FILED
JAMES J. WALDRON
MAY 12 2014
U.S. BANKRUPTCY COURT
NEWARK, N.J.
BY DEPUTY

BURNS AND ROE ASBESTOS PERSONAL INJURY SETTLEMENT TRUST

Special-Purpose Financial Statements
and
Report of Independent Auditors

Years Ended December 31, 2013 and 2012

Published by AsbestosClaims.Law
asbestosclaims.law/library/13786/1

BURNS AND ROE ASBESTOS PERSONAL INJURY SETTLEMENT TRUST

Table of Contents

	Page
Report of Independent Auditors	1 - 2
Financial Statements:	
Special-Purpose Statements of Net Claimants' Equity	3
Special-Purpose Statements of Changes in Net Claimants' Equity	4
Special-Purpose Statements of Cash Flows	5
Notes to Special-Purpose Financial Statements	6 - 15
Supplemental Information:	
Report of Independent Auditors on Supplementary Information	16
Supplemental Schedule of Operating Expenses	17

BKM SOWAN HORAN

Accountants + Consultants

15301 Dallas Parkway
Suite 960
Addison, Texas 75001
MAIN 214 545 3965
FAX 214 545 3966
www.bkmsh.com

REPORT OF INDEPENDENT AUDITORS

To the Trustee of
Burns and Roe Asbestos Personal Injury Settlement Trust

We have audited the accompanying special-purpose financial statements of the Burns and Roe Asbestos Personal Injury Settlement Trust (the Trust), which comprise the special-purpose statements of net claimants' equity as of December 31, 2013 and 2012, and the related special-purpose statement of changes in net claimants' equity and special-purpose statements of cash flows for the years then ended, and the related notes to the special-purpose 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 the special-purpose accounting methods adopted by the Trust and Trustee, as described in Note 2. 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 audits to obtain reasonable assurance about whether the financial statements are free of 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

Published by AsbestosClaims.Law
asbestosclaims.law/library/13786/3

by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the net claimants' equity of the Trust as of December 31, 2013 and 2012, and the changes in net claimants' equity and cash flows for the years then ended in conformity with the special-purpose basis of accounting described in Note 2.

Emphasis of Matter

We draw attention to Note 2 of the special-purpose financial statements, which describes the basis of accounting. These financial statements are prepared on a special-purpose basis of accounting and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. The special-purpose basis of accounting has been used in order to present the amount of equity presently available to current and future claimants and the changes in equity during the periods.

Restriction on Use

This report is intended solely for the information and use of the management of the Trust, the Trustee, the beneficiaries of the Trust and the United States Bankruptcy Court for the District of New Jersey and is not intended to be and should not be used by anyone other than these specified parties.

BKM Sowan Horan, LLP

Certified Public Accountants
April 24, 2014

Published by AsbestosClaims.Law
asbestosclaims.law/library/13786/4

BURNS AND ROE
ASBESTOS PERSONAL INJURY TRUST

Special-Purpose Statements of Net Claimants' Equity

	December 31, 2013	December 31, 2012
ASSETS		
Cash and cash equivalents	$ 2,891,214	$ 4,117,083
Investments at fair value	136,107,499	147,216,551
Investment income receivable	1,130,149	1,508,437
Note Receivable - Burns and Roe	6,413,329	6,393,750
Prepaid expenses	21,745	21,862
Total assets	146,563,936	159,257,683
LIABILITIES AND NET CLAIMANTS' EQUITY		
Accounts payable and accrued expenses	78,704	139,632
Settled claims payable	2,941,470	5,533,540
Total liabilities	3,020,174	5,673,172
Net claimants' equity	$ 143,543,762	$ 153,584,511

See accompanying notes to special-purpose financial statements.

Burns and Roe Asbestos Trust Annual Reports, 2013 annual report
ACL Doc 13786 · Page 5 of 22
Published by AsbestosClaims.Law
asbestosclaims.law/library/13786/5

BURNS AND ROE
ASBESTOS PERSONAL INJURY TRUST

Special-Purpose Statements of Changes in Net Claimants' Equity

	Years Ended December 31,	
	2013	2012
ADDITIONS		
Investment income, net:		
Interest and dividends	$ **2,049,012**	$ 2,302,545
Investment advisory fees	**(217,607)**	(277,847)
Realized loss on investments, net	**(16,453)**	(4,548)
Unrealized gain (loss) on investments, net	**(589,458)**	110,851
Total additions	**1,225,494**	2,131,001
DEDUCTIONS		
Claims settled	**10,194,753**	17,335,455
Claim processing fees and consulting	**500,862**	265,827
Operating expenses	**570,628**	564,959
Total deductions	**11,266,243**	18,166,241
Net decrease in net claimants' equity	**(10,040,749)**	(16,035,240)
Net claimants' equity:		
Beginning of year	**153,584,511**	169,619,751
End of year	$ **143,543,762**	$ 153,584,511

See accompanying notes to special-purpose financial statements.

Burns and Roe Asbestos Trust Annual Reports, 2013 annual report
ACL Doc 13786 · Page 6 of 22
Published by AsbestosClaims.Law
asbestosclaims.law/library/13786/6

BURNS AND ROE
ASBESTOS PERSONAL INJURY TRUST

Special-Purpose Statements of Cash Flows

	Years Ended December 31, 2013	2012
Cash flows from operating activies		
Net decrease in net claimants' equity	$ **(10,040,749)**	$ (16,035,240)
Adjustments to reconcile net decrease to net cash provided by (used in) operating activities:		
Net unrealized (gain) loss on investments	**589,458**	(110,851)
Net realized loss on investments	**16,453**	4,548
Amortization of bond premiums	**2,610,429**	2,713,326
Changes in assets and liabilities:		
Insurance settlement receivable	**-**	16,000,000
Prepaid assets	**117**	97
Interest receivable-Burns and Roe note receivable	**(19,579)**	-
Investment income receivable	**378,288**	175,093
Settled claims payable	**(2,592,070)**	3,152,045
Accounts payable and accrued expenses	**(60,928)**	13,039
Net cash provided by (used in) operating activities	**(9,118,581)**	5,912,057
Cash flows from investing activities		
Repayments of notes receivable - Burns and Roe	**-**	500,000
Proceeds from sale of investments	**46,491,325**	54,412,238
Purchase of investments	**(38,598,613)**	(56,785,557)
Net cash provided by (used in) investing activities	**7,892,712**	(1,873,319)
Net increase (decrease) in cash and cash equivalents	**(1,225,869)**	4,038,738
Cash and cash equivalents, beginning of year	**4,117,083**	78,345
Cash and cash equivalents, end of year	$ **2,891,214**	$ 4,117,083

See accompanying notes to special-purpose financial statements.

Burns and Roe Asbestos Trust Annual Reports, 2013 annual report
ACL Doc 13786 · Page 7 of 22
Published by AsbestosClaims.Law
asbestosclaims.law/library/13786/7

BURNS AND ROE ASBESTOS PERSONAL INJURY SETTLEMENT TRUST

Notes To Special-Purpose Financial Statements

Note 1 - Description of Trust

General

The Burns and Roe Asbestos Personal Injury Settlement Trust (the Trust) was established on July 16, 2009 and is a "qualified settlement fund" pursuant to Section 1.468B-1 et seq. of the Treasury Regulations promulgated under section 468B of the Internal Revenue Code. The Trust will assume all Asbestos Personal Injury Claims (whether now existing or arising at any time hereafter) and use the Trust assets to pay holders of such Asbestos Personal Injury Claims.

The Trust is governed by the Asbestos Settlement Trust Agreement and the Asbestos Settlement Trust Distribution Procedures (TDP) that establish the framework and criteria for allowance and payment of asbestos-related claims by the Trust. There are eight disease levels specified in the TDP. Each claimant who meets the medical and exposure requirements of the TDP for a particular disease level may apply for expedited review and a specified payment amount. Claimants also have an alternative, under the TDP, to submit additional documentation and request a more expansive review of their claim (TDP – 5.3b Individual Review Process) in which case claims may be paid within a range of amounts.

The Trust's assets consist primarily of cash and cash equivalents, investments, and a note receivable from Burns and Roe, which, with the earnings (or losses) on such investments, are intended to be totally consumed by the allowance and payment of claims and operation of the Trust. The percentage of the amount of each allowed claim that will actually be paid will be determined by projections of total allowed Asbestos Claims and operational expenses of the Trust, on the one hand, and total assets and net earnings (or losses), on the other. Pursuant to the TDP, the initial payment percentage was established at 25 percent. There have been no changes to the payment percentage since inception.

Funding

On the effective date, the Trust was funded by settlement agreements with various insurance carriers of approximately $162,750,000 plus interest. The final payment of $16,000,000 in connection with the agreements was received in late 2012. The Trust was also funded with a promissory note of $9,250,000 from Burns and Roe Enterprises, Inc. and Burns and Roe Construction Group, Inc. (Burns and Roe) dated July 16, 2009. The note agreement did not bear interest and requires payments of $250,000 twice a year until repaid in full on April 2021. The December 2012 payment was not made and Burns and Roe requested a deferral of payments under the agreement. On February 15, 2013, the Trust executed an amendment to

Published by AsbestosClaims.Law
asbestosclaims.law/library/13786/8

BURNS AND ROE ASBESTOS PERSONAL INJURY SETTLEMENT TRUST

Notes To Special-Purpose Financial Statements

Note 1 - Description of Trust– (Continued)

Funding - continued

the note agreement that deferred all payments until December 15, 2015 and adjusted the final repayment date until April 2024. As consideration for the amendment, the total deferred payments shall bear interest at 3.75%. The note receivable balance at December 31, 2013 included approximately $20,000 of interest related to the deferred balance.

Termination

The Trust Agreement (Section 7.2) provides that the Trust shall automatically dissolve on the date ninety (90) days after the first to occur of the following:

- The Trustee, with the consent of the Trust Advisory Committee and the Legal Representative, decide to dissolve the Trust because (A) the Trustee deems it unlikely that any new asbestos claims will be filed against the Trust, (B) all asbestos personal injury claims duly filed with the Trust have been liquidated and paid to the extent provided the Trust Agreement and the TDP or disallowed by a final, non-appealable order or judgment, to the extent possible based upon the funds and Trust Assets available through the Plan, and (C) twenty-four (24) consecutive months have elapsed during which no new asbestos personal injury claims have been filed with the Trust.

- If the Trustee has procured and has in place irrevocable insurance policies and has established claims handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expected remaining obligations and expenses (including without limitation Trust expenses) of the Trust in a manner consistent with the Agreement and the asbestos distribution procedures, the date on which the bankruptcy court enters an order approving such insurance and other arrangements and such order becomes a final order, or

- To the extent that any rule against perpetuities shall be deemed applicable to the Trust, that date which is twenty-one (21) years less ninety-one (91) days after the death of the last survivor of all of the descendants of the late Joseph P. Kennedy, Sr., father of the late President John F. Kennedy, living on the date hereof.

On the dissolution date or as soon as reasonably practicable, after the wind-up of the Trust's affairs by the Trustees and payment of all the Trust's liabilities have been provided for as required by applicable law, all remaining assets shall be applied to such charitable purposes, if practicable, which shall be related to the treatment of, research on, or the relief of individuals suffering from asbestos related lung disease or disorders.

Burns and Roe Asbestos Trust Annual Reports, 2013 annual report Published by AsbestosClaims.Law
ACL Doc 13786 · Page 9 of 22 asbestosclaims.law/library/13786/9

BURNS AND ROE ASBESTOS PERSONAL INJURY SETTLEMENT TRUST

Notes To Special-Purpose Financial Statements

Note 2 - Summary of Significant Accounting Policies

Basis of accounting

The Trust's financial statements are prepared using special-purpose accounting methods adopted by the Trustee which differ from accounting principles generally accepted in the United States of America (GAAP). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the net assets available for the payment of claims and related operating expenses of the Trust. Since the accompanying financial statements and transactions are not based upon GAAP, accounting treatment by other parties for these same transactions may differ as to timing and amount. These special-purpose accounting methods and the differences from GAAP are summarized as follows:

- Net claimants' equity represents funds available to pay asbestos and bankruptcy related claims that have been submitted but not processed or not yet submitted. Trusts expenses are also paid from net claimants' equity. Under GAAP, net claimants' equity would be reduced for estimates of amounts to be paid for claims that have been submitted, but not processed, or not yet submitted.

- Claims are expensed in the period in which the confirmed claims are approved. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for the claims that have been incurred but not yet reported, and for those claims that have been submitted but not yet approved for payment by the Trust.

- Payments for services to be received over an extended period in the future are expensed as paid since these amounts are no longer available for the payment of claims. Under GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.

- The notes receivable from Burns and Roe is recorded based on the maximum amount provided for in the note and no provision for potential uncollectibility has been recorded. In addition, this note has not been discounted to estimated present value.

Use of estimates

The preparation of the special-purpose financial statements requires the Trustee and management of the Trust to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the special-purpose financial statements, and the reported amounts of additions and deductions to

Burns and Roe Asbestos Trust Annual Reports, 2013 annual report Published by AsbestosClaims.Law
ACL Doc 13786 · Page 10 of 22 asbestosclaims.law/library/13786/10

BURNS AND ROE ASBESTOS PERSONAL INJURY SETTLEMENT TRUST

Notes To Special-Purpose Financial Statements

Note 2 - Summary of Significant Accounting Policies – (Continued)

Use of estimates - continued

the net claimants' equity during the reporting periods. Significant items subject to such estimates and assumptions include the fair market value of investments and the collectability of the notes receivable from Burns and Roe. Actual results could differ from these estimates.

Financial instruments

The Trust's primary financial instruments are cash and cash equivalents, investments, investment income receivable and the note receivable from Burns and Roe. The carrying amount of cash and cash equivalents and investment income receivable approximate their fair values based on their short-term nature. The carrying amount of marketable securities is based on fair value. The carrying amount of the note receivable from Burns and Roe is based on the history of collectability and management's estimates.

Cash and cash equivalents

The Trust considers all short-term investments with a maturity of three (3) months or less, to be cash equivalents.

Concentrations of credit risk

Financial instruments, which potentially subject the Trust to concentrations of credit risk, consist primarily of cash, cash equivalents, and investments. The Trust maintains its cash and cash equivalents, which at times may exceed federally insured limits, with financial institutions. The Trust has not experienced any losses in such accounts, and management does not believe it is exposed to any significant credit risk on cash and cash equivalents.

The Trust's investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and such changes could materially affect the value of the Trust's portfolio.

Published by AsbestosClaims.Law
asbestosclaims.law/library/13786/11

BURNS AND ROE ASBESTOS PERSONAL INJURY SETTLEMENT TRUST

Notes To Special-Purpose Financial Statements

Note 2 - Summary of Significant Accounting Policies - (Continued)

Investments and related income (loss)

Investments are reported at fair value in the statements of net claimants' equity and the changes in the fair value of investments, as well as realized gains and losses and foreign currency translation, are included in net gain (loss) on investments reported in the statements of changes in net claimants' equity. All marketable securities are deemed by management to be available for sale and are reported at fair value based on their quoted market prices with net holding unrealized gains or losses reported within net claimants' equity. Purchases and sales of marketable securities are recorded on the trade date.

Realized gains and losses on disposals of investments are determined by the specific identification method. Interest and dividend income are recognized on the accrual basis.

Investments considered to be permanently impaired in value are written down to their estimated net realizable value and the write down is recorded as a realized loss on investments. Unrealized losses that are other-than-temporary based upon management's estimates using quantitative and qualitative criteria are recognized as realized investment losses. Actual results could differ from those estimates.

Settled claims payable

Settled claims payable consist of certain injury claims that are settled but unpaid at year end.

Claims processing and consulting

Claims processing and consulting expenses are recorded as incurred.

Net claimants' equity

The Trust, under the adopted special-purpose accounting convention, does not record the liability for future claims expected to be filed over the life of the Trust. The net claimants' equity is available for (i) the payments of allowed asbestos-related claims and (ii) operational expenses of the Trust.

Income Taxes

The Trust is treated as a Qualified Settlement Fund under the Internal Revenue Code and Regulations. As a result, the Trust is subject to federal income taxes based on modified gross income. In the opinion of management, the Trust is not subject to state income taxes, and therefore, the financial statements do not include any provision or liability for state income taxes.

Burns and Roe Asbestos Trust Annual Reports, 2013 annual report Published by AsbestosClaims.Law
ACL Doc 13786 · Page 12 of 22 asbestosclaims.law/library/13786/12

BURNS AND ROE ASBESTOS PERSONAL INJURY SETTLEMENT TRUST

Notes To Special-Purpose Financial Statements

Note 2 - Summary of Significant Accounting Policies - (Continued)

Income Taxes - continued

The Trust is taxed at the highest rate applicable to trusts under Section 1(e) of the Code, which is currently 39.6% for the year ending December 31, 2013, having increased from 35% for the year ending December 31, 2012.

Deferred tax assets and liabilities are recorded based on temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes using the tax rates currently in effect. A valuation allowance is established when it is not more likely than not that the deferred tax assets may be realized. Funds received by the Trust from settlements and distributions paid to settle asbestos claims are not taxable or deductible by the Trust.

The Trustee's estimate of the potential outcome of any uncertain tax issues is subject to management's assessment of relevant risks, facts, and circumstances existing at that time. The Trust uses a more likely than not threshold for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. To the extent that the Trustee's assessment of such tax position changes, the change in estimate is recorded in the period in which the determination is made. The Trust reports tax-related interest and penalties as a component of income tax expense and operating expenses, respectively. The Trust has not identified any uncertain tax positions as of December 31, 2013 or 2012.

Subsequent events

The Trust has evaluated events and transactions subsequent to the date of the special-purpose financial statements for matters requiring recognition or disclosure in the special-purpose financial statements. The accompanying special-purpose financial statements consider events through April 24, 2014, the date which the special-purpose financial statements were available to be issued.

Note 3 – Investments

The Trust measures its investments, at fair value, according to a hierarchy of valuation techniques. The following are the levels of the hierarchy and a brief description of the type of valuation information ("inputs") that qualifies an investment for each level:

Burns and Roe Asbestos Trust Annual Reports, 2013 annual report
ACL Doc 13786 · Page 13 of 22
Published by AsbestosClaims.Law
asbestosclaims.law/library/13786/13

BURNS AND ROE ASBESTOS PERSONAL INJURY SETTLEMENT TRUST

Notes To Special-Purpose Financial Statements

Note 3 – Investments – (Continued)

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments in Level 1 includes short-term investments and securities that are traded in an active exchange.

Level 2 – Pricing inputs are other than quoted market prices included in Level 1, however, are observable indirectly for the investment. The Trust includes its corporate and municipal bonds, asset backed securities and other fixed income in Level 2, because these pricing inputs are indirectly evident through interest rates for commonly quoted credit risks.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. The Trust does not carry any Level 3 investments.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset. In addition, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

Burns and Roe Asbestos Trust Annual Reports, 2013 annual report
ACL Doc 13786 · Page 14 of 22
Published by AsbestosClaims.Law
asbestosclaims.law/library/13786/14

BURNS AND ROE ASBESTOS PERSONAL INJURY SETTLEMENT TRUST

Notes To Special-Purpose Financial Statements

Note 3 – Investments – (Continued)

The valuations of the Trust's investments by the above fair value hierarchy levels and the corresponding cost of the investments are as follows:

		December 31, 2013		
	Level	Fair Value	Cost	Unrealized Gains
Corporate and Foreign Bonds	**2**	**$ 96,360,004**	**95,873,530**	**$ 486,474**
Municipal bonds	**2**	**39,747,495**	**39,275,394**	**472,101**
Total		**$ 136,107,499**	**135,148,924**	**$ 958,575**

		December 31, 2012		
	Level	Fair Value	Cost	Unrealized Gains
Corporate and Foreign Bonds	2	$ 68,611,395	68,183,997	427,398
Municipal bonds	2	78,605,156	77,468,068	1,137,088
Total		$ 147,216,551	145,652,065	1,564,468

Maturities of the Trust's debt securities at December 31, 2013 are as follows:

	Fair Value	Cost	Unrealized Gains (Losses)
Due in one year or less	$ 47,619,212	$ 47,306,309	$ 312,903
Due after one year through five years	83,725,462	83,092,615	632,847
Due after ten years through twenty years	4,762,825	4,750,000	12,825
Total	$ 136,107,499	$ 135,148,924	$ 958,575

Burns and Roe Asbestos Trust Annual Reports, 2013 annual report
ACL Doc 13786 · Page 15 of 22
Published by AsbestosClaims.Law
asbestosclaims.law/library/13786/15

BURNS AND ROE ASBESTOS PERSONAL INJURY SETTLEMENT TRUST

Notes To Special-Purpose Financial Statements

Note 4 – Taxation

The Trust's federal income tax expense is calculated as follows:

	Years Ended December 31, 2013	2012
Net federal taxable income (loss)	$ (168,014)	$ 385,010
Tax rate	39.60%	35.00%
Federal income tax expense (benefit)	(66,534)	134,754
Deferred federal income tax expense (benefit)	(511,411)	37,206
Change in valuation allowance	577,945	(171,960)
Net federal tax expense	$ -	$ -

Temporary differences between financial reporting income and taxable income generate deferred tax assets and liabilities related to net operating loss carryforwards, capital loss carryforwards and unrealized holding gains and losses on investments.

At December 31, 2013 and 2012, the Trust had approximately $2,817,000 and $1,960,000, respectively, of net operating loss carryforwards which start to expire in 2029. The Trust also has a capital loss carryforward of approximately $4,500 at December 31, 2013 and 2012 which expires in 2017 for federal purposes. The amount of income taxes the Trust pays is subject to ongoing audits by federal authorities. The Trust's federal income tax returns for years beginning after 2009 remain subject to examination by the Internal Revenue Service.

Note 5 – Trust Advisory Committee and Legal Representative

The Trust Agreement sets forth the role and responsibility of the Trust Advisory Committee (TAC) and Legal Representative (LR). The members of the TAC serve in a fiduciary capacity representing all holders of present Asbestos Claims (Current Claimants). The Trustees are required to consult with or obtain the consent of the TAC on certain matters identified in the Trust Agreement and the TDP. The TAC is comprised of two attorneys who are engaged by Current Claimants.

Burns and Roe Asbestos Trust Annual Reports, 2013 annual report
Published by AsbestosClaims.Law
ACL Doc 13786 · Page 16 of 22
asbestosclaims.law/library/13786/16

BURNS AND ROE ASBESTOS PERSONAL INJURY SETTLEMENT TRUST

Notes To Special-Purpose Financial Statements

Note 5 – Trust Advisory Committee and Legal Representative – (Continued)

The LR serves in a fiduciary capacity, representing the interests of the individuals who may file as Asbestos Claimants in the future, but who at this time are unknown to the Trust (Future Asbestos Claimants). This role, in part, is to protect rights of the Future Asbestos Claimants. The Trustees are required to consult with or obtain the consent of LR on certain matters identified in the Trust Agreement and the TDP.

Burns and Roe Asbestos Trust Annual Reports, 2013 annual report
ACL Doc 13786 · Page 17 of 22
Published by AsbestosClaims.Law
asbestosclaims.law/library/13786/17

SUPPLEMENTAL INFORMATION

BKM SOWAN HORAN

Accountants + Consultants

15301 Dallas Parkway
Suite 960
Addison, Texas 75001
MAIN 214 545 3965
FAX 214 545 3966
www.bkmsh.com

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

To the Trustee
Burns and Roe Asbestos Personal Injury Settlement Trust

We have audited the special-purpose financial statements of the Burns and Roe Asbestos Personal Injury Settlement Trust (the Trust) as of and for the years ended December 31, 2013 and 2012, and our report thereon dated April 24, 2014, which expressed an unmodified opinion on those financial statements, appears on pages two and three. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental material included in the following section is presented for purposes of additional analysis and is not a required part of the basic special-purpose 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 basic special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose 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 special-purpose financial statements as a whole.

BKM Sowan Horan, LLP

Certified Public Accountants
April 24, 2014

Published by AsbestosClaims.Law
asbestosclaims.law/library/13786/19

BURNS AND ROE
ASBESTOS PERSONAL INJURY TRUST

Supplemental Schedule of Operating Expenses

	Years Ended December 31,	
	2013	2012
Trustee fees and expenses	$ **138,287**	$ 148,879
Trust advisory committee fees and expenses	**92,685**	36,705
Future claimants representative fees and expenses	**96,259**	95,207
Trust general counsel	**87,400**	91,565
Special insurance counsel expenses	**28,985**	56,583
Accounting, audit, and tax fees and expenses	**47,567**	55,595
Insurance costs	**34,929**	35,096
Document storage and warehousing	**36,832**	39,539
Other	**7,684**	5,790
Total operating expenses	$ **570,628**	$ 564,959

See accompanying report of inedependent auditors on supplementary information

Published by AsbestosClaims.Law
asbestosclaims.law/library/13786/20

BURNS AND ROE ASBESTOS PERSONAL INJURY SETTLEMENT TRUST

Report of Compensation and Expense Reimbursement
(January 1 through December 31, 2013)

	Compensation	Expense Reimbursement
Hon. Alfred M. Wolin, U.S.D.J. (Ret) [Trustee]	$ 137,281.70	$ 1,004.71
EisnerAmper, LLP [Future Claims Representative]	$ 44,819.50	$ 211.48
Deirde Woulfe Pacheco [TAC Expenses]	$ 3,500.00	$ 1,766.74

Burns and Roe Asbestos Personal Injury Settlement Trust

Report of Trust Claim Activity and Disposition during the Period from January 1, 2013 through December 31, 2013

Pre-Petition Liquidated Trust Claims

Number of Claims Paid	Value of Claims Paid	Amount Paid on Claims after Application of Payment Percentage and Sequencing Adjustment
0	$0	$0

Other Trust Claims

Type of Claim	Number of Claims Filed	Number of Claims Approved for Payment	Number of Claims Withdrawn or Rejected	Value of Approved Claims	Number of Approved Claims Paid	Amount Paid on Approved Claims after Application of Payment Percentage and Sequencing Adjustment
Category A Claims (Disease Levels IV – VIII)	15,486	905	2,470	$37,260,240	1,120	$11,689,055
Category B Claims (Disease Levels II and III)	26,230	1,346	3,003	$3,892,480	1,555	$1,088,568
Disease Level I Claims	433	45	543	$9,000	46	$9,200
Disease Level Not Specified	5,614	0	166	$0	0	$0

{BURNSROE/001/00026134.DOC/ }

Published by AsbestosClaims.Law
asbestosclaims.law/library/13786/22