



# *Comprehensive Annual Financial Report*

**Year Ended December 31, 2017**



**Serving Benton and Franklin Counties  
for over 30 years**

1000 Columbia Park Trail  
Richland, WA 99352  
Phone: (509) 735-4131  
Fax: (509) 735-1800  
[www.bft.org](http://www.bft.org)

This page intentionally left blank.



**Ben Franklin Transit**  
***Comprehensive Annual Financial Report***  
**Year Ended December 31, 2017**



**Administrative Services Department**  
**Richland, WA**

This page intentionally left blank.

Ben Franklin Transit  
Table of Contents

---

<b>TABLE OF CONTENTS</b>	<b>1</b>
<b>INTRODUCTORY SECTION</b>	<b>3</b>
Letter of Transmittal	5
Certificate of Achievement	9
Board of Directors and Management Team	11
Organizational Chart	12
<b>FINANCIAL SECTION</b>	<b>13</b>
Report of the Independent Auditor	15
Management's Discussion and Analysis	17
Basic Financial Statements	25
Statement of Net Position	27
Statement of Revenues, Expenses, and Changes in Net Position	28
Statement of Cash Flows	29
Notes to the Financial Statements	
1. Summary of Significant Accounting Policies	30
2. Deposits and Investments	33
3. Receivable and Payable Balances	33
4. Capital Assets	34
5. Pension Plans	35
6. Changes in Long-Term Liabilities	43
7. Contingencies & Litigations	43
8. Capital Contributions	43
9. Risk Management	44
10. Lease Obligations	46
11. Postemployment Benefits Other Than Pension Benefits	46
12. Prior Period Adjustments	46
Required Supplementary Information	47
1. Schedule of Proportionate Share of Net Pension Liability	49
2. Schedule of Employer Contributions	51
<b>STATISTICAL SECTION (LAST TEN FISCAL YEARS)</b>	<b>53</b>
Contents	55
Net Position	57
Changes in Net Position	58
Taxable Sales by Category	59
Direct and Overlapping Sales Tax Rates	60
Demographic and Economic Statistics	61
Principal Employers	62
Selected Operating Information	63

This page intentionally left blank.



# *Introductory Section*



This page intentionally left blank.



Ben Franklin Transit  
Letter of Transmittal

---



1000 Columbia Park Trail      Richland, WA 99352-4851  
509.735.4131      509.735.1800 fax      [www.bft.org](http://www.bft.org)

June 30, 2018

To the Board of Directors and Citizens Served in the Benton Franklin Public Transportation Benefit Area

**I. TRANSMITTAL OF BEN FRANKLIN TRANSIT'S 2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**

Ben Franklin Transit's (BFT's) Comprehensive Annual Financial Report for the year ended December 31, 2017 is presented herein. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. Because the cost of internal controls should not outweigh their benefits, BFT's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that its financial statements will be free from material misstatement. We believe the data, including management's discussion and analysis, the financial statements, supporting schedules, required supplemental information, and statistical tables, as presented, is accurate in all material aspects and that adequate internal controls are in place to ensure that it presents fairly the financial position and results of the operations of BFT. All disclosures necessary to enable the reader to gain the maximum understanding of BFT's business have been included. These financial statements have been audited by the Office of the State Auditor of Washington State. The independent auditor's report has been included on pages 15 and 16 with an expression of an unqualified opinion as to the fair presentation of the financial statements noted on page 16.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis of the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A. BFT's operation is accounted for under a single enterprise fund, which uses the same accrual accounting method as private enterprise. Under revenue recognition and matching principles of the accrual accounting method, revenues are recorded when earned, and expenses are recorded as soon as they result in liabilities for benefits provided. Note 1 to the financial statements provides further details of BFT's accounting policies.

**II. PROFILE OF THE AGENCY**

BFT is a Public Transportation Benefit Area (PTBA) authorized by Washington State Law Chapter 36.57A RCW. It is located in Benton and Franklin counties in Washington State. The Benton Franklin PTBA, also known as "Ben Franklin Transit," was formed on May 11, 1981 when voters passed a 0.3% sales tax to fund public transportation. By authorizing this taxing authority, a municipal corporation (BFT), was formed. Vanpool service was initiated in September 1982 under a contract with the Benton-Franklin Council of Governments.

## **II. PROFILE OF THE AGENCY (continued)**

BFT took over vanpool operations on January 1, 1984. BFT assumed the operation of the PTBA's Dial-A-Ride system January 1, 1985. In 1997, Benton City and the City of Prosser annexed into the PTBA; BFT contracted with the City of Prosser to provide service to the communities of Prosser and Benton City using their Prosser Rural Transit system. In January 1999, BFT assumed these operations. In May 2001, an additional 0.3% sales tax proposition was defeated but then approved in March 2002 increasing the direct PTBA sales tax to its current rate of 0.6%. In April 2005, the unincorporated area of Finley (11.5 square miles in Benton County) was annexed into the PTBA.

Today, BFT provides fixed route, demand response and vanpool services in a 616 square mile area located in Benton and Franklin Counties. The service area includes the entire cities of Kennewick, Pasco, Richland, West Richland, Benton City, Prosser and certain unincorporated areas of Benton and Franklin Counties with a combined population of approximately 284,000 residents. In 2017, combined ridership for all modes of service totaled 3,310,481.

BFT is governed by an appointed nine-member Board of Directors. The Board consists of two Franklin County commissioners, one Benton County commissioner, and a city council member from each of six cities all within BFT's service area: Kennewick, Pasco, Richland, West Richland, Benton City, and Prosser. There is also one non-voting member of the Local Teamsters Union. The Board appoints a General Manager to implement policies authorized by the Board and oversee BFT's daily operations as well as its approximately 310 employees. The overall management of BFT is divided into five departments: Operations, Maintenance, Planning & Service Development, Human Resources and Administrative Services.

BFT operates sixteen (16) fixed routes serving Benton City, Kennewick, Pasco, Prosser, Richland, and West Richland. There are eight (8) inter-city routes, which travel between cities and eight (8) local routes that operate within a given city. Fixed route service is derived from a network of four transit center hubs and eight park and ride lots connecting passengers with destinations such as the Tri-Cities Airport, Pasco Amtrak and Greyhound Stations, Grapeline service to Walla Walla, Tri-City Trolley service to Hermiston and Pendleton, and People for People service to Yakima. In addition, fixed route service serves both Columbia Basin Community College and Washington State University – Tri-Cities, most area schools and major local employers such as Battelle and the North Richland area business hub. In 2017, fixed route services carried 2,184,099 passengers.

BFT's demand response mode includes all non-fixed route services including taxi feeder routes in low-density areas, Trans+plus night service and specialized transportation service known as Dial-A-Ride. Dial-A-Ride provides transportation to individuals in the community, who, due to a disability, are unable to use fixed route bus services. Dial-A-Ride is provided directly by BFT and through contracts with local transportation providers. In 2017, total demand response ridership was 483,276.

Since its inception in 1984, BFT's vanpool program has expanded to 261 vans with over 2,394 daily weekday riders serving rural employment locations such as the Hanford facility, Washington State Department of Corrections in both Walla Walla and Connell, WA and neighboring agricultural facilities.

## **II. PROFILE OF THE AGENCY (continued)**

As a community partner, BFT provides over 30,000 rides each year to special events such as the annual International Hydroplane Race and Air Show, Benton Franklin County Fair, Cable Bridge Run, Art in the Park, and Polar Bear Plunge.

In recent years, BFT has restored Sunday Service and Night Service through contracted transportation services and expanded operating hours to meet the gaps between regular service provided by BFT and contracted transportation services.

### **Long Term Financial Planning and Outlook**

For long-term operating and capital financial planning purposes BFT has developed and annually updates its six-year Transit Development Plan (TDP). The current TDP is approved through 2022 and is sustainable at 2017 year-end service levels of 367,746 service hours through 2021.

### **Major Initiatives**

BFT's Major Initiatives are formed from its Statement of Mission and Core Values:

- Customer Satisfaction
- Collaboration
- Diversity
- Fiscal Accountability
- Innovation
- Sustainability
- Safety

The initiatives for 2017 were planned in accordance with BFT's TDP; each initiative and/or project was carefully reviewed before implementation to ensure sustainability and adherence to BFT's strategic priorities. Planned initiatives and capital projects for 2017 included:

- Acquired 44 Vanpool vans as replacement vehicles
- Acquired one Non-Revenue support vehicle with a snow plow
- Acquired and installed 5 bus shelters
- Acquired and installed two software modules for operational efficiencies in Dial-A-Ride
- Upgraded network switching to a Cisco certified network
- Installed 25 DVRs to complete the bus camera retro fit project
- On September 18, 2017
  - Rolled out new hours and routes from the Comprehensive Service Plan
  - Launched a new [www.bft.org](http://www.bft.org) website
  - Went live with onboard integrated technology (APC, AVL, WiFi, next bus, ADA stop announcements, and Mobile Data Terminals) on all fixed route buses
- Maintained Federal Fleet Safety Standards
- Began BFT's Comprehensive Passenger Amenities Study
- Continued major efforts in salary surveys, benefits analysis, and succession planning
- Continued planning stages and engineering for updates and upgrades to Transit Centers

### III. ECONOMIC CONDITION AND OUTLOOK

Per the Washington Employment Security Department (WESD), the 2017 Tri-Cities economy added 3,500 jobs a healthy increase of 3.2 percent over 2016. WESD reported an unemployment rate of 6.7 percent in December of 2017 a full point below the 7.7 percent unemployment rate posted in December 2016.

According to Ajsa Suljic, WESD Regional Labor Economist, the 2018 Tri-City region projected growth rate is between 1.8 percent and 2.0 percent. Continued growth sectors include accommodation and food services, health care and social assistance, educational services, transportation and warehousing, construction and wholesale trade. Economic growth in these sectors factor into budgeted sale tax revenues of \$34.9 million or 71% of BFT's projected total revenue for 2018.

Federal and State funding remain an integral revenue source for BFT. These funds are budgeted to contribute about 20% of total revenues for 2018. Federal and State funds are used to subsidize operations and to procure capital assets. BFT is optimistic in its position with these grantors and the ongoing availability of these funding sources. Staff and the Board of Directors are actively engaged in applying for new and additional funding as they become available.

BFT's Board of Directors continues to believe that transit is an essential service for seniors, the disabled and for people who rely on BFT for mobility throughout the community. BFT is committed to reducing operating costs where applicable and to uphold the highest levels of services possible. These objectives assist BFT in meeting its mission of connecting communities with safe, reliable, customer-friendly, and sustainable transit options.

### IV. ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the dedicated services of several departments and the tireless efforts of the Administrative Services staff. We would like to express our appreciation to all that assisted and contributed to the preparation of this report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Ben Franklin Transit for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was the fifth consecutive year that BFT has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

  
Gloria Boyce  
General Manager

  
Kevin Hebdon  
Administrative Services Manager



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Ben Franklin Transit  
Washington**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morill*

Executive Director/CEO

This page intentionally left blank.

**Board of Directors**

**Watkins, Matt, Chair** – Mayor, City of Pasco  
**Koch, Bob, Vice Chair** – Commissioner, Franklin County  
**Young, Steve** – Mayor, City of Kennewick  
**Becken, Steve** – Council Member, City of Prosser  
**Miller, Rick** – Commissioner, Franklin County  
**Bloom, Richard** – Council Member, City of West Richland  
**Christensen, Terry** – Council Member, City of Richland  
**Small, Shon** – Commissioner, Benton County  
**Stade, Lisa** – Council Member, City of Benton City  
**Nelson, Norma** – Non-Voting Rep, Teamsters Union

**Board of Directors Alternates**

**Flores, Chi** – Council Member, City of Pasco  
**Peck, Brad** – Commissioner, Franklin County  
**Trumbo, John** – Council Member, City of Kennewick  
**Taylor, Randy** – Council Member, City of Prosser  
**Buel, Rich** – Council Member, City of West Richland  
**Thompson, Bob** – Council Member, City of Richland  
**Beaver, James “Jim”** – Commissioner, Benton County  
**Sandretto, David** – Council Member, City of Benton City  
**Lilyblade, Chris** – Non-Voting Rep, Teamsters Union

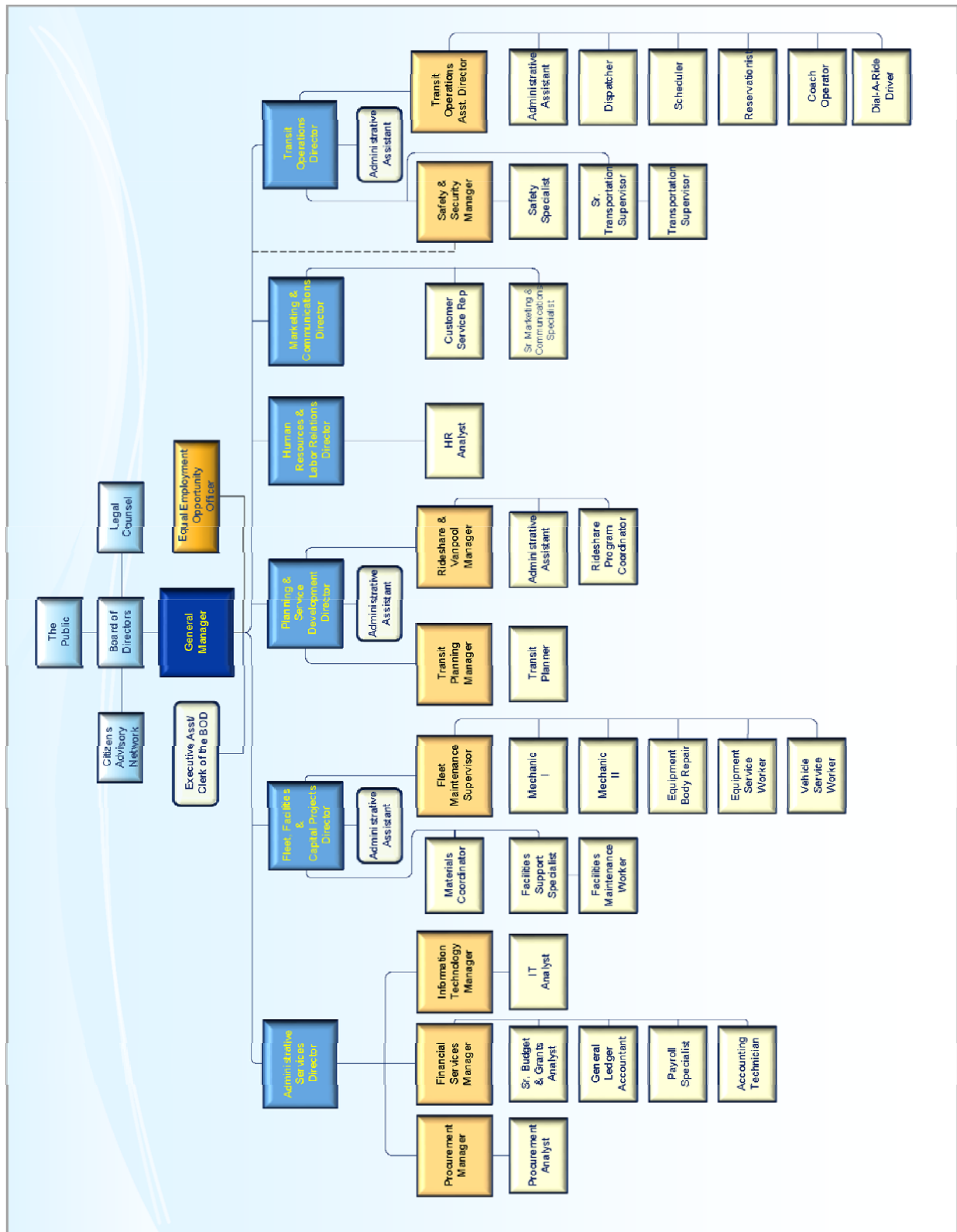
**BFT Management Team**

**General Manager**  
Gloria Boyce

**Executive Management Team**  
John Myers, *Transit Operations*  
Wendi Warner, *Human Resources*  
Tony Kalmbach, *Service Development*  
Kevin Hebdon, *Administrative Services*  
Jerry Otto, *Fleet / Facilities / Special Projects*

# Ben Franklin Transit Organization Chart

## BFT Organizational Chart







# *Financial Section*



This page intentionally left blank.



**Office of the Washington State Auditor  
Pat McCarthy**

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

June 22, 2018

Board of Directors  
Ben Franklin Transit  
Richland, Washington

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the Ben Franklin Transit, Benton County, Washington, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Transit's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Transit's preparation and fair presentation of the financial statements 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 Transit's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ben Franklin Transit, as of December 31, 2017, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the sole purpose of forming an opinion on the financial statements that collectively comprise the Transit's basic financial statements as a whole. The Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Transit. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 22, 2018, on our consideration of the Transit's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the Transit's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Transit's internal control over financial reporting and compliance.

Sincerely,



Pat McCarthy

State Auditor

Olympia, WA

## Management's Discussion and Analysis

The Management's Discussion and Analysis of BFT's Comprehensive Annual Financial Report provides a narrative overview and analysis of BFT's financial performance for the fiscal years ended December 31, 2017 and 2016. To obtain a complete understanding of BFT's financial condition, this document should be read in conjunction with the financial statements and accompanying notes.

### Financial Highlights

- The assets and deferred outflows of resources of BFT exceeded its liabilities and deferred inflows of resources (net position) at December 31, 2017 by \$61,174,823 compared to \$58,075,924 in 2016. Of this amount, 27,109,318, and \$28,691,624 was invested in capital assets and \$34,065,505 and \$29,384,300, in unrestricted net position in 2017, and 2016 respectively. Unrestricted net position will be used to support ongoing operations and capital investments per BFT's six-year Transit Development Plan (TDP).
- BFT's total net position increased for the year ended December 31, 2017 by 5.3 percent or \$3,098,899 compared to the year ended December 31, 2016 due to increase in sales tax and use of operating grants.
- BFT's total liabilities decreased for the year ended December 31, 2017 by \$2,098,111 compared to the year ended December 31, 2016 mainly due to the change in pension liability following the 2016 increase resulting from GASB Statement No. 68.
- BFT saw a decrease of \$87,188 or 2.2 percent in fare revenue to \$3,841,261 in 2017 over 2016 due primarily to decreases in fixed route and vanpool ridership.
- BFT experienced an increase of \$995,956 in sales tax revenue to \$34,214,086 or 3.0 percent over 2016 due to growth in the local economy, increases in construction projects and healthy auto sales in 2017.
- Operating expenses for 2017, excluding depreciation and employer contributions to the state pension, totaled \$34,976,084, an increase of \$3,242,213 or 10.2 percent over 2016. This increase in expenses is mainly due extended service hours a BFT.
- Federal and State Operating Grants decreased by \$768,030 from 2017 as compared to 2016. Federal, State and Local Capital Contributions increased by \$897,571 over the same period. These fluctuations are due to the timing of grant availability and the years in which they are budgeted.

### Overview of the Financial Statements

The financial statements provide information about BFT's uses of accounting methods similar to those used by private sector companies. Under this method, revenues are recorded when earned and expenses are recorded as soon as they result in liabilities for benefits received.

The Statement of Net Position presents information on all BFT assets and deferred outflows of resources as well as its liabilities and deferred inflows of resources, with the difference between

Ben Franklin Transit  
Management's Discussion and Analysis

---

the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of BFT is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position present information showing how BFT's net position changed during the current year. All changes to net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., sales tax collected by merchants but not yet remitted to BFT and earned, and unused vacation leave).

The Statement of Cash Flows presents information on BFT's cash receipts, cash payments, and net changes in cash and cash equivalents for the year. Generally accepted accounting principles require that cash flows be classified into one of four categories:

- Cash flows from operating activities
- Cash flows from non-capital financing activities
- Cash flows from capital and related financing activities
- Cash flows from investing activities

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided within the financial statements.

The Required Supplementary Information contains other information the Governmental Accounting Standards Board deems necessary. BFT's RSI contains additional information related to GASB 68, Accounting and Financial Reporting for Pensions.

### **Financial Statement Analysis**

#### **Net Position**

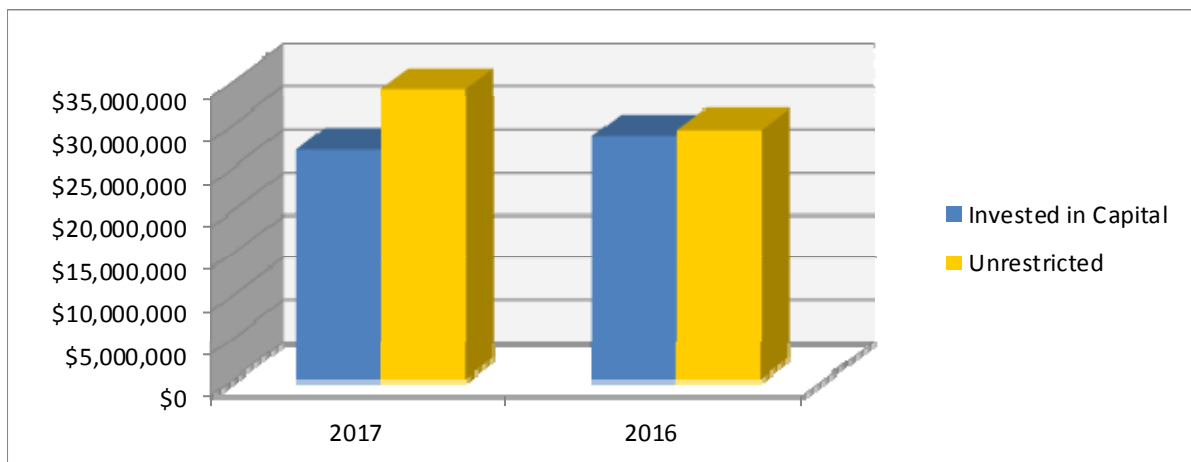
A large majority, \$27,109,318, of BFT's total net position reflects its investment in capital assets such as revenue vehicles, passenger facilities, and shop equipment. BFT uses these capital assets to provide transportation service to the community. Therefore, this portion of the net position balance is not available for future spending. The remaining portion of total net position, \$34,065,505 is unrestricted and available to support future obligations for transportation operations.

Ben Franklin Transit  
Management's Discussion and Analysis

**Summary Statement of Net Position  
As of December 31, 2017, and 2016**

	<u>2017</u>	<u>2016</u>
<b>Assets:</b>		
Current Assets	\$48,043,097	\$43,572,317
Capital Assets (net)	27,109,318	28,691,624
Total Assets	<u>75,152,415</u>	<u>72,263,941</u>
<b>Deferred Outflows of Resources:</b>		
Deferred Outflows - PERS Pension	1,799,546	2,340,433
Total Deferred Outflows	<u>1,799,546</u>	<u>2,340,433</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u><u>76,951,961</u></u>	<u><u>74,604,374</u></u>
<b>Liabilities:</b>		
Current Liabilities	3,109,227	2,444,303
Other Noncurrent Liabilities	10,607,174	13,370,209
Total Liabilities	<u>13,716,401</u>	<u>15,814,512</u>
<b>Deferred Inflows of Resources:</b>		
Deferred Inflows - PERS Pension	2,060,737	713,938
Total Deferred Outflows	<u>2,060,737</u>	<u>713,938</u>
<b>Net Position:</b>		
Investment in Capital Assets	27,109,318	28,691,624
Unrestricted Net Position	<u>34,065,505</u>	<u>29,384,300</u>
Total Net Position	<u><u>61,174,823</u></u>	<u><u>58,075,924</u></u>

**Net Position by Type**



Net position may serve as a useful indicator of BFT's financial position over time. Total net position exceeded liabilities by \$47,458,422 and \$42,261,412 at December 31, 2017, and 2016 respectively.

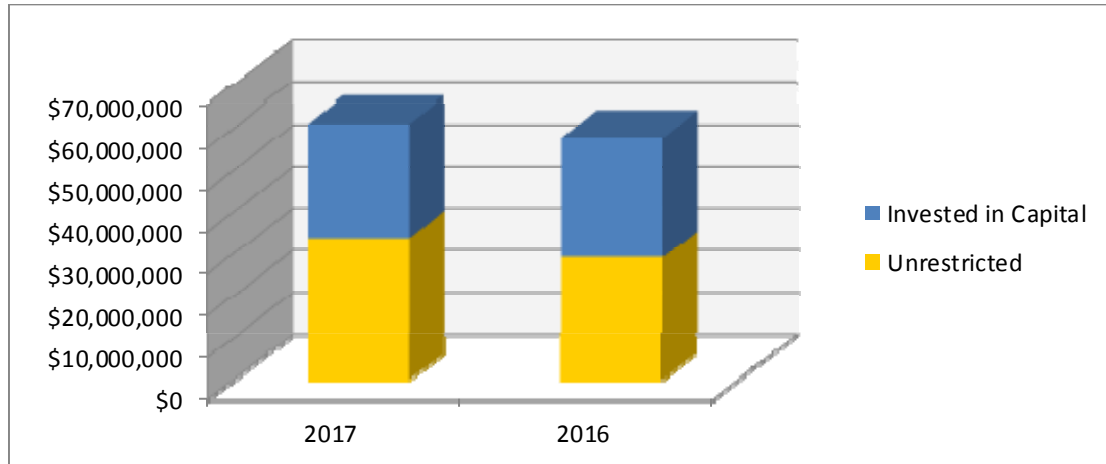
The chart below reflects an improvement in BFT's financial condition over 2016. The main contributors to this improved condition are:

Ben Franklin Transit  
Management's Discussion and Analysis

---

- Increases in Sales Tax Revenue
- Efficient operations

**2017 – 2016 Trend of Net Position**



**Summary of Revenues, Expenses, and Changes in Net Position  
For the years ended December 31, 2017, and 2016**

	<u>2017</u>	<u>2016</u>
Operating Revenues	\$ 4,433,782	\$ 4,683,189
Operating Subsidies	36,214,086	35,986,160
Nonoperating Revenues	689,162	87,079
Total Revenues	<u>41,337,030</u>	<u>40,756,428</u>
Operating Expenses	(34,976,084)	(31,733,871)
Depreciation Expenses	(3,359,650)	(3,542,109)
Total Expenses	<u>(38,335,734)</u>	<u>(35,275,980)</u>
Excess (Deficiency) Before Contributions	3,001,296	5,480,448
Capital Contributions	2,279,461	1,381,890
Total Contributions	<u>2,279,461</u>	<u>1,381,890</u>
Change in Net Position	<u>5,280,757</u>	<u>6,862,338</u>
Total Net Position - Beginning	58,075,924	52,336,306
Prior Period Adjustment	(2,181,858)	(1,122,720)
Cumulative Effect of Change - GASB 68	-	-
Total Net Position - Ending	<u>\$61,174,823</u>	<u>\$58,075,924</u>



Ben Franklin Transit  
Management's Discussion and Analysis

---

**Revenues**

BFT's passenger fares consist of revenues from the sale of passes and tickets as well as cash fares collected on-board revenue vehicles. Passenger fares also include fares paid by vanpool customers. BFT customers can purchase fare media and make vanpool payments via the BFT website. Fare media can also be purchased at many of the local sales outlet stores or in person at BFT customer service locations.

Sales tax revenue is received at the end of each month and is based on the business conducted two months prior. These funds come directly from the State Treasurer and are deposited into BFT's bank account.

State and Federal grants are remitted to BFT on an application basis and are also deposited directly into BFT's bank account.

**Operating Revenues**

<b>Operating Revenues</b>	<b>2017</b>	<b>2016</b>
Passenger Fares	\$ 3,841,261	\$ 3,928,449
Other Operating Revenues	592,521	754,740
Total Operating Revenues	4,433,782	4,683,189
 <b>Nonoperating Revenues</b>		
Operating Subsidies		
Sales Tax	34,214,086	33,218,130
Operating Grants	2,000,000	2,768,030
Other Nonoperating Revenues		
Investment Income	315,945	80,787
Miscellaneous Income	373,217	6,292
Total Nonoperating Revenues	36,903,248	36,073,239
Total Revenues	\$41,337,030	\$40,756,428

Ben Franklin Transit  
Management's Discussion and Analysis

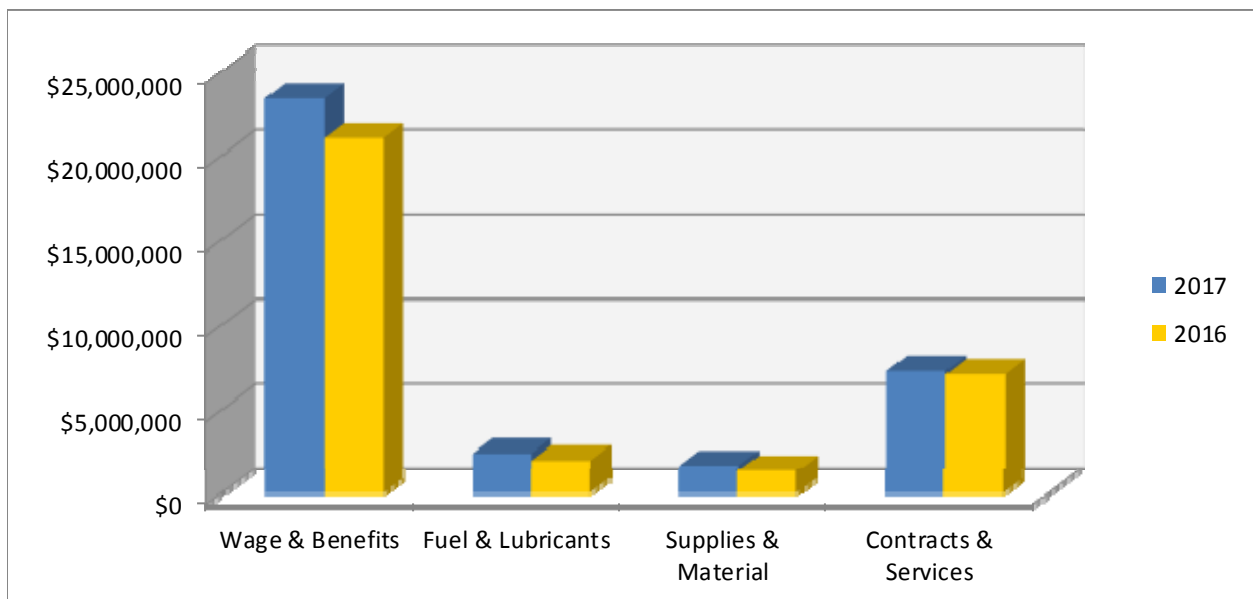
**Expenses**

Wages and benefits for 2017 of \$23.4 million make up 61 percent of operating expenses and increased by 11 percent over 2016 due to staffing increases associated with an extension of service hours. Extending service hours also resulted in an increase of fuel consumption. Fuel and lubricants for 2017 of \$2.48 million increased by 20.9 percent over 2016. BFT has also taken measures to lower the cost of providing public transportation by outsourcing some of the low ridership days and times to various contractors. These contractors can provide these transportation needs at a lower rate than BFT. The community continues to benefit from these services and the demand for them continues to increase from year to year, thus an increase in contracts and services from 2017 when compared to 2016.

**Operating Expenses**

<b>Operating Expenses</b>	<b>2017</b>	<b>2016</b>
Wage & Benefits	\$23,392,219	\$21,076,688
Fuel & Lubricants	2,476,358	2,048,845
Supplies & Material	1,741,720	1,437,989
Contracts & Services	7,365,788	7,170,349
Depreciation & Amortization	3,359,650	3,542,109
<b>Total Operating Expenses</b>	<b>38,335,734</b>	<b>35,275,980</b>
<b>Nonoperating Expenses</b>		
Prior Period Adjustments	(2,181,858)	(1,122,720)
<b>Total Non-Operating Expenses</b>	<b>(2,181,858)</b>	<b>(1,122,720)</b>
<b>Total Expenses</b>	<b>\$36,153,876</b>	<b>\$34,153,260</b>

**Operating Expenditures by Type**



Ben Franklin Transit  
Management's Discussion and Analysis

---

**Operating Grants**

In 2017, BFT received \$2,000,000 in Federal and State operating grants. BFT uses these operating grants to pay for a portion of the wages of its fixed route coach operators. For 2018, BFT has budgeted to receive \$4,115,210 in Federal and State operating grant assistance. Operating grant funds fluctuate based on need and BFT's choice to use funding for capital or operating needs.

**Operating Grants**

<u>2017</u>	<u>2016</u>
\$ 2,000,000	\$ 2,768,030

**Capital Grants**

BFT received Federal and State capital grants to assist with the procurement of buses and other capital projects. Investments in capital assets has decreased in recent years. In 2017, BFT received \$2,279,461 in capital contributions as focus has shifted to replacing older fleet vehicles. Additionally, BFT is gearing up for transit center technological updates and site improvements, and has budgeted for \$5,663,340 in federal and state capital grant contributions in 2018.

For more detailed information, please see Note 8 of the Notes to the Financial Statements (page 43).

**Capital Assets**

BFT's capital assets consist of land, vehicles, passenger facilities, shop equipment, and projects in progress with an acquisition value of more than \$5,000 and a useful life of more than one year. BFT's investment in capital assets net of depreciation as of December 31, 2017, totaled \$27,109,318 compared to \$28,691,624 in 2016. Capital assets, net of depreciation decreased in 2017 by 5.5 percent or \$1,582,306. Major capital acquisitions in 2017 and 2016 included the following:

- 2017 major vehicle acquisitions included 44 vans for the van pool program (\$1.48 million) and technology upgrades/retrofits (\$408k).
- 2016 major vehicle acquisitions included 3 new Gillig Trolley buses (\$1.7 million) and 1 maintenance vehicle (\$52k). Other non-fleet capital improvements included building improvements (\$117k) and the Tulip Lane Park and Ride lot (\$935k).

For more detailed information, please see Note 4 (page 34) and Note 12 (page 46) of the Notes to the Financial Statements.

**Financial Outlook**

BFT recognizes that its heavy reliance on sales tax revenues makes it more susceptible to economic fluctuations than most government agencies. In response, BFT has in place a reserve policy to insulate it from short-term revenue downturns and unanticipated expenditures. The BFT Board requested operating reserve is set at a minimum level equal to three months' budgeted operating expenses. This amounts to nearly \$8.5 million in 2017. In 2017 the BFT Board

Ben Franklin Transit  
Management's Discussion and Analysis

---

expanded the reserve policy establishing three additional reserve fund: Fuel Reserves \$1,000,000, Fleet Replacement Reserves nearly \$6.7 million, and Non-Fleet Capital Reserves nearly \$7.1 million. BFT is in compliance with Board policy as all reserve funds are established and fully funded.

Sales tax revenues for 2017 totaled \$34,214,086 exceeding the budgeted amount of \$32,687,814. Through the 2018 Budget process, BFT budgeted \$34,866,317 in sales tax revenues. Increases in sales tax revenues in recent years continue to contribute to the overall improved financial position of BFT and help the agency meet operating, fleet, fuel, and non-fleet capital reserve needs as well as future service restoration and expansion.

BFT closely monitors revenues when determining service levels and capital expansion as stated in its six-year TDP. Capital investments will focus on modest vehicle replacements as funds allow and maintaining a state of good repair of existing assets for safe and reliable transit operations. With current reserves and a conservative approach in uncertain economic conditions, BFT has a positive financial outlook.

### **Request for Information**

This financial report is designed to provide a general overview of BFT's finances. Questions concerning any of the information presented in this report or requests for additional information should be addressed to Ben Franklin Transit, Attention: Director of Administrative Services, 1000 Columbia Park Trail, Richland, WA 99352 or by calling (509) 735-4131.

# Basic Financial Statements



This page intentionally left blank.

Ben Franklin Transit  
Statement of Net Position  
As of December 31, 2017

	2017
<b>Assets</b>	
Current Assets	
Cash and Cash Equivalents	\$ 39,583,417
Accounts Receivables	1,810,982
Sales Tax Receivables	6,102,590
Inventories	413,256
Prepayments	132,852
Total Current Assets	<u>48,043,097</u>
Noncurrent Assets	
Capital Assets Not Being Depreciated	
Land	2,208,687
Construction in Progress	2,099,238
Capital Assets Being Depreciated	
Buildings & Structures	19,664,395
Vehicles	34,264,247
Equipment & Furnishings	2,308,043
Less: Accumulated Depreciation	<u>(33,435,292)</u>
Total Capital Assets (Net)	<u>27,109,318</u>
Other Noncurrent Assets	
Total Noncurrent Assets	<u>27,109,318</u>
Total Assets	<u>\$ 75,152,415</u>
<b>Deferred Outflows of Resources</b>	
Deferred Outflows - PERS Pension	\$ 1,799,546
Total Deferred Outflows	<u>\$ 1,799,546</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 76,951,961</u></u>
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	\$ 1,028,158
Accrued Expenses	1,176,012
Compensated Absences	905,057
Total Current Liabilities	<u>3,109,227</u>
Noncurrent Liabilities	
Net Pension Liability	10,607,174
Total Noncurrent Liabilities	<u>10,607,174</u>
Total Liabilities	<u>\$ 13,716,401</u>
<b>Deferred Inflows of Resources</b>	
Deferred Inflows - PERS Pension	\$ 2,060,737
Total Deferred Inflows	<u>\$ 2,060,737</u>
<b>Net Position</b>	
Investment in Capital Assets	27,109,318
Unrestricted	34,065,505
Total Net Position	<u>\$ 61,174,823</u>

The notes to the financial statements are an integral part of this statement.

Ben Franklin Transit  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended December 31, 2017

---

	2017
<b>Operating Revenues</b>	
Passenger Fares	\$ 3,841,261
Other Operating Revenues	592,521
Total Operating Revenues	<u>4,433,782</u>
<b>Operating Expenses</b>	
Operations	22,143,624
Maintenance	6,434,310
Administrative Expenses	6,398,150
Depreciation & Amortization	3,359,650
Total Operating Expenses	<u>38,335,734</u>
Operating Income (Loss)	<u>\$ (33,901,952)</u>
<b>Nonoperating Revenues (Expenses)</b>	
Sales Tax	34,214,086
Investment Income	315,945
Operating Grants	2,000,000
Gains/(Losses) on Capital Asset Disposition	373,217
Total Nonoperating Revenues (Expenses)	<u>36,903,248</u>
Income (Loss) Before Contributions	3,001,296
Capital Contributions	2,279,461
Change in Net Position	<u>5,280,757</u>
Total Net Position - Beginning of Period	\$ 58,075,924
Prior Period Adjustment	(2,181,858)
Total Net Position - End of Period	<u><u>\$ 61,174,823</u></u>

The notes to the financial statements are an integral part of this statement.



Ben Franklin Transit  
Statement of Cash Flows  
For the Year Ended December 31, 2017

	2017
<b>Cash Flows from Operating Activities</b>	
Receipts From Customers	\$ 3,714,803
Other Receipts	634,286
Payments to Employees	(9,760,440)
Payments to Suppliers	(25,536,439)
Net Cash Provided (Used) by Operating Activities	(30,947,790)
<b>Cash Flows from Noncapital Financing Activities</b>	
Sales Tax Received	34,238,691
Operating Grants Received	2,254,560
Net Cash Provided (Used) by Noncapital Financing Activities	36,493,251
<b>Cash Flows from Capital and Related Financing Activities</b>	
Capital Contributions	999,225
Net proceeds from the Disposition of Capital Assets	373,217
Acquisition and Construction of Capital Assets	(3,959,200)
Net Cash Used in Capital and Related Financing Activities	(2,586,758)
<b>Cash Flows from Investing Activities</b>	
Proceeds from Investment Securities	-
Interest and Dividends	315,945
Net Cash Provided by Investing Activities	315,945
Net Increase (Decrease) in Cash and Cash Equivalents	3,274,648
Balances - Beginning of the Year	36,308,769
Balances - End of the Year	<u>\$ 39,583,416</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>	
Operating income (loss)	(33,901,952)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation Expense	3,359,650
PERS Pension Expense / (Credit)	(875,349)
Noncash Adjustments	-
Change in Assets and Liabilities:	
Receivables, Net	(115,968)
Inventories	(71,685)
Prepaid Expense	(7,410)
Deferred Outflows Related to Pension	-
Payables	494,777
Vacation Accrual	170,147
<b>Net Cash Used by Operating Activities</b>	<u><u>\$ (30,947,790)</u></u>

**NON-CASH TRANSACTIONS:**

Non-cash investing, capital, or financing activities includes capital accruals of \$1,389,853.

The accompanying notes are an integral part of this financial statement.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Ben Franklin Transit (BFT) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

- A. Reporting Entity** – The transit was incorporated on May 11, 1981, and operates under the laws of the state of Washington applicable to municipal corporations. BFT was formed under the authority of Chapter 36.57A of the Revised Code of Washington State.

As required by generally accepted accounting principles the financial statements present BFT as the primary government. Management has considered all potential component units in defining the reporting entity. The transit has no component units. BFT is a separate entity and is fiscally independent of other state and local government entities. Per criteria of GASB 14, BFT is a primary government for reporting and there are no additional entities or funds for which BFT has reporting responsibilities.

BFT is a special purpose government and provides Fixed Route, Para-transit, Vanpool, Taxi Feeder, General Demand, Night Service, and Sunday Service to the public in portions of Benton and Franklin Counties and is supported primarily through user charges and locally generated sales tax.

BFT is governed by a nine-member Board of Directors comprised of two Franklin County Commissioners, one Benton County Commissioner and one City Council member from Benton City, City of Kennewick, City of Pasco, City of Prosser, City of Richland, and the City of West Richland. In 2010, a non-voting board member was added to represent the labor unions of BFT.

- B. Measurement Focus, Basis of Accounting** – BFT's accounting records are maintained in accordance with methods prescribed by the Federal Transit Administration (FTA) per Section 15 of the Federal Transit Act of 1992, as amended and the Washington State Auditor under the authority of 43.09 Revised Code of Washington. The transit uses the Budgeting, Accounting and Reporting System (BARS) for GAAP for Transit Districts in the State of Washington.

The transit's statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred regardless of the timing of the cash flows.

The transit distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the transit are charges to customers for passenger fares. Operating expenses for the transit include all costs related to providing transit service. These costs include labor, fringe benefits, materials, supplies, services, utilities,

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

rentals, leases, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**C. Assets, Liabilities, and Net Position**

1. Cash and Cash Equivalents – It is BFT's policy to invest all temporary cash surpluses. At December 31, 2017, the treasurer was holding \$39,583,417 in short-term residual investments of surplus cash. This amount is classified on the statement of net position as cash and cash equivalents.

For purposes of the statement of cash flows, the transit considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

2. Investments – State statutes permit BFT to invest in obligations of the United States, certificates of deposits issued by banks that are designated as public depositories by the Washington Public Deposit Protection Commission (PDPC) and the Local Government Investment Pool (LGIP). Investments are reported at fair market value measured by quoted market price. The reported value of the LGIP is the same as the fair value of the pool shares. For more details see Note 2, Deposits and Investments.
3. Receivables – Taxes receivable consists of uncollected sales tax revenue from the state and related interest and penalties.

Customer accounts receivable consist of amounts owed from private individuals or organizations for goods and services including amounts owed for which billings have not been prepared. Notes and contracts receivable consist of amounts owed on open account from private individuals or organizations for goods and services rendered.

4. Inventories – Inventory consists of fuel, tires, repair parts, and supplies. Purchases are recorded as increases to inventory and valued by the First In, First Out (FIFO) method (which approximates the market value).
5. Restricted Assets – Restricted assets are temporary restricted cash and cash equivalents resulting from the sale of property in which the FTA restricts the use of proceeds to the investment of approved capital assets.
6. Capital Assets – Capital assets, which include property, facilities, and equipment, are defined by BFT as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset. The costs of normal maintenance and repairs are not capitalized. No depreciation is provided on works in progress until work is completed and the asset is placed in service.

Ben Franklin Transit  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

BFT has acquired certain assets with funding provided by federal financial assistance programs. Depending on the terms of the agreements involved, the federal government could retain an equity interest in these assets. However, BFT has sufficient legal interest to accomplish the purposes for which the assets were acquired, and has included such assets within the applicable account.

Depreciation is computed using the straight-line method over estimated useful lives as follows:

Asset	Years
Vehicles	7 - 14
Buildings and Structures	10 - 40
Equipment and Furnishings	5 - 20
Land Improvements	5 - 40

(Also, see Note 4 – Capital Assets)

7. Compensated Absences – Compensated absences are absences for which employees will be paid, such as general leave. All general leave is accrued when incurred.

Per BFT policy, employees may accumulate up to 480 hours of general leave, which includes considerations for sick leave. BFT does not have a separate sick leave program. General leave hours do not expire and carry over year to year. Compensated absences are payable upon request, termination, resignation, retirement, and death. As the possibility exists for the full amount to be paid within one year, BFT records compensated absences as a current liability.

8. Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
9. Federal, State, and Local Grant Funds – Grants are accounted for in accordance with the purpose for which the funds are intended. Approved grants for the acquisition of land, building, and equipment are recorded as capital contributions as the related grant conditions are met. Approved grants for operating assistance are recorded as revenues in the year in which the related grant conditions are met. Advances on grants are recorded as a liability until related grant conditions are met.

Ben Franklin Transit  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

---

**NOTE 2 – DEPOSITS AND INVESTMENTS**

Cash and investments are classified in the accompanying financial statements as of December 31, 2017, as follows:

**Composition of Cash and Cash Equivalents**

	<u>2017</u>
Demand Deposits	\$ 39,583,417
Investments having original maturities of less than 3 months	-
Total Cash and Cash Equivalents	<u>\$ 39,583,417</u>

BFT's bank deposits and certificates of deposit are entirely insured by the Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

Currently BFT does not have a policy for custodial credit risk as that risk does not currently exist.

**NOTE 3 – RECEIVABLE AND PAYABLE BALANCES**

Receivables and Payables as of December 31, 2017, consist of the following:

	<u>2017</u>
Accounts Receivable	\$ 1,810,982
Sales Tax Receivable	6,102,590
Total Receivables	<u>\$ 7,913,572</u>
Accounts Payable	<u>\$ 1,028,158</u>
Total Payables	<u>\$ 1,028,158</u>

Ben Franklin Transit  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

**NOTE 4 – CAPITAL ASSETS**

Activity for the year ended December 31, 2017 was as follows:

Description	Balance Jan 1, 2017	Increases	Decreases	Adjustments	Balance Dec 31, 2017
Capital Assets, Not Being Depreciated:					
Land	\$ 2,343,718	\$ -	\$ -	\$ (135,031)	\$ 2,208,687
Work in Progress	139,871	2,099,238	139,871	-	2,099,238
Total Capital Assets, Not Being Depreciated	2,483,589	2,099,238	139,871	(135,031)	4,307,925
Capital Assets, Being Depreciated:					
Vehicles	38,020,031	1,519,345	2,309,552	(2,965,577)	34,264,247
Building and Structures	24,485,139	-	-	(4,820,744)	19,664,395
Equipment and Furnishing	1,408,837	480,488	-	418,718	2,308,043
Total Capital Assets, Being Depreciated	63,914,007	1,999,833	2,309,552	(7,367,604)	56,236,685
Less Accumulated Depreciation For:					
Vehicles	23,159,924	2,656,311	2,309,552	(2,541,791)	20,964,893
Building and Structures	13,456,182	483,820		(2,580,512)	11,359,490
Equipment and Furnishing	1,089,866	219,518		(198,474)	1,110,910
Total Accumulated Depreciation	37,705,972	3,359,650	2,309,552	(5,320,777)	33,435,292
Total Capital Assets, Being Depreciated, Net	\$ 28,691,624	\$ 739,422	\$ 139,871	\$ (2,181,858)	\$27,109,318

To strengthen internal controls over financial reporting BFT performed a comprehensive review of all capital assets in 2017. These financial statements reflect a prior period adjustment in the amount of \$2,181,858 to correct the depreciation expense associated with an overstatement of fixed assets in prior periods.

Construction Commitments

At December 31, 2017, BFT had no outstanding construction commitments.

Ben Franklin Transit  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

---

**NOTE 5 – PENSION PLANS**

The following table represents the aggregate pension amounts for all plans subject to the requirements of the [GASB Statement 68, Accounting and Financial Reporting for Pensions](#) for the year 2017:

<b>Aggregate Pension Amounts – All Plans</b>	
Pension liabilities	\$10,607,174
Pension assets	\$ - 0 -
Deferred outflows of resources	\$ 1,799,546
Deferred inflows of resources	\$ 2,060,737
Pension expense/expenditures	\$ 986,780

**State Sponsored Pension Plans**

Substantially all Ben Franklin Transit's (BFT) full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems  
Communications Unit  
P.O. Box 48380  
Olympia, WA 98540-8380

Or the DRS CAFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

**Public Employees' Retirement System (PERS)**

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

**PERS Plan 1** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially

Ben Franklin Transit  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

---

**NOTE 5 – PENSION PLANS (continued)**

reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

<b>PERS Plan 1</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee</b>
January - June 2017:		
PERS Plan 1	6.23%	6.00%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
<b>Total</b>	<b>11.18%</b>	<b>6.00%</b>
July - December 2017:		
PERS Plan 1	7.49%	6.00%
PERS Plan 1 UAAL*	5.03%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.70%</b>	<b>6.00%</b>

\* UAAL – Unfunded Actuarial Accrued Liability

**PERS Plan 2/3** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.



Ben Franklin Transit  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

---

**NOTE 5 – PENSION PLANS (continued)**

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

**PERS Plan 3** defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

<b>PERS Plan 2/3</b>		
<b>Actual Contribution Rates</b>	<b>Employer 2/3</b>	<b>Employee 2</b>
January – June 2017:		
PERS Plan 2/3	6.23%	6.12%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
<b>Total</b>	<b>11.18%</b>	<b>6.12%</b>
July – December 2017:		
PERS Plan 2/3	7.49%	7.38%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>12.70%</b>	<b>7.38%</b>

## **NOTE 5 – PENSION PLANS (continued)**

Ben Franklin Transit's actual PERS plan contributions were \$776,346 to PERS Plan 1 and \$1,085,765 to PERS Plan 2/3 for the year ended December 31, 2017.

### **Actuarial Assumptions**

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2017 with a valuation date of June 30, 2016. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study* and the *2015 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2017. Plan liabilities were rolled forward from June 30, 2016, to June 30, 2017, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 3.0% total economic inflation; 3.75% salary inflation
- **Salary increases:** In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5%

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were changes in methods and assumptions since the last valuation.

- For all plans except LEOFF Plan 1, how terminated and vested member benefits are valued was corrected.
- How the basic minimum COLA in PERS Plan 1 is valued for legal order payees was improved.
- For all plans, the average expected remaining service lives calculation was revised.

### **Discount Rate**

The discount rate used to measure the total pension liability for all DRS plans was 7.5 percent.

**NOTE 5 – PENSION PLANS (continued)**

To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. . Consistent with the long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3 employers, whose rates include a component for the PERS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.5 percent was used to determine the total liability.

**Long-Term Expected Rate of Return**

The long-term expected rate of return on the DRS pension plan investments of 7.5 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns over various time horizons.

**Estimated Rates of Return by Asset Class**

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>% Long-Term Expected Real Rate of Return Arithmetic</b>
Fixed Income	20%	1.70%
Tangible Assets	5%	4.90%
Real Estate	15%	5.80%
Global Equity	37%	6.30%
Private Equity	23%	9.30%
	100%	

**Sensitivity of the Net Pension Liability/(Asset)**

The table below presents BFT's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what BFT's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

Ben Franklin Transit  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

**NOTE 5 – PENSION PLANS (continued)**

Plan	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	\$ 6,706,029	\$ 5,504,908	\$ 4,464,478
PERS 2/3	\$ 13,746,039	\$ 5,102,266	\$ (1,980,024)

**Pension Plan Fiduciary Net Position**

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2017, BFT reported a total pension liability of \$10,607,174 for its proportionate share of the net pension liabilities as follows:

Plan	Liability (or Asset)
PERS 1	\$ 5,504,908
PERS 2/3	\$ 5,102,266

At June 30, 2017, BFT's proportionate share of the collective net pension liabilities was as follows:

Plan	Proportionate Share 6/30/16	Proportionate Share 6/30/17	Change in Proportion
PERS 1	0.114841%	0.116013%	0.001172%
PERS 2/3	0.143055%	0.146848%	0.003793%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans.

The collective net pension liability (asset) was measured as of June 30, 2017, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2016, with update procedures used to roll forward the total pension liability to the measurement date.

**Pension Expense**

For the year ended December 31, 2017, BFT recognized pension expense as follows:

Plan	Pension Expense
PERS 1	\$398,375
PERS 2/3	\$588,405
TOTAL	\$986,780

Ben Franklin Transit  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

---

**NOTE 5 – PENSION PLANS (continued)**

**Deferred Outflows of Resources and Deferred Inflows of Resources**

At December 31, 2017, BFT reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>PERS 1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-	(205,428)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	427,975	-
<b>TOTAL</b>	<b>\$ 427,975</b>	<b>\$ (205,428)</b>

<b>PERS 2/3</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 516,980	\$ (167,805)
Net difference between projected and actual investment earnings on pension plan investments	-	(1,360,141)
Changes of assumptions	54,196	-
Changes in proportion and differences between contributions and proportionate share of contributions	165,072	(327,363)
Contributions subsequent to the measurement date	635,323	-
<b>TOTAL</b>	<b>\$ 1,371,571</b>	<b>\$ (1,855,309)</b>

Ben Franklin Transit  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

---

**NOTE 5 – PENSION PLANS (continued)**

<b>PERS 1 &amp; 2/3 COMBINED</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 516,980	\$ (167,805)
Net difference between projected and actual investment earnings on pension plan investments	-	(1,565,569)
Changes of assumptions	54,196	-
Changes in proportion and differences between contributions and proportionate share of contributions	165,072	(327,363)
Contributions subsequent to the measurement date	1,063,298	-
<b>TOTAL</b>	<b>\$ 1,799,546</b>	<b>\$ (2,060,737)</b>

Deferred outflows of resources related to pensions resulting from BFT's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	<b>PERS 1</b>
2018	\$ (138,856)
2019	43,839
2020	(10,179)
2021	(100,232)
2022	- 0 -
Thereafter	- 0 -

<b>Year ended December 31:</b>	<b>PERS 2/3</b>
2018	\$ (650,398)
2019	25,383
2020	125,847
2021	(524,893)
2022	68,128
Thereafter	88,566

Ben Franklin Transit  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

---

**NOTE 6 – CHANGES IN LONG-TERM LIABILITIES**

During the year ended December 31, 2017, the following changes occurred in long-term liabilities:

<b>Business-Type Activities</b>	<b>Balance Jan 1, 2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance Dec 31, 2017</b>
Pension Liability - PERS 1	6,167,503	-	662,595	5,504,908
Pension Liability - PERS 2/3	7,202,706	-	2,100,440	5,102,266
Total Long-Term Liabilities:	13,370,209	-	2,763,035	10,607,174

(Also, see Note 1 item 7 – Compensated Absences)

**NOTE 7 – CONTINGENCIES & LITIGATIONS**

BFT has recorded in its financial statements all material liabilities, including an estimate for situations which are not yet resolved but where, based on available information, management believes it is probable that the transit will have to make payment. In the opinion of management, the transit's insurance policies are adequate to pay all known or pending claims.

BFT participates in a number of Federal and State assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. (BFT management believes that such disallowances, if any, will be immaterial.

**NOTE 8 – CAPITAL CONTRIBUTIONS**

	<b>2017</b>
Federal	\$ 1,205,336
State	1,074,125
Total	<u>\$ 2,279,461</u>

## **NOTE 9 – RISK MANAGEMENT**

BFT is a member of the Washington State Transit Insurance Pool (WSTIP). WSTIP is a 25-member self-insurance program located in Olympia, Washington. WSTIP supplies BFT auto liability, general liability, public officials liability coverage, all risk property coverage, auto physical damage coverage, boiler and machinery coverage, employee fidelity/crime coverage, and cyber liability coverage.

At the end of 2017, BFT retained a \$5,000 deductible for its all-risk property coverage which includes auto physical damage. BFT has a \$5,000 deductible for public official's liability coverage and has no deductible for general and auto liability risks covered by WSTIP.

WSTIP was formed by Interlocal Agreement on January 1, 1989, pursuant to Chapters 48.61 and 39.34 RCW. The purpose for forming WSTIP was to provide member transit agencies joint self-insurance, joint purchasing of insurance and joint contracting for hiring of personnel to provide risk management, claims handling, and administrative services. Transit agencies joining WSTIP must remain members for a minimum of 36 months. Members may withdraw after that time by giving six-month's notice. Any member who withdraws will not be allowed to rejoin for a period of 36 months.

Transit authorities applying for membership in WSTIP may do so on approval of a simple majority vote of the WSTIP Board of Directors. Underwriting and rate-setting policies have been established after consultation with actuaries. WSTIP members are subject to a supplemental assessment in the event of deficiencies. If WSTIP's assets were to be exhausted, members would be responsible for WSTIP's liabilities. WSTIP is regulated by the Washington State Risk Manager and audited annually by the Washington State Auditor.

WSTIP utilizes a combination of self-insurance, reinsurance and excess insurance to provide the limits noted in the summary below. Carriers include Governmental Entities Mutual, Munich Re, and Arch for the liability lines; Alterra and Evanston for auto physical damage; American International Group Inc (AIG)/National Union Fire Insurance for the crime policy; and Beazley for the cyber liability policy. The property carrier for all risk property and boiler and machinery is Alliant Property Insurance Program provided by Alliant Insurance Services.

BFT has not presented any claims to WSTIP in the last year that exceeded its current coverage limits through WSTIP.



Ben Franklin Transit  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

**NOTE 9 – RISK MANAGEMENT (continued)**

Below is a summary of coverage provided in 2017:

RISK / EXPOSURE	COVERAGE		DEDUCTIBLE
GENERAL LIABILITY			
Bodily Injury & Property Damage Personal Injury & Advertising Injury Contractual Liability	\$ 20,000,000	Per occurrence	\$ -
Personal Injury and Advertising Injury Contractual liability	\$ 20,000,000	Per offense	\$ -
Vanpool Driver Medical Expense Protection	\$ 35,000	Per occurrence	\$ -
Underinsured Motorist Coverage	\$ 60,000	Per occurrence	\$ -
PUBLIC OFFICIALS LIABILITY	\$ 20,000,000	Per occurrence and aggregate	\$ 5,000
PROPERTY COVERAGE			
All perils subject to the following sublimits:	\$ 500,000,000	Per occurrence, all perils and insureds/ members combined	\$ 5,000
Flood zones A & V – annual aggregate	\$ 10,000,000	Per occurrence, annual aggregate	\$ 500,000
All flood zones except A & V – annual aggregate	\$ 50,000,000	Per occurrence, annual aggregate	\$ 500,000
Earthquake, volcanic eruption, landslide, and mine subsidence	\$ 25,000,000	Per occurrence, annual aggregate	5% subject to \$500,000 per occurrence per unit
AUTO PHYSICAL DAMAGE			
Auto Physical Damage (below \$250,000 in value)	Fair market value	Limited to \$1,250,000 any one vehicle	\$ 5,000
Auto Physical Damage for all vehicles with a model year of 2005 or later and valued over \$250,000	Replacement Cost	Limited to \$1,250,000 any one vehicle	\$ 5,000
BOILER AND MACHINERY	\$ 100,000,000		\$ 350,000
CRIME / PUBLIC EMPLOYEE DISHONESTY			
including faithful performance. (Also includes:)	\$ 1,000,000	Per occurrence	\$ 10,000
Employee theft	\$ 1,000,000	Per occurrence	\$ 10,000
Forgery or alteration	\$ 1,000,000	Per occurrence	\$ 10,000
Theft, disappearance and destruction (inside premises)	\$ 1,000,000	Per occurrence	\$ 10,000
Robbery and safe burglary (inside premises)	\$ 1,000,000	Per occurrence	\$ 10,000
Robbery and safe burglary (outside premises)	\$ 1,000,000	Per occurrence	\$ 10,000
Computer fraud	\$ 1,000,000	Per occurrence	\$ 10,000
Funds Transfer Fraud	\$ 1,000,000	Per occurrence	\$ 10,000
Money orders and counterfeit money	\$ 1,000,000	Per occurrence	\$ 10,000
CYBER LIABILITY			
Third Party Liability	\$ 25,000,000	Annual policy and program aggregate of liability for all insured's combined	\$ 100,000
Information Security and Privacy	\$ 2,000,000	Limit of Liability and annual aggregate	\$ 100,000
Privacy Notification costs	\$ 500,000	Annual aggregate – limit increases to \$1 million if carrier's vendors utilized	\$ 100,000
Penalties for Regulatory Defense and Penalties	\$ 2,000,000	Limit of Liability and annual aggregate	\$ 100,000
Including a sub-limit for PCI Fines and Penalties	\$ 100,000	(Sub-limit)	
Website Media Content Liability	\$ 2,000,000	Limit of Liability and annual aggregate	\$ 100,000
First Party Computer Security			
Cyber Extortion Loss	\$ 2,000,000	Limit of Liability and annual aggregate	\$ 100,000
Data Protection Loss and Business Interruption Loss	\$ 2,000,000	Limit of Liability and annual aggregate	\$ 100,000
Including a sub-limit for Forensic expense	\$ 100,000		
And Dependent business interruption	\$ 500,000		
Fraudulent Instruction	\$ 50,000		
Telecommunications Fraud	\$ 50,000		
Consequential reputational loss	\$ 50,000		

\* However, if covered loss exists, WSTIP general liability policy also includes a \$50,000 limit of coverage with no deductible.

Ben Franklin Transit  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

---

**NOTE 10 – LEASE OBLIGATIONS**

BFT is committed under various leases for space and equipment. All leases are considered operating leases for accounting purposes because BFT does not acquire interest in the property. Lease expenses for the year ended December 31, 2017, totaled \$95,701. Future minimum rental commitments for leases are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 77,034
2019	77,487
2020	77,169
2021	72,499
<b>Total</b>	<b><u>\$ 304,189</u></b>

**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

As a member of the Washington State Public Employees Benefit Board (PEBB) BFT offers employees who retire the option to continue medical coverage on a self-pay basis. The premiums for retired employees are blended with the rates for active employees. This blending of rates is considered an implicit subsidy paid by BFT. Using the alternative measurement method permitted under GASB statement 45, this subsidy was found to be immaterial to the financial statements presentation. Therefore, no adjustments or provisions were made to these financial statements.

**NOTE 12 – PRIOR PERIOD ADJUSTMENTS**

The prior period adjustment in the amount of \$2,181,858 listed on the face of the financial statements is due to a correction of depreciation expense associated with an overstatement of fixed assets.

# Required Supplementary Information



This page intentionally left blank.

Ben Franklin Transit  
Required Supplementary Information  
For the Year Ended December 31, 2017

Schedule of Proportionate Share of the Net Pension Liability  
PERS Plan1  
As of June 30, 2017  
Last 10 Fiscal Years\*

		<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>
Employer's proportion of the net pension liability (asset)	%	0.116013%	0.114841%	0.125862%						
Employer's proportionate share of the net pension liability	\$	5,504,907	6,167,503	6,583,753						
TOTAL	\$	5,504,907	6,167,503	6,583,753						
Covered payroll*	\$	14,553,766	14,311,655	14,215,164						
Employer's proportionate share of the net pension liability as a percentage of covered payroll	%	37.82%	43.09%	46.31%						
Plan fiduciary net position as a percentage of the total pension liability	%	61.24%	57.03%	59.10%						

**Notes to Schedule:**

\* Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.

\* Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par. 5)

Ben Franklin Transit  
Required Supplementary Information  
For the Year Ended December 31, 2017

---

Schedule of Proportionate Share of the Net Pension Liability  
PERS Plan2/3  
As of June 30, 2017  
Last 10 Fiscal Years\*

		<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>
Employer's proportion of the net pension liability (asset)	%	0.146848%	0.143055%	0.158146%							
Employer's proportionate share of the net pension liability	\$	5,102,266	7,202,706	5,650,647							
TOTAL	\$	5,102,266	7,202,706	5,650,647							
Covered payroll*	\$	14,456,984	14,137,641	14,042,546							
Employer's proportionate share of the net pension liability as a percentage of covered payroll	%	35.29%	50.95%	40.24%							
Plan fiduciary net position as a percentage of the total pension liability	%	90.97%	85.82%	89.20%							

**Notes to Schedule:**

\* Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.

\* Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par. 5)

Ben Franklin Transit  
Required Supplementary Information  
For the Year Ended December 31, 2017

Schedule of Employer Contributions  
PERS Plan1  
As of December 31, 2017  
Last 10 Fiscal Years\*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>
<u>Statutorily or contractually required contributions</u>	\$ 776,346	695,806	575,568							
<u>Contributions in relation to the statutorily or contractually required contributions*</u>	\$ <u>(776,346)</u>	<u>(695,806)</u>	<u>(575,568)</u>							
<u>Contribution deficiency (excess)</u>	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Covered payroll*</u>	\$ 15,755,079	14,395,839	14,120,890							
<u>Contributions as a percentage of covered payroll</u>	% 4.93%	4.83%	4.08%							

**Notes to Schedule:**

\* Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.

\* Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par. 5)

\* Contributions are actual employer contributions to the plan. For PERS 1 this includes the portion of PERS 2/3 and PSERS 2 contributions that fund the PERS 1 UAAL. Contributions do not include employer-paid member contributions (GASB 82, Par. 8)

Ben Franklin Transit  
Required Supplementary Information  
For the Year Ended December 31, 2017

Schedule of Employer Contributions  
PERS Plan2/3  
As of December 31, 2017  
Last 10 Fiscal Years\*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>	<u>20XX</u>
<u>Statutorily or contractually required contributions</u>	\$ 1,085,765	887,756	840,029							
<u>Contributions in relation to the statutorily or contractually required contributions*</u>	\$ (1,085,765)	(887,756)	(840,029)							
<u>Contribution deficiency (excess)</u>	\$									
<u>Covered payroll*</u>	\$ 15,712,746	14,249,555	13,945,492							
<u>Contributions as a percentage of covered payroll</u>	% 6.91%	6.23%	6.02%							

**Notes to Schedule:**

\* Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.

\* Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par. 5)

\* Contributions are actual employer contributions to the plan. For PERS 1 this includes the portion of PERS 2/3 and PSERS 2 contributions that fund the PERS 1 UAAL. Contributions do not include employer-paid member contributions (GASB 82, Par. 8)





## *Statistical Section*



This page intentionally left blank.

Ben Franklin Transit  
Statistical Section  
For the Year Ended December 31, 2017

---

This part of BFT's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about BFT's overall financial health.

**CONTENTS**

**PAGE**

**Financial Trends:** These schedules contain trend information to help the reader understand how BFT's financial performance and well-being have changed over time.

- Net Position.....57
- Changes in Net Position.....58

**Revenue Capacity:** These schedules contain information to help the reader assess BFT's most significant local revenue source, the sales tax.

- Taxable Sales by Category.....59
- Direct and Overlapping Sales Tax Rates.....60

**Demographic and Economic Information:** These schedules offer demographic and economic indicators to help the reader understand the environment within which BFT's financial activities take place.

- Demographic and Economic Statistics.....61
- Principal Employers.....62

**Operating Information:** This schedule contains service and infrastructure data to help the reader understand how the information in BFT's financial report relates to the services BFT provides and the activities it performs.

- Selected Operating Information.....63

**Source:** *Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.*

This page intentionally left blank

Ben Franklin Transit  
Statistical Section  
For the Year Ended December 31, 2017

---

NET POSITION  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year										
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net Position											
Invested in capital assets	\$ 27,109,318	\$ 28,691,624	\$ 30,350,571	\$ 26,879,796	\$ 22,778,512	\$ 23,517,995	\$ 26,423,460	\$ 28,197,257	\$ 24,861,623	\$ 23,561,317	\$ 22,147,012
Unrestricted	34,065,505	29,384,300	21,985,735	29,549,434	26,547,896	19,319,901	15,242,491	7,100,823	7,048,090	7,147,662	9,575,336
TOTAL Net Position	\$ 61,174,823	\$ 58,075,924	\$ 52,336,306	\$ 56,429,230	\$ 49,326,408	\$ 42,837,896	\$ 41,665,951	\$ 35,298,080	\$ 31,909,713	\$ 30,708,979	\$ 31,722,348

Source: Comprehensive Annual Financial Report

Ben Franklin Transit  
Statistical Section  
For the Year Ended December 31, 2017

CHANGES IN NET POSITION  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Operating Revenues</b>										
Passenger Fares	\$ 3,841,261	\$ 3,928,449	\$ 3,980,658	\$ 4,220,235	\$ 3,821,717	\$ 4,105,017	\$ 4,246,184	\$ 3,935,943	\$ 3,968,962	\$ 3,523,056
Other Operating Revenues	592,521	754,740	1,245,543	456,902	355,633	800,306	159,017	172,280	1,206,605	112,665
Total Operating Revenues	\$ 4,433,782	\$ 4,683,189	\$ 5,226,201	\$ 4,677,137	\$ 4,177,350	\$ 4,905,323	\$ 4,405,201	\$ 4,108,223	\$ 5,175,567	\$ 3,635,721
<b>Operating Expenses</b>										
Operations	\$ 22,143,624	\$ 20,363,867	\$ 19,254,950	\$ 19,985,195	\$ 18,353,725	\$ 17,552,235	\$ 17,515,588	\$ 16,875,777	\$ 18,120,044	\$ 18,708,584
Maintenance	6,434,310	5,575,175	5,690,660	7,199,220	7,415,593	7,930,019	7,105,350	6,599,674	6,880,505	7,477,613
Administrative Expenses	6,398,150	5,794,829	4,818,823	4,899,480	4,699,322	4,034,884	3,706,592	3,227,329	3,360,359	3,549,597
Depreciation & Amortization	3,359,650	3,542,109	3,802,469	3,209,868	3,388,275	3,995,734	3,082,137	3,163,320	3,443,315	3,113,690
Other Operating Expenses	-	-	-	-	-	-	-	-	804,805	-
Total Operating Expenses	38,335,734	35,275,980	33,566,903	35,293,763	33,856,915	33,512,872	31,409,667	29,866,100	32,609,028	32,849,484
Operating Income (Loss)	\$ (33,901,952)	\$ (30,592,791)	\$ (28,340,702)	\$ (30,616,626)	\$ (29,679,565)	\$ (28,607,549)	\$ (27,004,466)	\$ (25,757,877)	\$ (27,433,461)	\$ (29,213,763)
<b>Nonoperating Revenues (Expense)</b>										
Sales Tax	\$ 34,214,086	\$ 33,218,130	\$ 30,667,384	\$ 27,864,444	\$ 26,650,429	\$ 25,902,472	\$ 25,732,901	\$ 23,897,059	\$ 22,773,709	\$ 23,386,739
Interest Income	315,945	80,787	40,299	18,207	23,279	21,689	25,228	45,722	109,970	352,849
Operating Grants	2,000,000	2,768,030	193,457	4,493,134	7,323,664	1,982,509	4,800,003	1,040,723	1,089,671	1,003,811
Gain (Loss) of Sale of Assets	373,217	6,292	113,484	43,304	9,028	(133,660)	12,881	1,129	66,684	-
Total Nonoperating Revenues (Expense)	\$ 36,903,248	\$ 36,073,239	\$ 31,014,623	\$ 32,419,089	\$ 34,006,400	\$ 27,773,010	\$ 30,571,013	\$ 24,984,633	\$ 24,040,034	\$ 24,743,399
Net Income (Loss) Before Contributions	\$ 3,001,296	\$ 5,480,448	\$ 2,673,922	\$ 1,802,463	\$ 4,326,835	\$ (834,539)	\$ 3,566,547	\$ (773,244)	\$ (3,393,427)	\$ (4,470,364)
Capital Contributions	2,279,461	1,381,890	5,933,185	5,300,359	2,161,676	2,006,482	893,219	4,187,695	4,594,161	3,456,995
Net Income (Loss) After Contributions	\$ 5,280,757	\$ 6,862,338	\$ 8,607,107	\$ 7,102,822	\$ 6,488,511	\$ 1,171,943	\$ 4,459,766	\$ 3,414,451	\$ 1,200,734	\$ (1,013,369)
<b>Changes in Net Position</b>	\$ 5,280,757	\$ 6,862,338	\$ 8,607,107	\$ 7,102,822	\$ 6,488,511	\$ 1,171,943	\$ 4,459,766	\$ 3,388,367	\$ 1,200,734	\$ (1,013,369)

Source: Comprehensive Annual Financial Report

Ben Franklin Transit  
Statistical Section  
For the Year Ended December 31, 2017

**TAXABLE SALES BY CATEGORY**  
Benton County and Franklin County (combined)  
2016 - 2007

	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>CATEGORY (NAICS version)</b>									
Retail Trade	\$ 2,607,444,138	\$ 2,448,277,090	\$ 2,249,885,122	\$ 2,130,695,637	\$ 2,020,399,025	\$ 1,907,943,278	\$1,822,338,735	\$1,705,787,420	\$1,705,727,715
Agriculture, Forestry, Fishing	4,577,248	4,505,981	4,427,344	5,092,965	19,902,422	8,854,552	9,328,218	7,072,801	8,187,139
Mining	1,560,555	1,595,983	1,044,529	440,279	2,029,624	2,642,211	2,507,158	2,467,653	2,437,261
Utilities	3,156,719	3,113,481	3,102,972	2,753,521	2,752,913	3,770,161	2,933,595	7,132,688	4,314,757
Construction	838,873,104	797,438,139	663,359,771	672,974,162	518,156,233	554,473,052	495,300,361	518,470,512	657,125,634
Manufacturing	92,697,799	83,172,706	84,309,965	79,589,092	68,406,765	81,707,148	68,632,288	67,431,982	81,499,979
Wholesale Trade	429,691,613	423,058,585	393,572,058	374,468,607	351,766,615	369,514,345	341,155,771	339,642,511	344,937,764
Transportation & Warehousing	13,006,727	11,726,576	11,073,594	11,824,287	13,217,692	8,776,542	11,184,977	7,298,272	7,993,185
Information	190,395,963	187,984,043	173,402,341	163,154,688	152,607,003	156,318,650	156,087,978	151,128,657	147,155,126
Finance, Insurance	39,148,305	30,522,815	24,640,350	24,191,817	23,857,660	23,826,961	23,596,116	24,760,636	26,075,600
Real Estate, Rental/Leasing	108,299,176	115,333,081	102,695,565	100,739,307	96,957,884	102,274,419	104,114,703	104,889,010	100,824,210
Professional, Scientific & Technical Svcs	83,982,309	66,365,748	66,098,105	70,350,038	81,480,117	72,642,701	67,624,647	44,928,974	44,983,325
Management, Education & Health Svcs	112,511,201	99,879,397	92,200,997	89,171,876	83,265,154	101,349,422	73,281,762	71,897,270	69,802,054
Arts, Entertainment & Recreation	45,945,403	42,708,754	39,422,239	37,477,475	36,098,824	30,823,874	28,682,523	24,652,507	27,187,608
Accommodations & Food Services	501,052,127	470,265,155	428,646,263	402,109,453	389,513,009	382,090,587	356,502,079	331,688,340	310,605,089
Other Services	141,830,854	138,860,542	139,635,269	131,757,741	108,729,738	158,414,196	132,330,245	130,997,727	114,507,594
Public Administration, Other	4,174,077	3,927,432	3,082,448	3,321,673	5,611,465	1,763,530	873,652	694,362	649,522
<b>TOTAL TAXABLE SALES</b>	<b>\$ 5,218,347,318</b>	<b>\$ 4,928,735,508</b>	<b>\$ 4,480,598,932</b>	<b>\$ 4,300,112,618</b>	<b>\$ 3,974,752,143</b>	<b>\$ 3,967,185,629</b>	<b>\$3,696,474,808</b>	<b>\$ 3,540,941,322</b>	<b>\$ 3,654,013,562</b>

Notes:

Source: Quarterly Business Review (QBR), Washington Department of Revenue

Ben Franklin Transit  
Statistical Section  
For the Years Ended December 31, 2017

---

DIRECT AND OVERLAPPING SALES TAX RATES  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Direct PTBA Sales Tax Rate</b>		<b>Local Sales Tax Rate</b>		<b>State Sales Tax Rate</b>		<b>Total Sales Tax Rate</b>	
2017 Benton	0.6	%	2.1	%	6.5	%	8.6	%
2017 Franklin	0.6		2.1		6.5		8.6	
2016 Benton	0.6		2.1		6.5		8.6	
2016 Franklin	0.6		2.1		6.5		8.6	
2015 Benton	0.6		2.1		6.5		8.6	
2015 Franklin	0.6		2.1		6.5		8.6	
2014 Benton	0.6		1.8		6.5		8.3	
2014 Franklin	0.6		2.1		6.5		8.6	
2013 Benton	0.6		1.8		6.5		8.3	
2013 Franklin	0.6		2.1		6.5		8.6	
2012 Benton	0.6		1.8		6.5		8.3	
2012 Franklin	0.6		2.1		6.5		8.6	
2011	0.6		1.8		6.5		8.3	
2010	0.6		1.8		6.5		8.3	
2009	0.6		1.8		6.5		8.3	
2008	0.6		1.8		6.5		8.3	

*Note:*  
Franklin County Local Sales Tax Rate is 2.1% (effective 4/1/2012).



Ben Franklin Transit  
Statistical Section  
For the Year Ended December 31, 2017

**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
Last Ten Calendar Years

	<b>Population</b>			<b>Personal Income (In Thousands)</b>			<b>Per Capita</b>		<b>Unemployment Rate Seasonally Adjusted</b>
Year	Benton County	Franklin County	Combined Total	Benton County	Franklin County	Combined Total	Benton County	Franklin County	Kennewick-Pasco-Richland (Benton & Franklin Counties)
2017	193,500	90,330	283,830	\$ -	DATA NOT YET PUBLISHED		\$ -		5.8%
2016	190,500	88,670	279,170	8,779,652	3,186,131	11,965,783	45,329	35,339	6.9%
2015	188,590	87,150	275,740	8,324,360	3,054,393	11,378,753	43,735	34,387	6.9%
2014	186,500	86,600	273,100	7,683,703	2,835,041	10,518,744	41,186	32,302	7.7%
2013	183,400	84,800	268,200	7,430,711	2,684,538	10,115,249	40,270	31,026	9.1%
2012	180,000	82,500	262,500	7,529,470	2,688,909	10,218,379	41,261	31,349	9.5%
2011	177,900	80,500	258,400	7,577,726	2,646,278	10,224,004	41,978	31,835	8.4%
2010	175,177	78,163	253,340	7,166,114	2,423,198	9,589,312	40,598	30,622	8.1%
2009	171,122	74,478	245,600	6,590,197	2,231,791	8,821,988	38,512	29,966	7.5%
2008	166,573	70,775	237,348	6,290,231	2,080,283	8,370,514	37,763	29,393	5.8%

*Note:*

2017 estimates of Personal Income (In Thousands) and Per Capita are scheduled to be released on November 2017

*Sources:*

Population data - Washington State Office of Financial Management, Forecasting Division

Personal Income and Per Capita Personal Income data - US Department of Commerce, Bureau of Economic Analysis

Last updated November 16, 2017 - new estimates for 2016; revised estimates for 2010-2015.

All state and local area dollar estimates are in current dollars (not adjusted for inflation).

Unemployment Rates - Washington State Employment Security Department/LMPA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Last updated March 16, 2017

Ben Franklin Transit  
Statistical Section  
For the Year Ended December 31, 2017

PRINCIPAL EMPLOYERS  
Current Year and 10 Years Ago

Principal Employers:	2017			2006		
	Number of Employees	Rank	Percent of Employment	Number of Employees	Rank	Percent of Employment
Battelle/PNNL	4,500	1	12.43%	4,198	1	11.59%
KADLEC Medical Center	3,532	2	9.76%	1,300	5	3.59%
Bechtel National	2,943	3	8.13%	3,503	2	9.68%
ConAgra (Lamb Weston)	3,000	4	8.29%	442	11	1.22%
Kennewick School District	2,336	5	6.45%	-	0	0.00%
Washington River Protection Solutions	2,129	6	5.88%	-	0	0.00%
Pasco School District	2,015	7	5.57%	-	0	0.00%
MISSION Support Alliance, LLC	1,902	8	5.25%	-	0	0.00%
Richland School District	1,500	9	4.14%	1,202	6	3.32%
CH2M Hill	1,682	10	4.65%	1,371	4	3.79%
Other	5,392		17.43%	10,519		46.68%
Total Number of Employees	30,931		100%	22,535		100%

Note:  
Resident civilian labor force and employment in Kennewick/Richland/Pasco (Benton & Franklin Counties)

Sources:  
2017 employer information – Tri-City Industrial Development Council (TRIDEC)  
2007 data was unavailable, used 2006 employer information – City of Richland Comprehensive Land Use Plan page 18 (Original source Department of Energy, City of Richland)  
Employee workforce – WA Employment Security Department, historical resident labor force and employment (not seasonally adjusted) annual averages

Ben Franklin Transit  
Statistical Section  
For the Year Ended December 31, 2017

SELECTED OPERATING INFORMATION  
2017 – 2008

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
UNLINKED PASSENGER TRIPS										
A. Fixed Route	2,184,099	2,419,818	2,652,058	2,824,121	2,789,196	3,009,253	3,079,844	3,299,955	3,663,535	3,084,422
B. Demand Response	474,627	503,149	509,488	495,848	466,614	468,310	468,735	513,722	656,510	668,991
C. Vanpool	643,216	709,319	794,579	828,189	861,716	1,201,093	1,293,163	1,261,296	1,177,060	1,140,777
Total	3,301,942	3,632,286	3,956,125	4,148,158	4,117,526	4,678,656	4,841,742	5,074,973	5,497,105	4,894,190
PASSENGER MILES										
A. Fixed Route	9,195,230	9,976,099	10,931,415	11,648,045	20,980,821	22,745,984	23,257,631	23,891,664	22,385,076	22,346,202
B. Demand Response	3,627,384	4,085,151	3,751,152	3,782,311	2,819,941	2,784,626	2,367,096	2,551,407	3,153,319	3,206,715
C. Vanpool	21,942,634	22,376,350	25,387,184	27,035,557	27,594,822	38,779,992	50,633,045	49,379,784	46,078,044	44,654,753
Total	34,765,248	36,437,600	40,069,751	42,465,913	51,395,584	64,310,602	76,257,772	75,822,855	71,616,439	70,207,670
TOTAL ACTUAL MILES										
A. Fixed Route	2,406,332	2,344,817	2,331,260	2,307,210	2,307,999	2,309,961	2,444,026	2,609,619	2,733,903	2,684,716
B. Demand Response	3,055,399	3,125,517	3,141,232	3,055,461	2,831,881	2,831,650	2,759,459	2,797,595	3,456,467	3,582,773
C. Vanpool	3,420,782	3,516,347	3,804,373	4,078,837	4,046,851	4,663,331	5,031,817	4,962,648	4,548,900	4,408,525
Total	8,882,513	8,986,681	9,276,865	9,441,508	9,186,731	9,804,942	10,235,302	10,369,862	10,739,270	10,676,014
TOTAL ACTUAL HOURS										
A. Fixed Route	146,892	140,091	139,551	138,651	139,617	140,966	142,086	139,995	154,572	154,981
B. Demand Response	180,033	185,272	175,364	170,389	162,587	175,945	168,493	162,098	219,849	222,785
C. Vanpool	70,653	77,653	83,627	84,232	88,208	113,963	116,561	109,896	107,940	104,489
Total	397,578	403,016	398,542	393,272	390,412	430,874	427,140	411,989	482,361	482,255

Notes:

- 1) 2017 data source - BFT
- 2) Data for unlinked passenger trips and passenger miles reflect the National Transit Database (NTD) data for 2016 and years prior and are computed on a statistically sampled basis and subject to statistical variations from year to year.
- 2) Data for total actual miles and hours match the NTD reported data for 2016 and years prior.

Ben Franklin Transit  
Statistical Section  
For the Year Ended December 31, 2017

SELECTED OPERATING INFORMATION (continued)  
2017 – 2008

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
VEHICLE REVENUE MILES										
A. Fixed Route	2,245,140	2,161,030	2,148,656	2,120,371	2,117,991	2,089,388	2,246,232	2,453,253	2,534,794	2,537,360
B. Demand Response	2,664,372	2,765,412	2,788,012	2,711,700	2,455,788	2,479,744	2,503,154	2,537,750	3,063,058	3,346,119
C. Vanpool	3,420,782	3,516,347	3,804,373	4,033,627	4,046,851	4,663,331	5,031,817	4,962,648	4,548,900	4,408,525
Total	8,330,294	8,442,789	8,741,041	8,865,698	8,620,630	9,232,463	9,781,203	9,953,651	10,146,752	10,292,004
VEHICLE REVENUE HOURS										
A. Fixed Route	140,249	132,957	131,934	131,093	131,050	132,925	132,872	132,549	146,776	147,017
B. Demand Response	149,852	156,990	150,383	147,508	138,148	151,496	158,064	147,512	168,651	213,549
C. Vanpool	70,653	77,653	83,627	84,232	88,208	113,963	116,561	109,896	107,940	104,489
Total	360,754	367,600	365,944	362,833	357,406	398,384	407,497	389,957	423,367	465,055
TOTAL OPERATING EXPENSES										
A. Fixed Route	\$ 15,423,139	\$ 13,583,483	\$ 13,201,969	\$ 14,016,906	\$ 13,751,055	\$ 12,372,816	\$ 11,731,345	\$ 12,371,140	\$ 12,764,250	\$ 13,512,037
B. Demand Response	16,628,773	15,351,837	15,127,047	14,988,524	13,723,884	12,997,681	12,275,387	12,609,742	13,641,590	14,943,173
C. Vanpool	2,574,147	2,388,642	2,442,338	2,969,983	2,885,367	3,152,496	3,171,746	2,959,089	2,664,299	2,651,248
Total	\$ 34,626,059	\$ 31,323,962	\$ 30,771,354	\$ 31,975,413	\$ 30,360,306	\$ 28,522,993	\$ 27,178,478	\$ 27,939,971	\$ 29,070,139	\$ 31,106,458
FARE REVENUE										
A. Fixed Route	\$ 1,483,642	\$ 1,316,704	\$ 1,285,120	\$ 1,461,664	\$ 1,277,604	\$ 1,376,351	\$ 1,372,001	\$ 1,303,603	\$ 1,201,828	\$ 1,139,811
B. Demand Response	317,092	489,675	485,676	476,469	392,373	413,174	380,027	378,353	399,401	377,415
C. Vanpool	1,877,932	2,122,070	2,209,862	2,282,102	2,156,253	2,317,843	2,492,568	2,253,987	2,367,733	2,005,830
Total	\$ 3,678,666	\$ 3,928,449	\$ 3,980,658	\$ 4,220,235	\$ 3,826,230	\$ 4,107,368	\$ 4,244,596	\$ 3,935,943	\$ 3,968,962	\$ 3,523,056

Notes:

1) 2017 data source - BFT

2) Data for revenue miles and hours match the NTD reported data for 2016 and years prior.

Ben Franklin Transit  
Statistical Section  
For the Year Ended December 31, 2017

SELECTED OPERATING INFORMATION (continued)  
2017 – 2008

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>COST PER PASSENGER MILE</b>										
A. Fixed Route	\$ 168	\$ 136	\$ 121	\$ 120	\$ 0.66	\$ 0.56	\$ 0.50	\$ 0.52	\$ 0.57	\$ 0.60
B. Demand Response										
Directly Operated	6.12	4.79	4.61	4.66	6.01	5.66	6.90	6.53	5.71	5.99
Purchased Transportation	2.22	2.03	1.75	1.48	2.27	2.20	2.05	1.68	2.34	2.82
Taxi / Purchased Transportation	2.41	2.23	3.71	2.89	3.00	3.01	2.72	2.91	N/A	N/A
Total Demand Response	10.75	9.06	10.07	9.03	11.28	10.87	11.67	11.12	8.05	8.81
C. Vanpool	0.12	0.11	0.10	0.11	0.10	0.08	0.06	0.06	0.06	0.06
<b>COST PER TOTAL ACTUAL MILE</b>										
A. Fixed Route	\$ 6.41	\$ 5.79	\$ 5.66	\$ 6.08	\$ 5.96	\$ 5.51	\$ 4.80	\$ 4.74	\$ 4.67	\$ 5.03
B. Demand Response										
Directly Operated	6.21	5.53	5.41	5.53	5.47	5.03	4.74	4.88	4.59	4.68
Purchased Transportation	4.75	4.59	3.80	3.27	3.41	3.52	3.38	2.42	2.65	3.16
Taxi / Purchased Transportation	3.20	3.14	3.35	2.91	3.19	3.27	3.54	4.03	N/A	N/A
Total Demand Response	14.17	13.26	12.56	11.71	12.07	11.82	11.66	11.33	7.24	7.84
C. Vanpool	0.75	0.68	0.64	0.73	0.71	0.68	0.63	0.60	0.59	0.60
<b>COST PER UNLINKED PASSENGER TRIP</b>										
A. Fixed Route	\$ 7.06	\$ 5.61	\$ 4.98	\$ 4.96	\$ 4.93	\$ 4.23	\$ 3.81	\$ 3.75	\$ 3.48	\$ 4.38
B. Demand Response										
Directly Operated	45.04	38.62	37.17	37.21	36.02	32.43	30.07	28.04	24.51	25.64
Purchased Transportation	18.54	17.30	13.99	12.92	13.34	12.97	12.07	9.93	13.58	16.22
Taxi / Purchased Transportation	19.11	17.94	19.29	17.23	19.07	20.83	20.97	21.00	N/A	N/A
Total Demand Response	82.70	73.85	70.45	67.36	68.43	66.23	63.11	58.97	38.09	41.86
C. Vanpool	4.00	3.37	3.07	3.59	3.35	2.62	2.45	2.35	2.26	2.32
<b>COST PER TOTAL ACTUAL HOUR</b>										
A. Fixed Route	\$ 105.00	\$ 96.96	\$ 94.60	\$ 101.09	\$ 98.49	\$ 90.33	\$ 82.57	\$ 88.37	\$ 82.58	\$ 87.19
B. Demand Response										
Directly Operated	94.29	86.47	91.74	93.71	91.32	76.62	76.23	81.29	67.02	70.27
Purchased Transportation	80.43	76.22	63.21	56.65	55.39	53.58	50.48	38.54	49.31	59.21
Taxi / Purchased Transportation	89.45	70.45	75.19	64.55	69.83	71.53	68.68	90.49	N/A	N/A
Total Demand Response	264.18	233.15	230.15	214.91	216.54	201.73	195.39	210.32	116.33	129.48
C. Vanpool	36.43	30.76	29.21	35.26	32.71	27.66	27.21	26.93	24.68	25.37
<b>FARE REVENUE PER PASSENGER</b>										
All modes combined	\$ 1.11	\$ 1.08	\$ 1.01	\$ 1.02	\$ 0.93	\$ 0.88	\$ 0.88	\$ 0.78	\$ 0.72	\$ 0.72

Notes:

1) 2017 data source - BFT

2) Data for unlinked passenger trips and passenger miles reflect the National Transit Database (NTD) data for 2016 and years prior and are computed on a statistically sampled basis and subject to statistical variations from year to year.

2) Data for total actual and revenue miles and hours match the NTD reported data for 2016 and years prior.

3) Fare revenue includes passenger revenue, the sale of maps, and revenue from contracts to provide additional service, advertising revenue and miscellaneous revenue.

Ben Franklin Transit  
Statistical Section  
For the Year Ended December 31, 2017

---

SELECTED OPERATING INFORMATION (continued)  
2016 – 2007

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
FULL-TIME EQUIVALENT EMPLOYEES										
A. Fixed Route	161.4	115.1	116.1	119.2	120.1	128.7	119.9	128.7	133.5	141.2
B. Demand Response	129.2	101.0	102.0	107.0	105.9	119.4	106.7	121.3	114.0	115.9
C. Vanpool	10.4	9.9	7.9	8.8	10.0	12.0	9.8	7.7	9.4	11.2
Total	301.0	226.0	226.0	235.0	236.0	260.1	236.4	257.7	256.9	268.4
CAPITAL ASSETS - FLEET VEHICLES										
A. Fixed Route	60	63	62	68	69	63	94	75	75	65
B. Demand Response	118	118	123	147	97	108	88	96	96	87
C. Vanpool	347	334	346	386	337	364	353	360	383	320

Notes:

1) 2016 data source – BFT

2) 2015 and years prior data source - NTD

3) Full-Time Equivalent Employees excludes Purchased Transportation.

## Ben Franklin Transit's Mission

*The mission of Ben Franklin Transit is to provide exceptional and cost effective transportation services that consistently exceed customer expectations while promoting the principles and practices of livable communities and sustainable development.*



## Ben Franklin Transit Core Values

### **CUSTOMER SATISFACTION**

*The result of an ability to constantly and consistently exceed the expectations of external and internal customers*

### **COLLABORATION**

*The process of bringing together knowledge, experience, ideas, and skills to achieve a common goal*

### **DIVERSITY**

*The appreciation and respect for different characteristics of individuals and groups that make them unique and able to offer different perspectives, skills, and talents*

### **FISCAL ACCOUNTABILITY**

*The commitment and practice of being exemplary stewards of public resources*

### **INNOVATION**

*The use of progressive and creative approaches to problem solving and goal accomplishment*

### **SUSTAINABILITY**

*The ability to successfully serve the future needs of the people who live, work and play within the community with available resources*

### **SAFETY**

*The state of being free from the occurrence or risk of injury, danger, or loss; a condition of having removed or reduced the potential for harm, injury, danger, or loss*