

**EAST BAY DRAYAGE DRIVERS
SECURITY FUND
Financial Statements
October 31, 2022 and 2021
With Independent Auditor's Report**

East Bay Drayage Drivers Security Fund
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October 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Participants and Trustees of
East Bay Drayage Drivers Security Fund:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of East Bay Drayage Drivers Security Fund (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), which comprise the statements of net assets available for benefits and of benefit obligations as of October 31, 2022 and 2021, and the related statements of changes in net assets available for benefits and of changes in benefit obligations 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 net assets available for benefits and benefit obligations of East Bay Drayage Drivers Security Fund as of October 31, 2022 and 2021, and the changes in its net assets available for benefits and benefit obligations for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's 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 auditor's 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 Plan'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 Plan'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.

Withum Smith & Brown, PC

July 27, 2023

East Bay Drayage Drivers Security Fund
Statements of Net Assets Available for Benefits
October 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash	\$ 5,027,305	\$ 3,032,243
Investments - at fair value		
Mutual funds and exchange-traded funds	57,240,630	60,498,082
Short-term investments	<u>237,755</u>	<u>290,701</u>
Total investments	<u>57,478,385</u>	<u>60,788,783</u>
Receivables		
Employer contributions	6,026,000	5,816,000
Other receivables	330,000	639,639
Stop-loss recovery	<u>-</u>	<u>940,000</u>
Total receivables	<u>6,356,000</u>	<u>7,395,639</u>
Prepaid expenses and other assets	<u>-</u>	<u>37,660</u>
Total assets	<u>68,861,690</u>	<u>71,254,325</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	160,316	153,440
Deferred revenue	<u>33,591</u>	<u>18,461</u>
Total liabilities	<u>193,907</u>	<u>171,901</u>
Net assets available for benefits	<u>\$ 68,667,783</u>	<u>\$ 71,082,424</u>

The Notes to Financial Statements are an integral part of these statements.

East Bay Drayage Drivers Security Fund
Statements of Changes in Net Assets Available for Benefits
Years Ended October 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Additions		
Investment income		
Net appreciation (depreciation) in fair value of investments	\$ (9,890,887)	\$ 2,989,735
Interest income	2,187,076	1,439,776
	<u>(7,703,811)</u>	<u>4,429,511</u>
Less: Investment expenses	(115,330)	(289,476)
Investment income - net	(7,819,141)	4,140,035
Employer contributions	70,795,213	68,366,551
Participant contributions	2,863,115	2,881,058
Stop-loss recovery	872,969	1,587,307
Other income	427,422	-
Prescription drug rebates	262,283	868,007
Total additions	<u>67,401,861</u>	<u>77,842,958</u>
Deductions		
Cost of benefits		
Self-funded benefits	17,543,926	18,398,859
Group insurance premiums	50,062,050	48,553,911
Total cost of benefits	67,605,976	66,952,770
Administrative expenses	2,210,526	2,033,818
Total deductions	<u>69,816,502</u>	<u>68,986,588</u>
Net change in net assets available for benefits	(2,414,641)	8,856,370
Net assets available for benefits		
Beginning of year	<u>71,082,424</u>	<u>62,226,054</u>
End of year	<u>\$ 68,667,783</u>	<u>\$ 71,082,424</u>

The Notes to Financial Statements are an integral part of these statements.

**East Bay Drayage Drivers Security Fund
Statements of Benefit Obligations
Years Ended October 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Amounts currently payable		
Claims payable and incurred but not reported	\$ 2,568,227	\$ 2,059,935
Premiums payable	<u>1,125,932</u>	<u>857,261</u>
Total amounts currently payable	<u>3,694,159</u>	<u>2,917,196</u>
Other obligations for current benefit coverage - at present value of estimated amounts, net of amounts currently payable		
Accumulated eligibility credits	<u>5,010,000</u>	<u>4,840,000</u>
Total benefit obligations other than post-retirement benefit obligations	<u>8,704,159</u>	<u>7,757,196</u>
Post retirement benefit obligations - net of amounts currently payable		
Current retirees	118,112,468	113,645,080
Other participants fully eligible for benefits	131,063,057	126,105,837
Other participants not fully eligible for benefits	<u>62,695,261</u>	<u>60,323,927</u>
Total post-retirement benefit obligations	<u>311,870,786</u>	<u>300,074,844</u>
 Total benefit obligations	 <u>\$ 320,574,945</u>	 <u>\$ 307,832,040</u>

The Notes to Financial Statements are an integral part of these statements.

**East Bay Drayage Drivers Security Fund
Statements of Changes in Benefit Obligations
Years Ended October 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Amounts currently payable		
Balance at beginning of year	\$ 2,917,196	\$ 4,223,691
Increase (decrease) during the year attributable to changes in:		
Claims payable and incurred but not reported	508,292	(1,198,625)
Premiums payable	<u>268,671</u>	<u>(107,870)</u>
Balance at end of year	<u>3,694,159</u>	<u>2,917,196</u>
Other obligations for current benefit coverage - at present value of estimated amounts, net of amounts currently payable		
Balance at beginning of year	4,840,000	4,620,000
Increase during the year attributable to changes in:		
Accumulated eligibility credits	<u>170,000</u>	<u>220,000</u>
Balance at end of year	<u>5,010,000</u>	<u>4,840,000</u>
Total benefit obligations other than post-retirement benefit obligations	<u>8,704,159</u>	<u>7,757,196</u>
Post-retirement benefit obligations - net of amounts currently payable		
Balance at beginning of year	300,074,844	280,795,026
Increase (decrease) during the year attributable to:		
Benefits earned and experience	639,178	8,313,056
Interest	18,004,491	16,847,702
Benefits paid	<u>(6,847,727)</u>	<u>(5,880,940)</u>
Balance at end of year	<u>311,870,786</u>	<u>300,074,844</u>
Total benefit obligations	<u>\$ 320,574,945</u>	<u>\$ 307,832,040</u>

The Notes to Financial Statements are an integral part of these statements.

East Bay Drayage Drivers Security Fund
Notes to Financial Statements
October 31, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The accompanying financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Investment Valuation, Transactions and Income Recognition

General - Investments are carried at fair value, which is determined, presented and disclosed in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 820, Fair Value Measurements and Disclosures. Under FASB ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

FASB ASC 820 establishes a fair value 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. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Plan. Unobservable inputs reflect the Plan’s assumptions about inputs that market participants would use in pricing the investments developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels, based on the inputs, as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active, quoted prices for similar investments in active markets or model-based valuations for which all significant assumptions are observable and can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs that are supported by little or no market activity and are significant to the overall fair value measurement. Values are determined using proprietary pricing models, discounted cash flow models that include the investment entities’ own judgments and estimations, or some other pricing method using unobservable inputs.

Inputs and Valuation Methods - In determining fair value, FASB ASC 820 allows various valuation approaches. The specific methods used for each of the Plan’s investment classes are presented below.

Mutual funds and exchange-traded funds: The fair value of mutual funds and exchange-traded funds is generally based on quoted prices in active markets (Level 1).

Short-term investments: The fair value of the short-term investments is based on the value of all of the securities held using the amortized cost method. The funds seek to maintain a net asset value of \$1.00 (Level 2).

Valuation Methods, Consistency - The valuation techniques used in the accompanying financial statements have been consistently applied.

Transactions and Income Recognition - Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the gains and losses on investments bought and sold as well as held during the year.

East Bay Drayage Drivers Security Fund

Notes to Financial Statements

October 31, 2022 and 2021

Contributions Receivable

Employer contributions due but not received at year-end are recorded as employer contributions receivable. Contributions due as a result of payroll audits have been recorded net of an allowance equal to the amount due because collectability is uncertain. Therefore, delinquent contributions are recorded when received.

Deferred Revenue

Deferred revenue represents contributions from retirees and from members electing Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage received prior to year-end for eligibility after year-end.

Claims Payable and Incurred but Not Reported

Estimated claims payable and incurred but not reported includes an estimate of claims incurred prior to year-end, but paid after that date. These estimates were calculated by the Plan's administrator based on claims experience subsequent to year-end.

Premiums Payable

Benefit premiums due but not paid at year-end are recorded as premiums payable in the statement of changes in benefit obligations.

Accumulated Eligibility Credits

The Plan provides eligibility for benefits in the month following the month in which an employee works the required number of hours for a contribution to be made on his/her behalf; for example, hours worked in October provide November eligibility. Accumulated eligibility credits are estimated by the Plan's administrator based on one month's cost of benefits and administrative expenses, excluding retiree benefit costs.

Post-Retirement Benefit Obligations

Post-retirement benefit obligations include future benefits expected to be paid to or for (1) currently retired or terminated employees and their beneficiaries and dependents, and (2) active employees and their beneficiaries and dependents after retirement from service with the participating employers. The post-retirement benefit obligation is computed as the net cost to the Plan and considers future contributions to be received from current participants during their remaining active service and post-retirement periods. This obligation was estimated by the Plan's actuary.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties

Post-retirement benefit obligations are calculated based on certain assumptions pertaining to future contributions, participant demographics, interest rates and other assumptions, all of which are subject to change. Due to the inherent uncertainty of the assumption process, it is at least reasonably possible that changes in these assumptions in the near term would be material to the post-retirement benefit obligations.

The Plan invests in mutual funds and exchange-traded funds, and other investment securities. Such investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty with respect to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

East Bay Drayage Drivers Security Fund
Notes to Financial Statements
October 31, 2022 and 2021

2. DESCRIPTION OF THE PLAN

East Bay Drayage Drivers Security Fund (the “Plan”) was established during 1952 as a result of collective bargaining. The Plan provides medical, dental, prescription drug, vision, life, and accidental death and disability benefits for eligible participants and their dependents. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

General eligibility rules under the Plan are as follows:

a. Initial eligibility requires a certain number of hours to be worked, based on the collective bargaining agreement, during three calendar months.

b. To maintain eligibility, an employee must work a certain number of hours, based on the collective bargaining agreement, in the preceding month, provided that employer contributions are made on the employee’s behalf.

Self-funded medical and dental benefits are administered by the Plan’s third-party administrator. Participants also have the option of medical benefits through service agreements with Kaiser Foundation Health Plan, Inc.; Anthem Blue Cross; and United American Insurance Company and of dental benefits through a service agreement with Delta Dental. Vision benefits are self-funded through a contract with Vision Service Plan, Inc. Prescription drug benefits are self-funded through a contract with Elixir (fka Envision).

The Plan holds stop-loss insurance policies under the terms of which certain medical benefits are paid. If the claims paid on behalf of an eligible participant or dependent exceed the deductible of \$300,000 effective January 1, 2022, and \$250,000 effective January 1, 2021, the carrier will reimburse the Plan for the excess in accordance with the terms of the stop-loss insurance arrangement. During the years ended October 31, 2022 and 2021, the Plan earned \$872,969 and \$1,587,307, respectively, under the stop-loss insurance policy.

Certain benefits provided to retirees, reflected in the statements of benefit obligations, are being funded by current employer contributions and monthly co-payments from retirees. Although these benefits were provided by the Plan for the current fiscal year, they are not guaranteed, and the Board of Trustees reserves the right to change or discontinue these benefits or to increase the contributions and/or co-payments required to fund these benefits.

Continuation of health care benefits to persons who would otherwise lose those benefits due to certain events, as mandated by COBRA, has been adopted by the Plan.

Participants should refer to the Summary Plan Description for more complete information.

3. PRIORITIES UPON TERMINATION

It is the intent of the Trustees to continue the Plan in full force and effect; however, to safeguard against any unforeseen contingencies, the right to discontinue the Plan is reserved to the Trustees. In the event of termination, the Trustees shall first satisfy, or make provisions to satisfy, the obligations of the Plan. Any remaining Plan assets will be distributed in such manner as will, in the opinion of the Trustees, bring about the purpose of the Plan. Termination shall not permit any part of the Plan to be used for, or diverted to, purposes other than the exclusive benefit of the participants.

East Bay Drayage Drivers Security Fund
Notes to Financial Statements
October 31, 2022 and 2021

4. TAX STATUS

The Plan obtained its latest determination letter in 1957 in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of Section 501(c)(9) of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan's administrator and the Plan's counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, they believe that the Plan was qualified and the related trust was tax exempt as of the financial statement date.

The Plan's administrator has analyzed the tax positions taken by the Plan and has concluded that, as of October 31, 2022 and 2021, there are no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by the taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan's administrator believes the Plan is no longer subject to income tax examinations for the fiscal years prior to 2019.

5. FUNDING POLICY

The Plan is financed by contributions from employers, retired participants, and participants electing COBRA coverage. The monthly contribution rates are established annually by the Board of Trustees based, in part, upon studies and recommendations by the Plan's consultant, subject to the terms of the applicable collective bargaining agreements.

One of the Plan's contributing employers was required to contribute an additional \$0.24 per hour on all hours worked by full-time employees for the period August 1, 2002, through July 31, 2008, pursuant to their collective bargaining agreement. The Plan has received approximately \$540,000 in additional contributions related to the \$0.24-per-hour contribution. Effective April 1, 2016, the Board of Trustees approved allocating these contributions as a reduction in the monthly self-payment contribution for retirees that met certain eligibility requirements. The Board of Trustees approved allocating net investment earnings to these contributions effective August 1, 2008. As of October 31, 2022 and 2021, contributions and allocated investment earnings less amounts used to reduce self-payment contributions totaled \$572,820 and \$656,897, respectively.

6. INVESTMENTS AT FAIR VALUE HIERARCHY

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at October 31, 2022 and 2021, are as follows:

<u>Description</u>	<u>October 31, 2022</u>	<u>Fair Value Measurements at Reporting Date Using:</u>	
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Mutual funds and exchange-traded funds	\$ 57,240,630	\$ 57,240,630	\$ -
Short-term investments	237,755	-	237,755
Total	<u>\$ 57,478,385</u>	<u>\$ 57,240,630</u>	<u>\$ 237,755</u>

East Bay Drayage Drivers Security Fund
Notes to Financial Statements
October 31, 2022 and 2021

<u>Description</u>	<u>October 31, 2021</u>	<u>Fair Value Measurements at Reporting Date Using:</u>	
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Mutual funds and exchange-traded funds	\$ 60,498,082	\$ 60,498,082	\$ -
Short-term investments	290,701	-	290,701
Total	<u>\$ 60,788,783</u>	<u>\$ 60,498,082</u>	<u>\$ 290,701</u>

7. CASH CONCENTRATIONS

The Plan has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of \$250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Plan's financial condition.

8. MAJOR EMPLOYERS

During each of the years ended October 31, 2022 and 2021, the Plan had two employers that together accounted for approximately 68% and 71% of employer contributions, respectively. In the event these employers suspended contributions, the Plan would terminate coverage to the employers' participants, as required under the Plan Document. The Plan would retain the risk of current fixed administrative expenses until the appropriate adjustments were made.

9. POST-RETIREMENT BENEFIT OBLIGATIONS

The amounts reported as the post-retirement benefit obligations represent the actuarial present value of those estimated future benefits that are attributed by the terms of the Plan to employees' service rendered to the date of the financial statements, reduced by the actuarial present value of contributions, if any, expected to be received in the future from current Plan participants. Post-retirement benefits include future benefits expected to be paid to or for: (1) currently retired or terminated employees and their beneficiaries and dependents, and (2) active employees and their beneficiaries and dependents after retirement from service with the participating employers. Prior to an active employee's full eligibility date, the post-retirement benefit obligation is the portion of the expected post-retirement benefit obligation that is attributed to that employee's service in the industry rendered to the valuation date.

The actuarial present value of the expected post-retirement benefit obligation is determined by an actuary and is the amount that results from applying actuarial assumptions to historical claims-cost data to estimate future annual incurred claims costs per participant and to adjust such estimates for the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as those for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The cost of the post-retirement benefit obligations is shared by the Plan's participating employers and retirees. In addition to deductibles and co-payments, the estimated cost of providing post-retirement benefits is partially funded through retiree contributions of 27% and 28% for the years ended October 31, 2022 and 2021, respectively.

East Bay Drayage Drivers Security Fund
Notes to Financial Statements
October 31, 2022 and 2021

The trend rate assumption has a significant effect on the amounts reported in the accompanying financial statements. If the assumed rates increased by one percentage point in each year, it would increase the post-retirement obligation by \$58,179,495 and \$57,932,192 as of October 31, 2022 and 2021, respectively.

Some of the more significant actuarial assumptions used to calculate the post-retirement benefit obligations at October 31, 2022 and 2021, are as follows:

Mortality rate:

Normal retirees:

2022: RP-2000 Table for males and females with adjustment for blue collar, projected to 2020.

2021: RP-2000 Table for males and females with adjustment for blue collar, projected to 2019.

Discount rate: 6.0%

Health trend rates:

Medical:	5.0%
Drug:	6.0%
Expenses:	2.0%

Retirement rates: Various rates ranging from 3.0% at age 49 to 100.0% at age 69.

Administrative expenses: \$136 per retired employee or spouse for 2022 and 2021.

10. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the accompanying financial statements to the Form 5500:

	<u>2022</u>	<u>2021</u>
Net assets available for benefits per the financial statements	\$ 68,667,783	\$ 71,082,424
Benefit obligations currently payable	<u>(3,694,159)</u>	<u>(2,917,196)</u>
Net assets available for benefits per the Form 5500	<u>\$ 64,973,624</u>	<u>\$ 68,165,228</u>

The following is a reconciliation of benefits paid to or for participants per the financial statements to the Form 5500:

Benefits paid to or for participants per the financial statements	\$ 67,605,976
Add: Amounts currently payable at October 31, 2022	3,694,159
Less: Amounts currently payable at October 31, 2021	<u>(2,917,196)</u>
Benefits paid to or for participants per the Form 5500	<u>\$ 68,382,939</u>

East Bay Drayage Drivers Security Fund
Notes to Financial Statements
October 31, 2022 and 2021

11. SUBSEQUENT EVENTS

Subsequent events were evaluated through the date on which the financial statements were available to be issued. This date is approximately the same as the independent auditor's report date. No subsequent events have occurred that require recognition or disclosure in these financial statements.

SUPPLEMENTARY INFORMATION

REPORT ON SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT

To the Participants and Trustees of
East Bay Drayage Drivers Security Fund:

We have audited the financial statements of East Bay Drayage Drivers Security Fund (the "Plan") as of and for the years ended October 31, 2022 and 2021, and have issued our report thereon dated July 27, 2023, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying information of schedules of administrative expenses for the years ended October 31, 2022 and 2021, which appears on page 15, is presented for the purpose of additional analysis and is not a required part of the basic 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 information has been subjected to the auditing procedures applied in the audit of the financial statements and certain underlying accounting and other records used to prepare the 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 financial statements taken as a whole.

WithumSmith+Brown, PC

July 27, 2023

**East Bay Drayage Drivers Security Fund
Schedules of Administrative Expenses
Years Ended October 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Administrative fees		
Contract administrator	\$ 1,255,611	\$ 1,205,150
Dental	173,779	171,511
Fusion Health	42,704	62,388
Teamsters Assistance Program	51,643	50,026
Vision Service Plan	87,621	84,198
Auditing	48,073	38,686
Consulting	89,000	91,500
Cost containment	132,743	114,326
Dental consulting	18,000	18,000
Employer contributions testing	10,725	713
Insurance	68,749	42,161
Legal	64,437	52,991
Miscellaneous	12,999	6,532
Prescription drug manager consulting	53,403	34,000
Printing and postage	52,933	45,026
Trustee meetings	<u>48,106</u>	<u>16,610</u>
Total	<u>\$ 2,210,526</u>	<u>\$ 2,033,818</u>

See Independent Auditor's Report on Supplementary Information.