

COLLECTIVE TRUST FUND “E”

ANNUAL REPORT

2015

BAKER



BOYER

FAMILY LEGACIES GROWN LOCALLY

Walla. Walla. Tri-Cities Yakima.



REPORT OF INDEPENDENT AUDITORS

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

Report on Financial Statements

We have audited the accompanying financial statements of Baker Boyer National Bank Collective Trust Fund "E", which comprise the statement of assets and liabilities and portfolio of investments as of December 31, 2015, 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 "E" as of December 31, 2015, 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.

Emphasis of Matter

As described in Note 1 to the financial statements, the Trustees exercised their authority to terminate the Baker Boyer National Bank Collective Trust Fund "E" effective September 8, 2015, and liquidation commenced in 2015. As a result, the Fund has changed its basis of accounting from the going concern basis to a liquidation basis.

Moss Adams LLP

Spokane, Washington
February 24, 2016

Baker Boyer National Bank Collective Trust Fund "E"
Statement of Assets and Liabilities
December 31, 2015

ASSETS

Investments in securities		
Cash equivalents (Cost \$0)	\$	-
Equities (Cost \$0)		-
		<hr/>
		-
Cash		-
Due from broker		-
Accrued income receivable		-
		<hr/>
		-

LIABILITIES

Income distribution payable		<hr/>
		-
Net assets (equivalent to \$0 per unit based on no units outstanding)	\$	<hr/> <hr/>
		-

Baker Boyer National Bank Collective Trust Fund "E"
Statement of Operations
For the Year Ended December 31, 2015

Net investment income	
Dividends and interest	\$ 416,235
Audit and miscellaneous expenses	<u>(26,177)</u>
Net investment income	<u>390,058</u>
Realized gains from security transactions	
Proceeds from sales	21,916,107
Cost of securities sold	<u>(19,451,298)</u>
Net realized gains	<u>2,464,809</u>
Unrealized depreciation of investments	
End of year	-
Beginning of year	<u>(5,484,757)</u>
Unrealized depreciation during the year	<u>(5,484,757)</u>
Net realized and unrealized losses on investments	<u>\$ (2,629,890)</u>

Baker Boyer National Bank Collective Trust Fund "E"
Statement of Changes in Net Assets
For the Year Ended December 31, 2015

From investment activities	
Net investment income for the year	\$ 390,058
Income distributed or distributable to participants	(390,058)
Net realized gains from securities transactions	2,464,809
Unrealized depreciation during year	<u>(5,484,757)</u>
Decrease in net assets derived from investment activities	<u>(3,019,948)</u>
From unit transactions	
Net proceeds from issue of units (42,687 units)	527,378
Cost of units redeemed (1,946,534 units)	<u>(23,027,703)</u>
Decrease in net assets derived from unit transactions	<u>(22,500,325)</u>
United Health Security Litigation	11
Nortel Security Litigation	1,655
Enron Security Litigation	<u>87</u>
	<u>1,753</u>
Net decrease in net assets	(25,518,520)
Net assets, beginning of year	<u>25,518,520</u>
Net assets, end of year	<u>\$ -</u>

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.

Effective September 8, 2015, the Trustees executed their authority to terminate Collective Trust Fund "E" and liquidation commenced in 2015. Accordingly, the statement of financial condition is prepared on the liquidation basis of accounting. The liquidation basis of accounting presents assets at amounts expected to be realized in liquidation and liabilities at amounts expected to be paid; estimated values may be different from actual amounts. The basis of accounting is considered generally accepted accounting principles for entities in liquidation or for which liquidation appears imminent. The Fund was fully liquidated as of December 31, 2015.

Collective Trust Fund "E"

The Baker Boyer National Bank Collective Trust Fund "E" (the Fund) was a diversified equity fund which invested in a portfolio of companies that management believed had longstanding records of consistently superior business performance. The Fund's objective was growth of dividend income and capital gains. Initial Public Offerings were not purchased. There was to be no short sales. As a guideline, investment in a single issuer should be represented no more than 10% of the market value of all assets at any time.

Federal income taxes

The Fund was exempt from federal income tax under Section 584 of the Internal Revenue Code. However, unit holders were required to pay federal income tax on any dividends and other capital distributions received through activities of the Fund. The Fund applied FASB ASC 740-10, relating to accounting for uncertain tax positions. ASC 740-10 prescribed a recognition threshold and measurement process for accounting for uncertain tax positions and also provided guidance on various related matters such as derecognition, interest, penalties, and disclosures required. The Fund did not have any entity level uncertain tax positions for the 2012-2014 open tax years.

Security transactions

Purchases and sales were accounted for on the trade date. Dividend income was recorded on the ex-dividend date. Interest income was reported as earned. Cost of securities sold was determined by the identified certificate method. Realized and unrealized gains and/or losses on investments were 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 was determined as of the end of each month. Units were issued and redeemed only at that time.

Expenses

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

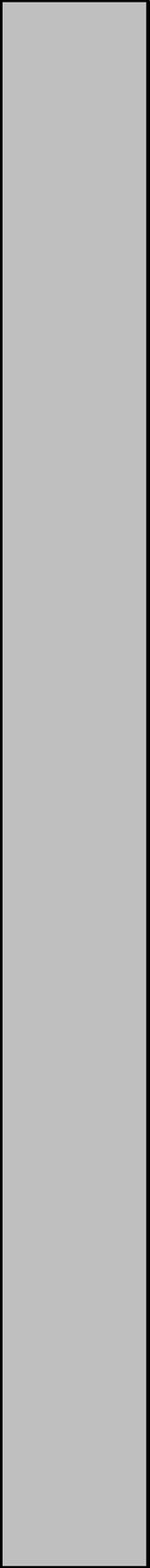
Baker Boyer National Bank Collective Trust Fund "E"
Notes to Financial Statements (cont.)
December 31, 2015

Note 3 - Financial Highlights

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

Per unit operating performance for the year ended December 31, 2015 is as follows:

Net asset value, beginning of year	\$ 12.77
Income from investment operations	
Investment income	0.26
Income distributed to participants	(0.26)
Net realized and unrealized gain on investment transactions	<u>2.30</u>
Total from investment operations	2.30
Net redemptions from unit transactions	(15.06)
Net asset value, end of year	<u>\$ 0.00</u>
Total return	(99.98%)
Ratio to average net assets	
Expenses	0.00205%
Net Investment income	0.03060%



SUPPLEMENTARY

INFORMATION

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

Month Ended	Units Outstanding ²	Unit Value	Income Per Unit	Net Investment Income ¹
01/31/15	1,871,141	\$ 12.771889	\$ 0.010080	\$18,862
02/28/15	1,852,422	13.450408	0.029068	53,847
03/31/15	1,803,529	13.111325	0.019981	36,037
04/30/15	1,801,626	13.392794	0.021522	38,774
05/31/15	1,800,636	13.489224	0.052761	95,003
06/30/15	1,802,644	12.977324	0.015469	27,886
07/31/15	1,801,982	12.868156	0.014505	26,137
08/31/15	1,670,549	11.998927	0.058994	98,552
09/30/15	1,696,684	11.650854	0.005873	9,965
10/31/15	164,040	11.650854	0.005873	79
11/30/15	163,935	11.650854	0.005873	23
12/31/15	-	-	0.005873	(15,107)
Totals for 2015			<u>\$ 0.245872</u>	<u>\$390,058</u>

Year Ended	Units Outstanding ²	Unit Value	Income Per Unit	Net Investment Income ¹
12/31/15	-	-	\$0.245872	\$390,058
12/31/14	1,903,847	13.403663	0.321094	656,165
12/31/13	2,225,097	12.294828	0.275553	633,116
12/31/12	2,360,340	10.402672	0.249981	600,970
12/31/11	2,397,465	9.539311	0.188207	451,868
12/31/10	2,525,395	9.501141	0.152981	403,439
12/31/09	2,828,871	8.170651	0.133096	404,735
12/31/08	2,962,002	6.420077	0.138211	410,648
12/31/07	3,003,411	10.685269	0.171502	545,903
12/31/06	3,461,068	9.913764	0.166607	612,034
12/31/05	4,127,163	8.837578	0.128080	608,369

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.

2 Units outstanding have been rounded to whole units.

Baker Boyer National Bank Collective Trust Fund "E"
Supplementary Information, Investments Purchased
For the Year Ended December 31, 2015

Description	Cost
COMMON STOCKS & FOREIGN EQUITIES	\$ -
TOTAL PURCHASES	\$ -

Baker Boyer National Bank Collective Trust Fund "E"
Supplementary Information, Investments Sold or Redeemed
For the Year Ended December 31, 2015

Description	Proceeds	Cost	Gain
COMMON STOCKS & FOREIGN EQUITIES	\$ <u>21,916,107</u>	\$ <u>19,451,298</u>	\$ <u>2,464,809</u>
TOTAL SALES OR REDEMPTIONS	\$ <u>21,916,107</u>	\$ <u>19,451,298</u>	\$ <u>2,464,809</u>
NET REALIZED GAINS			\$ <u>2,464,809</u>