



Greenfield Environmental Multistate Trust LLC,
Trustee of the Multistate Environmental Response Trust
By Greenfield Environmental Trust Group, Inc., Member
P.O. Box 1189 Helena, Montana 59624
Telephone: (406)457-2142
Email: jr@g-etg.com

May 29, 2023

By Electronic Mail

Christopher Cole
Environmental Protection Agency

Erik Spalvins
Environmental Protection Agency

Hollis Luzecky
Environmental Protection Agency

Dave Mattison
North Carolina Department of Environment and Natural
Resources

Bill Hunneke
North Carolina Department of Environment and Natural
Resources

Jay Osborne
North Carolina Department of Environment and Natural
Resources

Dan Hirschman
North Carolina Department of Justice

Subject: Fourth Quarter/Annual 2022 Financial Statements

Greenfield Environmental Multistate Trust, LLC, Trustee of the Multistate Environmental Response Trust (the Multistate Trust), hereby submits the attached financial statements for the Multistate Trust - Former Kerr-McGee/Tronox Chemical Corp Superfund Site in Navassa, North Carolina to the beneficiaries.

The attached financial statements cover the years ended December 31, 2022 and 2021, and are submitted pursuant to the Multistate Trust's obligations under ¶6.1 of the Environmental Response Trust Agreement.

Please do not hesitate to contact me or Cindy Brooks with any questions pertaining to the attached.

Sincerely,

Greenfield Environmental Multistate Trust, LLC
Trustee of the Multistate Environmental Response Trust
By: Greenfield Environmental Trust Group, Inc., Member

A handwritten signature in blue ink that reads 'Jen Roberts, CPA'. Below the signature is a horizontal line.

Name: Jennifer Roberts, CPA
Title: Director of Financial Affairs

Enclosure

cc: Cynthia Brooks



Accountant's Compilation Report

To the Trustees and Beneficiaries
Greenfield Environmental Multistate Trust Group LLC
Trustee for the Multistate Environmental Response Trust (Multistate Trust)

Site: Former Kerr-McGee/Tronox Chemical Corp Superfund Site in Navassa, North Carolina

The Trustees are responsible for the accompanying special purpose financial statements of the Multistate Trust Site, which comprise the statements of net trust assets as of December 31, 2022 and 2021, and the related statements of changes in net trust assets for the years ended December 31, 2022 and 2021, and for determining that the special purpose basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the trustees. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the special purpose basis of accounting in accordance with the requirements of the Trust's obligations under ¶6.1 of the Environmental Response Trust Agreement, which is a basis of accounting other than accounting principles generally accepted in the United States.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the prescribed format basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Trust's assets, liabilities, net trust assets, additions, and deductions. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The Schedules of Budget to Actual, the Quarterly Investment Presentation and the 11 Year Activity Summary Report supplementary information is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. This information is the representation of the trustees. The information was subject to our compilation engagements; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Multistate Environmental Response Trust.

Wipfli LLP

May 19, 2023
Helena, MT

Multistate Environmental Response Trust
Former Kerr-McGee/Tronox Chemical Corp Superfund Site In Navassa, North Carolina
Statements of Net Trust Assets
As of December 31, 2022 and 2021

| | <u>December 31, 2022</u> | <u>December 31, 2021</u> <u>(Restated)¹</u> |
|--------------------------------------|--------------------------|---|
| Assets | | |
| Cash - ECA | \$ 715,883.23 | \$ 919,268.58 |
| Other Receivable - ECA | 15,611.33 | - |
| Investments - ECA | 26,138,623.48 | 28,773,949.39 |
| Investments - SA | 3,802,337.63 | 3,826,459.57 |
| Investments - AA | 48,485,382.84 | 48,779,953.51 |
| Total Assets | <u>\$ 79,157,838.51</u> | <u>\$ 82,299,631.05</u> |
| Liabilities | | |
| Accounts Payable - ECA | \$ 932,938.42 | \$ 890,906.67 |
| Accounts Payable - SA | 1,515.72 | 385.95 |
| Accounts Payable - AA | 19,341.92 | 4,923.66 |
| Due to Other Funds | 1,904.27 | 2,504.37 |
| Total Liabilities | <u>955,700.33</u> | <u>898,720.65</u> |
| Net Trust Assets, Navassa | <u>78,202,138.18</u> | <u>81,400,910.40</u> |
| Total Liabilities & Net Trust Assets | <u>\$ 79,157,838.51</u> | <u>\$ 82,299,631.05</u> |

Statements of Changes in Net Trust Assets
For the Years Ended December 31, 2022 and 2021

| | <u>Year Ended</u> <u>December 31, 2022</u> | <u>Year Ended</u> <u>December 31, 2021</u> <u>(Restated)¹</u> |
|---|---|--|
| ECA-Deductions from Net Trust Assets: | | |
| A - Regulatory Compliance/ O&M | \$ 97,810.45 | \$ 49,980.81 |
| C - New Environmental Actions | 1,861,225.49 | 2,367,185.89 |
| D - Technical Team/Management | 722,457.55 | 822,735.77 |
| E - Project Fees & Expenses | 80,088.75 | 95,667.00 |
| F - Regulator Oversight Costs | 122,060.35 | 111,354.93 |
| G - Legal & Accounting Costs | 52,098.00 | 67,711.75 |
| Total Deductions from Net Trust Assets | <u>2,935,740.59</u> | <u>3,514,636.15</u> |
| ECA-Additions to Net Trust Assets: | | |
| Investment income, net of expenses | 286,667.95 | 65,711.11 |
| Unrealized gain (loss) on investments | (215,458.94) | (93,751.17) |
| Total Additions to Net Trust Assets-ECA | <u>71,209.01</u> | <u>(28,040.06)</u> |
| Change in Net Trust Assets - ECA | <u>(2,864,531.58)</u> | <u>(3,542,676.21)</u> |
| SA & AA-Additions to Net Trust Assets: | | |
| SA: Investment income, net of expenses | 30,620.65 | 12,540.99 |
| SA: Unrealized gain (loss) on investment | (55,872.36) | (23,339.00) |
| AA: Investment income, net of expenses | 389,472.68 | 160,616.66 |
| AA: Unrealized gain (loss) on investment | (698,461.61) | (295,868.50) |
| Change in Net Trust Assets - SA & AA | <u>(334,240.64)</u> | <u>(146,049.85)</u> |
| Net Trust Assets, Navassa Beginning | <u>81,400,910.40</u> | <u>85,089,636.46</u> |
| Net Trust Assets, Navassa Ending | <u>\$ 78,202,138.18</u> | <u>\$ 81,400,910.40</u> |
| Net Trust Assets - ECA | | |
| Net Trust Assets - ECA | \$ 25,935,275.36 | \$ 28,799,806.94 |
| Net Trust Assets - SA | 3,800,821.91 | 3,826,073.62 |
| Net Trust Assets - AA | 48,466,040.91 | 48,775,029.84 |
| | <u>\$ 78,202,138.18</u> | <u>\$ 81,400,910.40</u> |
| Anadarko Settlement Funding, 2015 & 2016 | | \$ 90,628,602.78 |
| Original Amount Funded, 2011 | | \$ 4,208,555.00 |

¹The 12/31/2021 balances for Accounts Payable and Cost Center C - New Environmental Actions have been restated by \$7,637.15 for expenses incurred in 2021, but not received and recorded until after the distribution of the 12/31/2021 financial statements.

Notes:
ECA - Environmental Cost Account
SA - Segregated Amount (SA) Subaccount
AA - Anadarko Amount (AA) Subaccount

See Accountant's Compilation Report

Multistate Environmental Response Trust
Former Kerr-McGee/Tronox Chemical Corp Superfund Site in Navassa, North Carolina - ECA
Schedule of Budget to Actual

| | <u>Quarter Ended</u> <u>December 31, 2022</u> | <u>Year Ended</u> <u>December 31, 2022</u> | <u>Annual Budget</u> | <u>Variance</u> | <u>% of</u> <u>Budget</u> |
|--|--|---|---------------------------|------------------------|------------------------------|
| Deductions from Net Trust Assets: | | | | | |
| A - Regulatory Compliance/ O&M | \$ 34,446.41 | \$ 97,810.45 | \$ 198,000.00 | \$ (100,189.55) | 49.4% |
| C - New Environmental Actions | 727,917.14 | 1,861,225.49 | 9,606,500.00 | (7,745,274.51) | 19.4% |
| D - Technical Team/Management | 145,028.63 | 722,457.55 | 1,015,000.00 | (292,542.45) | 71.2% |
| E - Project Fees & Expenses | 12,206.25 | 80,088.75 | 163,000.00 | (82,911.25) | 49.1% |
| F - Regulator Oversight Costs | 19,421.04 | 122,060.35 | 700,000.00 | (577,939.65) | 17.4% |
| G - Legal & Accounting Costs | 10,657.25 | 52,098.00 | 250,000.00 | (197,902.00) | 20.8% |
| Total Deductions from Net Trust Assets | <u>949,676.72</u> | <u>2,935,740.59</u> | <u>11,932,500.00</u> | <u>(8,996,759.41)</u> | <u>24.6%</u> |
| Additions to Net Trust Assets: | | | | | |
| Investment income, net of expenses | 143,513.03 | 286,667.95 | - | 286,667.95 | |
| Unrealized gain (loss) on investments | 69,236.18 | (215,458.94) | - | (215,458.94) | |
| Total Additions to Net Trust Assets | <u>212,749.21</u> | <u>71,209.01</u> | <u>-</u> | <u>71,209.01</u> | |
| Change in Net Trust Assets | <u>\$ (736,927.51)</u> | <u>\$ (2,864,531.58)</u> | <u>\$ (11,932,500.00)</u> | <u>\$ 9,067,968.42</u> | |

Multistate Environmental Response Trust
Former Kerr-McGee/Tronox Chemical Corp Superfund Site in Navassa, North Carolina - ECA
Schedule of Budget to Actual

| | Year Ended December 31, 2021 (Restated) ¹ | Annual Budget | Variance | % of Budget |
|--|--|---------------------------|------------------------|----------------|
| ECA-Deductions from Net Trust Assets: | | | | |
| A - Regulatory Compliance/ O&M | \$ 49,980.81 | \$ 151,000.00 | \$ (101,019.19) | 33.1% |
| C - New Environmental Actions | 2,367,185.89 | 9,632,300.00 | (7,265,114.11) | 24.6% |
| D - Technical Team/Management | 822,735.77 | 1,028,000.00 | (205,264.23) | 80.0% |
| E - Project Fees & Expenses | 95,667.00 | 179,000.00 | (83,333.00) | 53.4% |
| F - Regulator Oversight Costs | 111,354.93 | 700,000.00 | (588,645.07) | 15.9% |
| G - Legal & Accounting Costs | 67,711.75 | 204,000.00 | (136,288.25) | 33.2% |
| Total Deductions from Net Trust Assets | <u>3,514,636.15</u> | <u>11,894,300.00</u> | <u>(8,379,663.85)</u> | 29.5% |
| ECA-Additions to Net Trust Assets: | | | | |
| Investment income, net of expenses | 65,711.11 | - | 65,711.11 | |
| Unrealized gain (loss) on investments | (93,751.17) | - | (93,751.17) | |
| Total Additions to Net Trust Assets | <u>(28,040.06)</u> | <u>-</u> | <u>(28,040.06)</u> | |
| Change in Net Trust Assets - ECA | <u>\$ (3,542,676.21)</u> | <u>\$ (11,894,300.00)</u> | <u>\$ 8,351,623.79</u> | |

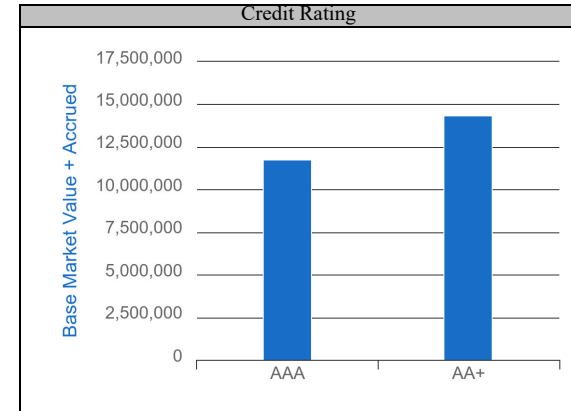
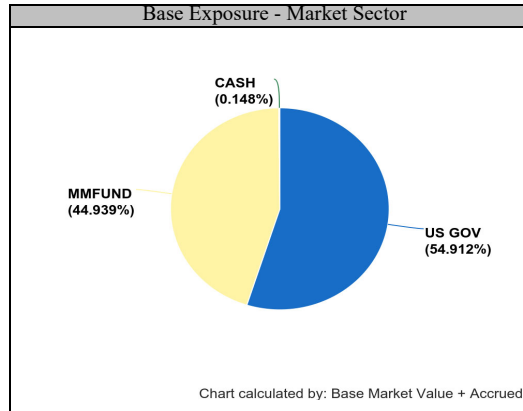
¹The 12/31/2021 balances for Accounts Payable and Cost Center C - New Environmental Actions have been restated by \$7,637.15 for expenses incurred in 2021, but not received and recorded until after the distribution of the 12/31/2021 financial statements.

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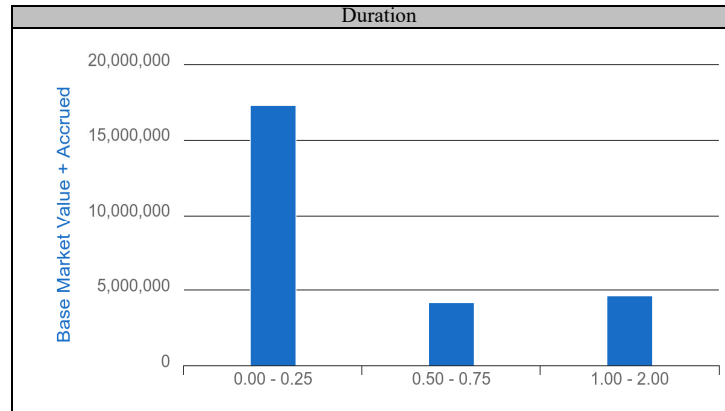
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Quarterly Presentation
MS-Navassa ECA - AGG
10/01/2022 - 12/31/2022

| Cash and Fixed Income Summary | |
|-------------------------------|----------------------|
| Risk Metric | Market Value |
| Cash | 38,767 |
| Treasury MMFund | 11,746,523 |
| Fixed Income | 14,353,334 |
| Total Portfolio | \$ 26,138,623 |
| Duration | 0.378 |
| Years to Final Maturity | 0.392 |
| Yield | 4.148 |
| Avg Credit Rating | AA+/Aa1/AA+ |
| Total Interest Income | \$ 145,553 |



| Issuer Concentration | |
|------------------------|---------------|
| Issuer Concentration | Market Value |
| United States Treasury | 54.9% |
| Treasury MMFund | 44.9% |
| Cash | 0.1% |
| Total Portfolio | 100.0% |



| Compliance Overview | |
|---------------------|------------|
| Status | Compliant |
| As of | 12/31/2022 |

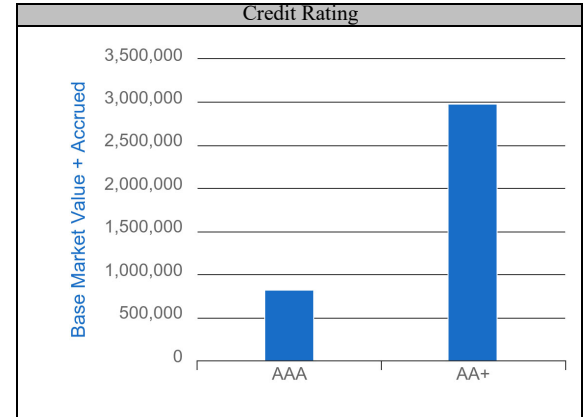
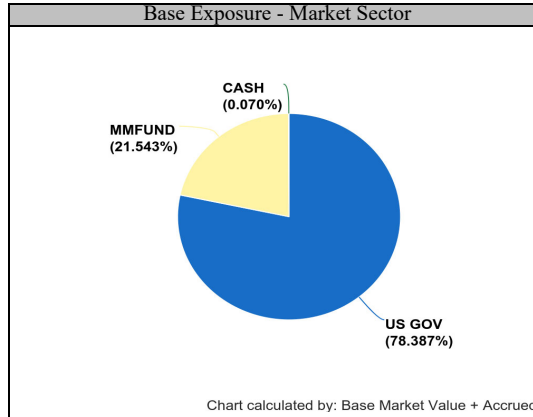
1: * Grouped by: Issuer Concentration
2: * Groups Sorted by: % of Base Market Value + Accrued

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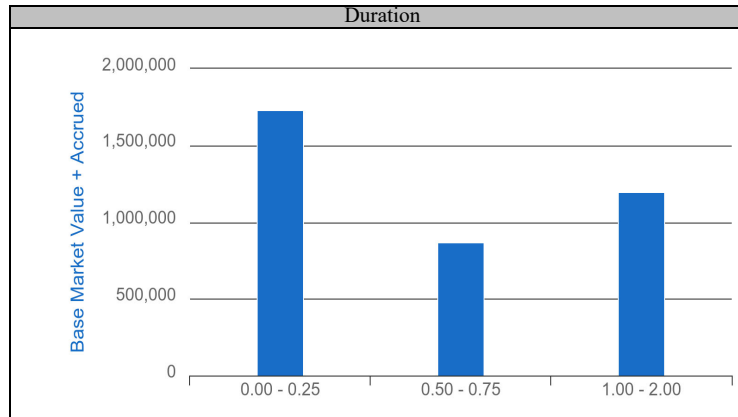
Report:
Account:
Date:

Quarterly Presentation
MS-Navassa SA-AGG
10/01/2022 - 12/31/2022

| Cash and Fixed Income Summary | |
|-------------------------------|---------------------|
| Risk Metric | Market Value |
| Cash | 2,660 |
| Treasury MMFund | 819,148 |
| Fixed Income | 2,980,529 |
| Total Portfolio | \$ 3,802,338 |
| Duration | 0.574 |
| Years to Final Maturity | 0.594 |
| Yield | 4.307 |
| Avg Credit Rating | AA+/Aa1/AA+ |
| Total Interest Income | \$ 14,035 |



| Issuer Concentration | |
|------------------------|---------------|
| Issuer Concentration | Market Value |
| United States Treasury | 78.4% |
| Treasury MMFund | 21.5% |
| Cash | 0.1% |
| Total Portfolio | 100.0% |



| Compliance Overview | |
|---------------------|------------|
| Status | Compliant |
| As of | 12/31/2022 |

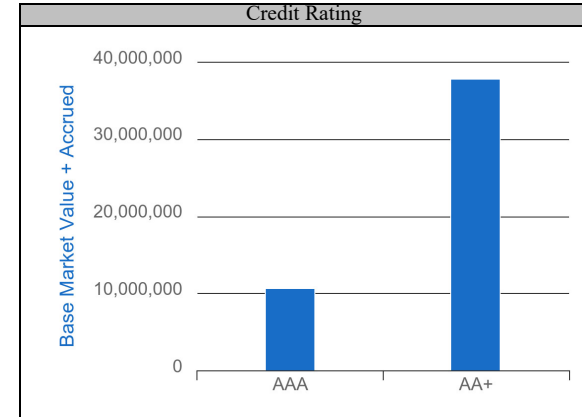
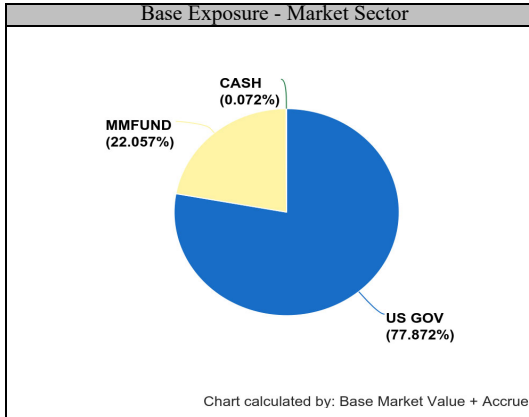
1: * Grouped by: Issuer Concentration
2: * Groups Sorted by: % of Base Market Value + Accrued

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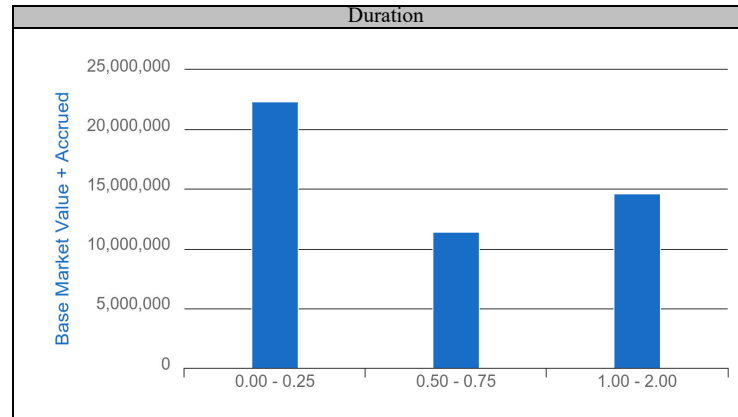
Report:
Account:
Date:

Quarterly Presentation
MS-Navassa Anad-AGG
10/01/2022 - 12/31/2022

| Cash and Fixed Income Summary | |
|-------------------------------|----------------------|
| Risk Metric | Market Value |
| Cash | 34,731 |
| Treasury MMFund | 10,694,280 |
| Fixed Income | 37,756,372 |
| Total Portfolio | \$ 48,485,383 |
| Duration | 0.562 |
| Years to Final Maturity | 0.582 |
| Yield | 4.303 |
| Avg Credit Rating | AA+/Aa1/AA+ |
| Total Interest Income | \$ 179,242 |



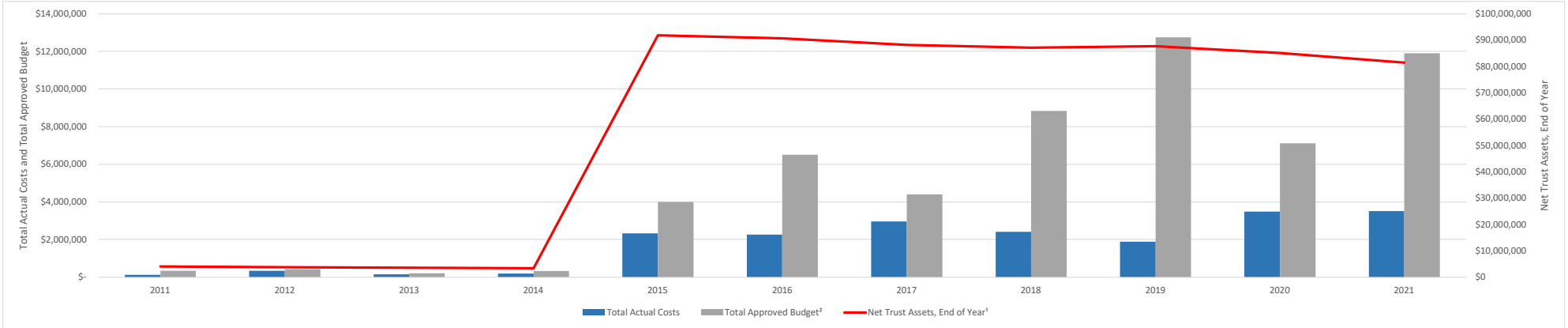
| Issuer Concentration | |
|------------------------|----------------|
| Issuer Concentration | Market Value |
| United States Treasury | 77.87% |
| Treasury MMFund | 22.06% |
| Cash | 0.07% |
| Total Portfolio | 100.00% |



| Compliance Overview | |
|---------------------|------------|
| Status | Compliant |
| As of | 12/31/2022 |

1: * Grouped by: Issuer Concentration
2: * Groups Sorted by: % of Base Market Value + Accrued

**Former Kerr-McGee/Tronox Chemical Corp Superfund Site In Navassa, North Carolina
11 Year Activity Summary
(2011 to 2021)**



| Summary of Activity | | | | | | | | | | | | | | | | | | | | | | |
|---|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------|--|--|--|--|--|--|--|--|--|--|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Total | | | | | | | | | | |
| Initial and Anadarko Funding (Distributions) | \$4,208,555 | \$0 | \$0 | \$0 | \$90,534,443 | \$94,160 | \$0 | \$0 | \$0 | \$0 | \$0 | \$94,837,158 | | | | | | | | | | |
| Net Investment and Other Income (Loss) | \$358 | \$473 | (\$181) | \$39,850 | \$168,678 | \$1,001,207 | \$454,314 | \$1,334,087 | \$2,444,981 | \$943,145 | (\$174,090) | \$6,212,823 | | | | | | | | | | |
| Total Actual Costs | \$118,145 | \$338,156 | \$145,635 | \$195,651 | \$2,331,004 | \$2,263,976 | \$2,962,396 | \$2,409,110 | \$1,881,291 | \$3,489,070 | \$3,514,636 | \$19,649,070 | | | | | | | | | | |
| Net Trust Assets, End of Year¹ | \$4,090,768 | \$3,753,085 | \$3,607,269 | \$3,451,468 | \$91,823,585 | \$90,654,977 | \$88,146,895 | \$87,071,872 | \$87,635,561 | \$85,089,636 | \$81,400,910 | \$81,400,910 | | | | | | | | | | |
| Total Approved Budget² | \$339,040 | \$426,465 | \$208,491 | \$327,496 | \$3,988,800 | \$6,503,000 | \$4,400,000 | \$8,828,000 | \$12,745,000 | \$7,108,400 | \$11,894,300 | \$56,768,992 | | | | | | | | | | |

| Cost Center Detail | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| Line Item Cost Centers | 2011 | | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | | 2018 | | 2019 | | 2020 | | 2021 | | TOTAL | |
| | Actual Costs | Approved Budget | Actual Costs | Approved Budget | Actual Costs | Approved Budget | Actual Costs | Approved Budget | Actual Costs | Approved Budget | Actual Costs | Approved Budget | Actual Costs | Approved Budget | Actual Costs | Approved Budget | Actual Costs | Approved Budget | Actual Costs | Approved Budget | Actual Costs | Approved Budget | Actual Costs | Approved Budget |
| A - Regulatory Compliance/O&M | \$0 | \$0 | \$0 | \$10,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,000 | \$0 | \$10,000 | \$0 | \$10,000 | \$0 | \$160,000 | \$0 | \$60,000 | \$0 | \$90,000 | \$49,981 | \$151,000 | \$49,981 | \$496,000 |
| C - New Environmental Actions | \$19,298 | \$200,000 | \$183,177 | \$240,000 | \$71,601 | \$125,000 | \$94,860 | \$190,000 | \$1,816,828 | \$3,346,800 | \$1,544,053 | \$5,367,000 | \$1,975,047 | \$3,104,000 | \$1,764,733 | \$7,149,000 | \$1,201,073 | \$11,020,000 | \$2,649,416 | \$5,082,400 | \$2,367,186 | \$9,632,300 | \$13,687,273 | \$45,456,500 |
| D - Technical Team/Project Management | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$23,074 | \$35,600 | \$168,649 | \$236,490 | \$299,492 | \$564,000 | \$488,853 | \$553,000 | \$496,351 | \$739,000 | \$491,967 | \$811,000 | \$613,019 | \$872,000 | \$822,736 | \$1,028,000 | \$3,404,141 | \$4,839,090 |
| E - Trustee Fees | \$14,807 | \$40,000 | \$23,515 | \$45,000 | \$30,543 | \$40,000 | \$26,821 | \$41,000 | \$77,906 | \$77,910 | \$120,839 | \$121,000 | \$113,370 | \$163,000 | \$65,413 | \$171,000 | \$60,431 | \$183,000 | \$75,534 | \$179,000 | \$95,667 | \$179,000 | \$704,847 | \$1,239,910 |
| F - Regulator Oversight Costs | \$84,040 | \$84,040 | \$131,464 | \$131,465 | \$43,490 | \$43,491 | \$50,896 | \$50,896 | \$262,341 | \$300,000 | \$259,170 | \$400,000 | \$315,533 | \$500,000 | \$0 | \$500,000 | \$49,886 | \$500,000 | \$61,831 | \$700,000 | \$111,355 | \$700,000 | \$1,370,006 | \$3,909,892 |
| G - Legal and Accounting Fees | \$0 | \$15,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 | \$5,280 | \$22,600 | \$40,422 | \$41,000 | \$69,593 | \$70,000 | \$82,612 | \$109,000 | \$77,934 | \$171,000 | \$89,269 | \$185,000 | \$67,712 | \$204,000 | \$432,823 | \$827,600 |
| Total | \$118,145 | \$339,040 | \$338,156 | \$426,465 | \$145,635 | \$208,491 | \$195,651 | \$327,496 | \$2,331,004 | \$3,988,800 | \$2,263,976 | \$6,503,000 | \$2,962,396 | \$4,400,000 | \$2,409,110 | \$8,828,000 | \$1,881,291 | \$12,745,000 | \$3,489,070 | \$7,108,400 | \$3,514,636 | \$11,894,300 | \$19,649,070 | \$56,768,992 |

¹Net Trust Assets, End of Year for 2011 = Initial and Anadarko Funding (Distributions) + Net Investment and Other Income (Loss) - Total Actual Costs. Net Trust Assets, End of Year for 2012 through 2021 = prior year Net Trust Assets, End of Year + Initial and Anadarko Funding (Distributions) + Net Investment and Other Income (Loss) - Total Actual Costs.
²Total Approved Budget is presented for informational purposes only.