10.64</u>	<u>\$10.56</u>	<u>\$10.46</u>	<u>\$10.31</u>
Total return (not reflecting sales charge)	(4.67)%	2.48%	3.03%	3.86%	0.55%
Ratios/supplemental data					
Net assets, end of period (in millions)	\$154	\$179	\$186	\$188	\$196
Ratio of expenses to average net assets	0.69%	0.69%	0.71%	0.70%	0.68%
Ratio of net investment income to average net assets	1.52%	1.69%	2.04%	2.35%	2.47%
Portfolio turnover rate	14%	7%	13%	7%	9%
Expense and net investment income ratios without the effect of the contractual fee waiver were (note 3):					
Ratio of expenses to average net assets	0.71%	0.71%	0.73%	0.72%	0.70%
Ratio of net investment income to average net assets	1.50%	1.67%	2.02%	2.33%	2.45%

(1) Per share amounts have been calculated using the daily average shares method.

See accompanying notes to financial statements.

AQUILA TAX-FREE FUND OF COLORADO
FINANCIAL HIGHLIGHTS (continued)

For a share outstanding throughout each period

	Class C				
	Year Ended March 31,				
	2022	2021	2020	2019	2018
Net asset value, beginning of period	\$10.62	\$10.54	\$10.44	\$10.29	\$10.49
Income from investment operations:					
Net investment income ⁽¹⁾	0.06	0.08	0.12	0.14	0.16
Net gain (loss) on securities (both realized and unrealized)	(0.65)	0.08	0.10	0.15	(0.20)
Total from investment operations	(0.59)	0.16	0.22	0.29	(0.04)
Less distributions (note 9):					
Dividends from net investment income	(0.06)	(0.08)	(0.12)	(0.14)	(0.16)
Distributions from capital gains	—	—	—	—	—
Total distributions	(0.06)	(0.08)	(0.12)	(0.14)	(0.16)
Net asset value, end of period	\$9.97	\$10.62	\$10.54	\$10.44	\$10.29
Total return (not reflecting CDSC)	(5.58)%	1.51%	2.06%	2.88%	(0.41)%
Ratios/supplemental data					
Net assets, end of period (in millions)	\$4	\$7	\$8	\$9	\$15
Ratio of expenses to average net assets	1.63%	1.64%	1.66%	1.65%	1.63%
Ratio of net investment income to average net assets	0.58%	0.75%	1.09%	1.40%	1.52%
Portfolio turnover rate	14%	7%	13%	7%	9%
Expense and net investment income ratios without the effect of the contractual fee waiver were (note 3):					
Ratio of expenses to average net assets	1.65%	1.66%	1.68%	1.67%	1.65%
Ratio of net investment income to average net assets	0.56%	0.73%	1.07%	1.38%	1.50%

(1) Per share amounts have been calculated using the daily average shares method.

See accompanying notes to financial statements.

AQUILA TAX-FREE FUND OF COLORADO
FINANCIAL HIGHLIGHTS (continued)

For a share outstanding throughout each period

	Class Y				
	Year Ended March 31,				
	2022	2021	2020	2019	2018
Net asset value, beginning of period	\$10.66	\$10.58	\$10.49	\$10.34	\$10.54
Income from investment operations:					
Net investment income ⁽¹⁾	0.17	0.19	0.22	0.25	0.27
Net gain (loss) on securities (both realized and unrealized)	(0.65)	0.08	0.09	0.15	(0.20)
Total from investment operations	(0.48)	0.27	0.31	0.40	0.07
Less distributions (note 9):					
Dividends from net investment income	(0.17)	(0.19)	(0.22)	(0.25)	(0.27)
Distributions from capital gains	—	—	—	—	—
Total distributions	(0.17)	(0.19)	(0.22)	(0.25)	(0.27)
Net asset value, end of period	\$10.01	\$10.66	\$10.58	\$10.49	\$10.34
Total return	(4.60)%	2.53%	2.98%	3.90%	0.61%
Ratios/supplemental data					
Net assets, end of period (in millions)	\$77	\$96	\$72	\$70	\$76
Ratio of expenses to average net assets	0.63%	0.64%	0.66%	0.65%	0.63%
Ratio of net investment income to average net assets	1.58%	1.74%	2.09%	2.40%	2.52%
Portfolio turnover rate	14%	7%	13%	7%	9%
Expense and net investment income ratios without the effect of the contractual fee waiver were (note 3):					
Ratio of expenses to average net assets	0.65%	0.66%	0.68%	0.67%	0.65%
Ratio of net investment income to average net assets	1.56%	1.72%	2.07%	2.38%	2.50%

(1) Per share amounts have been calculated using the daily average shares method.

See accompanying notes to financial statements.

Additional Information:

Statement Regarding Liquidity Risk Management Program

Rule 22e-4 under the Investment Company Act of 1940, as amended, requires open-end management investment companies to adopt and implement written liquidity risk management programs that are reasonably designed to assess and manage liquidity risk. Liquidity risk is defined in the rule as the risk that a fund could not meet requests to redeem shares issued by the fund without significant dilution of remaining investors' interests in the fund. In accordance with Rule 22e-4, Aquila Municipal Trust ("AMT") has adopted a Liquidity Risk Management ("LRM") program (the "program"). AMT's Board of Trustees (the "Board") has designated an LRM Committee consisting of employees of Aquila Investment Management LLC as the administrator of the program (the "Committee").

The Board met on June 11, 2021 to review the program. At the meeting, the Committee provided the Board with a report that addressed the operation of the program and assessed its adequacy and effectiveness of implementation, and any material changes to the program (the "Report"). The Report covered the period from May 30, 2020 through April 30, 2021 (the "Reporting Period").

During the Reporting Period, the Committee reviewed whether each Fund's strategy is appropriate for an open-end fund structure taking into account less liquid and illiquid assets.

The Committee reviewed each Fund's short-term and long-term cash flow projections during both normal and reasonably foreseeable stressed conditions. In classifying and reviewing each Fund's investments, the Committee considered whether trading varying portions of a position in a particular portfolio investment or asset class in sizes the Fund would reasonably anticipate trading, would be reasonably expected to significantly affect liquidity. The Committee considered the following information when determining the sizes in which each Fund would reasonably anticipate trading: historical net redemption activity, the Fund's concentration in an issuer, shareholder concentration, Fund performance, Fund size, and distribution channels.

The Committee considered each Fund's holdings of cash and cash equivalents, as well as borrowing arrangements. The Committee considered the terms of the credit facility applicable to the Funds, the financial health of the institution providing the facility and the fact that the credit facility is shared among multiple Funds. The Committee also considered other types of borrowing available to the Funds, such as the ability to use interfund lending arrangements.

The Committee also performed an analysis to determine whether a Fund is required to maintain a Highly Liquid Investment Minimum ("HLIM"), and determined that the requirement to maintain an HLIM was inapplicable to the Funds because each Fund primarily holds highly liquid investments.

There were no material changes to the program during the Reporting Period. The Report provided to the Board stated that the Committee concluded that the program is reasonably designed and operated effectively throughout the Review Period.

Additional Information (unaudited)

**Trustees⁽¹⁾
and Officers**

Name and Year of Birth⁽²⁾	Positions Held with Trust and Length of Service⁽³⁾	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex⁽⁴⁾ Overseen by Trustee	Other Directorships Held by Trustee During Past 5 Years
Interested Trustee⁽⁵⁾				
Diana P. Herrmann New York, NY (1958)	Vice Chair of Aquila Municipal Trust since 2014, Trustee since 1994 and President since 1998	Chair (since 2016 and previously Vice Chair since 2004) and Chief Executive Officer (since 2004) of Aquila Management Corporation, Founder and Sponsor of the Aquila Group of Funds ⁽⁶⁾ and parent of Aquila Investment Management LLC, Manager, President since 1997, Chief Operating Officer, 1997-2008, a Director since 1984, Secretary, 1986-2016, and previously its Executive Vice President, Senior Vice President or Vice President, 1986-1997; Chief Executive Officer (since 2004) and Chair (since 2016 and previously Vice Chair since 2004), President and Manager since 2003, and Chief Operating Officer (2003-2008), of the Manager; Chair, Vice Chair, President, Executive Vice President and/or Senior Vice President of funds in the Aquila Group of Funds since 1986; Manager of the Distributor since 1997; Governor, Investment Company Institute (the U.S. mutual fund industry trade organization dedicated to protecting shareholder interests and educating the public about investing) for various periods since 2004, and Chair of its Small Funds Committee, 2004-2009; active in charitable and volunteer organizations.	10	Director of ICI Mutual Insurance Company, a Risk Retention Group, for various periods since 2006; formerly Vice Chair and Trustee of Pacific Capital Funds of Cash Assets Trust (three money-market funds in the Aquila Group of Funds) 2004-2012 Vice Chair Board of Trustees (2003-2020), President (1998-2020) and Trustee (1994-2020) of The Cascades Trust (Predecessor Fund of Aquila Tax-Free Trust of Oregon)

Non-Interested Trustees

Thomas A. Christopher Danville, KY (1947)	Chair of the Board of Aquila Municipal Trust since 2017; Trustee since 2009	Retired; previously Principal 2017-April 2022 and Senior Partner 1977-2017, Robinson, Hughes & Christopher, C.P.A.s, P.S.C., Chairman of the Board, A Good Place for Fun, Inc., a sports facility, since 1987, President, 1987-2012; Director, Global Outreach International, 2011-2018; member of the Kentucky Primary Care Technical Advisory Committee, 2017-2019; Director, Sunrise Children's Services Inc., 2010-2013; currently or formerly active with various professional and community organizations; Trustee of various funds in the Aquila Group of Funds since 1985.	6	None
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<u>Name and Year of Birth⁽²⁾</u>	<u>Positions Held with Trust and Length of Service⁽³⁾</u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Number of Portfolios in Fund Complex⁽⁴⁾ Overseen by Trustee</u>	<u>Other Directorships Held by Trustee During Past 5 Years</u>
Non-Interested Trustees (cont'd)				
Ernest Calderón Phoenix, AZ (1957)	Trustee of Aquila Municipal Trust since 2004	Attorney (currently, Partner, Calderón Law Offices, PLC); Regent emeritus and President emeritus Arizona Board of Regents; Adjunct Professor, Northern Arizona University; Doctor of Education in Organizational Change and Educational Leadership, University of Southern California; served six Arizona governors by appointment; Past President, Grand Canyon Council of Boy Scouts of America; Past President, State Bar of Arizona, 2003-2004; member, American Law Institute; Trustee of various funds in the Aquila Group of Funds since 2004.	6	None
Gary C. Cornia St. George, UT (1948)	Trustee of Aquila Municipal Trust since 2009	Emeritus Dean and Professor, Marriott School of Management, Brigham Young University 2014-present; Professor, Marriott School of Management, Brigham Young University, 1980-2014; Chair, Utah State Securities Commission, 2019-2021, Commissioner, 2013-2021; Dean, Marriott School of Management, 2008-2013; Past President, National Tax Association; Fellow, Lincoln Institute of Land Policy, 2002-present; Trustee of various funds in the Aquila Group of Funds since 1993.	8	International Center for Land Policies and Training, Taipei, Taiwan, Director and Chair of Executive Committee Trustee of The Cascades Trust (Predecessor Fund of Aquila Tax-Free Trust of Oregon) 2002-2020
Grady Gammage, Jr. Phoenix, AZ (1951)	Trustee of Aquila Municipal Trust since 2001	Founding partner, Gammage & Burnham, PLC, a law firm, Phoenix, Arizona, since 1983; director, Central Arizona Water Conservation District, 1992-2004; Senior Fellow, Morrison Institute for Public Policy and Kyl Institute for Water Policy; Adjunct Professor, Sandra Day O'Connor College of Law; W. P. Carey School of Business; active with Urban Land Institute; Author, "The Future of the Suburban City" Island Press, 2016; Trustee of various funds in the Aquila Group of Funds since 2001.	8	None

<u>Name and Year of Birth⁽²⁾</u>	<u>Positions Held with Trust and Length of Service⁽³⁾</u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Number of Portfolios in Fund Complex⁽⁴⁾ Overseen by Trustee</u>	<u>Other Directorships Held by Trustee During Past 5 Years</u>
<u>Non-Interested Trustees (cont'd)</u>				
James A. Gardner Redmond, OR (1943)	Trustee of Aquila Municipal Trust since 2020	President, Gardner Associates, an investment and real estate firm, since 1989; Owner and Developer of Vandever Ranch, Sunriver, Oregon since 1989; Founding Partner, Chairman Emeritus and previously Chairman (1991-2010), Ranch at the Canyons, Terrebonne, Oregon; President Emeritus and previously President (1981-1989), Lewis and Clark College and Law School; director, Oregon High Desert Museum, 1989-2003; active in civic, business and educational organizations in Oregon; writer on Native American and settlement history of Oregon; Trustee of various funds in the Aquila Group of Funds since 1986.	6	Chair of the Board of Trustees of The Cascades Trust 2005-2020 and Trustee of The Cascades Trust (Predecessor Fund of Aquila Tax-Free Trust of Oregon) 1986-2020
Patricia L. Moss Bend, OR (1953)	Trustee of Aquila Municipal Trust since 2020	Vice Chairman, Cascade Bancorp and Bank of the Cascades 2012-2017, President and Chief Executive Officer 1997-2012; member, Oregon Investment Council 2018-2021; active in community and educational organizations; Trustee of various funds in the Aquila Group of Funds 2002-2005 and since 2015.	8	First Interstate BancSystem, Inc.; MDU Resources Group, Inc. Trustee of The Cascades Trust (Predecessor Fund of Aquila Tax-Free Trust of Oregon) 2015-2020, 2002-2005; Trustee Emerita 2005-2015
Glenn P. O'Flaherty Granby, CO (1958)	Trustee of Aquila Municipal Trust since 2013	Chief Financial Officer and Chief Operating Officer of Lizard Investors, LLC, 2008; Co-Founder, Chief Financial Officer and Chief Compliance Officer of Three Peaks Capital Management, LLC, 2003-2005; Vice President – Investment Accounting, Global Trading and Trade Operations, Janus Capital Corporation, and Chief Financial Officer and Treasurer, Janus Funds, 1991-2002; Trustee of various funds in the Aquila Group of Funds since 2006.	9	Granby Ranch Metropolitan District (quasi-municipal corporation); formerly Trustee of Pacific Capital Funds of Cash Assets Trust (three money-market funds in the Aquila Group of Funds) 2009-2012

<u>Name and Year of Birth⁽²⁾</u>	<u>Positions Held with Trust and Length of Service⁽³⁾</u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Number of Portfolios in Fund Complex⁽⁴⁾ Overseen by Trustee</u>	<u>Other Directorships Held by Trustee During Past 5 Years</u>
<u>Non-Interested Trustees (cont'd)</u>				
Lauren L. White North Kingstown, RI (1959)	Trustee of Aquila Municipal Trust since 2013	President, Greater Providence Chamber of Commerce, since 2005, Executive Vice President 2004-2005 and Senior Vice President, 1989-2002; Executive Counselor to the Governor of Rhode Island for Policy and Communications, 2003-2004; Trustee of various funds in the Aquila Group of Funds since 2005.	6	None

- (1) The Trust's Statement of Additional Information includes additional information about the Trustees and is available, without charge, upon request by calling 800-437-1020 (toll-free) or by visiting www.aquilafunds.com or the EDGAR Database at the SEC's internet site at www.sec.gov.
- (2) The mailing address of each Trustee is c/o Aquila Municipal Trust, 120 West 45th Street, Suite 3600, New York, NY 10036.
- (3) Each Trustee holds office until his or her successor is elected or his or her earlier retirement or removal.
- (4) Includes an Aquila-sponsored fund that is dormant and has no public shareholders.
- (5) Ms. Herrmann is an "interested person" of the Trust, as that term is defined in the Investment Company Act of 1940, as amended (the "1940 Act"), as an officer of the Trust, as a director, officer and shareholder of the Manager's corporate parent, as an officer and Manager of the Manager, and as a Manager of the Distributor.
- (6) The "Aquila Group of Funds" includes: Aquila Tax-Free Trust of Arizona, Aquila Tax-Free Fund of Colorado, Hawaiian Tax-Free Trust, Aquila Churchill Tax-Free Fund of Kentucky, Aquila Tax-Free Trust of Oregon, Aquila Narragansett Tax-Free Income Fund (Rhode Island) and Aquila Tax-Free Fund For Utah, each of which is a tax-free municipal bond fund and are called the "Aquila Municipal Bond Funds"; Aquila Opportunity Growth Fund, which is an equity fund; and Aquila High Income Fund, which is a high-income corporate bond fund.

Name and Year of Birth⁽¹⁾	Positions Held with Trust and Length of Service⁽²⁾	Principal Occupation(s) During Past 5 Years
Officers³⁾		
Stephen J. Caridi New York, NY (1961)	Senior Vice President of Aquila Municipal Trust since 2013	Regional Sales Manager (since 2009) and registered representative (since 1986) of the Distributor; Vice President of the Distributor 1995-2009; Vice President, Hawaiian Tax-Free Trust since 1998; Senior Vice President, Aquila Municipal Trust (which includes Aquila Narragansett Tax-Free Income Fund) since 2013; Vice President, Aquila Funds Trust since 2013; Senior Vice President, Aquila Narragansett Tax-Free Income Fund 1998-2013, Vice President 1996-1997; Senior Vice President, Aquila Tax-Free Fund of Colorado 2004-2009; Vice President, Aquila Opportunity Growth Fund 2006-2013.
Paul G. O'Brien New York, NY (1959)	Senior Vice President of Aquila Municipal Trust since 2010	President, Aquila Distributors LLC since 2019, Co-President 2010-2019, Managing Director, 2009-2010; Senior Vice President of all funds in the Aquila Group of Funds since 2010; held various positions to Senior Vice President and Chief Administrative Officer of Evergreen Investments Services, Inc., 1997-2008; Mergers and Acquisitions Coordinator for Wachovia Corporation, 1994-1997.
Robert C. Arnold Scottsdale, AZ (1973)	Vice President of Aquila Municipal Trust since 2019	Vice President, Aquila Municipal Trust (which includes Aquila Tax-Free Trust of Arizona) since 2019; Regional Sales Manager, Aquila Distributors LLC since 2018; Financial Advisor, Prudential Advisors, 2017 - 2018; Founder/Consultant, Brixx Cooper Consulting, 2015-2016; Vice President, National Accounts & Regional Advisory Consultant, Advisors Asset Management Inc., 2008-2015.
Craig T. DiRuzzo Denver, CO (1976)	Vice President of Aquila Municipal Trust since 2013	Vice President, Aquila Municipal Trust (which includes Aquila Tax-Free Fund of Colorado), and Regional Sales Manager of the Distributor, since 2013; Regional Vice President, B I C Group, LLC, Denver, CO, 2012; Vice President, Wellesley Investment Advisors, Denver, CO, 2011-2012; Mutual Funds Sales Director, UBS Global Asset Management, Denver, CO, 2004-2010, Internal Investment Consultant, 2002-2004.
Royden P. Durham Louisville, KY (1951)	Vice President of Aquila Municipal Trust since 2013; Lead Portfolio Manager of Aquila Churchill Tax-Free Fund of Kentucky (since 2011); Portfolio Manager of Aquila Tax-Free Trust of Arizona (since 2017) and Aquila Tax-Free Fund For Utah (since 2017)	Portfolio Manager of Aquila Churchill Tax-Free Fund of Kentucky; Aquila Tax-Free Trust of Arizona and Aquila Tax-Free Fund For Utah (since 2017); Vice President, Aquila Municipal Trust (since 2013) and Aquila Churchill Tax-Free Fund of Kentucky 2011-2013; President, advEnergy solutions LLC, 2007-2011; Vice President and Trust Advisor, JP Morgan Chase, 2005-2006; Vice President and Trust Officer, Regions Morgan Keegan Trust, 2003-2005; Vice President Fixed Income and Equity Portfolios, The Sachs Company / Louisville Trust Company, 1986-2003.
Troy Miller Louisville, KY (1971)	Vice President of Aquila Municipal Trust since March 2022	Vice President, Aquila Municipal Trust (which includes Aquila Churchill Tax-Free Fund of Kentucky) since March 2022; Regional Sales Manager of the Distributor since January 2022; Financial Consultant, Fidelity Investments (wealth management), May 2020 – February 2021; Vice President, Manager-Life Planning Strategies, June 2017 – October 2019, and Vice President, Manager-Retirement Products, April 2010 – June 2017, Baird Trust Company (formerly known as Hilliard Lyons Trust Company) (wealth management).

Name and Year of Birth ⁽¹⁾	Positions Held with Trust and Length of Service ⁽²⁾	Principal Occupation(s) During Past 5 Years
Officers (cont'd)⁽³⁾		
Christine L. Neimeth Portland, OR (1964)	Vice President of Aquila Municipal Trust since 2020	Vice President of Aquila Funds Trust since 2013 and Aquila Municipal Trust (which includes Aquila Tax-Free Trust of Oregon) since 2020; formerly Vice President, Aquila Opportunity Growth Fund 1999 – 2013 and Aquila Tax-Free Trust of Oregon 1998 – 2020; Regional Sales Manager and/or registered representative of the Distributor since 1999.
Anthony A. Tanner Phoenix, AZ (1960)	Vice President of Aquila Municipal Trust, Lead Portfolio Manager of Aquila Tax-Free Trust of Arizona, and Portfolio Manager of Aquila Churchill Tax-Free Fund of Kentucky and Aquila Tax-Free Fund For Utah since 2018	Vice President of Aquila Municipal Trust (since 2018); Portfolio Manager of Aquila Tax-Free Trust of Arizona, Aquila Churchill Tax-Free Fund of Kentucky and Aquila Tax-Free Fund For Utah since 2018; Senior Portfolio Manager at BNY Mellon Wealth Management from 2016 to 2018; a Senior Client Advisor at BMO Private Bank from 2014 to 2015; and Senior Fixed Income Manager at Wells Fargo Private Bank from 2010 to 2014.
James T. Thompson Bountiful, Utah (1955)	Vice President of Aquila Municipal Trust and Lead Portfolio Manager of Aquila Tax-Free Fund For Utah since 2009; Portfolio Manager, Aquila Tax-Free Trust of Arizona and Aquila Churchill Tax-Free Fund of Kentucky since 2017	Portfolio Manager of Aquila Tax-Free Fund For Utah, Aquila Churchill Tax-Free Fund of Kentucky and Aquila Tax-Free Trust of Arizona (since 2009); Vice President Aquila Municipal Trust (since 2013) and Aquila Tax-Free Fund For Utah (2009 – 2013); Senior Vice President, First Security Bank/Wells Fargo Brokerage Services LLC, Salt Lake City, Utah 1991-2009.
M. Kayleen Willis South Jordan, UT (1963)	Vice President of Aquila Municipal Trust since 2013	Vice President, Aquila Municipal Trust (which includes Aquila Tax-Free Fund For Utah) since 2013; Vice President, Aquila Tax-Free Fund For Utah 2003-2013, Assistant Vice President, 2002-2003; Vice President, Aquila Opportunity Growth Fund, 2004-2013 and Aquila Funds Trust since 2013.

Name and Year of Birth⁽¹⁾	Positions Held with Trust and Length of Service⁽²⁾	Principal Occupation(s) During Past 5 Years
Officers (cont'd)⁽³⁾		
Eric D. Okerlund Highland, UT (1961)	Assistant Vice President of Aquila Municipal Trust since March 2021	Assistant Vice President, Aquila Municipal Trust (which includes Aquila Tax Free Fund For Utah) since March 2021; Credit Analyst (for Aquila Tax-Free Fund For Utah), Aquila Investment Management LLC, since January 2021; Budget Officer, City of West Jordan, Utah, 2000-2020; Senior Accountant, Provo City Corporation, Provo, Utah, 1989-2000; Auditor, Defense Contract Audit Agency, Anaheim, California, 1989; Revenue Agent, Internal Revenue Service, Los Angeles, California, 1987-1989.
Randall S. Fillmore New York, NY (1960)	Chief Compliance Officer of Aquila Municipal Trust since 2012	Chief Compliance Officer of all funds in the Aquila Group of Funds, the Manager and the Distributor since 2012; Managing Director, Fillmore & Associates, 2009-2012; Fund and Adviser Chief Compliance Officer (2002-2009), Senior Vice President - Broker Dealer Compliance (2004-2009), Schwab Funds Anti Money Laundering Officer and Identity Theft Prevention Officer (2004-2009), Vice President - Internal Audit (2000-2002), Charles Schwab Corporation; National Director, Information Systems Risk Management - Consulting Services (1999-2000), National Director, Investment Management Audit and Business Advisory Services (1992-1999), Senior Manager, Manager, Senior and Staff Roles (1983-1992), PricewaterhouseCoopers LLP.
Joseph P. DiMaggio New York, NY (1956)	Chief Financial Officer of Aquila Municipal Trust since 2003 and Treasurer since 2000	Chief Financial Officer of all funds in the Aquila Group of Funds since 2003 and Treasurer since 2000.
Anita Albano, CPA New York, NY (1973)	Secretary of Aquila Municipal Trust since 2020, Assistant Secretary 2018-2019	Secretary of all funds in the Aquila Group of Funds since 2020, Assistant Secretary 2018 – 2019; Senior Vice President and Chief Financial Officer of Aquila Investment Management LLC and Aquila Management Corporation since 2018; Treasurer of Aquila Investment Management LLC and Aquila Management Corporation since 2005.
Yolonda S. Reynolds New York, NY (1960)	Assistant Treasurer of Aquila Municipal Trust since 2010	Assistant Treasurer of all funds in the Aquila Group of Funds since 2010; Director of Fund Accounting for the Aquila Group of Funds since 2007.
Lori A. Vindigni New York, NY (1966)	Assistant Treasurer of Aquila Municipal since 2000	Assistant Treasurer of all funds in the Aquila Group of Funds since 2000; Assistant Vice President of the Manager or its predecessor and current parent since 1998; Fund Accountant for the Aquila Group of Funds, 1995-1998.

(1) The mailing address of each officer is c/o Aquila Municipal Trust, 120 West 45th Street, Suite 3600, New York, NY 10036.

(2) The term of office of each officer is one year.

(3) The Trust's Statement of Additional Information includes additional information about the officers and is available, without charge, upon request by calling 800-437-1020 (toll-free) or by visiting www.aquilafunds.com or the EDGAR Database at the SEC's internet site at www.sec.gov.

Your Fund's Expenses (unaudited)

As a Fund shareholder, you may incur two types of costs: (1) transaction costs, including front-end sales charges with respect to Class A shares or contingent deferred sales charges ("CDSC") with respect to Class C shares; and (2) ongoing costs including management fees; distribution "12b-1" and/or service fees; and other Fund expenses. The table below is intended to help you 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. The table below assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table provides information about actual account values and actual expenses. You may use the information provided in this table, together with the amount you invested, to estimate the expenses that you paid over the period. To estimate the expenses that you paid on your account, divide your ending account value by \$1,000 (for example, an \$8,600 ending account value divided by \$1,000 = 8.6), then multiply the result by the number under the heading "Expenses Paid During the Period".

Hypothetical Example for Comparison with Other Funds

Under the heading, "Hypothetical" in the table, information is provided 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. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

	Actual			Hypothetical		
	(actual return after expenses)			(5% annual return before expenses)		
Share Class	Beginning Account Value 10/1/21	Ending ⁽¹⁾ Account Value 3/31/22	Expenses ⁽²⁾ Paid During Period 10/1/21 – 3/31/22	Ending Account Value 3/31/22	Expenses ⁽²⁾ Paid During Period 10/1/21 – 3/31/22	Net Annualized Expense Ratio
A	\$1,000	\$ 950.50	\$3.36	\$1,021.49	\$3.48	0.69%
C	\$1,000	\$ 945.90	\$7.91	\$1,016.80	\$8.20	1.63%
Y	\$1,000	\$ 950.00	\$3.06	\$1,021.79	\$3.18	0.63%

- (1) Assumes reinvestment of all dividends and capital gain distributions, if any, at net asset value and does not reflect the deduction of the applicable sales charges with respect to Class A or the applicable CDSC with respect to Class C shares. Total return is not annualized and as such, it may not be representative of the total return for the year.
- (2) Expenses are equal to the annualized expense ratio for the six-month period as indicated above - in the far right column - multiplied by the simple average account value over the period indicated, and then multiplied by 182/365 to reflect the one-half year period.

Information Available (unaudited)

Annual and Semi-Annual Reports and Complete Portfolio Holding Schedules

Your Fund's Annual and Semi-Annual Reports are filed with the SEC twice a year. Each Report contains a complete Schedule of Portfolio Holdings, along with full financial statements and other important financial statement disclosures. Additionally, your Fund files a complete Schedule of Portfolio Holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its Reports on Form N-PORT. Your Fund's Annual and Semi-Annual Reports and N-PORT reports are available free of charge on the SEC website at www.sec.gov. You may also review or, for a fee, copy the forms at the SEC's Public Reference Room in Washington, D.C. or by calling 1-800-SEC-0330.

In addition, your Fund's Annual and Semi-Annual Reports and complete Portfolio Holdings Schedules for each fiscal quarter end are also available, free of charge, on your Fund's website, www.aquilafunds.com (under the prospectuses & reports tab) or by calling us at 1-800-437-1000.

Portfolio Holdings Reports

In accordance with your Fund's Portfolio Holdings Disclosure Policy, the Manager also prepares a Portfolio Holdings Report as of each quarter end, which is typically posted to your Fund's individual page at www.aquilafunds.com by the 15th day after the end of each calendar quarter. Such information will remain accessible until the next Portfolio Holdings Report is made publicly available by being posted to www.aquilafunds.com. The quarterly Portfolio Holdings Report may be accessed, free of charge, by visiting www.aquilafunds.com or calling us at 1-800-437-1000.

Proxy Voting Record (unaudited)

During the 12 month period ended June 30, 2021, there were no proxies related to any portfolio instruments held by the Fund. As such, the Fund did not vote any proxies. Applicable regulations require us to inform you that the Fund's proxy voting information is available on the SEC website at www.sec.gov.

Federal Tax Status of Distributions (unaudited)

This information is presented in order to comply with a requirement of the Internal Revenue Code. **No action on the part of shareholders is required.**

For the fiscal year ended March 31, 2022, \$4,099,490 of dividends paid by Aquila Tax-Free Fund of Colorado, constituting 100% of total dividends paid, were exempt-interest dividends.

Prior to February 15, 2023, shareholders will be mailed the appropriate tax form(s) which will contain information on the status of distributions paid for the 2022 calendar year.

Founders

Lacy B. Herrmann (1929-2012)
Aquila Management Corporation, Sponsor

Manager

AQUILA INVESTMENT MANAGEMENT LLC
120 West 45th Street, Suite 3600
New York, New York 10036

Investment Sub-Adviser

KIRKPATRICK PETTIS CAPITAL MANAGEMENT
1550 Market Street, Suite 300
Denver, Colorado 80202

Board of Trustees

Thomas A. Christopher, Chair
Diana P. Herrmann, Vice Chair
Ernest Calderón
Gary C. Cornia
Grady Gammage, Jr.
James A. Gardner
Patricia L. Moss
Glenn P. O'Flaherty
Lauren L. White

Officers

Diana P. Herrmann, President
Paul G. O'Brien, Senior Vice President
Craig T. DiRuzzo, Vice President
Randall S. Fillmore, Chief Compliance Officer
Joseph P. DiMaggio, Chief Financial Officer
and Treasurer
Anita Albano, Secretary

Distributor

AQUILA DISTRIBUTORS LLC
120 West 45th Street, Suite 3600
New York, New York 10036

Transfer and Shareholder Servicing Agent

BNY MELLON INVESTMENT SERVICING (US) INC.
4400 Computer Drive
Westborough, Massachusetts 01581

Custodian

THE BANK OF NEW YORK MELLON
240 Greenwich Street
New York, New York 10286

Independent Registered Public Accounting Firm

TAIT, WELLER & BAKER LLP
Two Liberty Place
50 South 16th Street, Suite 2900
Philadelphia, Pennsylvania 19102

Further information is contained in the Prospectus,
which must precede or accompany this report.