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UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON, AT SEATTLE

In re:	)	No. 00-10390
	)	
E.J. BARTELLS, INC.,	)	TRUSTEE'S FIFTEENTH ANNUAL
	)	REPORT
Debtor.	)	
	)	

Richard Hilfer, trustee of the Bartells Asbestos Settlement Trust [the "Trust"], by his undersigned counsel, pursuant to Articles 4.2 and 4.3 of the Trust Agreement governing the same, provides the following annual report of the Trust's activity for calendar year 2015:

1. Financial Statements. Reviewed financial statements are attached hereto as Exhibit 1.

2. Claim Dispositions. A summary of claim dispositions during 2015 is attached hereto as Exhibit 2.

Respectfully submitted this 28th day of April, 2016.

BUCKNELL STEHLIK SATO & STUBNER, LLP

/s/ Edwin K. Sato

Edwin K. Sato, WSBA # 13633
Attorneys for Richard Hilfer, trustee

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EXHIBIT 1

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BARTELLS ASBESTOS SETTLEMENT TRUST

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Richard J. Hilfer, Trustee
Bartells Asbestos Settlement Trust
Port Townsend, Washington

We have reviewed the accompanying financial statements of Bartells Asbestos Settlement Trust (a nonprofit organization), which comprise the statements of assets and trust equity – modified cash basis as of December 31, 2015, and the related statement of income and expenses – modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with related statements of revenues, expenses, and changes in net assets – modified cash basis, and cash flows – modified cash basis. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

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Richard J. Hilfer, Trustee
Bartells Asbestos Settlement Trust

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

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CliftonLarsonAllen LLP

Bellevue, Washington
April 25, 2016

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BARTELLS ASBESTOS SETTLEMENT TRUST
STATEMENT OF ASSETS AND TRUST EQUITY – MODIFIED CASH BASIS
DECEMBER 31, 2015
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

ASSETS	
CASH AND CASH EQUIVALENTS	$ 170,424
INCOME TAXES REFUNDABLE	43,611
Total Assets	$ 214,035
LIABILITIES AND TRUST EQUITY	
TRUST EQUITY	$ 214,035
Total Liabilities and Trust Equity	$ 214,035

See accompanying Notes to Financial Statements.

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BARTELLS ASBESTOS SETTLEMENT TRUST
STATEMENT OF INCOME AND EXPENSES – MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2015
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

INCOME	
Interest	$ 21,440
Dividends	1,181
Miscellaneous	169
Total Income	22,790
EXPENSES	
Claims Paid	902,573
Trustee Fee	23,975
Professional Fees	12,585
Investment	4,286
E and O Insurance	4,901
Reimbursed to Trustee	3,894
File Storage	4,489
Legal Fees	435
Foreign Taxes	41
Miscellaneous	960
Total Expenses	958,139
CHANGE IN NET ASSETS BEFORE REALIZED AND UNREALIZED LOSS ON INVESTMENTS	(935,349)
REALIZED LOSS ON INVESTMENTS	(5,769)
Loss Before Income Tax Benefit	(941,118)
INCOME TAX BENEFIT	18,374
NET LOSS	(922,744)
Trust Equity - Beginning of Year	1,136,779
TRUST EQUITY - END OF YEAR	$ 214,035

See accompanying Notes to Financial Statements.

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NOTE 1 CREATION OF THE TRUST

At the entry of the order for relief in the E. J. Bartells (Bartells) Co. Chapter 11 case, Bartells was named a defendant in the personal injury and wrongful death actions arising from the presence of or exposure to asbestos. On February 14, 2001, pursuant to the Bankruptcy Court Plan (the Plan) all liability for asbestos claims was automatically assumed by the Bartells Asbestos Settlement Trust (the Trust). Richard J. Hilfer was named the trustee. The Trust is irrevocable.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Presentation

The Trust prepares its financial statements on the modified cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed, rather than when the obligation is incurred. The cash method is modified in that income taxes are accrued on current year taxable income at the statutory rate of 39.6%.

Income Taxes

Federal income taxes are computed at current tax rates applied to reported earnings. Adjustments are made currently for all permanent differences between taxable income and financial statement income.

The Trust, as a settlement fund, files an annual income tax return (Form 1120-SF).

The Financial Accounting Standards Board (FASB) issued *Accounting Standards Codification* (ASC) Topic 740, *Income Taxes* (Topic 740), on accounting for uncertainty in income taxes. The Trust adopted this guidance for the year ended December 31, 2015. Management evaluated the Trust's tax positions and concluded that the Trust had taken no uncertain tax positions that require adjustments to the financial statements to comply with the provisions of this guidance.

Use of Estimates

The preparation of modified cash basis financial statements 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. Estimates also affect the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Trust considers all bank deposits, money market accounts, and short-term investments with original maturities of 90 days or less to be cash equivalents. Cash may subject the Trust to concentrations of risk as, from time to time, cash balances exceed amounts insured by the Federal Deposit Insurance Corporation.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Claims Paid

The Trust pays asbestos claims after required procedures in the Asbestos Resolution Claim Procedures (ARCP) have been satisfied. The ARCP governs how claims are submitted, the criteria for payment, the order claims are to be paid, and other matters related to the liquidation and payment of claims. The ARCP is a matter of record and can be amended only with court approval.

Subsequent Events

The Trust has evaluated subsequent events through April 25, 2016, which is the date the financial statements were available to be issued.

NOTE 3 FEDERAL INCOME TAXES

The income tax benefit consisted of the following for the year ended December 31, 2015:

The Components of Income Tax Expense (Benefit) are:		
Investment and Other Income	$	22,790
Realized Loss on Investments		(5,769)
Tax Exempt Interest		(21,440)
Operating Expenses, Less Claims Paid and Investment Fees		(51,280)
Taxable Loss	$	(55,699)
Total Federal Income Tax Benefit	$	(18,374)

Current income taxes are based on the taxable income for the year, as measured by the current year's tax return. The Trust's provision for income taxes differs from applying the statutory U.S. federal income tax rate to income before income taxes. The primary differences result from tax-exempt income and claims paid for financial statement purposes, but not for federal income tax purposes.

NOTE 4 CONTINUATION OF THE TRUST

As noted in Note 1, on February 14, 2001, and as part of the E. J. Bartells Chapter 11 proceeding, the Trust was created to resolve asbestos disease claims. The Trust Document provides that the Trust will terminate in twenty years (February 14, 2021) unless the court orders otherwise. As of December 31, 2015, the Trust will not have sufficient funds to pay claims and/or fund trust operations through the 2021 termination date. While the Trust does have a right of partial reimbursement from the Manville Personal Injury Settlement Trust, the receivable reimbursement will not be sufficient to pay claims and/or fund operations to 2021. In 2016, the Trustee intends to seek instructions from the court on how to proceed.

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EXHIBIT 2

BARTELLS ASBESTOS SETTLEMENT TRUST
Claims Disposed of - 2015

Mesothelioma

251 paid	$655,250
12 denied	
2 withdrawn	

Lung Cancer

292 paid	$202,825
4 denied	
3 withdrawn	

Asbestosis Death/Serious Asbestos

11 paid	$ 6,665

Other Cancer

19 paid	$ 7,380
2 denied	
1 withdrawn	

Non-Malignant 1

52 paid	$ 25,726

Non-Malignant 2

138 paid	$ 48,864
1 denied	

TOTALS

788 claims disposed $946,710 (Checks issued – 2015)

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