

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MAINE

MAINE PEOPLE’S ALLIANCE and )  
NATURAL RESOURCES DEFENSE )  
COUNCIL, INC., )

Plaintiffs, )

v. )

1:00-CV-00069-JAW

HOLTRACHEM MANUFACTURING )  
COMPANY, LLC and )  
MALLINCKRODT US LLC, )

Defendants. )

**FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION, AND  
INDEPENDENT AUDITORS’ REPORT FOR THE  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
GREENFIELD PENOBSCOT ESTUARY REMEDIATION TRUST LLC,  
TRUSTEE OF THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST**

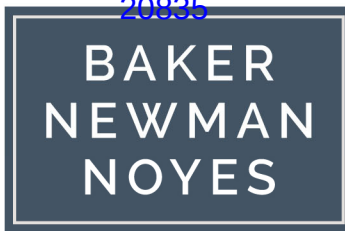
Greenfield Penobscot Estuary Remediation Trust LLC, not individually but solely in its representative capacity as Trustee of the Penobscot Estuary Mercury Remediation Trust, respectfully files these Financial Statements and Supplementary Information, with Independent Auditors’ Report, presented on the following pages, for the years ended December 31, 2024 and 2023 in accordance with the Consent Decree in the above-captioned case (ECF 1187).

*[Remainder of page intentionally left blank; signature on following page.]*

Respectfully submitted,

Greenfield Penobscot Estuary Remediation Trust LLC,  
Trustee of the Penobscot Estuary Mercury Remediation Trust  
By: Greenfield Environmental Trust Group, Inc., Member

By: /s/ Laura J. Rowley  
Senior Attorney  
Greenfield Environmental Trust Group, Inc.  
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# **The Penobscot Estuary Mercury Remediation Trust**

Financial Statements  
and Supplementary Information

*For the Years Ended December 31, 2024 and 2023  
With Independent Auditors' Report*

Baker Newman & Noyes LLC  
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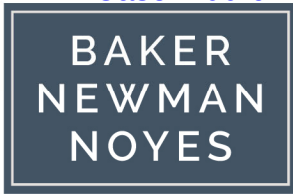


**THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST**  
**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

For the Years Ended December 31, 2024 and 2023

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## INDEPENDENT AUDITORS' REPORT

The Trustee and Beneficiaries  
Penobscot Estuary Mercury Remediation Trust

### Opinion

We have audited the financial statements of the Penobscot Estuary Mercury Remediation Trust (Remediation Trust), which comprise the statements of net trust assets as of December 31, 2024 and 2023, the related statements of changes in net trust assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Remediation Trust as of December 31, 2024 and 2023, and the changes in its net trust assets and cash flows for the years then ended in accordance with the special-purpose basis of accounting described in Note 2.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Remediation Trust and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter – 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 a special-purpose basis of accounting in accordance with the requirements of the Remediation Trust's obligations under the Consent Decree approved and entered by the U.S. District Court for the District of Maine, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the special-purpose basis of accounting described in Note 2; this includes determining that the special-purpose 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.

The Trustee and Beneficiaries  
Penobscot Estuary Mercury Remediation Trust

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Remediation Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Remediation Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Report on Supplementary Information**

The supplemental statements of net trust assets and changes in net trust assets by Remediation Trust account and the supplemental schedules of budget to actual by Remediation Trust account are presented for purposes of additional analysis rather than to present the net trust assets, and changes in net trust assets and budget to actuals of the individual accounts, and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Trustee and Beneficiaries  
Penobscot Estuary Mercury Remediation Trust

**Restriction of Use**

This report is intended solely for the information and use of the Remediation Trust, the Trustee, and the Maine People's Alliance and the Natural Resources Defense Council (collectively, the Beneficiaries) and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which filing with the State of Maine, may render it a matter of public record.

Baku Newman & Noyes LLC

Portland, Maine  
March 25, 2026

**THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST**

STATEMENTS OF NET TRUST ASSETS

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets:		
Cash	\$ 662,648	\$ 1,899,994
Due from Project Trust	–	256
Funding receivable	–	14,950,000
Prepaid expenses	–	2,651
Investments	<u>50,785,896</u>	<u>16,054,548</u>
Total assets	51,448,544	32,907,449
Liabilities:		
Accounts payable	<u>472,828</u>	<u>1,992,641</u>
Net trust assets	<u>\$50,975,716</u>	<u>\$30,914,808</u>

See accompanying notes.

**THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST**

## STATEMENTS OF CHANGES IN NET TRUST ASSETS

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Net trust assets, beginning of year	\$30,914,808	\$19,219,296
Additions to net trust assets:		
Investment income, net of expenses	1,806,078	860,694
Deductions from net trust assets:		
Administrative account costs	223,430	263,907
Remediation work costs:		
Planning, investigation, and studies	816,325	2,534,805
Design, construction, and implementation	153,410	179,097
Community involvement	96,591	77,631
Database and records management	18,727	73,011
Permitting and regulatory coordination	242,003	108,906
Trustee technical, contract, and project management	580,009	817,984
Access and property management	<u>14,675</u>	<u>59,841</u>
Total remediation work costs	<u>1,921,740</u>	<u>3,851,275</u>
Total deductions from net trust assets	2,145,170	4,115,182
Annual funding received	<u>20,400,000</u>	<u>14,950,000</u>
Increase in net trust assets	<u>20,060,908</u>	<u>11,695,512</u>
Net trust assets, end of year	<u>\$50,975,716</u>	<u>\$30,914,808</u>

See accompanying notes.

**THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST**

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating activities:		
Increase in net trust assets	\$ 20,060,908	\$ 11,695,512
Adjustments to reconcile net increase in net assets to net cash provided (used) by operating activities:		
Realized and unrealized gain on investments	(478,200)	-
Change in assets and liabilities:		
Accounts payable	(1,519,813)	1,500,864
Due from Project Trust	256	1,795
Funding receivable	14,950,000	(14,950,000)
Prepaid expenses	<u>2,651</u>	<u>(2,651)</u>
Net cash provided (used) by operating activities	33,015,802	(1,754,480)
Investing activities:		
Purchases of investments	(36,694,911)	(860,922)
Proceeds from sales of investments	<u>2,441,763</u>	<u>3,915,000</u>
Net cash (used) provided by investing activities	<u>(34,253,148)</u>	<u>3,054,078</u>
Net change in cash	(1,237,346)	1,299,598
Cash at beginning of year	<u>1,899,994</u>	<u>600,396</u>
Cash at end of year	\$ <u><u>662,648</u></u>	\$ <u><u>1,899,994</u></u>

See accompanying notes.

## THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST

### NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2024 and 2023

#### 1. **Description of the Trust**

The Penobscot Estuary Mercury Remediation Trust (Remediation Trust) was established on October 11, 2022 when the U.S. District Court for the District of Maine (Court) approved the Consent Decree (CD) proposed by the Maine People's Alliance (MPA) and the Natural Resources Defense Council (NRDC), and Mallinckrodt US LLC (Mallinckrodt) (See: Consent Decree in the case of Maine People's Alliance and Natural Resources Defense Council, Inc. v. HoltraChem Manufacturing Company, LLC and Mallinckrodt US LLC, Case No. 1:00-cv-0069-JAW (District of Maine)). The CD, and its five appendices, represent the settlement of a lawsuit filed in 2000 by MPA and NRDC against Mallinckrodt for mercury contamination in the Penobscot River Estuary (Estuary). The Remediation Trust is governed by the CD, the Statement of Work (Appendix A to the CD), and the Penobscot Estuary Mercury Remediation Trust Agreement (the Trust Agreement) (Appendix B to the CD). The Trust Agreement was entered into by Mallinckrodt as Settlor and Beneficiary, MPA and NRDC as Beneficiaries, and Greenfield Penobscot Estuary Remediation Trust LLC, not individually but solely in its representative capacity as Trustee of the Penobscot Estuary Mercury Remediation Trust (Trustee). The purpose of the Remediation Trust is to: hold the Remediation Trust funds, and, consistent with its fiduciary obligations to its Beneficiaries and to the extent of available funding, carry out the administrative duties related to the Remediation Trust's operations, and develop, oversee, fund, and implement all work at the Estuary. Greenfield Penobscot Estuary Remediation Trust LLC is the court-appointed trustee of the Remediation Trust. Consistent with the terms of the CD and the Trust Agreement, the cash and investment assets of the Remediation Trust are held or custodied in various segregated accounts, as further described in Notes 2 and 3.

#### 2. **Significant Accounting Policies**

##### *Basis of Presentation*

The Remediation 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 (U.S. GAAP). The special-purpose accounting methods were adopted in order to present to the Beneficiaries of the Remediation Trust and the Court the amount of assets available for payment of current and future Work (defined in the CD to mean all activities and obligations, the performance of which the Remediation Trust and its Trustee are required to perform under the CD, including all remediation activities) and administrative expenses of the Remediation Trust. Because of the nature of the Remediation Trust, and the uncertainty of the valuation of its future liabilities, a special-purpose accounting method is a more appropriate accounting method under these unique circumstances. Since the accompanying special-purpose financial statements are not based on U.S. GAAP, accounting treatment by other parties for these same transactions may differ as to timing and amounts. The specific special-purpose accounting methods include the following:

1. The financial statements are prepared using the accrual basis of accounting as modified below.
2. The funding received (or receivable) from the Settlor is directly added to net trust assets. Costs incurred for the performance of the Work activities are deducted directly from net trust assets. These funds do not represent income or expenses of the Remediation Trust. Under U.S. GAAP, these funds would be recorded as income to the Remediation Trust in the period that the funds were assigned to the Remediation Trust, and only if the funds could be reasonably estimated and their collectibility was assured.

## THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST

### NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2024 and 2023

#### 2. Significant Accounting Policies (Continued)

3. Costs of non-income producing assets, which will be exhausted during the life of the Remediation Trust, are expensed as they are incurred. These items include costs of computer hardware, software, equipment, and insurance premiums. Under U.S. GAAP, an asset would be recorded and amortized/depreciated over the period in which the related benefits are received.
4. Investments are recorded at fair value. All interest income, net of investment expenses, along with net realized and unrealized gains and losses, is included in net investment return on the statement of changes in net trust assets.
5. The environmental liabilities associated with the Work constitute a contingent liability of the Remediation Trust for financial reporting purposes. Because of the extent and uncertainty associated with these liabilities, the dollar value of the liabilities is speculative. Therefore, with the prior agreement of the Remediation Trust and the intended recipients of this audit, these liabilities have not been assigned a value in the financial statements. Under U.S. GAAP, environmental liabilities would be recognized and accrued.
6. The Remediation Trust does not record a deferred tax asset for net operating loss carryforwards or a deferred tax asset or liability arising from unrealized gains or losses on securities. See Note 7 for further disclosures on the Remediation Trust's tax reporting.

#### Administrative Expenses

Administrative expenses including, but not limited to, trust management, Beneficiary communications, insurance, certain legal and accounting fees, document and information technology (IT) related costs and other costs, excluding expenses incurred in overseeing, managing and performing the Work, are paid directly from the segregated Administrative Account. Total administrative expenses incurred in 2024 and 2023 totaled \$223,430 and \$263,907, respectively.

#### Account Segregation

In accordance with the CD and the Trust Agreement, funds are held in two segregated accounts: the Trust Administrative Account and the Trust Remediation Account. The Trust Remediation Account is further segregated into subaccounts by specific Work Categories to fund work as selected, approved, and authorized pursuant to the CD. Funding from any segregated account may only be used for purposes as described in the CD and the Trust Agreement.

#### Beneficiaries

Beneficiaries for the Remediation Trust are MPA, NRDC, and Mallinckrodt. The obligations and rights of the Beneficiaries are described in the CD and the Trust Agreement.

#### Cash

The Remediation Trust considers unrestricted currency, demand deposits, and certificates of deposit with an initial maturity of three months or less to be cash and cash equivalents. Accordingly, the cash on the Statement of Net Trust Assets is included in cash and cash equivalents for Statement of Cash Flows purposes.

**THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST**

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2024 and 2023

**2. Significant Accounting Policies (Continued)**

*Investments*

The Remediation Trust's funds are invested consistent with the terms of the CD and the Trust Agreement and are measured at fair value, which is defined as the price at which an asset could be exchanged in a current transaction between knowledgeable and willing parties. Net realized and unrealized gains and losses, if any, related to investment securities are recorded in the current period as an addition to or deduction from the Statement of Changes in Net Trust Assets. Investment income is recognized when earned.

*Fair Values of Financial Instruments*

The carrying amounts of receivables, accounts payable and other current assets and liabilities approximate fair value because of the short-term maturities and/or liquid nature of these assets and liabilities.

*Accounts Payable*

Accounts payable consist of accrued invoices associated with administrative and Work expenses.

*Disbursements*

Payments by the Remediation Trust for administrative costs and Work activities must be included in annual budgets that are subject to comment or objection by the Beneficiaries (the Approved Budgets). No expenses may be incurred or paid by the Remediation Trust that are inconsistent with the Approved Budgets. However, the Remediation Trust may incur or pay ongoing or recurring expenses included in the prior year's Approved Budget that occur between the time a proposed annual budget is submitted and the time it is approved.

*Use of Estimates*

Consistent with the special-purpose accounting methods described above, preparation of these financial statements requires Remediation Trust management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to net trust assets during the reporting periods. Accordingly, actual results may differ from those estimates.

*Subsequent Events*

In preparing the financial statements, the Trustee has evaluated events and transactions for potential recognition or disclosure through March 25, 2026, the date the special-purpose financial statements were available to be issued.

**THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST**

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2024 and 2023

**3. Remediation Trust Work Categories, Segregated Subaccounts**

As required by the CD and the Trust Agreement, the Trustee has established segregated subaccounts within the Remediation Account to hold funds to satisfy the obligations for specific Work Categories, which include i) Orrington Reach; ii) Mobile Sediments and Surface Deposits; iii) Orland River and East Channel around Verona Island; and iv) Long-Term Monitoring.

**4. Remediation Trust Funding**

As set forth in the CD, on or before December 31, 2028, Mallinckrodt will provide committed and contingent funding for each Work Category as follows:

- i) For Orrington Reach, a total of \$50 million in committed funding, with an additional \$10 million in contingent funding if the costs of the Work exceed the committed funds. Funding for the years ending December 31, 2024 and 2023 was \$5,000,000 and \$8,000,000, respectively. Lifetime funding for Orrington Reach totals \$21,000,000 as of December 31, 2024.
- ii) For Mobile Sediments and Surface Deposits, a total of \$70 million in committed funding, with an additional \$50 million in contingent funding if the Remediation Trust is unable to beneficially reuse dredged sediments (and, therefore, such sediments must be disposed of in an approved facility). Funding for the years ending December 31, 2024 and 2023 was \$11,250,000 and \$5,250,000, respectively. Lifetime funding for Mobile Sediments and Surface Deposits totals \$23,400,000 as of December 31, 2024.
- iii) For Orland River and East Channel around Verona Island, a total of \$30 million in committed funding. Funding for the years ending December 31, 2024 and 2023 was \$3,500,000 and \$1,000,000, respectively. Lifetime funding for Orland River and East Channel totals \$6,500,000 as of December 31, 2024.
- iv) For Long-Term Monitoring, a total of \$10 million in committed funding, with an additional \$10 million in contingency funding if the costs of the Work exceed committed funds. Funding for the years ending December 31, 2024 and 2023 was \$150,000 and \$200,000, respectively. Lifetime funding for Long-Term Monitoring totals \$2,350,000 as of December 31, 2024.

In addition, and in accordance with the CD, Mallinckrodt will fund a combined total of \$7 million to the Remediation Trust Administrative Account and the Penobscot Estuary Beneficial Environmental Projects Trust Administrative Account. In addition, contingent funding of \$10 million is available if administrative costs exceed the committed funds of \$7 million, with total funding capped at \$17 million. Mallinckrodt has provided funding to the Remediation Trust Administrative Account in the amount of \$500,000 in each of the years ended December 31, 2024 and 2023. Lifetime funding to the Remediation Trust Administrative Account totals \$1,950,000 as of December 31, 2024; lifetime combined funding to both administrative accounts totals \$3,300,000.

**THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST**

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2024 and 2023

**5. Investments**

The following schedule summarizes the investment return (including interest-bearing operating cash and cash equivalent accounts), which is classified as operating revenues, in the statement of changes in net trust assets for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Investment income:		
Interest and dividends	\$1,327,878	\$860,694
Net unrealized/realized gains	<u>478,200</u>	<u>—</u>
Total investment income	<u>\$1,806,078</u>	<u>\$860,694</u>

Included in interest and dividends are investment brokerage and bank fees of \$16,863 and \$227 for the years ended December 31, 2024 and 2023, respectively.

**6. Fair Value Measurements**

In determining fair value, the Remediation Trust uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

The fair value measurement framework establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The framework defines levels within the hierarchy based on reliability of inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

A financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Remediation Trust utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value.

**THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST**

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2024 and 2023

**6. Fair Value Measurements (Continued)**

Financial assets carried at fair value as of December 31, 2024 and 2023 are classified in the table below in one of three categories described above:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2024</u>				
Cash and cash equivalents	\$31,789,946	\$ —	\$ —	\$31,789,946
Debt instruments:				
U.S. Treasury securities	2,983,906	—	—	2,983,906
U.S. Government bonds	—	3,730,377	—	3,730,377
Corporate bonds	—	<u>8,362,068</u>	—	<u>8,362,068</u>
Total debt instruments	2,983,906	12,092,445	—	15,076,351
Marketable equity securities:				
U.S. equities	3,882,399	—	—	3,882,399
International equities	<u>37,200</u>	—	—	<u>37,200</u>
Total marketable equity securities	<u>3,919,599</u>	—	—	<u>3,919,599</u>
Total assets at fair value	<u>\$38,693,451</u>	<u>\$12,092,445</u>	<u>\$ —</u>	<u>\$50,785,896</u>
<u>2023</u>				
Cash and cash equivalents	<u>\$16,054,548</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$16,054,548</u>

**7. Income Taxes**

For federal income tax purposes, the Trustee elected, as required under the CD and the Trust Agreement, to treat the Remediation Trust as a Qualified Settlement Fund (QSF) as defined in Treasury Regulation § 1.468B-1.

The Remediation Trust continues to satisfy the Internal Revenue Service requirements to be classified as a QSF. The Remediation Trust would recognize potential interest and penalties pertaining to income tax related issues, if any, as income tax expense if it were found not to be a QSF. During the years ended December 31, 2024 and 2023, no such interest or penalties were recognized by the Remediation Trust.

The Trustee evaluates all tax positions and makes a determination regarding their likelihood of being upheld under review. For the years ended December 31, 2024 and 2023, the Remediation Trust did not have uncertain tax positions for which it recorded a tax liability.

**THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST**

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2024 and 2023

**8. Net Trust Assets**

Under the CD and the Trust Agreement, the Remediation Trust is required to maintain segregated accounts. Each segregated account is held solely for the purposes provided in the CD and Trust Agreement. All interest, dividends, and other revenue earned by a segregated account is retained in the respective Remediation Trust account and used only for the same purpose as the principal in that account.

At December 31, 2024 and 2023, net trust assets are comprised of the following:

	<u>2024</u>	<u>2023</u>
Trust Administrative Account	\$ 1,093,398	\$ 797,146
Total Trust Remediation Account:		
Orrington Reach Work Category Subaccount	18,971,994	14,509,458
Mobile Sediments and Surface Deposits Work Category Subaccount	23,640,177	11,866,329
Orland River and East Channel Work Category Subaccount	6,462,796	2,849,352
Long-Term Monitoring Work Category Subaccount	<u>807,351</u>	<u>892,523</u>
Total Trust Remediation Account subtotal	<u>49,882,318</u>	<u>30,117,662</u>
Net trust assets	<u>\$50,975,716</u>	<u>\$30,914,808</u>

**9. Related Party Transactions**

The Trustee is the wholly owned subsidiary LLC of a professional services firm. Trustee fees are paid to the firm for services provided to the Remediation Trust. Total fees paid to this firm were \$853,713 and \$1,224,624 for the years ended December 31, 2024 and 2023, respectively. Accounts payable to the firm was \$169,845 and \$200,561 at December 31, 2024 and 2023, respectively.

**10. Concentrations and Credit Risk**

The Remediation Trust had significant concentrations of credit risk as a result of maintaining its bank accounts with aggregate balances periodically in excess of federal insurance coverage. As of December 31, 2024 and 2023, the maximum loss that would have resulted from that risk was \$412,648 and \$1,649,994, respectively, which represents the excess of bank deposits over the amount that would have been covered by federal insurance. The Remediation Trust strives to minimize the risk by coordinating the timing of its disbursements to minimize cash on deposit.

The Remediation Trust funds are invested in a managed investment portfolio that contains money markets invested in bonds. Such investments 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 values of investment securities will occur in the near term and that such changes could affect the Remediation Trust's account balance and the amounts reported in the special-purpose financial statements.

**SUPPLEMENTARY INFORMATION**

**THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST**

STATEMENTS OF NET TRUST ASSETS BY REMEDIATION TRUST ACCOUNT

December 31, 2024 and 2023

	Trust Remediation Account						Trust Administrative Account	Total
	Trust Remediation Account (General)	Orrington Reach Work Category Subaccount	Mobile Sediments and Surface Deposits Work Category Subaccount	Orland River and East Channel Work Category Subaccount	Long-Term Monitoring Work Category Subaccount	Total Trust Remediation Account		
<u>2024</u>								
Assets:								
Cash	\$ -	\$ 212,247	\$ 109,630	\$ 94,128	\$ 121,224	\$ 537,229	\$ 125,419	\$ 662,648
Due from Project Trust	-	-	-	-	-	-	-	-
Funding receivable	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
Investments	-	14,076,653	12,313,273	2,876,255	577,597	29,843,778	20,942,118	50,785,896
Total assets	-	14,288,900	12,422,903	2,970,383	698,821	30,381,007	21,067,537	51,448,544
Liabilities:								
Accounts payable	-	316,906	32,726	7,587	41,470	398,689	74,139	472,828
Due to (from) Trust Accounts	-	(5,000,000)	(11,250,000)	(3,500,000)	(150,000)	(19,900,000)	19,900,000	-
Total liabilities	-	(4,683,094)	(11,217,274)	(3,492,413)	(108,530)	(19,501,311)	19,974,139	472,828
Net trust assets	\$ -	\$18,971,994	\$ 23,640,177	\$ 6,462,796	\$ 807,351	\$ 49,882,318	\$ 1,093,398	\$50,975,716
<u>2023</u>								
Assets:								
Cash	\$ -	\$ 638,257	\$ 256,175	\$ 170,040	\$ 686,472	\$ 1,750,944	\$ 149,050	\$ 1,899,994
Due from Project Trust	-	-	-	-	-	-	256	256
Funding receivable	-	8,000,000	5,250,000	1,000,000	200,000	14,450,000	500,000	14,950,000
Prepaid expenses	-	795	1,193	530	133	2,651	-	2,651
Investments, money market funds	-	6,739,680	6,568,077	1,795,126	754,289	15,857,172	197,376	16,054,548
Total assets	-	15,378,732	12,075,445	2,965,696	1,640,894	32,060,767	846,682	32,907,449
Liabilities:								
Accounts payable	-	854,196	236,762	103,909	748,238	1,943,105	49,536	1,992,641
Due to (from) Trust Accounts	-	15,078	(27,646)	12,435	133	-	-	-
Total liabilities	-	869,274	209,116	116,344	748,371	1,943,105	49,536	1,992,641
Net trust assets	\$ -	\$14,509,458	\$ 11,866,329	\$ 2,849,352	\$ 892,523	\$ 30,117,662	\$ 797,146	\$30,914,808

**THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST**

STATEMENTS OF CHANGES IN NET TRUST ASSETS BY REMEDIATION TRUST ACCOUNT

Year Ended December 31, 2024

	Trust Remediation Account						Trust Administrative Account	Total
	Trust Remediation Account (General)	Orrington Reach Work Category Subaccount	Mobile Sediments and Surface Deposits Work Category Subaccount	Orland River and East Channel Work Category Subaccount	Long-Term Monitoring Work Category Subaccount	Total Trust Remediation Account		
Net trust assets, beginning of year	\$ —	\$14,509,458	\$11,866,329	\$2,849,352	\$ 892,523	\$30,117,662	\$ 797,146	\$30,914,808
Additions to net trust assets:								
Investment income, net of expenses	—	866,913	715,136	176,084	28,263	1,786,396	19,682	1,806,078
Deductions from net trust assets:								
Administrative account costs	—	—	—	—	—	—	223,430	223,430
Remediation work costs:								
Planning, investigation, and studies	—	576,924	13,418	5,990	219,993	816,325	—	816,325
Design, construction, and implementation	—	153,410	—	—	—	153,410	—	153,410
Community involvement	—	44,389	33,559	14,914	3,729	96,591	—	96,591
Database and records management	—	13,470	—	—	5,257	18,727	—	18,727
Permitting and regulatory coordination	—	242,003	—	—	—	242,003	—	242,003
Trustee technical, contract, and project management	—	359,506	144,311	41,736	34,456	580,009	—	580,009
Access and property management	—	14,675	—	—	—	14,675	—	14,675
Total remediation work costs	—	1,404,377	191,288	62,640	263,435	1,921,740	—	1,921,740
Total deductions from net trust assets	—	1,404,377	191,288	62,640	263,435	1,921,740	223,430	2,145,170
Annual funding received	—	5,000,000	11,250,000	3,500,000	150,000	19,900,000	500,000	20,400,000
Increase (decrease) in net trust assets	—	4,462,535	11,773,848	3,613,444	(85,171)	19,764,656	296,252	20,060,908
Net trust assets, end of year	\$ —	\$18,971,994	\$23,640,177	\$6,462,796	\$ 807,351	\$49,882,318	\$1,093,398	\$50,975,716

**THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST**

STATEMENTS OF CHANGES IN NET TRUST ASSETS BY REMEDIATION TRUST ACCOUNT (CONTINUED)

Year Ended December 31, 2023

	Trust Remediation Account					Total Trust Remediation Account	Trust Administrative Account	Total
	Trust Remediation Account (General)	Orrington Reach Work Category Subaccount	Mobile Sediments and Surface Deposits Work Category Subaccount	Orland River and East Channel Work Category Subaccount	Long-Term Monitoring Work Category Subaccount			
Net trust assets, beginning of year	\$ —	\$ 7,841,219	\$ 6,879,730	\$ 1,985,107	\$ 1,968,529	\$18,674,585	\$ 544,711	\$19,219,296
Additions to net trust assets:								
Investment income, net of expenses	—	432,921	262,083	81,075	68,273	844,352	16,342	860,694
Deductions from net trust assets:								
Administrative account costs	—	—	—	—	—	—	263,907	263,907
Remediation work costs:								
Planning, investigation, and studies	—	932,005	353,500	141,315	1,107,985	2,534,805	—	2,534,805
Design, construction, and implementation	—	179,097	—	—	—	179,097	—	179,097
Community involvement	—	41,151	21,254	9,446	5,780	77,631	—	77,631
Database and records management	—	19,472	13,595	13,786	26,158	73,011	—	73,011
Permitting and regulatory coordination	—	98,619	—	—	10,287	108,906	—	108,906
Trustee technical, contract, and project management	—	456,633	134,112	47,070	180,169	817,984	—	817,984
Access and property management	—	37,705	3,023	5,213	13,900	59,841	—	59,841
Total remediation work costs	—	1,764,682	525,484	216,830	1,344,279	3,851,275	—	3,851,275
Total deductions from net trust assets	—	1,764,682	525,484	216,830	1,344,279	3,851,275	263,907	4,115,182
Annual funding received	—	8,000,000	5,250,000	1,000,000	200,000	14,450,000	500,000	14,950,000
Increase (decrease) in net trust assets	—	6,668,239	4,986,599	864,245	(1,076,006)	11,443,077	252,435	11,695,512
Net trust assets, end of year	\$ —	\$14,509,458	\$11,866,329	\$2,849,352	\$ 892,523	\$30,117,662	\$ 797,146	\$30,914,808

**THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST**

**SUPPLEMENTAL SCHEDULES OF BUDGET TO ACTUAL BY REMEDIATION TRUST ACCOUNT**

Years Ended December 31, 2024 and 2023

<u>Cost Center</u>	2024		2023	
	<u>Actual Costs</u>	<u>Budget (Unaudited)</u>	<u>Actual Costs</u>	<u>Budget (Unaudited)</u>
Administrative account:				
1.A. Trust management and beneficiary communications	\$ 57,056	\$ 180,000	\$ 136,367	\$ 178,000
1.B. Financial affairs	156,391	287,000	104,983	174,000
1.C. General contracting and procurement	2,044	13,000	10,314	21,000
1.D. Insurance	1,247	6,000	–	5,000
1.E. Records and data management	6,692	22,000	12,243	40,000
1.F. Pre-effective date setup activities	–	–	–	–
Administrative account total	<u>\$ 223,430</u>	<u>\$ 508,000</u>	<u>\$ 263,907</u>	<u>\$ 418,000</u>
Remediation account:				
Orrington Reach Work Category Subaccount:				
2.A. Planning, investigation, and studies	\$ 576,924	\$2,431,000	\$ 932,005	\$1,346,000
2.B. Design, construction, and implementation	153,410	245,000	179,097	271,000
2.C. Community involvement	44,389	107,000	41,151	114,000
2.D. Database and records management	13,470	55,000	19,472	51,000
2.E. Permitting and Regulatory Coordination	242,003	534,000	98,619	133,000
2.F. Trustee technical, contract, and project management	359,506	602,000	456,633	567,000
2.G. Monitoring and maintenance	–	8,000	–	5,000
2.H. Access and property management	<u>14,675</u>	<u>193,000</u>	<u>37,705</u>	<u>128,000</u>
Orrington Reach Work Category Subaccount total	<u>\$1,404,377</u>	<u>\$4,175,000</u>	<u>\$1,764,682</u>	<u>\$2,615,000</u>
Mobile Sediments and Surface Deposits Work Category Subaccount:				
3.A. Planning, investigation, and studies	\$ 13,418	\$2,598,000	\$ 353,500	\$1,062,000
3.B. Design, construction, and implementation	–	368,000	–	–
3.C. Community involvement	33,559	130,000	21,254	56,000
3.D. Database and records management	–	20,000	13,595	40,000
3.E. Permitting and Regulatory Coordination	–	58,000	–	30,000
3.F. Trustee technical, contract, and project management	144,311	610,000	134,112	183,000
3.G. Monitoring and maintenance	–	11,000	–	–
3.H. Access and property management	<u>–</u>	<u>59,000</u>	<u>3,023</u>	<u>30,000</u>
Mobile Sediments and Surface Deposits Work Category Subaccount total	<u>\$ 191,288</u>	<u>\$3,854,000</u>	<u>\$ 525,484</u>	<u>\$1,401,000</u>

**THE PENOBSCOT ESTUARY MERCURY REMEDIATION TRUST**

**SUPPLEMENTAL SCHEDULES OF BUDGET TO ACTUAL BY REMEDIATION TRUST ACCOUNT (CONTINUED)**

Years Ended December 31, 2024 and 2023

<u>Cost Center</u>	<u>2024</u>		<u>2023</u>	
	<u>Actual Costs</u>	<u>Budget (Unaudited)</u>	<u>Actual Costs</u>	<u>Budget (Unaudited)</u>
Orland River and East Channel Work Category Subaccount:				
4.A Planning, investigation, and studies	\$ 5,990	\$ 865,000	\$ 141,315	\$ 259,000
4.B Design, construction, and implementation	—	209,000	—	—
4.C Community involvement	14,914	60,000	9,446	32,000
4.D Database and records management	—	10,000	13,786	20,000
4.E Permitting and Regulatory Coordination	—	58,000	—	25,000
4.F Trustee technical, contract, and project management	41,736	154,000	47,070	92,000
4.G Monitoring and maintenance	—	5,000	—	—
4.H Access and property management	—	22,000	5,213	14,000
	<u>—</u>	<u>22,000</u>	<u>5,213</u>	<u>14,000</u>
Orland River and East Channel Work Category Subaccount total	<u>\$ 62,640</u>	<u>\$ 1,383,000</u>	<u>\$ 216,830</u>	<u>\$ 442,000</u>
Long-Term Monitoring Work Category Subaccount:				
6.A Planning, investigation, and studies	\$ 219,993	\$ 329,000	\$ 1,107,985	\$ 1,231,000
6.B Design, construction, and implementation	—	—	—	—
6.C Community involvement	3,729	12,000	5,780	10,000
6.D Database and records management	5,257	5,000	26,158	45,000
6.E Permitting and Regulatory Coordination	—	—	10,287	15,000
6.F Trustee technical, contract, and project management	34,456	98,000	180,169	191,000
6.G Monitoring and maintenance	—	2,000	—	20,000
6.H Access and property management	—	6,000	13,900	48,000
	<u>—</u>	<u>6,000</u>	<u>13,900</u>	<u>48,000</u>
Long-Term Monitoring Work Category Subaccount total	<u>\$ 263,435</u>	<u>\$ 452,000</u>	<u>\$ 1,344,279</u>	<u>\$ 1,560,000</u>
Remediation account total	<u>\$ 1,921,740</u>	<u>\$ 9,864,000</u>	<u>\$ 3,851,275</u>	<u>\$ 6,018,000</u>