M. H. Detrick Company
Asbestos Trust
(A Delaware Business Trust)
Sylvester F. Miniter, III, Trustee

April 1, 2011

U. S. Bankruptcy Court for the
Northern District of Illinois
Eastern Division
Dirksen Federal Courthouse
219 South Dearborn St.
Chicago, IL 60604

RE: Bankruptcy Case No. 98-B-01004

Gentlemen:

Enclosed is a copy of the M. H. Detrick Company Asbestos Trust Audited Financial Statement for 2010, as provided in Section 2.5 of the *M. H. Detrick Company Asbestos Trust Agreement.* If you have any questions or need any other information, please contact me.

Please acknowledge receipt of this information.

Yours truly,

Sylvester F. Miniter, III
Trustee

SFMIII/jg

Enclosure

cc: Keith Barfield
Nancy W. Davis, Esq.

FILED
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
APR 06 2011
KENNETH S. GARDNER, CLERK
PS REP. - AI

I acknowledge receipt of the above financial information:

BY:_____

DATE:_____

Main Office: P. O. Box 1199, Leeds, AL 35094
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M. H. DETRICK COMPANY ASBESTOS TRUST

Financial Statements

December 31, 2010 and 2009

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INDEPENDENT AUDITORS' REPORT

To the Trustee and Trust Advisory Committee
M. H. Detrick Company Asbestos Trust
Leeds, Alabama

We have audited the special-purpose statements of net claimants' equity of the M. H. Detrick Company Asbestos Trust (A Delaware Business Trust) as of December 31, 2010 and 2009, and the related special-purpose statements of changes in net claimants' equity and cash flows for the years then ended. These financial statements are the responsibility of the Trustee. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared to comply with the Trust agreement as discussed in Note 2, and are not intended to be a presentation of financial statements in conformity with accounting principles generally accepted in the United States of America. The special-purpose methods discussed in Note 2 include significant interpretations made by the Trustee based on court orders, bankruptcy filings, Trust Advisory Committee decisions and bankruptcy attorney opinions.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the net claimants' equity of the M. H. Detrick Company Asbestos Trust as of December 31, 2010 and 2009, and the changes in net claimants' equity and cash flows for the years then ended, on the basis of accounting described in Note 2.

This report is intended solely for the Trustee, the Court, the Trust Advisory Committee and M. H. Detrick Company and is not intended to be and should not be used by anyone other than these specified parties.

Barfield, Murphy, Shank & Smith, P.C.

Birmingham, Alabama
March 10, 2011

Members of the AICPA | Members of the NACVA | Members of the ASCPA | Registered with PCAOB

M. H. DETRICK COMPANY ASBESTOS TRUST
Special-Purpose Statements of Net Claimants' Equity
December 31, 2010 and 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 591,871	$ 150,652
Investments	1,997,452	2,576,696
Investment - M. H. Detrick Company	1	1
Note receivable - M. H. Detrick Company	600,000	100,000
Accrued interest receivable - M. H. Detrick Company	1,973	667
Prepaid expenses	-	3,075
Prepaid federal income tax	18,600	-
	$ 3,209,897	$ 2,831,091
Liabilities		
Federal income taxes payable	-	11,539
Net Claimants' Equity	$ 3,209,897	$ 2,819,552

See notes to financial statements.

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M. H. DETRICK COMPANY ASBESTOS TRUST
Special-Purpose Statements of Changes in Net Claimants' Equity
Years ended December 31, 2010 and 2009

	2010	2009
Net claimants' equity - beginning of year	$ 2,819,552	$ 2,578,714
Additions to net claimants' equity		
M. H. Detrick Company 468B Distributions	450,000	20,000
Investment income	21,165	91,100
M. H. Detrick Company note receivable interest	2,780	667
Unrealized gain on investments	63	137,149
Gain on sale of investments	9,094	70,060
	483,102	318,976
Deductions from net claimants' equity		
Claims	8	8
Operating and claims resolution expenses	92,749	59,007
Federal income tax expense	-	19,123
	92,757	78,138
Net claimants' equity - end of year	$ 3,209,897	$ 2,819,552

See notes to financial statements.

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M. H. DETRICK COMPANY ASBESTOS TRUST
Special-Purpose Statements of Cash Flows
Years ended December 31, 2010 and 2009

	2010	2009
Operating Activities		
Net addition to net claimants' equity	$ 390,345	$ 240,838
Adjustments to reconcile net addition to net cash provided by (used in) operating activities		
Gain on sale of investments	(9,094)	(70,060)
Unrealized gain on investments	(63)	(137,149)
Changes in operating assets and liabilities		
Accrued interest receivable - M.H. Detrick Company	(1,306)	(667)
Prepaid expenses	3,075	(3,075)
Prepaid federal income tax	(18,600)	7,584
Federal income taxes payable	(11,539)	11,539
Uncashed check fund	-	(106,048)
Net cash provided by (used in) operating activities	352,818	(57,038)
Investing Activities		
Repayment on note receivable - M.H. Detrick Company	100,000	-
Advances on note receivable - M.H. Detrick Company	(600,000)	(100,000)
Proceeds from sale of investments	6,873,842	3,437,616
Purchase of investments	(6,285,441)	(4,496,837)
Net cash provided by (used in) investing activities	88,401	(1,159,221)
Net increase (decrease) in cash and cash equivalents	441,219	(1,216,259)
Cash and cash equivalents - beginning of year	150,652	1,366,911
Cash and cash equivalents - end of year	$ 591,871	$ 150,652

See notes to financial statements.

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NOTE 1 - DESCRIPTION OF THE TRUST

Nature of Organization

The M. H. Detrick Company Asbestos Trust (the Trust), organized pursuant to the laws of the state of Delaware (Delaware Business Trust), was established pursuant to the M. H. Detrick Company Third Amended Joint Plan of Reorganization (the Plan). The Trust was formed to assume the liabilities of M.H. Detrick Company (Detrick) with respect to any and all Asbestos Bodily Injury Claims and Demands and Asbestos Property Damage Claims and Demands (cumulatively Claims and Demands) in such a way that all holders of Claims and Demands are treated in a substantially equivalent manner. Upon establishment of the Plan, the Trust assumed liability for existing and future asbestos health and property damage claims. The Trust had initial funding and will receive ongoing fixed and contingent funding as described below. The Trust's funding is dedicated solely to the settlement of asbestos health and property damage claims and the related costs thereto, as defined in the Plan. The Trust was established on August 21, 2002. The financial statements were approved and authorized by management as available to be issued on March 10, 2011.

Funding of the Trust

Initial sources of funds as described in the Plan are as follows:

i. All outstanding shares of Detrick common stock.
ii. Detrick's asbestos related insurance coverage with a value of approximately $2,479,000.
iii. Detrick shall pay all of its income in to the Trust less a sufficient amount of operating capital to maintain successful business operations.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Trust's special-purpose financial statements are prepared using accounting methods that differ from accounting principles generally accepted in the United States of America (GAAP). The special-purpose accounting methods were adopted in order to better communicate to the beneficiaries of the Trust the amount of equity available for payment of current and future claims. This basis of presentation is based on the Trust agreement and significant interpretations made by the Trustee based on court orders, bankruptcy filings, Trust Advisory Committee decisions and bankruptcy attorney opinions. These special-purpose accounting methods are enumerated as follows:

i. The financial statements are prepared using the accrual basis of accounting, except as noted in the following items.
ii. Distributions received from Detrick and any insurance proceeds will be recorded directly to net claimants' equity when received. Settlement payments to settle asbestos health claims will be recorded as reductions of net claimants' equity.

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NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation - Continued

iii. The cost of any non-income producing assets (if any), which will be exhausted during the life of the trust, will be expensed as incurred. This includes fixed assets and software development.
iv. Future fixed liabilities or contractual obligations (if any) entered into by the Trust will be recorded directly against net claimants' equity.
v. The liability for unpaid claims will only be recorded if the claim has been approved for payment but not yet paid. No liability will be recorded for any un-filed claims or filed claims that have not been approved for payment. Net claimants' equity represents funding available to pay present and future claims on which no fixed liability has been recorded.
vi. Investments are recorded at fair value and related gains and losses, both realized and unrealized, are reported in the special-purpose statements of changes in net claimants' equity.
vii. The recorded value of the closely held manufacturing company has not been determined; therefore a nominal value of $1 has been presented. The value will not be changed due to the lack of any objective means to measure changes in value. This investment is seen as temporary and available to satisfy claims so the accounts of the company will not be consolidated. Distributions from the company will be recorded as additions to net claimants' equity.

Use of Estimates

The preparation of financial statements in conformity with the special-purpose accounting methods described above 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 additions and deductions to net claimants' equity during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Trust considers all instruments with an original maturity of three months or less to be cash and cash equivalents for purposes of classification in the statement of net claimants' equity and the statement of cash flows.

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Trust has never experienced any losses related to these balances. All of the Trust's non-interest bearing cash balances were fully insured at December 31, 2010 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there is no limit to the amount of insurance for eligible accounts. Beginning in 2013, insurance coverage will revert to $250,000 per depositor at each financial institution, and the Company's non-interest bearing cash balances may again exceed federally insured limits.

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NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Investments

Investments are stated at fair value. The specific identification method is used to determine realized gains and losses on sales of all investments other than mutual funds, which are determined using the average cost method. Gross gains from sale of investments totaled $12,967 and $123,145 for the years ended December 31, 2010 and 2009, respectively. Gross losses from sale of investments totaled $3,873 and $53,085 for the years ended December 31, 2010 and 2009, respectively.

M. H. Detrick Distributions

M. H. Detrick makes annual distributions (as described in IRS Code section 468B) to the Trust out of current earnings and profits, when available. These annual distributions are reported as additions to net claimants' equity. During the years ended December 31, 2010 and 2009 distributions received totaled $450,000 and $20,000, respectively.

Income Taxes

For Federal income tax purposes, M. H. Detrick Company has elected for the assets of the Trust to be taxed as a Designated Settlement Fund. Income and expenses associated with these assets of the Trust are taxed in accordance with Section 468B of the Internal Revenue Code. Under this Code section, all transfers from Detrick and all insurance proceeds to be utilized in the settlement of asbestos related claims are not considered taxable income, and all claim settlement payments are non-deductible.

As of and for the year ended December 31, 2010, the Trust had no interest or penalties. The trust believes that its accruals for tax liabilities are adequate for all open tax years (after 2006 for federal and state) based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter.

Advertising

The Trust expenses advertising costs as incurred. Advertising costs for the year ended December 31, 2010 totaled $9,538. There were no advertising costs during the year ended December 31, 2009. Advertising costs consisted of expenses related to the claim filing period.

Fair Value

The fair value framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value - Continued

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs which are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

NOTE 3 - INVESTMENTS

Investments consist of the following at December 31:

	2010			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market	$ 797,692	$ -	$ -	$ 797,692
U.S. Treasury bills	1,199,697	63	-	1,199,760
	$ 1,997,389	$ 63	$ -	$ 1,997,452

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NOTE 3 - INVESTMENTS - Continued

	2009			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market	$ 576,791	$ -	$ -	$ 576,791
U.S. Treasury bills	1,999,905	-	-	1,999,905
	$ 2,576,696	$ -	$ -	$ 2,576,696

NOTE 4 - NOTE RECEIVABLE - M.H. DETRICK COMPANY

The Trust entered into a note receivable agreement with M.H. Detrick Company on December 8, 2010 in the amount of $600,000. Interest is charged on this note at an annual rate of 12.00% and the unpaid principal and accrued interest was payable in full on any future date the lender demands payment.

The Trust entered into a note receivable agreement with M.H. Detrick Company on December 1, 2009 in the amount of $100,000. Interest was charged on this note at an annual rate of 8.00% and the unpaid principal and accrued interest was payable in March 2010.

NOTE 5 - LITIGATION

The Trustee is not aware of any non-asbestos related litigation, claims or assessments against the Trust.

NOTE 6 - CLAIMS

An open claim filing period began on December 12, 2010 and was closed on February 10, 2011. There was no open claim filing period during the year ended December 31, 2009. The payment of previously filed claims was limited due to the availability of funds; therefore, no other claims were approved for payment during the years ended December 31, 2010 or 2009. Previously issued claim checks that were not cashed were forwarded to a pre-determined charity. It is believed that all existing and future bodily injury claims will greatly exceed current and expected future available funds from all sources.

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NOTE 6 - CLAIMS - Continued

Claims and demands are handled based on procedures implemented by the Trust. These procedures are collectively referred to as the Asbestos-Related Claims Resolution and Distribution Procedures. When sufficient funds become available to pay claims, the Trust pays claimants a fixed payment amount as determined by the Trustee and approved by the Trust Advisory Committee.

The Distribution Procedures contain procedures for the distribution of the Trust's limited assets. Under the Distribution Procedures, the Trust may periodically re-evaluate its anticipated annual sources and uses of cash until the last projected future claim has been paid. Due to the limited assets of the Trust, these procedures are currently restricted to a fixed payment amount per claim in full satisfaction of each claim.

NOTE 7 - RELATED PARTY TRANSACTIONS

The Trust pays quarterly fees to M. H. Detrick Company for administrative services. The amounts paid for the years ended December 31, 2010 and 2009 totaled $8,000.

NOTE 8 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010 and 2009.

- *U.S. Government Securities:* Valued at the closing price reported on the active market on which the individual securities are traded.
- *Money Markets:* Valued at amortized cost which approximates fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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NOTE 8 - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The following tables set forth by level within the fair value hierarchy the Plan investment assets at fair value, as of December 31, 2010 and 2009.

	2010			
	Carrying Value on Statement of Financial Condition	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market	$ 797,692	$ 797,692	$ -	$ -
U.S. Treasury bills	1,199,760	1,199,760	-	-
	$ 1,997,452	$ 1,997,452	$ -	$ -

	2009			
	Carrying Value on Statement of Financial Condition	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market	$ 576,791	$ 576,791	$ -	$ -
U.S. Treasury bills	1,999,905	1,999,905	-	-
	$ 2,576,696	$ 2,576,696	$ -	$ -

NOTE 9 - SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

During the years ended December 31, 2010 and 2009, no cash was paid for interest or income taxes.

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Ross B. Mendheim, CPA

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Trustee and Trust Advisory Committee
M. H. Detrick Company Asbestos Trust
Leeds, Alabama

Our report on our audits of the basic special-purpose financial statements of the M. H. Detrick Company Asbestos Trust (A Delaware Business Trust) for 2010 and 2009 appears on page 3. Those audits were conducted for the purpose of forming an opinion on the basic special-purpose financial statements taken as a whole. The schedules of operating and claim resolution expenses are presented for purposes of additional analysis and are not a required part of the basic special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic special-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic special-purpose financial statements taken as a whole.

Barfield, Murphy, Shank & Smith, P.C.

Birmingham, Alabama
March 10, 2011

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M. H. DETRICK COMPANY ASBESTOS TRUST
Schedules of Operating and Claims Resolution Expenses
Years ended December 31, 2010 and 2009

	2010	2009
Accounting	$ 16,028	$ 17,939
Administrative	8,000	8,000
Advertising	9,538	-
Co-Trustee fees	2,500	2,500
Consulting fees	2,750	-
Insurance	9,183	-
Investment broker	9,045	6,865
Legal and professional	414	2,520
Meals and entertainment	-	63
Miscellaneous	253	459
Postage	874	29
Telephone and internet	621	1,172
Travel	663	819
Trustee fees	15,000	15,000
Website development	17,880	3,641
	$ 92,749	$ 59,007

See independent auditors' report on supplemental information.

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