

*Collective Trust Fund “TX”
Annual Report
December 31, 2014*



REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Unit Holders
Baker Boyer National Bank Collective Trust Fund "TX"

Report on Financial Statements

We have audited the accompanying financial statements of Baker Boyer National Bank Collective Trust Fund "TX", which comprise the statement of assets and liabilities and portfolio of investments as of December 31, 2014, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

REPORT OF INDEPENDENT AUDITORS
(continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baker Boyer National Bank Collective Trust Fund "TX" as of December 31, 2014, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Unit Values and Earnings at Selected Dates, Investments Purchased, and Investments Sold or Redeemed are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Moss Adams LLP

Spokane, Washington
February 24, 2015

Baker Boyer National Bank Collective Trust Fund "TX"
Statement of Assets and Liabilities
December 31, 2014

ASSETS

Investments in securities		
Cash equivalents - tax exempt (Cost \$2,788,779)	\$	2,788,779
Municipal bonds & notes (Cost \$11,661,189)		<u>11,791,962</u>
		14,580,741
Cash		50
Accrued income receivable		<u>136,765</u>
		14,717,556

LIABILITIES

Income distribution payable		<u>41,889</u>
Net assets (equivalent to \$10.684891 per unit based on 1,373,497 units outstanding)	\$	<u><u>14,675,667</u></u>

Baker Boyer National Bank Collective Trust Fund "TX"
Portfolio of Investments
December 31, 2014

CASH EQUIVALENTS - TAX EXEMPT

Security Name	Shares or Par	Fin'l Rating	Investment Cost Basis	% Net Assets	Unit Market Price	Current Market Value
Federated Tax-Free Oblg Fd #15	2,788,779		2,788,779	19.1	1.000	2,788,779

MUNICIPAL BONDS & NOTES

MATURITY 0-5 YEARS

Tarrant Cnty TX Health 5.000% 09/01/2015	65,000	Aaa	66,265	0.5	103.183	67,069
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MATURITY 5-10 YEARS

Phoenix AZ Var Purp-Ser A 5.000% 07/01/2020	750,000	Aa1	857,340	5.7	110.266	826,995
South Hackensack NJ TWP Sch Dist 4.000% 02/15/2021	330,000	Aa3	336,998	2.5	112.111	369,966
Victoria TX ISD Sch Bldg UGO 5.000% 02/15/2021	500,000	Aaa	562,240	3.7	109.337	546,685
San Fran Ca City/Cnty USD 5.000% 06/15/2021	750,000	Aa2	827,437	5.5	106.576	799,320
Michigan St Muni Bd Auth Wtr 5.000% 10/01/2021	545,000	Aaa	622,663	4.1	110.854	604,154
Kentucky St Prpty & Bldgs Rv 5.000% 11/01/2021	500,000	Aa3	568,235	3.8	110.590	552,950
Connecticut St Sr B GO 5.000% 4/15/2022	500,000	Aa3	572,355	3.9	112.717	563,585
Seattle Chinatown Intl Dist 4.250% 8/1/2022	290,000	Aa1	286,375	2.1	107.823	312,687
Waterford CT Unltd Gen Obl 2.000% 08/15/2022	500,000	Aa2	498,995	3.4	98.214	491,070
New Jersey St Trans Tr Fd Ser A 4.250% 12/15/2022	35,000	Aaa	35,263	0.3	117.892	41,262
New Jersey St Trans Tr Fd Ser A 4.250% 12/15/2022	215,000	A2	216,613	1.6	110.334	237,218
New York St Urbn Dev Corp Rv 5.000% 12/15/2022	625,000	Aa1	714,488	4.8	111.535	697,094
Pine Cnty MN Hsg & Redev 4.750% 02/01/2023	250,000	AA-	250,000	1.8	104.814	262,035

TOTAL MATURITY 5-10 YEARS **6,349,002** **43.2** **6,305,021**

MATURITY 10 YRS & UP

Coralville IA Ctf Partn Ser K 4.750% 06/01/2025	250,000	Ba1	249,367	1.8	96.259	240,647
WA St Ctf Prtn St & Loc Agy 4.000% 01/01/2026	1,000,000	Aa2	898,750	7.4	108.407	1,084,070
Houston TX Ref-Impt-A 5.000% 03/01/2026	750,000	Aa2	877,094	5.8	113.692	852,690
Wisconsin St Sr C Ultd GO 5.000% 05/01/2026	750,000	Aa2	857,858	5.8	113.413	850,598
Dallas Ft Wrth TX Intl Arpt 5.250% 11/01/2026	895,000	A2	1,066,903	7.4	120.336	1,077,007

Baker Boyer National Bank Collective Trust Fund "TX"
Portfolio of Investments
December 31, 2014

MUNICIPAL BONDS & NOTES (cont.)

Security Name	Shares or Par	Fin'l Rating	Investment Cost Basis	% Net Assets	Unit Market Price	Current Market Value
MATURITY 5 - 10 YEARS (cont.)						
Mesquite TX Cifs GO Ltd 3.000% 02/15/2028	640,000	AA	640,000	4.4	101.310	648,384
Mesquite TX GO Ltd 3.125% 02/15/2029	655,000	AA	655,950	4.6	101.752	666,476
TOTAL MATURITY 10 YEARS & UP			5,245,922	37.2		5,419,872
TOTAL MUNICIPAL BONDS & NOTES			11,661,189	80.9		11,791,962

TOTALS

TOTALS			14,449,968	100.0		14,580,741
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Baker Boyer National Bank Collective Trust Fund "TX"
Statement of Operations
For the Year Ended December 31, 2014

Net investment income		
Interest	\$	518,434
Audit and miscellaneous expenses		<u>(12,299)</u>
Net investment income		<u>506,135</u>
Realized gains from security transactions		
Proceeds from sales		13,779,786
Cost of securities sold		<u>(13,707,474)</u>
Mutual funds capital gain distributions		225
Net realized gains		<u>72,537</u>
Unrealized appreciation of investments		
End of year		130,773
Beginning of year		<u>224,296</u>
Unrealized appreciation during the year		<u>355,069</u>
Net realized and unrealized gains on investments	\$	<u><u>933,741</u></u>

Baker Boyer National Bank Collective Trust Fund "TX"
Statement of Changes in Net Assets
For the Year Ended December 31, 2014

From investment activities		
Net investment income for the year	\$	506,135
Income distributed or distributable to participants		<u>(506,135)</u>
Net realized gains from securities transactions		72,537
Unrealized appreciation during the year		<u>355,069</u>
Increase in net assets derived from investment activities		<u>427,606</u>
From unit transactions		
Net proceeds from issue of units (121,857 units)		1,301,955
Cost of units redeemed (603,553 units)		<u>(6,415,655)</u>
Decrease in net assets derived from unit transactions		<u>(5,113,700)</u>
Net decrease in net assets		<u>(4,686,094)</u>
Net assets, beginning of year		<u>19,361,762</u>
Net assets, end of year	\$	<u><u>14,675,668</u></u>

Baker Boyer National Bank Collective Trust Fund "TX"
Notes to Financial Statements
December 31, 2014

Note 1- Significant Accounting Policies and Other Information

The following is a summary of significant accounting policies, which are in conformity with generally accepted accounting principles and the trust agreement.

Collective Trust Fund "TX"

The Baker Boyer National Bank Collective Trust Fund "TX" (the Fund) invests in a diversified portfolio of nontaxable fixed income securities of intermediate maturities. The Fund works to maintain an average maturity of less than 12 years. The Fund will have a minimum of 60% of its assets in investment grade AAA, AA, or Pre-refunded Municipal Bonds not subject to Alternative Minimum Tax (AMT), as rated by Moody's, Standard and Poors' and/or Fitch. Ten percent of the fund may be invested in nonrated notes and bonds if financial information is available for the issuing entity. At December 31, 2014, the Fund had 70% of assets in investment grade AAA, AA, or Pre-refunded.

The objectives of the Fund are to minimize net asset value volatility, generate income exempt from federal income tax, and be competitive with 7-10 year yields on investment grade Municipals.

Federal income taxes

The Fund is exempt from federal income tax under Section 584 of the Internal Revenue Code. Unit holders are not required to pay federal income tax on any interest received from the trust that represents net interest on tax-exempt municipal bonds. However, any realized net short-term or long-term capital gains are taxable to unit holders. The Fund applied FASB ASC 740-10, relating to accounting for uncertain tax positions. ASC 740-10 prescribes a recognition threshold and measurement process for accounting for uncertain tax positions and also provides guidance on various related matters such as derecognition, interest, penalties, and disclosures required. The Fund does not have any entity level uncertain tax positions for the 2012-2014 open tax years.

Security transactions

Purchases and sales are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is reported as earned. Cost of securities sold is determined by the identified certificate method. Realized and unrealized gains and/or losses on investments are included in the statement of operation in the period in which they arised.

Unit issues and redemptions

In accordance with the terms of the plan of trust, the net asset value of the Fund is determined as of

Expenses

In accordance with the plan of trust, the trustee may charge the Fund for audit and other expenses incurred. Certain trust expenses may be borne by the trustee. Management fees are charged and collected at the individual customer account level.

Baker Boyer National Bank Collective Trust Fund "TX"
Notes to Financial Statements (cont.)
December 31, 2014

Note 2 - Fair Value of Assets and Liabilities:

The Fund records financial instruments at estimated fair value. Fair value accounting defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The fair value standard describes three levels of inputs that may be used to measure fair value:

- Level 1** – Quoted prices in active markets for identical assets or liabilities.
- Level 2** – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying balance sheet, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Valuation Policy for Cash Equivalents - Cash equivalents consist of money market funds and are valued at cost. Cash equivalents are generally classified within level 1 of the valuation hierarchy.

Valuation Policy for Debt Securities - Valuations of debt securities are based on the trustee/custodian's independent pricing services, or in the absence of such pricing, on quotations obtained from reputable brokers or other third party providers. Values for the debt securities, including but not limited to: Municipal bonds, are generally based on evaluated pricing models of the pricing services that vary by asset class and incorporate available trade, bid and other market information, and for structured securities, cash flow and when available loan performance data. These pricing models may include such input as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications, market indicators, industry and economic events. Municipal debt securities are generally classified within level 2 of the valuation hierarchy.

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statement of assets and liabilities measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2014:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 2,788,779	\$ 2,788,779	\$ -	\$ -
Bonds				
Municipal Bonds & Notes	11,791,962	-	11,791,962	-
	<u>\$ 14,580,741</u>	<u>\$ 2,788,779</u>	<u>\$ 11,791,962</u>	<u>\$ -</u>

Note 3 - Financial Highlights

The financial highlights consist of net investment income and operation expenses ratios, based on average net assets.

Per unit operating performance for the year ended December 31, 2014 is as follows:

Net asset value, beginning of year	\$	10.44
Income from investment operations		
Investment income		0.33
Income distributed to participants		(0.33)
Net realized and unrealized gain on investment transactions		0.28
Net assets derived from unit transactions		(0.03)
Net principal received from security litigations		-
Total from investment operations		<u>0.25</u>
Net asset value, end of year	\$	10.68
Total return		2.38%
Ratio to average net assets		
Expenses		0.00%
Net Investment income		0.03%



SUPPLEMENTARY

INFORMATION

Baker Boyer National Bank Collective Trust Fund "TX"
Supplementary Information
Unit Values and Earnings at Selected Dates

Month Ended	Units Outstanding ²	Unit Value	Income Per Unit	Net Investment Income ¹
1/31/14	1,708,141	10.602361	\$0.021462	\$36,660
2/28/14	1,687,143	10.694255	0.019114	32,248
3/31/14	1,684,712	10.603128	0.025121	42,321
4/30/14	1,655,022	10.688527	0.021981	36,379
5/31/14	1,553,857	10.749616	0.027223	42,300
6/30/14	1,490,730	10.692852	0.031462	46,901
7/31/14	1,492,253	10.691425	0.032077	47,867
8/31/14	1,479,245	10.759508	0.030472	45,076
9/30/14	1,481,462	10.716608	0.031811	47,127
10/31/14	1,409,999	10.713829	0.030216	42,604
11/30/14	1,379,903	10.683271	0.032439	44,763
12/31/14	1,373,497	10.684891	0.030498	41,889
Totals for 2014			<u>\$0.333876</u>	<u>\$506,135</u>

Year Ended	Units Outstanding ²	Unit Value	Income Per Unit	Net Investment Income ¹
12/31/14	1,373,497	\$10.684891	\$0.333876	\$506,135
12/31/13	1,855,194	10.436519	0.298920	557,651
12/31/12	1,922,049	11.140658	0.395472	757,403
12/31/11	1,893,498	10.901271	0.437840	894,285
12/31/10	2,194,809	10.219079	0.461152	1,007,729
12/31/09	2,436,269	10.492350	0.453683	1,076,054
12/31/08	2,359,663	9.976418	0.469255	1,127,154
12/31/07	2,453,376	10.464708	0.481007	1,228,479
12/31/06	2,710,842	10.537298	0.491178	1,379,341
12/31/05	3,156,320	10.606638	0.495184	1,589,464

1 Represents dividends and interest less audit and miscellaneous expenses. Does not include realized gains (losses) from security transactions or unrealized appreciation (depreciation) of Investments in Securities.

2 Units outstanding have been rounded to whole units.

Baker Boyer National Bank Collective Trust Fund "TX"
Supplementary Information, Investments Purchased
For the Year Ended December 31, 2014

Description	Cost
MUNICIPAL BONDS & NOTES	\$ 12,261,699
TOTAL PURCHASES	\$ 12,261,699

Baker Boyer National Bank Collective Trust Fund "TX"
Supplementary Information, Investments Sold or Redeemed
For the Year Ended December 31, 2014

Description	Proceeds ¹	Cost	Gain/(Loss)
MUNICIPAL BONDS & NOTES	\$ 13,779,786	\$ (13,707,474)	\$ 72,312
TOTAL SALES OR REDEMPTIONS	\$ 13,779,786	\$ (13,707,474)	\$ 72,312
MUTUAL FUND CAPITAL GAIN DISTRIBUTIONS			225
NET REALIZED GAINS			\$ 72,537

¹ Includes investments sold, called, matured or put.