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United States Department of Transportation
Federal Motor Carrier Safety Administration

FMCSA Office of Registration and Safety Information

Annual Report Form (Class 1 & Class 2 Motor Carriers of Property and Household Goods)

FORM M

CALENDAR/FISCAL YEAR: 2019

Section

A

MOTOR CARRIER IDENTIFICATION

IDENTIFICATION:

<u>029910</u>	<u>082866</u>	<u>Oklahoma</u>	<u>22205</u>
MOTOR CARRIER NUMBER	U.S. DOT NUMBER	BASE STATE (see instructions)	BASE STATE REGISTRATION NUMBER (see instructions)
<u>ABF Freight System, Inc.</u>		<u>TRADE or DOING BUSINESS AS</u>	
NAME OF COMPANY		<u>Fort Smith</u>	<u>AR</u> <u>72903</u>
<u>3801 Old Greenwood Road</u>		CITY	STATE ZIP CODE
STREET ADDRESS			<u>479-785-6000</u>
			TELEPHONE (include area code)

CONTACT (for purposes of this report):

<u>Bryan A. Swaim</u>	<u>Controller</u>	<u>479-494-6648</u>
CONTACT NAME	TITLE	TELEPHONE (include area code)

MAILING ADDRESS (if different from above):

<u>Post Office Box 10048</u>	<u>Fort Smith</u>	<u>AR</u>	<u>72917-0048</u>
STREET ADDRESS	CITY	STATE	ZIP CODE

AFFILIATED COMPANIES (list names):

<u>ABF, Inc.</u>		
PARENT COMPANY	MC Number (if any)	U.S. DOT Number (if any)
<u>None</u>		
AFFILIATED COMPANY	MC Number (if any)	U.S. DOT Number (if any)
AFFILIATED COMPANY	MC Number (if any)	U.S. DOT Number (if any)
AFFILIATED COMPANY	MC Number (if any)	U.S. DOT Number (if any)
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Section B

REVENUE COMMODITY GROUP

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MOTOR CARRIER NUMBER

Indicate which type of carriage makes up the majority of your revenues.

Parcel: Includes expedited and courier service.

Tank motor carriers: Included in "Liquid petroleum or liquid chemical products" or "Refrigerated liquids".

GENERAL FREIGHT:

- ☒ Less than truckload
☐ Truckload
☐ Parcel
☐ Container
☐ **HOUSEHOLD GOODS**

SPECIALTY FREIGHT: (mark up to 3)

- ☐ Heavy equipment
☐ Liquid petroleum or chemical products
☐ Bulk chemicals
☐ Refrigerated liquids
☐ Refrigerated solids
☐ Dump trucking
☐ Agricultural commodities
☐ Motor vehicles
☐ Armored truck services
- ☐ Building materials
☐ Film and associated products
☐ Forest products
☐ Mine ore (not coal)
☐ Retail store delivery
☐ Explosives or dangerous products
☐ Other (please specify below):

GENERAL INSTRUCTIONS:

- Use Generally Accepted Accounting Principles (GAAP).
- Report dollar values in whole dollars.
- Respond to each item. Use "0", "none", or "not applicable" as appropriate.
- Explain any unusual items, such as large differences between figures reported in the current report and those for the preceding report.
- Use parentheses to indicate negative numbers.

Section 1

SCHEDULE 100 — BALANCE SHEET

CURRENT ASSETS:

		Balance close of 2019 (a)	Balance start of 2019 (b)
101	Cash and equivalents — Available on demand by company (<i>cash and working funds, special deposits, temporary cash investments, etc.</i>).	\$ 75,686,658	\$ 50,912,246
102	Accounts receivable — Accounts owed to the business by customers or affiliates who have bought "on credit." Include all accounts receivable regardless of source. Exclude long-term accounts receivable.	\$ (14,304,790)	\$ (13,695,767)
103	Notes receivable — Money owed by customers or affiliates who have signed a written promise to pay within one year. Include all notes receivable regardless of source.	\$ 185,285,870	\$ 195,246,385
104	Other current assets — Include all assets not considered long-term which were not included above (<i>materials and supplies, prepayments, deferred charges, etc.</i>).	\$ 18,256,665	\$ 13,808,276
105	Total current assets <i>Sum of lines 101 through 104</i>	\$ 264,924,403	\$ 246,271,140

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MOTOR CARRIER NUMBER**LONG-TERM ASSETS:**

		Balance close of 2019 (a)	Balance start of 2019 (b)
106	Net carrier operating property — Depreciated book value of all tangible operating property (<i>revenue and other operating equipment, land, buildings, garage, furniture and office equipment, carrier-owned operating property used by others in motor carrier operations, etc.</i>).	\$ 493,103,748	\$ 465,321,290
107	Other long-term assets — Include depreciated book value of non-operating property, long-term notes and accounts receivable, receivables from affiliates, deferred income tax debits, and other deferred debits. Include intangible assets.	\$ 346,015,660	\$ 248,572,929
108	Total long-term assets <i>Sum of lines 106 and 107</i>	\$ 839,119,408	\$ 713,894,219
109	TOTAL ASSETS <i>Sum of lines 105 and 108</i>	\$ 1,104,043,811	\$ 960,165,359

CURRENT LIABILITIES:

110	Accounts payable — Accounts payable within one year. Accounts owed to others for goods and services bought on credit.	\$ 64,550,679	\$ 69,479,745
111	Notes payable — Promissory notes payable within one year. Include payables to affiliated companies and matured obligations.	\$ 86,140,318	\$ 72,075,143
112	Taxes payable — Taxes payable within one year (<i>accrued taxes, deferred income tax credits</i>).	\$ 6,696,463	\$ 6,479,031
113	Current portion of long-term debt — Long-term debt that is due within one year (<i>bonds, equipment obligations, lease obligations, etc.</i>).	\$ 51,485,111	\$ 51,829,513
114	Other current liabilities — Report all other liabilities due within one year not included above (<i>unclaimed wages, accrued bonuses, vacation pay, etc.</i>).	\$ 159,106,133	\$ 139,587,094
115	Total current liabilities <i>Sum of lines 110 through 114</i>	\$ 367,978,704	\$ 339,450,526

LONG-TERM LIABILITIES:

116	Long-term debt — All debt and advances payable due after one year (<i>all types of bonds, mortgages, notes, advances, etc., outstanding with more than one year of payments remaining</i>).	\$ 171,859,610	\$ 159,386,901
117	Other long-term liabilities — Include deferred tax credits and any other deferred credits or liabilities of more than one year in duration.	\$ 125,742,516	\$ 88,968,799
118	Total long-term liabilities <i>Sum of lines 116 and 117</i>	\$ 297,602,126	\$ 248,355,700
119	TOTAL LIABILITIES <i>Sum of lines 115 and 118</i>	\$ 665,580,830	\$ 587,806,226

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MOTOR CARRIER NUMBER**OWNERS' EQUITY OR CAPITAL:**

		Balance close of 2019 (a)	Balance start of 2019 (b)
120	Retained earnings (if corporation) — That part of net profit that is kept for use in the business (<i>instead of distributed to the owners</i>).	\$ 324,368,809	\$ 258,264,961
121	Equity and other capital (if corporation) — Include common and preferred capital stock plus additional paid-in capital. Subtract Treasury Stock.	\$ 114,094,172	\$ 114,094,172
122	Proprietary or partnership capital (if not a corporation) — Investments of a sole proprietor or partners in an unincorporated entity.	\$ 0	\$ 0
123	Total owners' equity or capital <i>Sum of lines 120 through 122</i>	\$ 438,462,981	\$ 372,359,133
124	TOTAL LIABILITIES AND EQUITY <i>Sum of lines 119 and 123</i>	\$ 1,104,043,811	\$ 960,165,359

**Section
2****SCHEDULE 200 — INCOME STATEMENT****OPERATING REVENUES:**

		Amount for 2019
201	Freight operating revenue (intercity) — Revenue from the transportation of property by motor vehicles. Include revenue from common and contract carriage. Include revenue from your portion of interline shipments. Exclude revenue from household goods, compensated intercorporate hauling, and private carriage.	\$ 2,084,235,945
202	Freight operating revenue (local) — Revenue from local freight carriage. Exclude revenue from Household Goods operations.	\$ 0
203	Household goods carrier operating revenue — Revenue from intercity common and contract carriage of household goods. Include local household goods revenue. Exclude revenue from noncarrier activities such as packing and warehousing.	\$ 0
204	Other operating revenue — Operating revenue not shown above. Include revenue from furnishing vehicles with drivers to other common or contract carriers under lease or similar arrangement. Include revenue received from the lease of your operating rights. Include compensated intercorporate hauling and private carriage. Include commissions for brokerage services, commissions for making payroll deductions, operations of lunch rooms, restaurants, etc.	\$ 3,399,973
205	Total operating revenue <i>Sum of lines 201 through 204</i>	\$ 2,087,635,918

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MOTOR CARRIER NUMBER**WAGES AND SALARIES:**

Report gross earnings paid to employees prior to such deductions as employees' Social Security contributions, withholding taxes, group insurance premiums, union dues, savings bonds, etc. Include all miscellaneous paid time off, etc.

**Amount for
2019**

206	Driver and helper wages (W-2 employees) — Exclude 1099 owner-operator driver compensation, which are included in equipment rentals (line 226).	\$ 382,810,848
207	Cargo handler wages	\$ 125,612,402
208	Officer, supervisor, administration, and clerical wages and salaries	\$ 141,209,751
209	Other wages and salaries	\$ 52,415,177
210	Fringe benefits — Include Federal, state, and local payroll taxes, workers' compensation, group insurance, pension and retirement plans, and other fringe benefits. Include all fringe benefits, whether required by law or not.	\$ 439,764,133
211	Commission agent fees (HHG only) — Booking commissions paid to agents.	\$ 0
212	Total wages, salaries, and fringe benefits <i>Sum of lines 206 through 211</i>	\$ 1,141,812,311

OPERATING SUPPLIES:

213	Fuel, oil, and lubricants — Include cost of gas, propane, diesel, motor oil, grease, lubricants, and coolants used by revenue vehicles, terminal vehicles, and maintenance vehicles. Exclude taxes for fuel, which are reported separately.	\$ 104,263,254
214	Outside maintenance — Maintenance performed by outside vendors. Include total amount paid on invoice (with taxes).	\$ 45,960,948
215	Vehicle parts — Cost of parts used to repair vehicles. Exclude tires and tubes.	\$ 16,453,564
216	Tires and tubes — Cost of tires and tubes for vehicles (retread charges and taxes, etc.).	\$ 11,140,304
217	Other operating supplies — Other operating supplies and expenses used in the operations of vehicles, terminals, and shops.	\$ 27,477,566
218	Total operating supplies <i>Sum of lines 213 through 217</i>	\$ 205,295,636

INSURANCE EXPENSES:

219	Cargo loss and damage premiums and claims paid — Net cost of commercial insurance to protect the carrier against liability for claims resulting from loss or damage to, or delay of, property being moved or stored by carrier. Include claims paid.	\$ 14,253,896
220	Liability and property damage premiums and claims paid — Cost of commercial insurance to protect carrier from liability due to deaths or injuries to non-employees and damage to other property caused by carrier's equipment. Include claims paid.	\$ 17,108,362
221	Other insurance expenses — Commercial insurance for fire, theft, floods, etc. Include insurance for buildings, offices, structures, machinery, etc. Exclude any insurance cost included in fringe benefits, such as worker's compensation.	\$ 413,497
222	Total insurance expenses <i>Sum of lines 219 through 221</i>	\$ 31,775,755

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MOTOR CARRIER NUMBER**MISCELLANEOUS EXPENSES:****Amount for
2019**

223	Fuel taxes — Federal and state taxes on gas, diesel, and oil consumed by revenue vehicles and terminal or maintenance activities.	\$ 28,875,055
224	Operating taxes and licenses (except fuel taxes) — Include Federal, state, and local operating taxes, license and registration fees, tolls, other vehicle use taxes, and real estate and personal property taxes. Exclude income, payroll, sales and other taxes collected from customers.	\$ 21,044,051
225	Depreciation and amortization charges — Depreciation and amortization expenses of revenue equipment, building and improvements, and all other property. Include depreciation on assets rented or leased to others by you under an operating lease agreement. Include depreciation on assets owned and used by your firm within leaseholds, and assets obtained through capital lease agreements. Exclude depreciation on intangible assets and assets leased to others by you under a capital lease agreement.	\$ 90,029,347
226	Equipment rentals (with drivers) — Amounts payable to others for the use of revenue vehicles where vehicle and driver are under control of carrier. Include monies paid to 1099 independent contractors. Exclude wages paid to W-2 drivers, which are reported separately.	\$ 0
227	Equipment rentals (without drivers) — Amounts payable to others for the use of revenue vehicles where vehicle is under control of carrier. Include compensation for use of owner operator vehicles when driver services are paid separately.	\$ 5,017,440
228	Equipment rentals (agents - HHG only) — Amounts payable to agents for moving and transportation costs related to household goods operations. Exclude commission agent fees, which are reported separately.	\$ 0
229	Purchased transportation — Cost of purchased transportation when the hauling carrier retains control of the vehicle and driver. Include payments for the transportation of individual shipments and partial loads in the vehicles of another carrier (interlining), and payments to railroads, water carriers, airline, and others for the transportation of your company's loaded or empty motor vehicles and containers. Include payments for the delivery of small shipments by parcel, courier, or expedited services. Exclude 1099 independent contractor compensation, which is reported separately.	\$ 173,979,631
230	Communications and utilities — Cost of communications services plus taxes (<i>long distance communications, fax services, telephone equipment, etc.</i>).	\$ 18,598,060
231	Other operating expenses — Include building rents and office equipment rents, gain (loss) on disposal of operating assets, etc. Exclude interest on loans, sales taxes, and other taxes collected directly from customers and paid directly to a taxing authority.	\$ 283,593,248
232	Total miscellaneous expenses <i>Sum of lines 223 through 231</i>	\$ 621,136,832
233	TOTAL OPERATING EXPENSES <i>Sum of lines 212, 218, 222, and 232</i>	\$ 2,000,020,534

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MOTOR CARRIER NUMBER**NET INCOME (LOSS) CALCULATION:****Amount for
2019**

234	Net operating income (loss) <i>Line 205 minus 233</i>	\$ 87,615,384
235	Non-operating revenue — Revenue from non-carrier operations. Include revenue from the lease of a distinct operating unit and household goods packing and warehousing revenue. Include gains on sale, trade in, retiring of equipment. Include interest and dividend income.	\$ (1,134,122)
236	Non-operating expenses — Expenses from non-carrier operations. Include household goods packing and warehousing expenses. Include losses on sale, trade in, retiring of equipment.	\$ 427,512
237	Interest expenses — Interest and amortization of debt discount expense and premium.	\$ 795,757
238	Ordinary income (loss) before taxes <i>Line 234 plus (lines 235 minus 236 minus 237)</i>	\$ 85,257,993
239	Total provision for income taxes — Accruals for Federal, state, or other income taxes applicable to ordinary income.	\$ 19,221,509
240	Ordinary income (loss) after taxes <i>Line 238 minus 239</i>	\$ 66,036,484
241	Extraordinary items, effect of accounting changes, and other items — Include items that are unusual in nature and infrequent in occurrence.	\$ 0
242	NET INCOME (LOSS) <i>Line 240 minus 241</i>	\$ 66,036,484

**Section
3****SCHEDULE 300 — OPERATING STATISTICS****OPERATING STATISTICS (all carriers):**

Report statistics for carrier's owned and leased power units, equipment rentals with and without drivers, equipment rentals—agents, and purchased transportation. Include statistics from common and contract carriage and your portion of interline shipments. Exclude statistics from local, compensated intercorporate, and private carriage.

General Freight Only			
	(LTL) up to 10,000 lbs. (a)	(TL) 10,000 lbs. and over (b)	Total (c)
301 Miles: intercity — Report total miles operated, both loaded and empty, in intercity service. This line should equal the sum of lines 302 and 303.	311,471,253	0	311,471,253
302 Miles: highway			247,395,724
303 Miles: rail, water, and air			64075529
304 Tons: intercity — Use estimates if necessary.	3,028,974	0	3,028,974
305 Total shipments carried: intercity	4,928,750	0	4,928,750
306 Revenue: intercity (including HHG) — This line will equal line 201 plus the intercity portion of line 203.	\$ 2,084,235,945	\$ 0	\$ 2,084,235,945
307 Ton-miles: intercity*			3,481,756,426

***How to calculate ton-miles: Method 1** — Multiply the distance of each movement by the weight in tons to get ton-miles for individual shipments. Sum all ton-miles for individual shipments to get total ton-miles.

Method 2 — Compute the average length of haul (total miles/total shipments) for your operations. Then multiply this average haul by the total number of actual tons transported in intercity service. (Multiplying the total tons of all movements by the total miles of all movements produces an erroneous result and should not be used.)

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MOTOR CARRIER NUMBER**OPERATING STATISTICS**
(household goods carriers only):

		Revenue (intercity common and contract carriage) (a)	Tons (actual weight) (b)	Number of shipments (c)
308	Personal effects and property used or to be used in a dwelling	\$		
309	Furniture, fixtures, equipment, and the property of store, offices, etc.	\$		
310	Articles of an unusual nature or value (objects of art, etc.)	\$		
311	Total operating statistics (household goods carriers) <i>Sum of lines 308 through 310</i>	\$		

Section
4**SCHEDULE 400 — REVENUE EQUIPMENT**

Report all operating equipment owned or leased under a capital lease. Exclude rented vehicles. Include vehicles used in terminals, maintenance facilities, intercity highway, and storage.

		Number of units at start of year (a)	Units acquired during the year		Number of units retired/ disposed of during the year (d)	Number of units at end of year (e)
			Number (b)	Cost (c)		
401	Straight trucks — owned	75	22	\$ 1,882,462	6	91
402	Straight trucks — leased			\$		
403	Truck-tractors — owned	4,333	452	\$ 51,971,426	491	4,294
404	Truck-tractors — leased			\$		
405	Trailers and semi-trailers — owned	21,728	1,271	\$ 30,962,535	875	22,124
406	Trailers and semi-trailers — leased			\$		
407	Other revenue equipment	15,918	1,293	\$ 21,224,521	762	16,449
408	Total revenue equipment <i>Sum of lines 401 through 407</i>	42,054	3,038	\$ 106,040,944	2,134	42,958

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MOTOR CARRIER NUMBER

Section 5

SCHEDULE 500 — EMPLOYMENT INFORMATION

Include W-2 employees. Exclude 1099 independent contractors.

Average: (number at beginning of year + number at end of the year) divided by 2, or use an average Full Time Equivalent calculation.

Total compensation: Include all wages, salaries, and miscellaneous paid time off. Exclude fringe benefits. Should equal figures in lines 206 through 209.

Hours earned/miles operated: Estimate the total hours/miles included in total compensation.

		Average number of employees (a)	Total compensation (b)	Hours earned or miles operated (c)
501	Drivers and helpers — hourly basis	2,891	\$ 205,854,066	8,279,537 hours
502	Drivers and helpers — mileage basis	1,975	\$ 176,956,782	247,395,724 miles
503	Drivers and helpers — other basis (drivers and helpers not reported above)		\$	
504	Cargo handlers	1,958	\$ 125,612,402	4,741,666 hours
505	Officers, supervisors, administrative, and clerical	1,891	\$ 141,209,751	
506	Other labor — average number of other employees (include vehicle repair, etc.)	842	\$ 52,415,177	
507	Total employment Sum of lines 501 through 506	9,557	\$ 702,048,178	

DRIVERS:

Number at close of
2019

508	CDL drivers — all drivers who hold a valid CDL license	4,866
509	Non-CDL drivers — indicate the number of non-CDL drivers on payroll	
510	Total drivers Sum of lines 508 and 509	4,866

CERTIFICATION: I hereby certify that this report was prepared by me or under my supervision, that I have examined it, and that the items herein reported on the basis of my knowledge are correctly shown.

Timothy D. Thorne

NAME (print or type)

SIGNATURE

President

TITLE

DATE

RETURN THE COMPLETED FORM TO:

Department of Transportation
Federal Motor Carrier Safety Administration
Office of Registration and Safety Information (MC-RS)
1200 New Jersey Avenue SE
Washington, DC 20590

Phone: (800) 832-5660
Fax: (202) 366-3477
Web: www.fmcsa.dot.gov