April 12, 2022

Alabama Trucking Association
Workers' Compensation Fund Member

Dear Ladies and Gentlemen:

Enclosed you will find a copy of the Summarized Audited Consolidated Financial Statements of the Alabama Trucking Association Workers’ Compensation Fund and Alliance Interstate Risk Service (Consolidated Programs) for the year ended December 31, 2021. Our Auditors (Carr, Riggs and Ingram, LLC) conducted their audit in accordance with U.S. generally accepted auditing standards. Those standards require the Auditors to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Upon the completion of all necessary examinations of the evidence supporting the amounts included in these financial statements and assessing the accounting principles used and significant estimates made by management, the Auditors determined that their audit provided a reasonable basis for issuing their opinion. Their opinion concluded that these financial statements present fairly, in all material respects, the financial position of the Consolidated Programs as of December 31, 2021.

These financial statements reflect the Consolidated Programs currently have accumulated total profits, net of distributions, of $88,730,298 set aside for future retrospective dividend credits to be refunded to active participating companies as directed by Alabama State Regulatory Requirements. Since inception of the Consolidated Programs, the total amount of retrospective dividend credits previously distributed back to participating companies is $137,982,290. In addition, the Consolidated Programs will distribute back $19,066,852 beginning January 01, 2022 to respective active participating companies with their 2022 calendar year renewals.

This report includes the overall operations of both programs, and the claims losses reflected in the Consolidated Statement of Income and Deductions includes loss reserves which are required to pay incurred but not reported (IBNR) losses. These IBNR loss reserves are established at levels recommended by our independent Actuarial firm (Casualty Actuarial Consultants) and approved by the Boards of each programs. Our Actuaries recently completed their yearend loss reserve analysis update and have adjusted reserves based on the decreasing development trend of losses over our most recent years of operation. This trend is the direct result of aggressive and effective claims handling practices and our loss control and risk management practices within both programs. The combined overall operating profit for the year ended December 31, 2021 is $34,367,086. With the conclusion of the 2021 calendar year, the Board of both programs are pleased to report that we have continued our long standing profitable operating performance. The Boards wish to emphasize that their primary goals remain to protect the financial integrity of the Consolidated Programs while returning profits to our participating companies.

In closing, we always wish to take the opportunity to remind you that the best approach to curb increases in your company’s operating expenses is to strive to maximize your company’s emphasis on your claims reporting and handling procedures along with your loss control and risk management practices. Your efforts in these areas will directly increase the bottom line of your company. Please take advantage of the opportunity to contact our team members. Suzy Baker, our Claim Manager, along with Todd Hager, our Chief Operating Officer, will assist you with any claims related questions you may have. Don Anchors, our Director of Safety and Risk Management, as well as our Risk Management Consultants, Candy Woodruff, MaryAnn Brown, Michael Smith, Victor Whatley and Will Moses will evaluate your company to develop a risk analysis plan and implement safety procedures and training that can immediately reduce the losses occurring within your company as we have done for many others in both programs. We encourage you to contact us and take advantage of these resources at no cost to you and remember to always Work Safe / Work Smart.

ATA Comp Fund | Alliance Interstate Risk Service
P.O. Box 241605 | Montgomery, AL 36124-1605 | 334-834-7911
BOARD MEMBERS

Susan Kirkpatrick, Chairman
Fund Member Trustee
Exec. Vice President/CFO, Buddy Moore Trucking, Inc.
P.O. Box 10047
Birmingham, AL 35202
Term: April 2020 – April 2023
(205) 949-3201

Chris Hornady, Vice Chairman
Fund Member Trustee
CEO, Hornady Transportation, LLC
P. O. Box 846
Monroeville, AL 36461
Term: September 2021 – April 2024
(251) 575-4811

Fenn Church
Fund Member Trustee
President/CEO, Church Transportation & Logistics, Inc.
P. O. Box 65
Birmingham, AL 35201
Term: September 2021 – April 2024
(205) 925-1977

Mike Limbaugh
Fund Member Trustee
Owner, White Oak Transportation, Inc.
P. O. Box 876
Decatur, AL 35602
Term: April 2019 – April 2022
(877) 948-3625

Drew Linn
Fund Member Trustee
President, Southland International Trucks, Inc.
P. O. Box 578
Birmingham, AL 35201-0578
Term: September 2021 – April 2024
(205) 942-6226

Scott Smith
Fund Member Trustee
CEO, P & S Transportation, Inc.
P. O. Box 8250
Ensley, AL 35218
Term: April 2020 – April 2023
(205) 296-9588

Rusty Sprouse
Fund Member Trustee
CFO, B & G Supply, Inc.
P. O. Box 748
Albertville, AL 35950
Term: April 2020 – April 2023
(256) 878-2928

Harold Sumerford, Jr.
Fund Member Trustee
CEO, J&M Tank Lines, Inc.
1100 Corporate Parkway
Birmingham, AL 35242
Term: September 2021 – April 2024
(205) 876-1901

Beau Wicks
Fund Member Trustee
President, Southeast Logistics
P. O. Box 1309
Tuscaloosa, AL 35403
Term: April 2019 – April 2022
(205) 759-1818

Mark Colson
Ex-Officio Trustee
President and CEO, AL Trucking Association
P. O. Box 2339
Montgomery, AL 36102-2339
Term: July 2021 – July 2022
(334) 834-3983

Tom McLeod
Ex-Officio Trustee
CEO, McLeod Software Corp.
P. O. Box 43200
Birmingham, AL 35243
Term: July 2021 – July 2022
(205) 823-5100

Will Bruser
Ex-Officio Trustee
President, Truckworx, Inc.
2220 Finley Boulevard
Birmingham, AL 35234
Term: July 2021 – July 2022
(205) 326-6170

Chris Cooper
Ex-Officio Trustee
CEO, Boyd Brothers Transportation, Inc.
3275 Highway 30
Clayton, AL 36016
Term: July 2021 – July 2022
(334) 775-1200
BALANCE SHEET
December 31, 2021

ASSETS

Cash and Cash Equivalents $ 13,553,407.48
Prepaid Expenses and Deposits 344,991.01
Accounts Receivable (net of allowance) 42,859,865.42
Certificates of Deposit and Investments 117,545,049.67
Deferred Tax Asset (net of liability) 1,333,418.82
Building and Fixed Assets (net of depreciation) 1,752,694.27

Total Assets $ 177,389,426.67

LIABILITIES, RESERVES AND MEMBERS' EQUITY

Liabilities:
Accounts Payable and Escrow $ 4,072,555.39
Unearned Premium and Contributions 2,377,603.69

Total Liabilities $ 6,450,159.08

Reserves:
Reserve for Aggregate Losses $ 11,483,682.60
Actuarial Reserves for Claim Losses 69,876,315.55

Total Reserves 81,359,998.15

Members' Equity:
Investments Unrealized Gain/(Loss) $ 848,971.25
All Years Accumulated Dividends 88,730,298.19

Total Members' Equity 89,579,269.44

Total Liabilities, Reserves and Members' Equity $ 177,389,426.67
## CONSOLIDATED STATEMENT OF INCOME AND DEDUCTIONS

For the Twelve Months Ending December 31, 2021

### Income:
- ACF Contribution Income: $46,514,659.77
- AIR Premium: 16,681,140.20
- ACF / AIR Investment Income and Gain/(Loss): 10,067,273.70
- ACF / AIR Other Income and Fees: 1,177,100.50

**Total Income** $74,440,174.17

### Deductions:

#### Claim Losses:
- ACF / AIR Incurred Losses (net): $22,577,911.14

**Total Claims Losses** $22,577,911.14

#### Operating Expenses:
- ACF / AIR Administrative Expenses: $4,710,389.97
- AIR Administration Service Fees: 4,292,705.85
- ACF Brokerage Expenses: 2,169,185.72
- ACF Claims Service Fees: 1,445,886.97
- ACF Excess Insurance: 2,343,528.04
- ACF / AIR Professional Services: 1,299,643.39
- ACF / AIR Royalty Fees: 852,681.13

**Total Operating Expenses** $17,114,021.07

**Total Deductions** $39,691,932.21

### Excess Income Before Income Taxes

**Excess Income** $34,367,086.28

**Provision for Income Taxes** 381,155.68

**Excess Income Before Retrospective Dividends Distribution** $226,712,587.72

**Retrospective Dividends Distributed to Members** 137,982,289.53

**Excess Income Held for Future Retrospective Dividends** $88,730,298.19