

Report to the Finance Committee of

**The Perrine-DuPont  
Property Remediation and  
Medical Monitoring  
Qualified Settlement Funds**

December 31, 2013



**DIXON HUGHES GOODMAN<sub>LLP</sub>**

*positively unique*



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June 23, 2014

To the Finance Committee  
The Perrine-DuPont Property Remediation Qualified Settlement Fund and  
The Perrine-DuPont Medical Monitoring Qualified Settlement Fund

We have audited the financial statements of The Perrine-DuPont Property Remediation and Medical Monitoring Qualified Settlement Funds (the "Funds") for the year ended December 31, 2013, and have issued our report thereon dated June 23, 2014. Professional standards require that we provide you with information about our responsibilities in accordance with auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 21, 2013. Professional standards also require that we communicate to you the following information related to our audit.

## **SIGNIFICANT AUDIT FINDINGS**

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Funds are described in Note 2 to the financial statements, including the description of the modified cash basis of accounting. No new accounting policies were adopted and the application of existing policies was not changed during 2013. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management, and are based on management's knowledge and experience about past and current events, and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements and related disclosures was the fair value measurement of investments for the Funds.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted one audit difference affecting the Medical Monitoring Qualified Settlement Fund Financial statements of \$9,300 related to an understatement of accounts payable. Management has determined that the effect of not recording this difference is immaterial to the financial statements taken as a whole. There were no audit differences related to the Property Remediation Qualified Settlement Fund or where there any corrected misstatements related to both Funds financials statements.





## Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

## Management Representations

We have requested certain representations from management that are included in the management representation letter included in Appendix A.

## Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Funds' financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

## OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Fund's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

With respect to the other supplementary information accompanying the Medical Monitoring Qualified Settlement Fund financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the modified cash basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the other supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Finance Committee and management of the Funds and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Dixon Hughes Goodman LLP*

**Charleston, West Virginia**





To the Finance Committee of  
The Perrine-DuPont Property Remediation Qualified Settlement Fund

In planning and performing our audit of the financial statements of The Perrine-DuPont Property Remediation Qualified Settlement Fund (the "Fund") as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Finance Committee, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Dixon Hughes Goodman LLP*

**Charleston, West Virginia**  
**June 23, 2014**





To the Finance Committee of  
The Perrine-DuPont Medical Monitoring Qualified Settlement Fund

In planning and performing our audit of the financial statements of The Perrine-DuPont Medical Monitoring Qualified Settlement Fund (the "Fund") as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

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Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Finance Committee, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Dixon Hughes Goodman LLP*

**Charleston, West Virginia**  
**June 23, 2014**





# Appendix A – Management Representation Letter





**PERRINE DUPONT SETTLEMENT CLAIMS OFFICE  
ATTN: EDGAR C. GENTLE, CLAIMS ADMINISTRATOR  
C/O SPELTER VOLUNTEER FIRE DEPARTMENT OFFICE**

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June 23, 2014

Dixon Hughes Goodman LLP  
707 Virginia Street, East  
Chase Tower, Suite 1700  
PO Box 1747  
Charleston, WV 25326

**Re: The Perrine-DuPont Medical Monitoring and Property Remediation  
Qualified Settlement Funds (the "Funds") – Management Representation Letter for the  
2013 Audits; Our File No. 4609-1 {NN-6}**

Gentlemen,

This representation letter is provided in connection with your audits of the modified cash basis financial statements of The Perrine-DuPont Property Remediation Qualified Settlement Fund and The Perrine-DuPont Medical Monitoring Qualified Settlement Fund (the "Funds"), which comprise the statements of assets, liabilities, and fund balance – modified cash basis as of December 31, 2013 and 2012 and the related statements of revenue collected, claims and expenses paid, and changes in fund balance – modified cash basis and supplementary schedules – modified cash basis for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, the financial position, results of operations, and cash flows of the Funds in conformity with the modified cash basis of accounting as described in Note 2 to the financial statements.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter:

***Financial Statements***

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 21, 2013 for the preparation and fair presentation of the financial statements in accordance the modified cash basis of accounting.

2. We acknowledge our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. The following have been properly accounted for and disclosed in the financial statements:
  - a. Related-party relationships and transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties
  - b. Guarantees, whether written or oral, under which the Funds are contingently liable
  - c. Other liabilities or gain or loss contingencies
5. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that "near term" means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Funds vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
6. Significant assumptions we used in making accounting estimates, including estimates of fair value, are reasonable.
7. We believe that the effect of the uncorrected misstatement in the medical monitoring qualified settlement fund financial statements of \$9,300 related to an understatement of accounts payable identified by you during the current engagement is immaterial to the financial statements taken as a whole. There were no uncorrected misstatements in the property remediation qualified settlement fund financial statements nor were there any omitted disclosure in both fund financial statements.
8. We represent to you the following for the Funds' fair value measurements and disclosures:
  - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

***Information Provided***

10. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
11. All transactions have been recorded in the accounting records and are reflected in the financial statements.

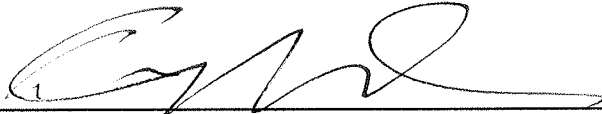
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud affecting the Funds involving:
  - a. Management.
  - b. Employees who have significant roles in internal control.
  - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the Funds' financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
15. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
16. The Funds have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
17. There are no arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements.
18. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
19. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.
20. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
21. There are no:
  - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed
22. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
23. We are not aware of any pending or litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
24. The Funds have satisfactory title to all owned assets and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
25. The Funds are qualified settlement funds under Section 468B of the Internal Revenue Code. We have evaluated the Fund's tax positions and have determined that the Funds do not have any material uncertain tax positions.
26. We acknowledge our responsibility for presenting the supplementary schedules of Pre-implementation and Post-implementation Statements of Assets, Liabilities, and Fund balance and Statements of Revenue collected, Claims and Expenses Paid, and Change in Fund Balance in accordance with the modified cash basis of accounting as described in Note 2 to the financial statements, and we believe that the supplementary

schedules, including their form and content is fairly presented in accordance with the modified cash basis of accounting as described in Note 2 to the financial statements. The methods of measurement and presentation of the supplementary schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. The consolidating information of the pre and post implementation information is for purposes of additional analysis of the financial statements rather than to present the financial position and results of operations of pre and post implementation funding.

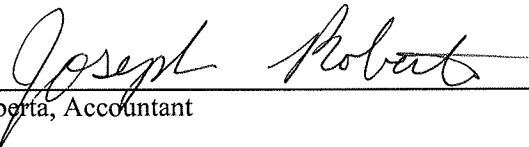
27. In regards to the nonattest services provided services performed by you, (income tax return review) we have:
- a. Assumed all management responsibilities.
  - b. Overseen the service, by designating an individual, within senior management, who possess suitable skill, knowledge, or experience.
  - c. Evaluated the adequacy and results of the services performed.
  - d. Accepted responsibility for the results of the services.
  - e. Evaluated and maintained internal controls, including monitoring ongoing activities.

28. We acknowledge that we did not engage you to examine evidence regarding the validity of claimant benefits paid by the Claims Administrator, or the ability for the Defendant to meet their financial obligations to contribute to the Funds, and we declined to present a statement of cash flows in the financial statements referred to above.

We have evaluated subsequent events through the date of this letter, which is the date the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.



Edgar C. Gentle, III, Claims Administrator



Joseph Roberta, Accountant



The Perrine-DuPont  
Property Remediation  
Qualified Settlement Fund

FINANCIAL STATEMENTS-MODIFIED  
CASH BASIS  
(Including Independent Auditors'  
Report Thereon)

December 31, 2013 and 2012

***The Perrine-DuPont Property Remediation Qualified Settlement Fund***

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**DIXON HUGHES GOODMAN** LLP  
Certified Public Accountants and Advisors

## **INDEPENDENT AUDITORS' REPORT**

The Honorable Thomas A. Bedell  
Circuit Judge of Harrison County

Edgar C. Gentle, III, Esq.  
Claims Administrator

James S. Arnold, Esq.  
David B. Thomas, Esq.  
DuPont Representatives on the Settlement Finance Committee

Virginia Buchanan, Esq.  
Plaintiff Class Representative on the Settlement Finance Committee

Meredith McCarthy, Esq.  
Guardian Ad Litem for Children

We have audited the accompanying financial statements of the Perrine-DuPont Property Remediation Qualified Settlement Fund (the "Fund"), which comprise the statements of assets, liabilities, and fund balance – modified cash basis as of December 31, 2013 and 2012, and the related statements of revenue collected, claims and expenses paid, and changes in fund balance-modified cash basis for the years 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 the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. Except as discussed in the following paragraphs, 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 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 auditors' 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 Fund'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 Fund'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 we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

***Basis for Qualified Opinion***

We were not engaged to and did not test the validity of claimant benefits paid by the Claims Administrator. Such payments are made by the Claims Administrator upon Court approval or oversight. Accordingly, we were unable to determine the appropriateness of the claims and the accuracy of the claimant benefit payments made by the Claims Administrator.

***Qualified Opinion***

In our opinion, except for the effects of such adjustments or disclosures, if any, as might have been determined to be necessary had we been able to examine evidence regarding the validity of claimant benefits paid by the Claims Administrator, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of the Perrine-DuPont Property Remediation Qualified Settlement Fund as of December 31, 2013 and 2012, and the related revenue collected, claims and expenses paid, and changes in fund balance for the years then ended, on the modified cash basis of accounting as described in Note 2.

***Basis of Accounting***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of cash receipts and disbursements, modified to recognize changes in the fair value of investments, accrued investment income, certain receivables, accounts payable, and certain accrued liabilities (modified cash basis), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

This report is intended solely for the information and use of the Claims Administrator, the addressees, and the Circuit Court of Harrison County, West Virginia to distribute as it deems appropriate. It is not to be referred to or distributed for any purposes to anyone who is not designated by the Circuit Court of Harrison County, West Virginia or the Claims Administrator.

*Dixon Hughes Goodman LLP*

***Charleston, West Virginia  
June 23, 2014***

**THE PERRINE-DUPONT PROPERTY REMEDIATION QUALIFIED SETTLEMENT FUND**  
**STATEMENTS OF ASSETS, LIABILITIES, AND FUND BALANCE-**  
**MODIFIED CASH BASIS OF ACCOUNTING**  
**December 31, 2013 and 2012**

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	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash	\$ 898,989	\$ 921,804
Investments, at fair value (Note 3)	20,165,733	24,992,893
Other Receivables	18,841	-
	<u>21,083,563</u>	<u>25,914,697</u>
Total current assets	21,083,563	25,914,697
Property and equipment, net	9,592	13,094
	<u>9,592</u>	<u>13,094</u>
Total assets	<u>\$ 21,093,155</u>	<u>\$ 25,927,791</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Accounts payable	\$ 626,424	\$ 310,815
Fund Balance	20,466,731	25,616,976
	<u>20,466,731</u>	<u>25,616,976</u>
Total liabilities and fund balance	<u>\$ 21,093,155</u>	<u>\$ 25,927,791</u>

**THE PERRINE-DUPONT PROPERTY REMEDIATION QUALIFIED SETTLEMENT FUND**  
**STATEMENTS OF REVENUE COLLECTED, CLAIMS AND EXPENSES PAID, AND CHANGES IN FUND**  
**BALANCE-MODIFIED CASH BASIS OF ACCOUNTING**  
**For the years ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>REVENUE COLLECTED</b>		
Investment income	\$ 7,808	\$ 16,343
Other Income	12,656	-
Defendant funding	-	-
Total revenue collected	<u>20,464</u>	<u>16,343</u>
<b>CLAIMS AND EXPENSES PAID OR ACCRUED</b>		
Plaintiffs' class counsel fees and expenses	-	-
General, office, and administration expenses	53,839	81,419
Consulting fees	-	48,719
Travel expenses	26,142	30,712
Franchise tax	-	12,656
Claims administrator and special master fees	1,563,480	1,328,300
Finance Committee fees and expenses	15,683	19,210
Audit and income tax return fees	27,137	16,549
Guardian Ad Litem fees and expenses	-	-
Property clean up technical advisor	48,421	65,484
Property questionnaire and fairness hearings	-	-
Property soil/house testing expenses	3,280,930	6,060,010
Property annoyance and inconvenience payments to claimants	151,575	733,430
Total claims and expenses paid or accrued	<u>5,167,207</u>	<u>8,396,490</u>
Deficiency of revenue collected over claims and expenses paid or accrued	(5,146,743)	(8,380,147)
<b>NONCASH ITEMS</b>		
Depreciation expense	3,502	3,502
Total noncash items	<u>3,502</u>	<u>3,502</u>
Decrease in fund balance	(5,150,245)	(8,383,649)
<b>FUND BALANCE</b>		
Beginning of period	<u>25,616,976</u>	<u>34,000,625</u>
End of period	<u>\$ 20,466,731</u>	<u>\$ 25,616,976</u>

**THE PERRINE-DUPONT PROPERTY REMEDIATION QUALIFIED SETTLEMENT FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2013 and 2012**

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**NOTE 1. DESCRIPTION OF THE FUND**

On December 23, 2010, the Honorable Thomas Bedell, Circuit Judge for the Circuit Court of Harrison County, West Virginia, entered an Order Establishing Qualified Settlement Funds in *Perrine, et al. v. E.I. DuPont Nemours and Company, et al.*, ordering the establishment of The Perrine-DuPont Property Remediation Qualified Settlement Fund (the "Fund") under Internal Revenue Code of 1986 as amended Section 468B. This fund was formed to administer a class action settlement wherein it was alleged that the Defendants released hazardous substances from the Spelter Smelter facility onto private real property in the class area and that these substances have health risks, with the Defendants strenuously denying those allegations.

On January 4, 2011, the Fund was funded by the Defendants for \$66 million for the purposes of paying for property remediation services and attorneys' fees and expenses of Plaintiffs' Counsel. No additional funding by the Defendants is required. On June 27, 2011, the Court entered an Order establishing the Property Remediation (Clean-Up) Program which: (1) defined the potentially contaminated properties as the soil on Class Member property in Class Area Zone 1A and the houses on Class Member property in the entire Class Area; (2) authorized the Claims Administrator to procure companies to test and/or clean Class Area houses and soil via a public bidding process; and (3) authorizing annoyance and inconvenience payments to claimants participating in the clean-up program consisting of (a) \$5,000 per property to owners of eligible, occupied properties in Zone 1A of the Class Area receiving soil clean-up services, and (b) \$500 per house or commercial structure to owners of eligible houses or commercial structure within the entire Class Area receiving house or commercial structure clean-up services. In accordance with the Property Remediation (Clean-Up) Program Order, soil and house testing began in November 2011, and remediation of soil and houses began in June 2012. This is a closed fund, with no further Defendants' contributions being required.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The Fund's financial statements are prepared using the modified cash basis of accounting, whereby cash receipts and disbursements are recorded as cash is received or paid, except for the recognition of changes in the fair value of investments, accrued investment income, certain receivables, accounts payable, and certain accrued liabilities. Settlement fund receivables, estimated claims liabilities and claim receivables arising from claim overpayments, if any, which are material to the determination of financial position and results of operations, in conformity with accounting principles generally accepted in the United States of America, have not been estimated and are not recorded in the accounts of the Fund. Accordingly, the financial statements do not and are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with the basis of accounting described above requires the Claims Administrator to make various estimates that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, as well as the reported amounts of revenues collected and claims and expenses paid. Actual results could differ from those estimates.

**THE PERRINE-DUPONT PROPERTY REMEDIATION QUALIFIED SETTLEMENT FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2013 and 2012**

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Cash

Cash and cash equivalents include short-term, highly liquid investments both readily convertible to known amounts of cash or so near maturity at acquisition (three months or less) that there is an insignificant risk of change in value because of change in interest rates. Cash equivalents are stated at cost, which approximates fair value.

Investments

Investments are recorded at fair value as determined by quoted market prices. All investments are considered trading securities. Unrealized gains and losses, if any, are shown as noncash items in the statement of revenue collected, claims and expenses paid, and changes in fund balance. Realized gains and losses are computed under the specific identification method. Losses and gains on investments for the year ended December 31, 2013 and 2012 resulted in a net gain of \$7,338 and \$15,172, respectively, which is included in investment income in the accompanying statements of revenue collected, claims and expenses paid, and changes in fund balance – modified cash basis of accounting.

Property and Equipment

Property and equipment additions are recorded at cost. Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method. Property and equipment, net consisted of the following at December 31:

	2013	2012
Automobiles	\$ 10,771	\$ 10,771
Office Furniture and Equipment	9,327	9,327
Less Accumulated Depreciation	(10,506)	(7,004)
Total	<u>\$ 9,592</u>	<u>\$ 13,094</u>

Accounts Payable

Accounts payable consist of certain claims administrator fees and claims of claimants charged to the Fund during the year and paid after year-end.

Tax Status

The Fund maintains that, for federal income tax purposes, it is a Qualified Settlement Fund under Section 468B of the Internal Revenue Code of 1986, as amended (the "Code"), due to its having been established pursuant to a Court Order to satisfy certain legal claims, with all of its assets having been segregated from the assets of the Defendants to whom these claims relate. As provided by Treasury Regulations promulgated under Section 468B of the Code, the "modified gross income" of the Fund is subject to federal income tax at the maximum trust rate in effect under Section 1 (e) of the Code, which was 39.6% and 35% for the 2013 and 2012 tax years, respectively. Modified gross income is gross income computed with several modifications. Amounts transferred to the Fund by, or on behalf of, a Defendant are generally excluded from Fund income. In addition, payments of Plaintiff attorney fees or claimant claims made against the Fund and expenses incurred by, or on behalf of, specific claimants or defendants are generally not deductible in computing modified gross income for federal income tax purposes. The Fund is required to operate on a calendar year basis and under the accrual

**THE PERRINE-DUPONT PROPERTY REMEDIATION QUALIFIED SETTLEMENT FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2013 and 2012**

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method of accounting for federal income tax purposes. At December 31, 2013 and 2012, the Fund had net operating loss carryforwards approximating \$13,911,000 and \$8,899,000, respectively, for federal income tax purposes. Net operating loss carryforwards will begin to expire in 2031.

The Fund has adopted authoritative guidance on accounting for uncertainty in income taxes. The guidance clarifies the accounting for the recognition and measurement of the benefits of individual tax positions in the financial statements. Tax positions must meet a recognition threshold of more likely than not in order for the benefit of those tax positions to be recognized in the Fund's financial statements. The Fund has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2013. The Fund has identified its federal tax return and its state tax return in West Virginia as major tax jurisdictions, as defined. Fiscal years ending on or after December 31, 2010, remain subject to examination by these tax jurisdictions.

Subsequent Events

The Fund has evaluated subsequent events through June 23, 2014, which represents the date the financial statements were available to be issued.

**NOTE 3. FAIR VALUE MEASUREMENTS**

Authoritative guidance establishes 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 under authoritative guidance as follows:

**Level 1** - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;

**Level 2** - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

**Level 3** - Inputs that are unobservable.

In accordance with the requirements of authoritative guidance, the Fund has categorized its financial instruments based on the priority of the inputs to the valuation technique based on the three-level hierarchy.

The following presents the financial assets carried on the Statement of Assets, Liabilities, and Fund Balance by level within the valuation hierarchy as of December 31, 2013:

	Financial Assets at Fair Value at Reporting Date Using			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Securities	<u>\$20,165,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$20,165,733</u>

**THE PERRINE-DUPONT PROPERTY REMEDIATION QUALIFIED SETTLEMENT FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2013 and 2012**

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The following presents the financial assets carried on the Statement of Assets, Liabilities, and Fund Balance by level within the valuation hierarchy as of December 31, 2012:

	Financial Assets at Fair Value at Reporting Date Using			Total
	Level 1	Level 2	Level 3	
U.S. Treasury Securities	<u>\$24,992,893</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$24,992,893</u>

**NOTE 4. COMMITMENTS AND CONTINGENCIES**

Cash Balances in Excess of FDIC Insurance

The Fund maintains cash in demand deposit accounts with federally insured banks. At times, the balances in these accounts may be in excess of federally insured limits.

The Fund entered into an agreement with a construction company to remediate the affected property. The agreement allows for up to \$14,820,000 to be paid through December 31, 2014. This amount is based on the known remediated properties and may increase ratably if there are more remediated properties.







The Perrine-DuPont  
Medical Monitoring  
Qualified Settlement Fund

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION-  
MODIFIED CASH BASIS  
(Including Independent Auditors'  
Report Thereon)

December 31, 2013 and 2012

***The Perrine-DuPont Medical Monitoring Qualified Settlement Fund***

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**DIXON HUGHES GOODMAN** LLP  
Certified Public Accountants and Advisors

## INDEPENDENT AUDITORS' REPORT

The Honorable Thomas A. Bedell  
Circuit Judge of Harrison County

Edgar C. Gentle, III, Esq.  
Claims Administrator

James S. Arnold, Esq.  
David B. Thomas, Esq.  
DuPont Representatives on the Settlement Finance Committee

Virginia Buchanan, Esq.  
Plaintiff Class Representative on the Settlement Finance Committee

Meredith McCarthy, Esq.  
Guardian Ad Litem for Children

We have audited the accompanying financial statements of the Perrine-DuPont Medical Monitoring Qualified Settlement Fund (the "Fund"), which comprise the statements of assets, liabilities, and fund balance-modified cash basis as of December 31, 2013 and 2012, and the related statements of revenue collected, claims and expenses paid, and changes in fund balance-modified cash basis for the years 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 the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. Except as discussed in the following paragraphs, 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 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 auditors' 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 Fund'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 Fund'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 we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

***Basis for Qualified Opinion***

We were not engaged to and did not assess the ability of DuPont De Nemours and Company, et al. (the “Defendants”) to meet their financial obligations to contribute to the Fund. Accordingly, we were unable to determine the adequacy of disclosures included in the footnotes to the accompanying financial statements regarding risks and uncertainties involving the Defendants’ ability to contribute to the Fund as required by the Court.

We were not engaged to and did not test the validity of claimant benefits paid by the Claims Administrator. Such payments are made by the Claims Administrator upon Court approval or oversight. Accordingly, we were unable to determine the appropriateness of the claims and the accuracy of the claimant benefit payments made by the Claims Administrator.

***Qualified Opinion***

In our opinion, except for the effects of such adjustments or disclosures, if any, as might have been determined to be necessary had we been able to examine evidence regarding the uncertainty of the Defendants’ ability to meet their financial obligations as required by the Court and had we been able to examine evidence regarding the validity of claimant benefits paid by the Claims Administrator, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of the Perrine-DuPont Medical Monitoring Qualified Settlement Fund as of December 31, 2013 and 2012, and the related revenue collected, claims and expenses paid, and changes in fund balance for the years then ended, on the modified cash basis of accounting as described in Note 2.

***Basis of Accounting***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of cash receipts and disbursements, modified to recognize changes in the fair value of investments, accrued investment income, certain receivables, accounts payable, and certain accrued liabilities (modified cash basis), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the modified cash basis financial statements as a whole. The supplementary schedules of Pre-Implementation Date Funding and Post-Implementation Date Funding Statements of Assets, Liabilities, and Fund Balance-Modified Cash Basis and Statements of Revenue Collected, Claims and Expenses Paid, and Changes in Fund Balance-Modified Cash Basis are presented for purposes of additional analysis and are not a required part of the modified cash basis 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 modified cash basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the modified cash basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the modified cash basis 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 modified cash basis financial statements as a whole.

This report is intended solely for the information and use of the Claims Administrator, the addressees, and the Circuit Court of Harrison County, West Virginia to distribute as it deems appropriate. It is not to be referred to or distributed for any purposes to anyone who is not designated by the Circuit Court of Harrison County, West Virginia or the Claims Administrator.

*Dixon Hughes Goodman LLP*

**Charleston, West Virginia**  
**June 23, 2014**

**THE PERRINE-DUPONT MEDICAL MONITORING QUALIFIED SETTLEMENT FUND**  
**STATEMENTS OF ASSETS, LIABILITIES, AND FUND BALANCE-MODIFIED CASH BASIS OF**  
**ACCOUNTING**  
**December 31, 2013 and 2012**

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	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash	\$ 998,098	\$ 2,057,214
Investments, at fair value (Note 3)	714,997	-
Other receivables	198	-
	<u>1,713,293</u>	<u>2,057,214</u>
Total current assets	1,713,293	2,057,214
Property and equipment, net	9,592	13,094
	<u>9,592</u>	<u>13,094</u>
Total assets	<u>\$ 1,722,885</u>	<u>\$ 2,070,308</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Accounts payable	\$ 104,196	\$ 90,542
Fund Balance	1,618,689	1,979,766
	<u>1,618,689</u>	<u>1,979,766</u>
Total liabilities and fund balance	<u>\$ 1,722,885</u>	<u>\$ 2,070,308</u>

**THE PERRINE-DUPONT MEDICAL MONITORING QUALIFIED SETTLEMENT FUND**  
**STATEMENTS OF REVENUE COLLECTED, CLAIMS AND EXPENSES PAID AND CHANGES IN FUND**  
**BALANCE-MODIFIED CASH BASIS OF ACCOUNTING**  
**PAID, AND CHANGES IN FUND BALANCE**  
**For the years ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>REVENUE COLLECTED</b>		
Investment income	\$ 4,562	\$ 6,866
Other Income	1,053	-
	<u>5,615</u>	<u>6,866</u>
<b>CLAIMS AND EXPENSES PAID OR ACCRUED</b>		
Expenses and claims pre-implementation		
Cash (refunds from) payments to claimants	(9,830)	391,093
Claims Administrator and Special Master fees	7,050	99,540
Administrative expenses	33	46,513
Expenses and claims post-implementation		
Cash payments to medical providers on behalf of claimants	20,030	278,457
General and office expenses	4,517	20,120
Travel expenses	575	5,424
Claims administrator fees	86,689	116,620
Guardian Ad Litem fees and expenses	-	3,875
Administrative expenses	254,126	291,321
	<u>363,190</u>	<u>1,252,963</u>
Deficiency of revenue collected over claims and expenses paid or accrued	(357,575)	(1,246,097)
<b>NONCASH ITEMS</b>		
Depreciation expense	3,502	3,502
	<u>3,502</u>	<u>3,502</u>
Decrease in fund balance	(361,077)	(1,249,599)
<b>FUND BALANCE</b>		
Beginning of period	1,979,766	3,229,365
End of period	<u>\$ 1,618,689</u>	<u>\$ 1,979,766</u>



**THE PERRINE-DUPONT MEDICAL MONITORING QUALIFIED SETTLEMENT FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2013 and 2012**

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**NOTE 1. DESCRIPTION OF THE FUND**

On December 23, 2010, the Honorable Thomas Bedell, Circuit Judge for the Circuit Court of Harrison County, West Virginia, entered an Order Establishing Qualified Settlement Funds in *Perrine, et al. v. E.I. DuPont Nemours and Company, et al.*, ordering the establishment of The Perrine-DuPont Property Medical Monitoring Qualified Settlement Fund (the "Fund") under Internal Revenue Code of 1986 as amended Section 468B. This fund was formed to administer a class action settlement wherein it was alleged that the Defendants released hazardous substances from the Spelter Smelter facility onto private real property in the class area and that these substances have health risks, with the Defendants strenuously denying those allegations.

Under the terms of the November 19, 2010 Memorandum of Understanding, which led to the settlement above, the Pre-Implementation Date Funding, which was received by the Fund on January 4, 2011, in the amount of \$4 million is to be used for Fund fees and expenses incurred before Medical Monitoring was implemented (with implementation occurring on November 1, 2011) and to make cash payments to claimants. This contribution is called the Pre-Implementation Date Funding. DuPont is required to deposit additional monies annually, or as needed, into the Fund to cover the implementation costs of the medical monitoring program, with DuPont making its first Post-Implementation Date Funding on October 31, 2011 in the amount of approximately \$2.8 million.

By Order dated February 10, 2011, the Court approved an initial cash payment of \$200 to the Perrine Medical Monitoring Class Members who registered and had their membership in the Class verified (the "Verified Registrants") with the Court, subsequently increasing the Verified Registrant cash payment to \$400 by Order dated April 28, 2011. The final count of Verified Registrants is 5,890, with 4,169 Verified Registrants electing to participate in medical monitoring. After all Pre-Implementation Date expenses had been accrued, the Court, by Order dated June 28, 2012, authorized the Claims Administrator to issue a final Pre-Implementation Date funding dividend payment of \$55 to all Verified Registrants, representing the balance of the Pre-Implementation Date Funding, less a small administrative reserve. For the year ended December 31, 2013, the Medical Monitoring Pre-Implementation Date Fund fund balance has increased by \$9,980 due to the cancellation of stale dividend payments to claimants. From inception through December 31, 2013, dividend payments to claimants totaled \$318,065.

The Post-Implementation Date Funding is used to pay for the settlement medical monitoring program, which began on November 1, 2011, the first round of testing. There will be a total of 15 rounds of testing, to be done every two years. During the first round of testing, approximately half of the claimants who signed up for medical monitoring were tested. The second round of testing began on November 1, 2013, and third round is scheduled to begin on November 1, 2015.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The Fund's financial statements are prepared using the modified cash basis of accounting, whereby cash receipts and disbursements are recorded as cash is received or paid, except for the recognition of changes in the fair value of investments, accrued investment income, certain receivables, accounts payable, and certain accrued liabilities. Settlement fund receivables, estimated claims liabilities and claim receivables arising from claim overpayments, if any, which

**THE PERRINE-DUPONT MEDICAL MONITORING QUALIFIED SETTLEMENT FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2013 and 2012**

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are material to the determination of financial position and results of operations, in conformity with accounting principles generally accepted in the United States of America, have not been estimated and are not recorded in the accounts of the Fund. Accordingly, the financial statements do not and are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with the basis of accounting described above requires the Claims Administrator to make various estimates that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, as well as the reported amounts of revenues collected and claims and expenses paid. Actual results could differ from those estimates.

Cash

Cash and cash equivalents include short-term, highly liquid investments both readily convertible to known amounts of cash or so near maturity at acquisition (three months or less) that there is an insignificant risk of change in value because of change in interest rates. Cash equivalents are stated at cost, which approximates fair value. At December 31, 2013, \$26,984 and \$971,114 are the cash and cash equivalents balances for the Pre-Implementation and Post-Implementation Date funding, respectively.

Investments

Investments are recorded at fair value as determined by quoted market prices. All investments are considered trading securities. Unrealized gains and losses, if any, are shown as noncash items in the statement of revenue collected, claims and expenses paid, and changes in fund balance. Realized gains and losses are computed under the specific identification method. Gains and losses on investments for the year ended December 31, 2013 and 2012 resulted in a net gain of \$152 and \$216, respectively, which is included in investment income in the accompanying statements of revenue collected, claims and expenses paid, and changes in fund balance – modified cash of accounting.

Property and Equipment

Property and equipment additions are recorded at cost. Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method. Property and equipment, net consisted of the following at December 31:

	2013	2012
Automobiles	\$ 10,771	\$ 10,771
Office Furniture and Equipment	9,327	9,327
Less Accumulated Depreciation	(10,506)	(7,004)
Total	<u>\$ 9,592</u>	<u>\$ 13,094</u>

At December 31, 2013 and 2012, all property and equipment was owned by the Pre-Implementation Date Funding.

**THE PERRINE-DUPONT MEDICAL MONITORING QUALIFIED SETTLEMENT FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2013 and 2012**

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Accounts Payable

Accounts payable consist of certain claims administrator fees and claims of claimants charged to the Fund during the year and paid after year-end.

Tax Status

The Fund maintains that, for federal income tax purposes, it is a Qualified Settlement Fund under Section 468B of the Internal Revenue Code of 1986, as amended (the "Code"), due to its having been established pursuant to a Court Order to satisfy certain legal claims, with all of its assets having been segregated from the assets of the Defendants to whom these claims relate. As provided by Treasury Regulations promulgated under Section 468B of the Code, the "modified gross income" of the Fund is subject to federal income tax at the maximum trust rate in effect under Section 1 (e) of the Code, which was 39.6% and 35% for the 2013 and 2012 tax years, respectively. Modified gross income is gross income computed with several modifications. Amounts transferred to the Fund by, or on behalf of, a Defendant are generally excluded from Fund income. In addition, payments of Plaintiff attorney fees or claimant claims made against the Fund and expenses incurred by, or on behalf of, specific claimants or defendants are generally not deductible in computing modified gross income for federal income tax purposes. The fund is required to operate on a calendar year basis and under the accrual method of accounting for federal income tax purposes. At December 31, 2013 and 2012, the Fund had net operating loss carryforwards approximating \$2,178,000 and \$1,806,000, respectively, for federal income tax purposes. Net operating loss carryforwards will begin to expire in 2031.

The Fund has adopted authoritative guidance on accounting for uncertainty in income taxes. The guidance clarifies the accounting for the recognition and measurement of the benefits of individual tax positions in the financial statements. Tax positions must meet a recognition threshold of more likely than not in order for the benefit of those tax positions to be recognized in the Fund's financial statements. The Fund has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2013. The Fund has identified its federal tax return and its state tax return in West Virginia as major tax jurisdictions, as defined. Fiscal years ending on or after December 31, 2010 remain subject to examination by these tax jurisdictions.

Subsequent Events

The Fund has evaluated subsequent events through June 23, 2014 which represents the date the financial statements were available to be issued.

**NOTE 3. FAIR VALUE MEASUREMENTS**

Authoritative guidance establishes 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 under authoritative guidance as follows:

**Level 1** - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;

**THE PERRINE-DUPONT MEDICAL MONITORING QUALIFIED SETTLEMENT FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2013 and 2012**

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**Level 2** - Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

**Level 3** - Inputs that are unobservable.

In accordance with the requirements of authoritative guidance, the Fund has categorized its financial instruments based on the priority of the inputs to the valuation technique based on the three-level hierarchy.

The following presents the financial assets carried on the Statement of Assets, Liabilities, and Fund Balance by level within the valuation hierarchy as of December 31, 2013:

	Financial Assets at Fair Value at Reporting Date Using			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Securities	\$ 714,997	\$ -	\$ -	\$ 714,997

**NOTE 4. COMMITMENTS AND CONTINGENCIES**

Cash Balances in Excess of FDIC Insurance

The Fund maintains cash in demand deposit accounts with federally insured banks. At times, the balances in these accounts may be in excess of federally insured limits.

**SUPPLEMENTARY SCHEDULES**

**THE PERRINE-DUPONT MEDICAL MONITORING QUALIFIED SETTLEMENT FUND**  
**SUPPLEMENTARY SCHEDULE OF PRE-IMPLEMENTATION DATE FUNDING AND POST-IMPLEMENTATION DATE FUNDING STATEMENT OF**  
**ASSETS, LIABILITIES, AND FUND BALANCE-MODIFIED CASH BASIS**  
**December 31, 2013**

	<b>Pre- Implementation Date Funding</b>	<b>Post- Implementation Date Funding</b>	<b>Total</b>
<b>ASSETS</b>			
Cash	\$ 26,984	\$ 971,114	\$ 998,098
Investments, at fair value (Note 3)	-	714,997	714,997
Other Receivable	198	-	198
Total current assets	27,182	1,686,111	1,713,293
Property and equipment, net	9,592	-	9,592
Total assets	<u>\$ 36,774</u>	<u>\$ 1,686,111</u>	<u>\$ 1,722,885</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Accounts payable	\$ 525	\$ 103,671	\$ 104,196
Fund Balance	36,249	1,582,440	1,618,689
Total liabilities and fund balance	<u>\$ 36,774</u>	<u>\$ 1,686,111</u>	<u>\$ 1,722,885</u>

**THE PERRINE-DUPONT MEDICAL MONITORING QUALIFIED SETTLEMENT FUND**  
**SUPPLEMENTARY SCHEDULE OF PRE-IMPLEMENTATION DATE FUNDING AND POST-IMPLEMENTATION DATE FUNDING STATEMENT OF**  
**ASSETS, LIABILITIES, AND FUND BALANCE-MODIFIED CASH BASIS**  
**December 31, 2012**

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	<u>Pre- Implementation Date Funding</u>	<u>Post- Implementation Date Funding</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 26,558	\$ 2,030,656	\$ 2,057,214
Total current assets	26,558	2,030,656	2,057,214
Property and equipment, net	13,094	-	13,094
Total assets	<u>\$ 39,652</u>	<u>\$ 2,030,656</u>	<u>\$ 2,070,308</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Accounts payable	\$ 2,650	\$ 87,892	\$ 90,542
Fund Balance	37,002	1,942,764	1,979,766
Total liabilities and fund balance	<u>\$ 39,652</u>	<u>\$ 2,030,656</u>	<u>\$ 2,070,308</u>

**THE PERRINE-DUPONT MEDICAL MONITORING QUALIFIED SETTLEMENT FUND**  
**SUPPLEMENTARY SCHEDULE OF PRE-IMPLEMENTATION DATE FUNDING AND POST-IMPLEMENTATION DATE FUNDING STATEMENT OF**  
**REVENUE COLLECTED, CLAIMS AND EXPENSES PAID, AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS**  
**For the year ended December 31, 2013**

	Pre- Implementation Date Funding	Post- Implementation Date Funding	Total
<b>REVENUE COLLECTED</b>			
Investment income	\$ 2	\$ 4,560	\$ 4,562
Other Income	-	1,053	1,053
Total revenue collected	<u>2</u>	<u>5,613</u>	<u>5,615</u>
<b>CLAIMS AND EXPENSES PAID OR ACCRUED</b>			
Cash (refunds from) payments to claimants	(9,830)	-	(9,830)
Cash payments to medical providers on behalf of claimants	-	20,030	20,030
General and office expenses	-	4,517	4,517
Travel expenses	-	575	575
Claims Administrator fees and Special Master fees	7,050	86,689	93,739
Administrative expenses	33	254,126	254,159
Total claims and expenses (refunded) or paid or accrued	<u>(2,747)</u>	<u>365,937</u>	<u>363,190</u>
(Deficiency) excess of revenue collected over claims and expenses paid or accrued	2,749	(360,324)	(357,575)
<b>NONCASH ITEMS</b>			
Depreciation expense	3,502	-	3,502
Total noncash items	<u>3,502</u>	<u>-</u>	<u>3,502</u>
Decrease in fund balance	(753)	(360,324)	(361,077)
<b>FUND BALANCE</b>			
Beginning of period	\$ 37,002	\$ 1,942,764	\$ 1,979,766
End of period	<u>\$ 36,249</u>	<u>\$ 1,582,440</u>	<u>\$ 1,618,689</u>



**THE PERRINE-DUPONT MEDICAL MONITORING QUALIFIED SETTLEMENT FUND**  
**SUPPLEMENTARY SCHEDULE OF PRE-IMPLEMENTATION DATE FUNDING AND POST-IMPLEMENTATION DATE FUNDING STATEMENT OF**  
**REVENUE COLLECTED, CLAIMS AND EXPENSES PAID, AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS**  
**For the year ended December 31, 2012**

	Pre- Implementation Date Funding	Post- Implementation Date Funding	Total
<b>REVENUE COLLECTED</b>			
Investment income	\$ 463	\$ 6,403	\$ 6,866
Total revenue collected	<u>463</u>	<u>6,403</u>	<u>6,866</u>
<b>CLAIMS AND EXPENSES PAID OR ACCRUED</b>			
Cash payments to claimants	391,093	-	391,093
Cash payments to medical providers on behalf of claimants	-	278,457	278,457
General and office expenses	-	20,120	20,120
Travel expenses	-	5,424	5,424
Claims Administrator fees and Special Master fees	99,540	116,620	216,160
Guardian Ad Litem fees and expenses	-	3,875	3,875
Administrative expenses	46,517	291,317	337,834
Total claims and expenses paid or accrued	<u>537,150</u>	<u>715,813</u>	<u>1,252,963</u>
Deficiency of revenue collected over claims and expenses paid or accrued	(536,687)	(709,410)	(1,246,097)
<b>NONCASH ITEMS</b>			
Depreciation expense	<u>3,502</u>	-	<u>3,502</u>
Total noncash items	<u>3,502</u>	-	<u>3,502</u>
Decrease in fund balance	(540,189)	(709,410)	(1,249,599)
<b>FUND BALANCE</b>			
Beginning of period	\$ 577,191	\$ 2,652,174	\$ 3,229,365
End of period	<u>\$ 37,002</u>	<u>\$ 1,942,764</u>	<u>\$ 1,979,766</u>

