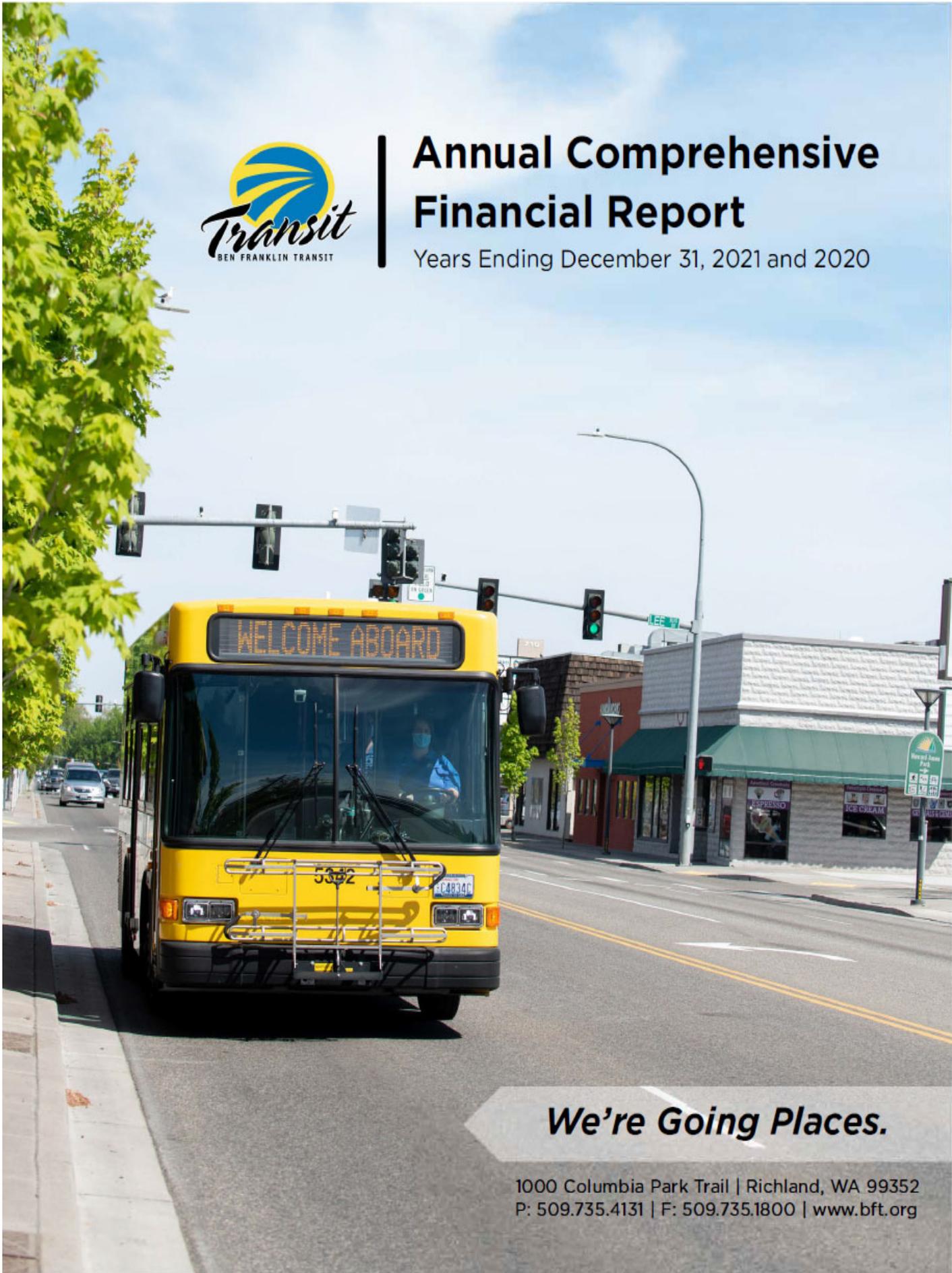




Annual Comprehensive Financial Report

Years Ending December 31, 2021 and 2020



We're Going Places.

1000 Columbia Park Trail | Richland, WA 99352
P: 509.735.4131 | F: 509.735.1800 | www.bft.org



Annual Comprehensive Financial Report

Year Ended December 31, 2021 and 2020



**Prepared by the Administrative Services Department
Richland, Washington**

Ben Franklin Transit
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Introductory Section





1000 Columbia Park Trail | Richland, WA 99352-4851
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June 30, 2022

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

I. TRANSMITTAL OF BEN FRANKLIN TRANSIT'S ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020.

Ben Franklin Transit's (BFT's) Public Transportation Benefit Area (PTBA) Annual Comprehensive Financial Report for the years ended December 31, 2021 and 2020 is hereby submitted. Responsibility for both accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with Management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of BFT. All disclosures necessary to enable the reader to gain an understanding of the PTBA's financial activities have been included.

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.

BFT's financial statements have been audited by the Office of the State Auditor of the State of Washington. The independent auditor's report has been included on pages 15 through 18. This report expresses an unmodified opinion as to the fair presentation of the financial statements noted on page 15.

The Management's Discussion & Analysis (MD&A) provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A is found immediately following the independent auditor's report in the financial section.

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.

I. TRANSMITTAL OF BEN FRANKLIN TRANSIT'S ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020. (continued)

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 the benefits provided. Note 1 to the financial statements provides further details of BFT's accounting policies.

Internal Controls

BFT's management is responsible for establishing and maintaining an internal control structure designed to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. 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.

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, referred to 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.

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) approved in a vote to be annexed into the PTBA.

Today, BFT provides fixed route, demand response including paratransit, 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 308,000 residents. In 2021, combined ridership for all modes of service totaled 1,798,953.

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. In 2010, a non-voting board member was added to represent the labor unions of BFT. The Board appoints a General Manager to implement policies authorized by the

II. PROFILE OF THE AGENCY (continued)

Board and oversee BFT's daily operations as well as its approximately 400 employees. The overall management of BFT is divided into five departments: Transit Operations, Fleet, Facilities and Capital Projects; Planning & Service Development; Marketing & Communications; Human Resources and Labor Relations; and Administrative Services.

BFT operates nineteen (19) fixed routes serving Benton City, Kennewick, Pasco, Prosser, Richland, and West Richland. There are two (2) "METRO" routes that operate every 15 minutes most days and times, sixteen (16) "LOCAL" operating 30-60 minute service, and one (1) EXPRESS route serving the Prosser/Benton City corridor. BFT also operates an on-demand service linking transit hubs to lower density areas. Fixed route services make primary connections at four (4) transit centers. BFT also has eleven (11) park and ride lots serving bus and Vanpools passengers, and service is also provided to the Tri-Cities Airport, Pasco Amtrak and Greyhound Stations. In addition, the fixed route system serves both Columbia Basin 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 2021, fixed route services carried 1,416,631 passengers.

BFT's demand response mode includes all non-fixed route services including feeder routes in low-density areas and a specialized ADA paratransit service, 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 2021, total demand response ridership was 227,186.

Since its inception in 1984, BFT's Vanpool program had expanded to approximately 300 vans and over 2,100 riders. Due to the COVID pandemic, the program decreased in size to 100 vans in operation and approximately 750 riders. The program provides commuter transportation to work sites at the Hanford Nuclear Reservation, and neighboring cities such as Walla Walla, Connell, Paterson, Hermiston, and Yakima.

As a community partner, BFT provides approximately 28,000 rides each year to special events such as the annual International Hydroplane Races and Air Show, Benton-Franklin Fair & Rodeo, Cable Bridge Run, and Art in the Park.

Service Changes

In response to COVID-19, BFT adjusted service levels throughout 2020, with service being fully restored in March 2021.

In June 2021, BFT added Frequent Corridor Service (FCS) to three routes which improved the frequency of service to 15 minutes for these primary routes.

In August 2021, BFT added Sunday Service for Fixed Route, Dial-A-Ride, and Connect services. These Sunday routes now operate 8:00am – 6:30pm.

II. PROFILE OF THE AGENCY (continued)

In December 2019, BFT signed a contract with River North Transportation Co., LLC, dba Via, to provide on-demand connections to BFT's fixed-route network. The service, named "BFT CONNECT" allows users to request a ride from anywhere in a zone to a designated connection point or from a designated connection point to anywhere in the zone. BFT's goal is for passengers to wait no more than 15 minutes for a CONNECT ride. This service was scheduled to fully launch in April 2020. However, due to COVID-19, this service was started on a much smaller scale than originally planned with service levels gradually being added throughout 2020.

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 2026 and is sustainable at 2019 year-end service levels, which reflects pre-COVID-19 service levels.

In response to the COVID-19 pandemic and the impact it had on ridership and Operating Expenses, the Federal Transit Authority issued supplemental grants to transits. These grants were funded by the CARES, CRRSAA, and ARP Acts and provided additional flexibility on how transits could use these funds. Funding from these grants will be used for Operations and Capital for 2020 – 2023.

Local sales tax represents the single largest revenue source for BFT. Local sales tax continues to demonstrate resiliency to the ongoing pandemic with sales tax revenues increasing 0.4% in 2020 over 2019 and increasing 22.3% in 2021 over 2020.

Major Goals and Initiatives

Initiatives established for 2020 were planned in accordance with BFT's Strategic Plan. Each initiative and/or project was carefully reviewed before implementation to ensure sustainability and adherence to BFT's strategic priorities. The major initiatives identified for 2020 were:

1. Safety First (Fleet / Service)
2. Ridership Growth
3. Strategic Planning
4. Implementation of Operational Technology
5. Agency Modernization
6. Alternative Fuels
7. Labor Relations

Progress on Major Goals and Initiatives

Safety First: Our focus in 2021 was to continue our safety response to the COVID-19 pandemic. We committed our resources and energy to our employees and public safety through increased cleaning and sanitization efforts. There were process changes to ensure social distancing, platforms and facilities cleanings. We were able to achieve 95% average On Time Performance and made all pull outs. Majority of our Operators and Drivers were able to earn their National Safety Council Safe Driver Award. An impressive 193 combined operators received this award. This is an indication of highly skilled professionals who work at BFT providing safe, efficient, effective and affordable transportation service to our community.

II. PROFILE OF THE AGENCY (continued)

Ridership Growth: As the COVID-19 pandemic progressed throughout 2020, ridership levels dropped significantly as businesses closed, social distancing was mandated, and many employees began working from home. BFT changed its emphasis in 2020 from ridership growth to simply providing service in a clean and safe environment. As the economy opened back up in 2021 and riders begin to return to public transportation, BFT saw a gradual return of ridership. Ridership grew by 11.5% in 2021 over 2020, and BFT resumed planning for improved services in 2023 to support regional growth and ridership recovery. BFT also began work on a comprehensive Fare Study to examine pricing, fare levels, pass programs, and technology improvements with the goal of continuing to increase ridership. This specific initiative will be completed by the second half of 2022.

Strategic Planning: BFT's focused response to maintaining operational service throughout the COVID-19 pandemic resulted in the temporary pause on work on several strategic initiatives. Progress was made on development of the long-range transit implementation plan with work continuing in 2021. Substantial progress was made on the organizational infrastructure initiative with work continuing throughout 2021.

Implementation of Operational Technology: During 2020, BFT engaged in an ongoing search for Operational Software that would provide a wider range of functionality than what is currently used. This included attending multiple software conferences highlighting current product capabilities and future projections. A software consultant has been hired to assist in the overall process of securing the best possible option for BFT, with hopes of implementing this multi-year project before the end of 2021.

Agency Modernization: In 2020, BFT continued its multi-year System Amenities Project, completed the Knight Street Transit Center renovation, and continued early design of three new grant-funded transit hubs. The System Amenities Project focuses on improving higher ridership stops with ADA-compliant bus stop waiting areas and access, and the installation of modern shelters, benches, lean rails, solar-powered lighting, and trash receptacles. BFT completed its first construction contract in 2021, increasing BFT's accessible bus stops from 13% to 16% of its 1,000 stops. By the end of 2021, BFT had completed 95% design for a new Queensgate Transit Hub that will be located adjacent to a new mixed-use development. BFT also identified a preferred site for a new Downtown (East) Pasco Transit Hub and initiated land acquisition for the project.

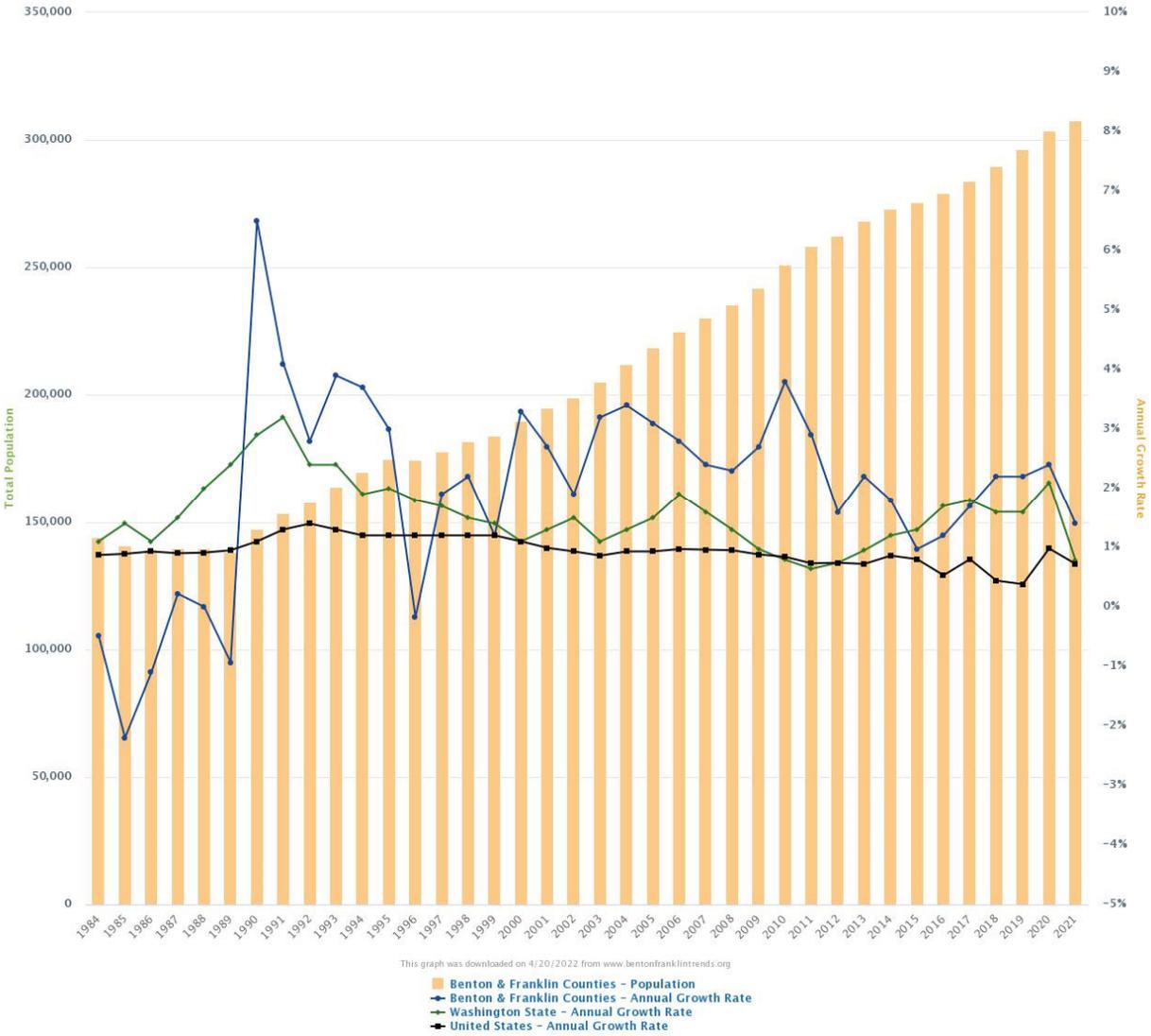
BFT launched "Operation TRANScend" in late 2020 with the goal of updating, modernizing, and integrating many of BFT's IT hardware and software applications throughout the entire agency. Work continued in this area throughout 2021 with an emphasis on network and cybersecurity, data management and backups and also began work to replace the entire agency phone system which had exceeded the manufacturers end of life.

Alternative Fuels: BFT signed a contract with Stantec to advise and recommend on our transition to Zero Emission Buses as required by FTA. The study is currently ongoing and the final report is expected before the end of 2022.

Labor Relations: In 2021, BFT completed negotiations for three collective bargaining agreements (CBA) as well as a wage only opener. These three CBA's were successfully ratified as follows: Fleet and Maintenance wage opener only on May 11, 2021; Administrative Assistants on July 8, 2021; Dial-a-Ride Drivers and Reservationist Clerks on October 14, 2021; and Coach Operators on October 14, 2021.

III. ECONOMIC CONDITION AND OUTLOOK

As the following chart illustrates, the Tri-City region continues to grow in overall population. Although the annual growth rate for the region decreased from 2.4% in 2020 to 1.4% in 2021, the 2021 growth rate was still double the average growth rate of 0.78% for the entire State of Washington.



According to the Washington Employment Security Department (ESD), job growth has averaged 2.6% per year from 2009 – 2019 and ESD is forecasting continued growth averaging 0.14% per year from 2019 – 2029.

III. ECONOMIC CONDITION AND OUTLOOK (continued)

Per Washington Employment Security Department (ESD) non-seasonally adjusted data, the 2021 Tri-Cities economy grew by 4,763 jobs - an increase of 3.4 percent compared to 2020. ESD reported an unemployment rate of 4.5 percent in December of 2021, which is a decrease of 2.5 percent compared to the December 2020 unemployment rate of 6.9 percent.

BFT's main source of revenue is sales tax, which also serves as an economic barometer. Retail sales and construction are the primary drivers of tax revenues for 2021, representing 65% of total tax revenues with Food & Lodging and Wholesale Trade representing an additional 14% to total tax revenues.

The regional economy of Benton-Franklin Counties has shown continued growth in 2021 and completed its 9th year of economic expansion since 2012. Sales tax revenue reach \$48.3M in 2021, and increased by 22.5% over the COVID-19 impacted 2020. Annual sales tax revenues have grown an average of 6.2% per year over the past 10 years.

Median home prices in Benton-Franklin counties reached \$400,000 in 2021, up 20% from the 2020 median home price of \$332,000.

Federal and State funding continue to remain an integral revenue source for BFT. Federal and State funds are used to subsidize operations and to procure certain capital assets. BFT is optimistic in its position with these grantors and the ongoing availability of its significant funding sources.

I-976 originally passed in 2019 and would have affected the State of Washington's ability to fund certain mobility projects throughout the state. The initiative was declared unconstitutional on October 15, 2020 by the Washington State Supreme Court.

BFT's Board of Directors continue 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. CERTIFICATE OF ACHIEVEMENT & ACKNOWLEDGEMENTS

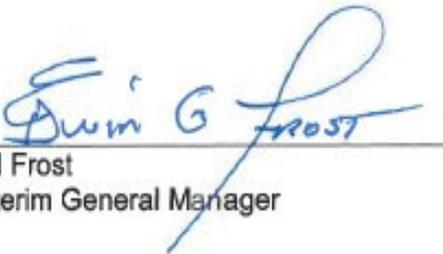
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to BFT for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. This was the ninth consecutive year that BFT has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive 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 Annual Comprehensive 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.

IV. CERTIFICATE OF ACHIEVEMENT & ACKNOWLEDGEMENTS (continued)

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. Special thanks are also extended to the Washington State Auditor's Office, which provided a timely audit and opinion so that ACFR could be submitted to the GFOA for its review and evaluation in accordance with that organization's program.

Finally, we thank the taxpayers of the BFT PTBA who have entrusted the Agency with the responsibility to provide improved transportation systems throughout Benton and Franklin Counties.



Ed Frost
Interim General Manager



Jeff Lubeck
Administrative Service Director



Government Finance Officers Association

Certificate of
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Presented to

**Ben Franklin Transit
Washington**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

December 31, 2021

Board of Directors

Bloom, Richard, Chair – *Council Member, City of West Richland*
Stade, Lisa, Vice Chair – *Council Member, City of Benton City*
Becken, Steve – *Council Member, City of Prosser*
McKay, Will – *Commissioner, Benton County*
Millbauer, Jim – *Council Member, City of Kennewick*
Lemley, Phillip – *Council Member, City of Richland*
Mullen, Rocky – *Commissioner, Franklin County*
Alvarado, Ruben – *Council Member, City of Pasco*
Didier, Clint – *Commissioner, Franklin County*
Suttle, Caleb – *Non-Voting Rep, Teamsters Union*

Board of Directors Alternates

No Alternate – *Council Member, City of Pasco*
Peck, Brad – *Commissioner, Franklin County*
Taylor, Randy – *Council Member, City of Prosser*
Buel, Rich – *Council Member, City of West Richland*
Small, Shon – *Commissioner, Benton County*
No Alternate – *Council Member, City of Benton City*
Christensen, Terry – *Council Member, City of Richland*
Torelli, Chuck – *Council Member, City of Kennewick*
Welle, Wayne – *Non-Voting Rep, Teamsters Union*

BFT Management Team

General Manager

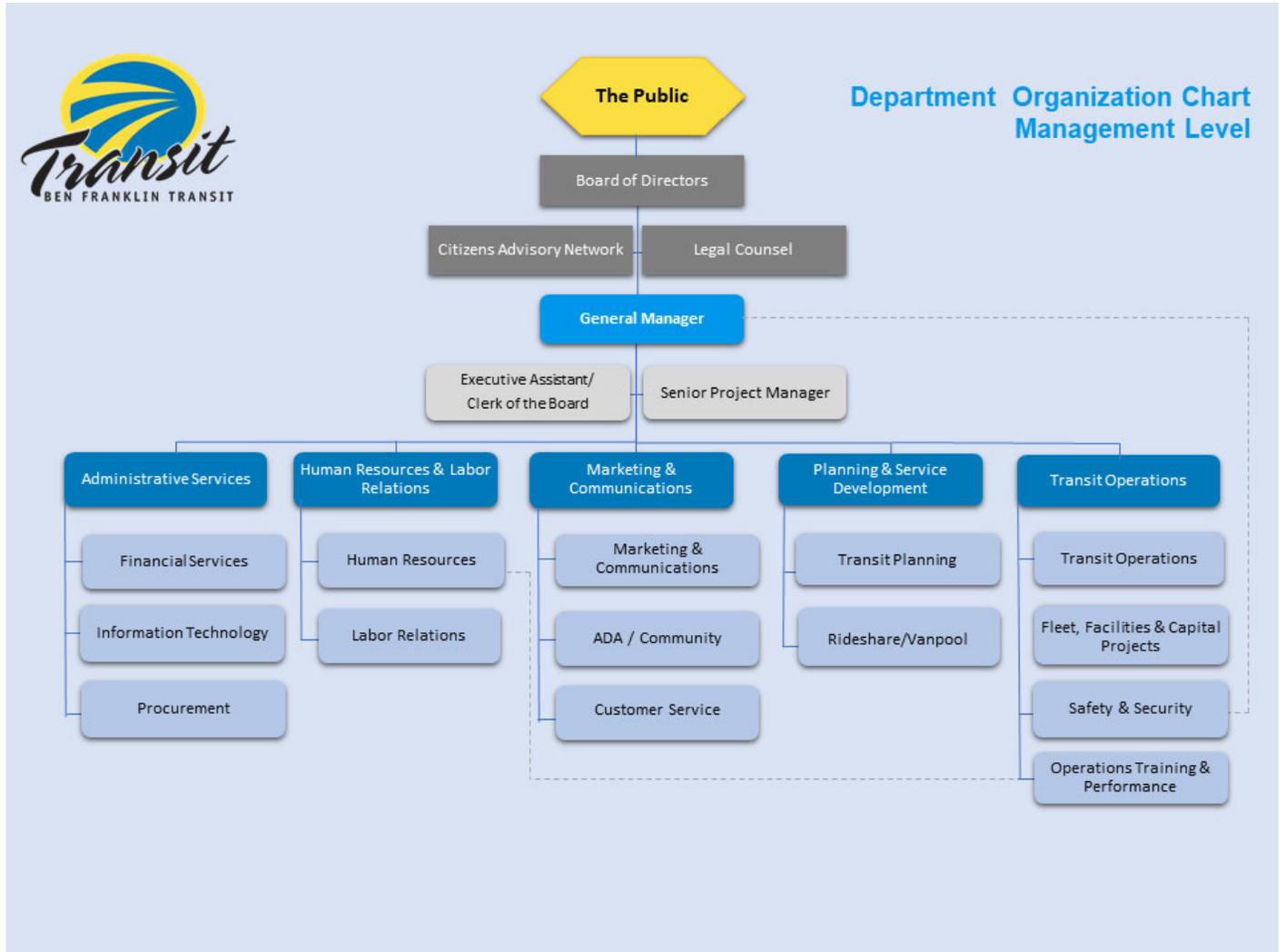
Gloria Boyce

Executive Management Team

Ayodeji Arojo – *Director of Transit Operations*
Wendi Warner – *Director of Human Resources & Labor Relations*
Keith Hall – *Director of Planning & Service Development*
Marie Cummins – *Interim Director of Marketing & Communications*
Jeff Lubeck – *Director of Administrative Services*

Ben Franklin Transit
Organization Chart

BFT Organizational Chart





Financial Section



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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Directors
Ben Franklin Transit
Richland, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the Ben Franklin Transit, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Transit's basic financial statements as listed in the table of contents.

In our opinions, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Ben Franklin Transit, as of December 31, 2021 and 2020, and the changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Transit and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matters of Emphasis

As discussed in Note 13 to the financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the District is unknown. Management's plans in response to this matter are also described in Note 13. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Transit's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Transit's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Transit's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 as listed in the table of contents be presented to supplement the basic financial statements. Such information, is the responsibility of management and, 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 Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Transit's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Management is responsible for the other information included in the financial statements. Our opinions on the basic financial statements do not cover the other information, and, we do not express an opinion or provide any assurance thereon.

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated April 25, 2022 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,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large initial "P" and "M".

Pat McCarthy, State Auditor

Olympia, WA

April 28, 2022

Management's Discussion and Analysis

The Management's Discussion and Analysis of BFT's Annual Comprehensive Financial Report provides a narrative overview and analysis of BFT's financial performance for the fiscal years ended December 31, 2021 and 2020. 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 COVID-19 pandemic continued to have an impact on BFT's revenues, expenses, operations, and activities in 2021. Some of the more significant impacts are highlighted in the following bullet points:
 - In March 2020, the agency stopped collecting fares for Fixed Route (FR) and Dial-A-Ride (DAR) services. The agency continued to operate fare free until October 31, 2021. Fare collection resumed on November 1, 2021.
 - Ridership was also severely reduced as a result of the pandemic. Although service levels were initially adjusted, no service was ever suspended, and full service was restored in March 2021. Ridership levels have been showing month-over-month growth returning throughout the year with BFT returning to fully recovery in October 2021.
 - Despite the ongoing COVID-19 pandemic, sales tax revenue exceeded budgeted amounts and was over 20% higher in 2021 compared to 2020. This is a result of the strong economic activity in Benton and Franklin counties.
 - Costs did increase as a result of COVID-19. These were primarily related to additional cleaning supplies and labor to provide more robust and frequent cleaning of vehicles and facilities along with personal protection equipment.
 - Costs also increased in 2021 as a result of additional service expansions launched in 2021. First, high-frequency corridor service was started in June 2021 followed by the introduction of Sunday Service that began in August 2021.
- The assets and deferred outflows of resources of BFT exceeded its liabilities and deferred inflows of resources (net position) at December 31, 2021 by \$106.8 million compared to \$88.1 million in 2020 and \$79.6 million in 2019. Of these amounts, \$36.4 million, \$36.5 million and \$36.0 million were invested in net capital assets and \$66.4 million, \$51.5 million and \$43.6 million were in unrestricted net position in 2021, 2020 and 2019 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, 2021, by 21.3 percent or \$18.7 million compared to the year ended December 31, 2020. The increase in net position was largely a result of record sales tax revenue in 2021. Sales tax in 2021 exceeded 2020 collections by roughly \$8.8 million. Another large driver of the increase in Net Position is pensions. PERS 2/3 are fully funded for the first time and are now reflected as an asset in 2021 instead of a liability. This compares to an increase of 10.7 percent or \$8.5 million when comparing December 31, 2020, to December 31, 2019, primarily driven by the impacts of COVID-19 which had the effect of significantly reducing many operating expenses while revenues remained relatively stable.

Ben Franklin Transit
Management's Discussion and Analysis

- BFT's total liabilities decreased for the year ended December 31, 2021, by \$4.8 million compared to the year ended December 31, 2020. This is a result in PERS 2/3 being fully funded in 2021 and no longer being recorded as a Net Pension Liability. This compares to an increase for the year ended December 31, 2020, by \$1.8 million compared to the year ended December 31, 2019 mainly due to an increase in OPEB Liability and Compensated Absences.
- BFT saw a decrease of \$0.3 million or 28.3 percent in fare revenue in 2021 compared to a decrease of \$2.2 million or 68.2 percent in fare revenue in 2020 compared to 2019. In response to the COVID-19 pandemic, BFT became fare-free in March 2020 and did not collect any fare revenues for Fixed Route or Dial-A-Ride services until November 1, 2021. Even with fare resumption in 2021, ridership levels are still below pre-COVID levels. Revenues associated with the Vanpool program were also substantially reduced as the number of vans in service was significantly reduced due to the pandemic as well and continues to be reduced in 2021. Ridership levels are seeing month-to-month improvements.
- BFT experienced an increase of \$8.8 million in sales tax revenue to \$48.3 million or 22.3 percent in 2021 over 2020. Sales tax revenues in 2020 saw an increase of \$0.2 million in to \$39.5 million or 0.4 percent over 2019. Even though businesses were impacted by the COVID-19 pandemic, BFT's tax base stayed consistent through essential retail business. Benton and Franklin counties continue to have strong economic growth and 2021 sales tax revenues were at an all-time high.
- Operating expenses for 2021, excluding depreciation, totaled \$36.8 million, a decrease of \$3.2 million or 7.9 percent compared to 2020. Although there were increases to headcount in 2021, the impacts of this were more than offset due to the state pension being fully funded in 2021 resulting in an overall decrease in operating expenses. This compares to a total of \$40.0 million, an increase of \$1.7 million or 4.5 percent for 2020 over 2019, the result of continued growth in BFT.
- Federal and State Operating Grants increased by \$1.3 million in 2021 as compared to 2020 due to full utilization of CARES Act funding. Federal, State and Local Capital Contributions decreased by \$3.0 million over the same period. This is due to no large vehicle procurements or construction phases of transit centers or operations building projects taking place during 2021. In 2020 Federal and State Operating Grants increased by \$3.9 million as compared to 2019 and Federal, State and Local Capital Contributions increased by \$1.9 million over the same period. This was due to the award of CARES Act funding through the Federal Transit Authority (FTA). The agency received CARES grant funding totaling \$18.9 million, which will be used over multiple years.

Overview of the Financial Statements

The financial statements provide information about BFT's use 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.

Ben Franklin Transit
Management's Discussion and Analysis

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 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 presents 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, and GASB 75, Defined Benefit Other Postemployment Benefit (OPEB) Plans.

Financial Statement Analysis

Net Position

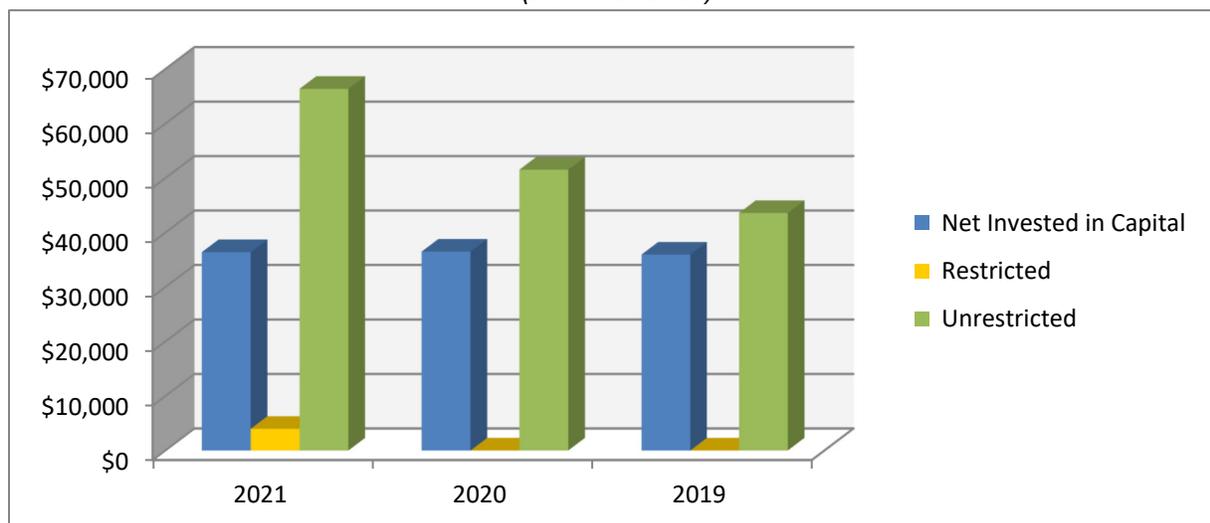
BFT's total net position(s) as of December 31, 2021, 2020 and 2019 reflect \$36.4 million, \$36.5 million and \$36.0 million, respectively, in net investment in capital assets such as revenue vehicles, passenger facilities, and shop equipment. BFT uses these capital assets to provide transportation service to the community. Therefore, this portion of the net position balance is not available for future spending. Beginning in 2021, BFT's total net position(s) also includes a restricted net position of \$4.0 million. This is largely a result of the Net Pension Asset. The remaining portion(s) of total net positions, excluding net investment in capital assets and restricted net position, were \$66.4 million, \$51.5 million and \$43.6 million were 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, 2021, 2020 and 2019
(in Thousands)

	2021	2020	Increase (Decrease)	% Change	2019
Assets:					
Current Assets	\$ 78,056	\$ 66,155	\$ 11,901	18.0%	\$ 58,672
Other Noncurrent Assets	17,512	-	17,512	n/a	-
Capital Assets (net)	37,196	37,134	62	0.2%	36,380
Total Assets	132,764	103,289	29,475	28.5%	95,052
Deferred Outflows of Resources:					
Deferred Outflows	2,476	2,516	(40)	(1.6%)	2,224
Total Deferred Outflows	2,476	2,516	(40)	(1.6%)	2,224
Liabilities:					
Current Liabilities	3,910	3,363	547	16.3%	3,209
Noncurrent Liabilities	7,185	12,567	(5,382)	(42.8%)	10,879
Total Liabilities	11,095	15,930	(4,835)	(30.4%)	14,088
Deferred Inflows of Resources:					
Deferred Inflows	17,358	1,815	15,543	856.4%	3,633
Total Deferred Inflows	17,358	1,815	15,543	856.4%	3,633
Net Position:					
Net Investment in Capital Assets	36,413	36,516	(103)	(0.3%)	35,964
Restricted for:					
Capital Assets	601	-	601	n/a	-
PERS Pension	3,381	-	3,381	n/a	-
Unrestricted Net Position	66,392	51,544	14,848	28.8%	43,591
Total Net Position	\$ 106,787	\$ 88,060	\$ 18,727	21.3%	\$ 79,555

Net Position by Type
(in Thousands)

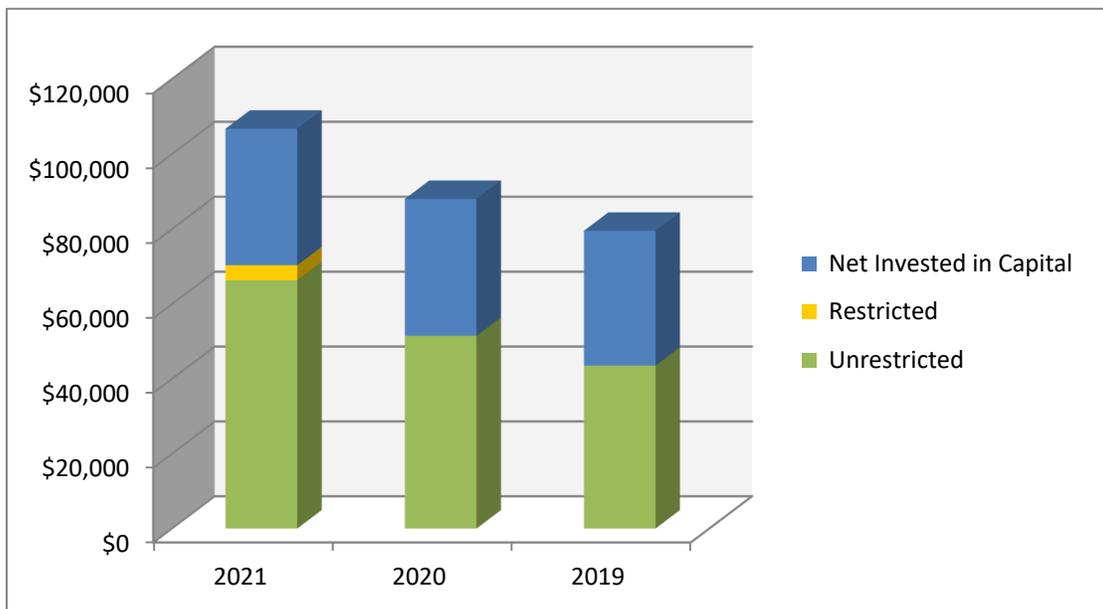


Ben Franklin Transit
Management's Discussion and Analysis

Net position may serve as a useful indicator of BFT's financial position over time. Total net position exceeded liabilities by \$95.7 million, \$72.1 million and \$65.5 million at December 31, 2021, 2020 and 2019 respectively.

The following chart also reflects an improvement in BFT's 2021 financial condition over 2020 as well as BFT's improvement in 2020 financial condition over 2019. In 2021, BFT continued to experience the impacts of COVID-19, however, sales tax revenues were at records levels at 20.1 percent over budget. Operating expenses did decrease in 2021 compared to 2020 thereby increasing the overall financial condition. In 2020 BFT experienced various impacts of COVID-19, however, revenues were higher than both the 2019 and the 2020 budget. Despite being fare-free for the majority of the year, BFT saw continued strength in local sales tax revenues and benefited from CARES Act funding awarded through the FTA grant program. Expenses did increase in 2020 compared to 2019 but were still lower than budgeted for 2020, thereby increasing the overall financial condition. In 2019 the main contributors to its improved condition were increases in sales tax revenue and efficient operations.

2021 – 2019 Trend of Net Position
(in Thousands)



Ben Franklin Transit
Management's Discussion and Analysis

Summary of Revenues, Expenses, and Changes in Net Position
For the years ended December 31, 2021, 2020 and 2019
(in Thousands)

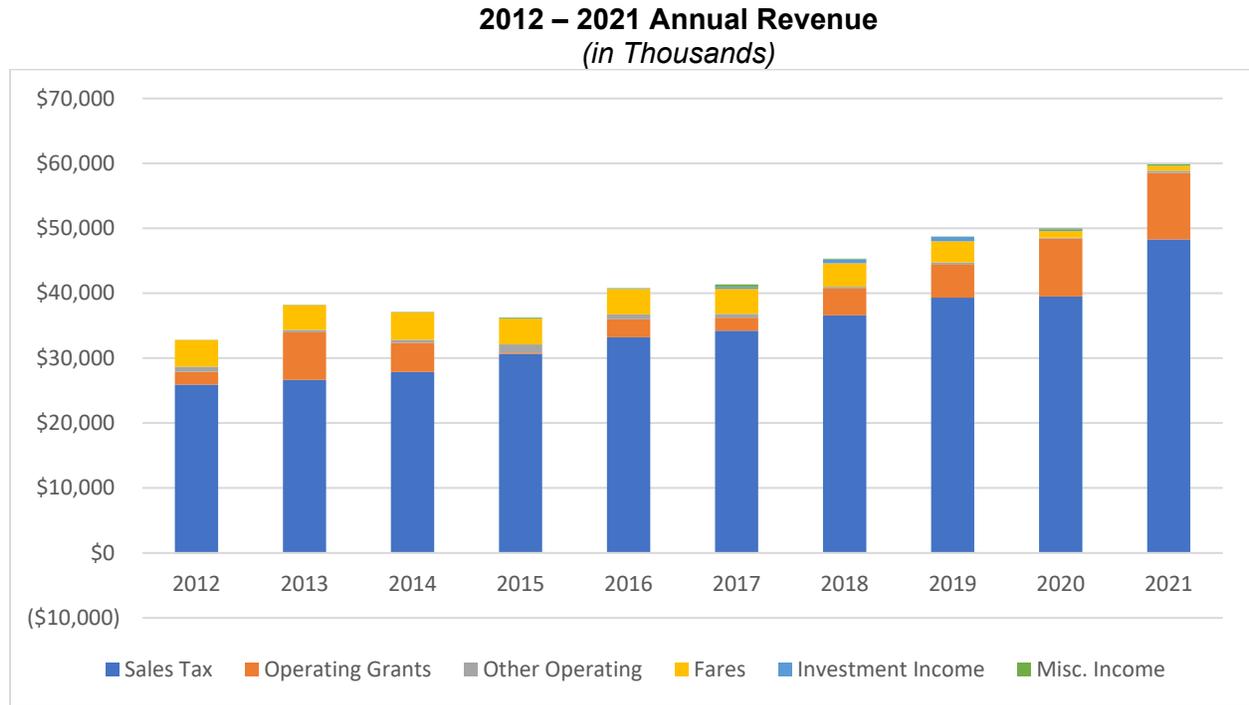
	2021	2020	Increase (Decrease)	% Change	2019
Operating Revenues	\$ 1,076	\$ 1,179	\$ (103)	(8.7%)	\$ 3,595
Operating Subsidies	58,518	48,402	10,116	20.9%	44,382
Nonoperating Revenues	259	393	(134)	(34.1%)	738
Total Revenues	59,853	49,974	9,879	19.8%	48,716
Operating Expenses	(36,869)	(40,023)	3,154	(7.9%)	(38,310)
Depreciation Expenses	(4,713)	(4,763)	50	(1.0%)	(4,665)
Total Expenses	(41,582)	(44,786)	3,204	(7.2%)	(42,975)
Excess (Deficiency) Before Contributions	18,271	5,188	13,083	252.2%	5,741
Capital Contributions	457	3,474	(3,017)	(86.8%)	1,544
Total Contributions	457	3,474	(3,017)	(86.8%)	1,544
Change in Net Position	18,728	8,662	10,066	116.2%	7,285
Total Net Position - Beginning	88,060	79,556	8,504	10.7%	72,271
Prior Period Adjustment	-	(158)	158	(100.0%)	-
Total Net Position - Ending	\$ 106,787	\$ 88,060	18,727	21.3%	\$ 79,556

Revenues

BFT's primary source of revenue has been from local sales tax revenues, averaging 79.6% of revenues over the past 10 years. Historically, grants and fares have provided roughly the same amount of revenues with grants providing an average of 11.0% of revenues and fares providing an average of 7.6% of revenues over this period.

Ben Franklin Transit
Management's Discussion and Analysis

The following chart shows the breakdown of annual revenues over the past ten years.



Operating Revenues
(in Thousands)

	2021	2020	Increase (Decrease)	% Change	2019
Operating Revenues					
Passenger Fares	\$ 738	\$ 1,029	(291)	(28.3%)	\$ 3,239
Other Operating Revenues	338	150	188	125.3%	356
Total Operating Revenues	1,076	1,179	(103)	(8.7%)	3,595

Nonoperating Revenues

Operating Subsidies					
Sales Tax	48,272	39,474	8,798	22.3%	39,312
Operating Grants	10,246	8,928	1,318	14.8%	5,070
Other Nonoperating Revenues					
Investment Income	55	236	(181)	(76.7%)	707
Miscellaneous Income	204	157	47	29.9%	31
Total Nonoperating Revenues	58,777	48,795	9,982	20.5%	45,121
Total Revenues	\$ 59,853	\$ 49,974	9,879	19.8%	\$ 48,716

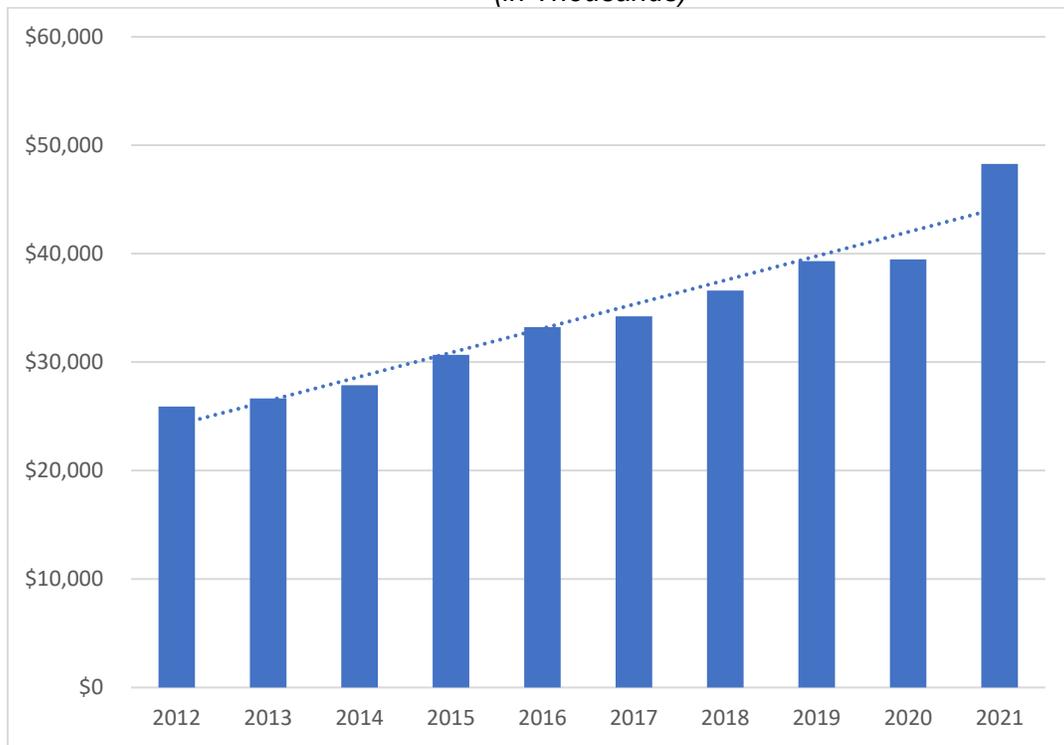
Ben Franklin Transit
Management's Discussion and Analysis

BFT relies on sales tax revenues as its primary source of revenue. A large increase in sales tax revenues was seen in 2021 despite the ongoing COVID-19 pandemic. Tax revenues were generated in four major sectors in 2021: the first was retail trade (49%), the second was construction (16%), the third was food and lodging (8%) and the fourth was wholesale trade (6%).

The local economy continues to grow and expand, resulting in strong growth in sales tax revenues. Sales tax revenues continue at all-time highs. Since 2012, BFT's portion of sales tax revenues have a cumulative growth of 86.4% or 7.1% compounded annually. Over the past 5 year, the cumulative growth has been 45.3%, or 7.7% annually.

The following chart shows the annual sales tax revenues over the past 10 years.

2012 – 2021 Sales Tax Revenue
(in Thousands)



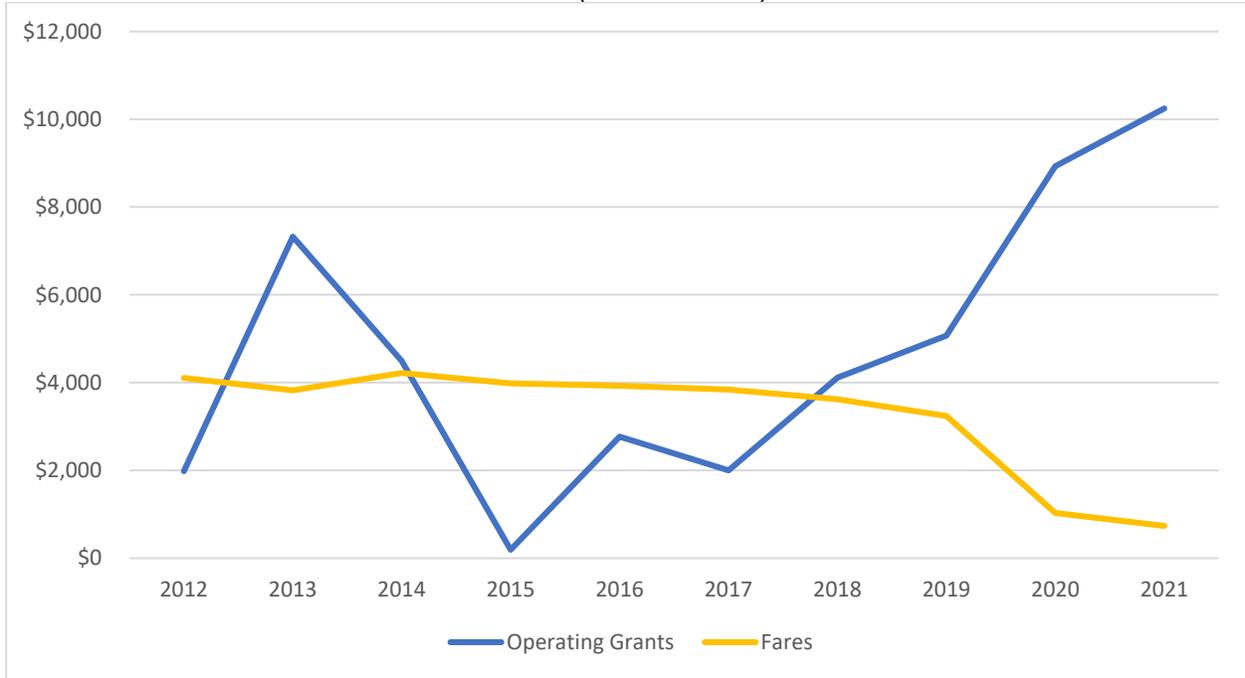
BFT's passenger fares consist of revenue from the sale of passes and tickets as well as cash fares collected on-board revenue vehicles. Passenger fares also include fares paid by vanpool customers. In response to the COVID-19 pandemic, BFT stopped collecting fares for both Fixed Route services as well as Dial-A-Ride services. Fare collection resumed on November 1, 2021.

BFT receives grant awards from both state and Federal agencies. As previously mentioned, BFT received additional grant funding through the FTA through CARES, CRRSAA, and ARP Acts. These grants will be available for operating expenses in future years.

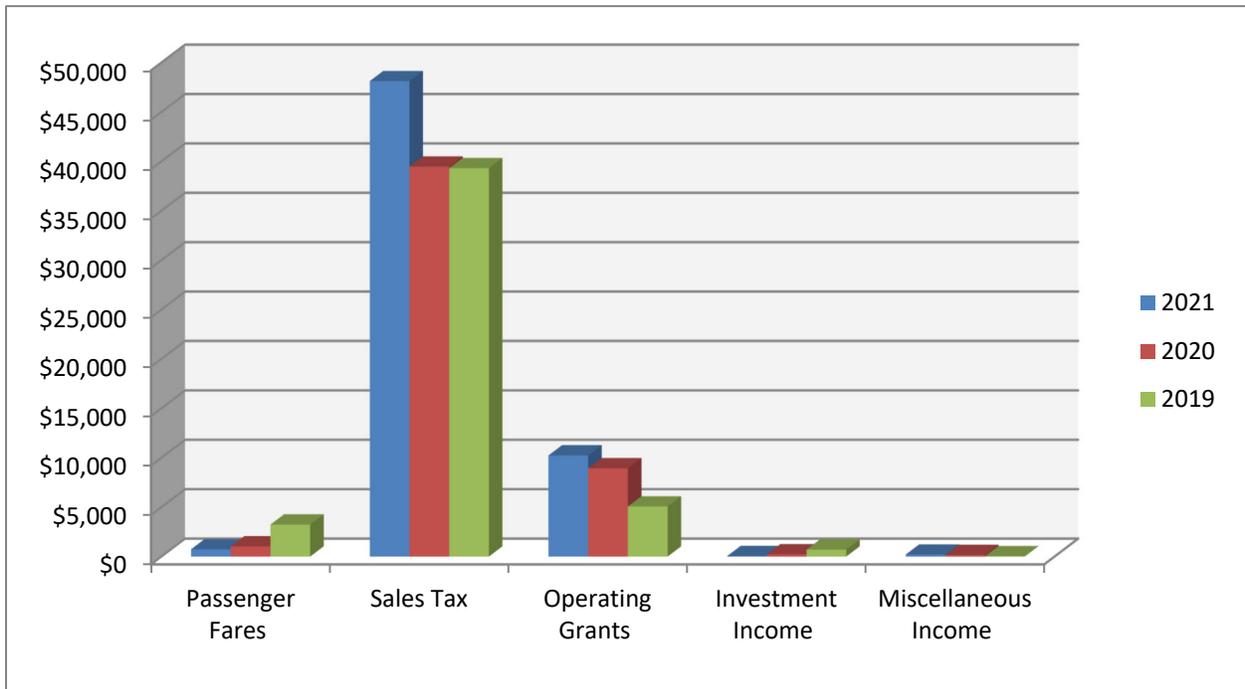
Ben Franklin Transit
Management's Discussion and Analysis

The following chart shows the 10-year trends for revenues from fares and grants.

2012 – 2021 Fare and Grant Revenue
(in Thousands)



Revenues by Type
(in Thousands)



Ben Franklin Transit
Management's Discussion and Analysis

Expenses

The table below provides variances between 2021 and 2020 for each expense type. Refer to the table for dollar and percentage changes.

Wages and benefits expense decreased from 2020 to 2021. The decrease in 2021 was a result of the GASB 68 adjustment. PERS 2/3 is fully funded in 2021 and resulted in a negative pension expense of \$6.2 million thereby decreasing wages and benefits compared to 2020. The decrease in pension related expenses outweighed the impacts of BFT's continued growth in headcount. The 2020 increase was a result of continued growth in BFT, with headcount increasing to support the overall agency growth progression. Extended service hours result in additional service mile related costs.

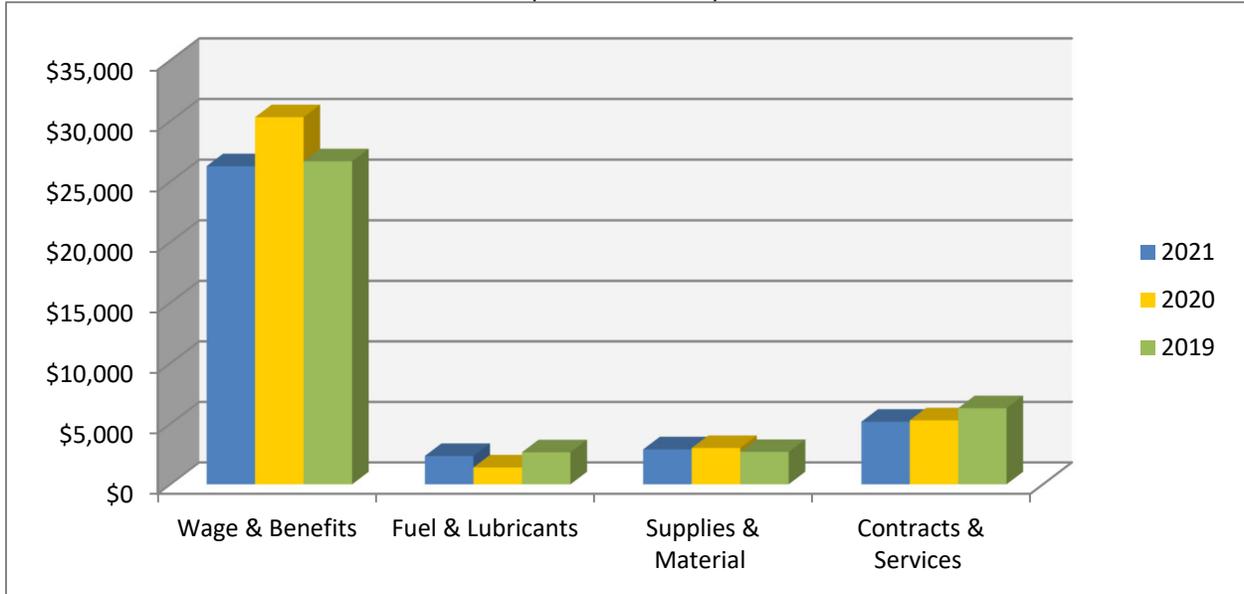
Fuels and lubricants saw a large increase in cost in 2021 due to the ongoing impacts of the pandemic as well as service expansions implemented in 2021. On the other hand, supplies and materials decreased because of easing COVID-19 restrictions. In 2020 fuel and lubricants decreased by 47.4 percent under 2019 due to the COVID-19 related decrease in service; whereas supplies and materials, which include repair and maintenance costs, increased by 12.1 percent over 2019. This was primarily driven by an increase in cleaning and sanitizing of vehicles and facilities in response to COVID-19.

Contracts and services for 2021 decreased as a result of continued impacts of the pandemic. Fare collection remained suspended until October 31, 2021. As a result, cash collection services were reduced. The pandemic also resulted in a large change in WSTIP's estimated insurance costs for 2020 which impacted 2021. Contracts and services for 2020 of \$5.3 million decreased 15.9 percent under 2019. This was mainly due to the COVID-19 pandemic which had an adverse effect on services provided. Due to the halt of fare collection, our cash collection services were greatly reduced. Also, one of our largest contracts with The ARC of Tri-Cities was suspended resulting in a substantial decrease. BFT's contracted service provider for general public paratransit, night (taxi), fixed route-feeder and Sunday services closed its business at the end of October 2018. Those services were suspended pending a solicitation for a new service provider which took place in 2019 with new services to begin in 2020.

Expenses <i>(in Thousands)</i>					
	<u>2021</u>	<u>2020</u>	Increase (Decrease)	% Change	<u>2019</u>
Operating Expenses					
Wage & Benefits	\$ 26,339	\$ 30,317	\$ (3,978)	(13.1%)	\$ 26,676
Fuel & Lubricants	2,334	1,395	939	67.3%	2,650
Supplies & Material	2,894	3,002	(108)	(3.6%)	2,678
Contracts & Services	5,274	5,292	(18)	(0.3%)	6,293
Depreciation & Amortization	4,713	4,763	(50)	(1.0%)	4,665
Total Operating Expenses	<u>41,554</u>	<u>44,769</u>	<u>(3,215)</u>	<u>(7.2%)</u>	<u>42,962</u>
Nonoperating Expenses					
Lease Interest	23	17	6	35.3%	13
Administrative Expense	5	-	5	n/a	
Prior Period Adjustments	-	(158)	158	(100.0%)	-
Total Non-Operating Expenses	<u>28</u>	<u>(141)</u>	<u>169</u>	<u>(119.9%)</u>	<u>13</u>
Total Expenses	<u>\$ 41,582</u>	<u>\$ 44,628</u>	<u>(3,046)</u>	<u>(6.8%)</u>	<u>\$ 42,975</u>

Ben Franklin Transit
Management's Discussion and Analysis

Operating Expenses by Type
(in Thousands)



Operating Grants

In 2021, BFT utilized the remaining \$10.1 in CARES Act grant funding and \$0.1M in state operating assistance funding. In the continued response to COVID-19, the FTA awarded \$8.5M in CRRSSA Act funding and \$20.9M in ARP Act funding. This is in addition to the \$18.9M of CARES Act grant funding that was awarded to BFT in 2020. These funding sources are multi-year grants that could be used for operating and capital expenditures. BFT used these operating grants to pay for a portion of the wages of its fixed route coach operators and Dial-A-Ride drivers. For 2022, BFT budgeted to receive \$8.5 million in CRRSSAA Act grant funding and \$10.4 million in ARP Act funding through the FTA to be used for eligible operating expenses. In 2021 and 2020 BFT had budgeted to receive \$8.2 million and \$4.5 million respectively. Operating grant funds fluctuate based on need and BFT's choice to use funding for capital or operating needs.

Operating Grants
(in Thousands)

2021	2020	Increase (Decrease)	% Change	2019
\$ 10,246	\$ 8,928	1,318	14.8%	\$ 5,070

Capital Grants

BFT received Federal and State capital grants to assist with the procurement of revenue vehicles and other capital projects. Investments in capital assets have decreased in recent years. In 2021, BFT received \$0.5 million in capital contributions for the three transit center projects that are to be completed by mid-2023. In 2020, BFT received \$3.5 million in capital contributions with the majority of the funds being used towards the purchase of replacement cutaways, the completion of the Knight Street Transit Center renovations, and replacement of the hydraulic lift system utilized by the fleet-maintenance team. In 2019 BFT received \$1.5 million as focus shifted to normal fleet replacement. BFT has budgeted for \$7.3 million in federal and state capital grant contributions in 2022 as compared to the \$3.4 million budget for 2021 as it geared up for transit center technological updates and site improvements.

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

Capital Assets

BFT's investment in capital assets as of December 31, 2021 amounted to \$37.2 million, net of accumulated depreciation/amortization. As of December 31, 2020, and 2019 the investment in capital assets net of accumulated depreciation/amortization equaled \$37.1 million and \$36.4 million respectively. Capital assets consist of transit coaches and other vehicles, buildings, equipment, software, transit centers, and park and ride lots.

Capital assets subject to depreciation and amortization increased by 2.0 percent in 2021 and by 5.4 percent in 2020. In 2021, the increase included \$3.7 million of additions and \$1.6 million of retirements, which compares to the \$6.4 million of additions and \$2.5 million of retirements that occurred in 2020. In addition, depreciation/amortization expense was recorded at \$4.7 million in 2021 and \$4.8 million in 2020. \$1.4 million in accumulated depreciation/amortization was removed for assets disposed of in 2021, \$2.4 million for assets disposed of in 2020 and \$0.7 million for assets disposed of in 2019.

In 2021, 2020 and 2019 major capital asset acquisitions (value over \$50,000) included the following:

Vehicles

- In 2021 major vehicles included a compactor truck (\$0.1 million)
- In 2020 major vehicles included 34 Dial-a-Ride vehicles (\$3.2 million), 10 light duty pickups (\$0.4 million)
- In 2019 major vehicles included 8 vans for the van pool program (\$0.2 million) and 3 paratransit vehicles (\$0.8 million)

Equipment & Furnishings

- In 2021 major equipment included maintenance equipment and replacements (\$69 thousand) and technology upgrades/replacements (\$0.4 million).
- In 2020 major equipment in included maintenance equipment replacements (\$0.4 million) and technology upgrades/improvements (\$22 thousand).
- In 2019 major equipment in included maintenance equipment replacements (\$75 thousand) and technology upgrades/improvements (\$0.5 million).

Ben Franklin Transit
Management's Discussion and Analysis

Intangible Software

- In 2021 major intangible software acquisitions included planning software and data server improvements (\$60 thousand).
- In 2020 an Intangible Software Asset account was created. All existing software assets were reclassified to this account from Equipment and Furnishings.
- There were no major intangible software acquisitions in 2020.

Building and Structures

- In 2021 there were passenger amenities improvements to bus stops and shelters (\$1.6M)
- In 2020 there were no major acquisitions.
- In 2019 there were facility improvements (\$0.1 million).

Land Improvements

- In 2021 there were no major acquisitions.
- In 2020 there were no major acquisitions.
- In 2019 there were no major acquisitions.

Land

- In 2021 land was purchased in Queensgate for a new transit center (\$1.0 million).
- In 2020 there were no major acquisitions.
- In 2019 there were no major acquisitions.

For more detailed information, please see Note 4 of the Notes to the Financial Statements.

Financial Outlook

BFT recognizes that its heavy reliance on sales tax revenues makes it susceptible to economic fluctuations. To prepare, BFT has in place a reserve policy to insulate it from short-term revenue downturns and unanticipated expenditures. The following table describes the Board-approved reserve funds and the current funding levels (*in Thousands*):

Reserve Fund	BFT Approve Range	Current
Operating	2 to 6 months operating expenses	\$14,522
Fuel	3 to 6 months average total fuel costs	1,776
Fleet	20% to 40% of forecasted replacement costs; pro-rated over the life of the vehicle	6,860
Non-Fleet Capital	50% to 100% of estimated cost of non-fleet capital needs as determined by Facilities Condition Assessment every 5 years.	5,211
Totals		\$28,369

Ben Franklin Transit
Management's Discussion and Analysis

Sales tax revenues for 2021 totaled \$48.3 million exceeding the budgeted amount of \$40.2 million. In 2020 sales tax revenues totaled \$39.5 million exceeding the budgeted amount of \$38.0 million. Through the 2022 and 2021 budget processes, BFT budgeted \$48.1 million and \$40.2 million, respectively, 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 of prior services 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

Ben Franklin Transit
Comparative Statement of Net Position
As of December 31, 2021 and 2020
(in Thousands)

	2021	2020
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 66,280	\$ 38,015
Accounts Receivables	2,025	20,083
Sales Tax Receivables	8,859	7,290
Inventories	564	391
Prepayments	328	376
Total Current Assets	<u>78,056</u>	<u>66,155</u>
Noncurrent Assets		
Capital Assets Not Being Depreciated/Amortized		
Land	3,176	2,209
Construction in Progress	2,832	1,947
Capital Assets Being Depreciated/Amortized		
Buildings & Structures	23,974	22,286
Vehicles	45,651	46,760
Equipment & Furnishings	4,421	3,895
Intangibles	1,097	1,037
Leases - Buildings & Structures	1,023	721
Leases - Equipment	195	167
Less: Accumulated Depreciation & Amortization	<u>(45,173)</u>	<u>(41,888)</u>
Total Capital Assets (Net)	<u>37,196</u>	<u>37,134</u>
Other Noncurrent Assets		
Restricted Cash	601	-
Net Pension Asset	16,911	-
Total Noncurrent Assets	<u>54,708</u>	<u>37,134</u>
Total Assets	<u>\$ 132,764</u>	<u>\$ 103,289</u>
Deferred Outflows of Resources		
Deferred Outflows - PERS Pension	\$ 2,456	\$ 2,493
Deferred Outflows - OPEB	20	23
Total Deferred Outflows	<u>\$ 2,476</u>	<u>\$ 2,516</u>
Liabilities		
Current Liabilities		
Accounts Payable	\$ 2,623	\$ 1,507
Accrued Expenses	651	1,255
Contracts Payable	-	4
Compensated Absences	391	342
Total OPEB Liability	41	47
Lease Liability	204	208
Total Current Liabilities	<u>3,910</u>	<u>3,363</u>
Noncurrent Liabilities		
Net Pension Liability	1,612	6,471
Total OPEB Liability	3,734	4,596
Compensated Absences	1,260	1,090
Lease Liability	579	410
Total Noncurrent Liabilities	<u>7,185</u>	<u>12,567</u>
Total Liabilities	<u>\$ 11,095</u>	<u>\$ 15,930</u>
Deferred Inflows of Resources		
Deferred Inflows - PERS Pension	\$ 17,358	\$ 1,815
Total Deferred Inflows of Resources	<u>\$ 17,358</u>	<u>\$ 1,815</u>
Net Position		
Net Investment in Capital Assets	\$ 36,413	\$ 36,516
Restricted for:		
Capital Assets Reinvestment	601	-
PERS Pension	3,381	-
Unrestricted	66,392	51,544
Total Net Position	<u>\$ 106,787</u>	<u>\$ 88,060</u>

The accompanying notes are an integral part of this statement.

Ben Franklin Transit
Comparative Statement of Revenues, Expenses, and Changes in Net Position
As of December 31, 2021 and 2020
(in Thousands)

	2021	2020
Operating Revenues		
Passenger Fares	\$ 738	\$ 1,029
Other Operating Revenues	338	150
Total Operating Revenues	<u>1,076</u>	<u>1,179</u>
Operating Expenses		
Operations	22,684	24,076
Maintenance	5,689	5,548
Administrative Expenses	8,468	10,382
Depreciation & Amortization	4,713	4,763
Total Operating Expenses	<u>41,554</u>	<u>44,769</u>
Operating Income (Loss)	<u>(40,478)</u>	<u>(43,590)</u>
Nonoperating Revenues (Expenses)		
Sales Tax	48,272	39,474
Investment Income	55	236
Lease Interest	(23)	(17)
Administrative Expenses	(5)	-
Operating Grants	10,246	8,928
Gains/(Losses) on Capital Asset Disposition	204	157
Total Nonoperating Revenues (Expenses)	<u>58,749</u>	<u>48,778</u>
Income (Loss) Before Contributions	18,271	5,188
Capital Contributions	457	3,474
Change in Net Position	<u>18,728</u>	<u>8,662</u>
Total Net Position - Beginning of Period	88,060	79,556
Prior Period Adjustment	-	(158)
Total Net Position - End of Period	<u>\$ 106,787</u>	<u>\$ 88,060</u>

The accompanying notes are an integral part of this statement.

Ben Franklin Transit
Comparative Statement of Cash Flows
For the Years Ended December 31, 2021 and 2020
(in Thousands)

	2021	2020
Cash Flows from Operating Activities		
Receipts From Customers	\$ 670	\$ 1,303
Other Receipts	151	183
Payments to Employees	(15,626)	(13,517)
Payments to Suppliers	(27,670)	(26,965)
Net Cash Provided (Used) by Operating Activities	<u>(42,475)</u>	<u>(38,996)</u>
Cash Flows from Noncapital Financing Activities		
Sales Tax Received	46,700	39,530
Operating Grants Received	23,845	10
Net Cash Provided (Used) by Noncapital Financing Activities	<u>70,545</u>	<u>39,540</u>
Cash Flows from Capital and Related Financing Activities		
Capital Contributions	5,169	923
Net proceeds from the Disposition of Capital Assets	204	157
Debt Service Leases	(189)	(196)
Acquisition and Construction of Capital Assets	(4,446)	(5,136)
Net Cash Used in Capital and Related Financing Activities	<u>738</u>	<u>(4,252)</u>
Cash Flows from Investing Activities		
Interest and Dividends	58	230
Net Cash Provided by Investing Activities	<u>58</u>	<u>230</u>
Net Increase (Decrease) in Cash and Cash Equivalents	28,866	(3,478)
Balances - Beginning of the Year	38,016	41,493
Balances - End of the Year	<u>\$ 66,882</u>	<u>\$ 38,016</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	\$ (40,478)	\$ (43,590)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation & Amortization Expense	4,713	4,763
PERS Pension Expense / (Credit)	(6,190)	(2,098)
OPEB Expense / (Credit)	(864)	1,268
Non-Operating Admin Expense	(5)	-
Change in Assets and Liabilities:		
Receivables, Net	(253)	284
Inventories	(174)	115
Prepaid Expense	48	(99)
Payables	509	9
Vacation Accrual	219	352
Net Cash (Used) by Operating Activities	<u>\$ (42,475)</u>	<u>\$ (38,996)</u>

NON-CASH TRANSACTIONS:

Non-cash investing, capital, or financing activities includes net capital contributions accruals of \$0.2 million in 2021 and \$2.6 million in 2020.

The accompanying notes are an integral part of this 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 GAAP, 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, Paratransit, Vanpool, and General Demand services 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, rentals, leases, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, and Net Position

1. Cash and Cash Equivalents – It is BFT’s policy to invest temporary cash surpluses. At December 31, 2021, the treasurer was holding \$66.2 million in short-term residual investments of surplus cash. This amount at the end of 2020 was \$38.0 million. 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 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. Prepayments - Prepaid expenses are amounts paid to secure the use of assets or the receipt of services, software licensing and insurance, with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at cost and amortized over estimated economic useful life of the asset.
6. 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.
7. Capital Assets – Capital assets, which include property, facilities, equipment, and intangibles 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. The value of lease related capital assets (net present value of the lease) are calculated per GASB 87.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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	4 - 14
Buildings and Structures	10 - 40
Equipment and Furnishings	2 - 20
Intangibles	2 - 20
Land Improvements	5 - 40

(Also, see Note 4 – Capital Assets)

8. Compensated Absences – Compensated absences are absences for which employees will be paid, such as general leave. General leave banks are split between Regular and Sick leave (I-1433).

Sick leave accrues and may be used beginning with the first day of employment. Employees accrue one hour of sick leave for every 40 hours worked.

Regular leave is calculated and added to the employee’s leave bank upon completion of probation. Rates for regular leave are accrued per the employee’s CBA for represented employees and per the Comprehensive Benefits Policy for non-represented employees.

Employees may accumulate up to 480 hours of general leave. General leave hours do not expire. Accrued compensated absences are payable upon request, termination, resignation, retirement and death.

For purposes of calculating the restricted net position related to the net pension asset, BFT includes the net pension asset and the related deferred outflows and deferred inflows.

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Pensions – For purposes of measuring the net pension liability or asset, 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.
10. 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.
11. Leases - BFT implemented GASB 87 Leases in 2019. BFT's leases of Buildings & Structures and Equipment (or grouping of similar leases) must have a term of 12 months or greater and a Net Present Value (NPV) equal to or greater than \$5,000 to be accounted for per GASB 87 guidelines. For more details see Note 10 Leases – (Lessees).

NOTE 2 – DEPOSITS AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as of December 31, 2021, and 2020 respectfully as follows:

Composition of Cash & Investments
(in Thousands)

	2021	2020
Demand Deposits	\$ 18,032	\$ 9,797
Investments in Local Government Investment Pool (LGIP)	48,248	28,218
Investments having original maturities of less than 3 months	-	-
Total Cash, Cash Equivalents & Investments	\$ 66,280	\$ 38,015

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.

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments in Local Government Investment Pool (LGIP)

BFT is a voluntary participant in the LGIP, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with RCW 43.250. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.govv.

NOTE 3 – RECEIVABLE AND PAYABLE BALANCES

Receivables and Payables as of December 31, 2021, and 2020 consist of the following:

(in Thousands)

	2021	2020
Operating Grants Receivable	\$ 20	\$ 13,619
Customer Payments Receivable	285	218
Employee Payments Receivable	39	41
Capital Grants and Contributions Receivable	1,458	6,170
Other Cash Receivable	223	35
Sales Tax Receivable	8,859	7,290
Total Receivables	\$ 10,885	\$ 27,374
Accounts Payable	\$ 2,623	\$ 1,507
Contracts Payable	-	4
Total Payables	\$ 2,623	\$ 1,511

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 4 – CAPITAL ASSETS

Activity for the year ended December 31, 2021 was as follows (*in Thousands*):

Description	Balance	Increases	Decreases	Adjustments	Balance
	Jan 1, 2021				Dec 31, 2021
Capital Assets, Not Being Depreciated:					
Land	\$ 2,209	\$ 967	\$ -	\$ -	\$ 3,176
Work in Progress	1,947	2,901	2,016	-	2,832
Total Capital Assets, Not Being Depreciated	<u>4,156</u>	<u>3,868</u>	<u>2,016</u>	<u>-</u>	<u>6,008</u>
Capital Assets, Being Depreciated:					
Vehicles	46,760	472	1,580	-	45,651
Building and Structures	22,286	1,688	-	-	23,974
Equipment and Furnishing	3,895	526	-	-	4,421
Intangibles	1,037	60	-	-	1,097
Leases-Buildings & Structures	721	306	-	(4)	1,023
Leases-Equipment	167	56	28	-	195
Total Capital Assets, Being Depreciated	<u>74,866</u>	<u>3,108</u>	<u>1,608</u>	<u>(4)</u>	<u>76,361</u>
Less Accumulated Depreciation/Amortization For:					
Vehicles	26,080	3,113	1,400	-	27,793
Building and Structures	12,768	582	-	-	13,350
Equipment and Furnishing	2,279	531	-	-	2,810
Intangibles	504	258	-	-	762
Leases-Buildings & Structures	184	183	-	5	372
Leases-Equipment	73	40	28	1	86
Total Accumulated Depreciation/Amortization	<u>41,888</u>	<u>4,707</u>	<u>1,428</u>	<u>6</u>	<u>45,173</u>
Total Capital Assets, Being Depreciated, Net	<u>32,978</u>	<u>(1,599)</u>	<u>180</u>	<u>(10)</u>	<u>31,188</u>
Business-type Activities Capital Assets, Net	<u>\$ 37,134</u>	<u>\$ 2,269</u>	<u>\$ 2,196</u>	<u>\$ (10)</u>	<u>\$ 37,196</u>

Construction Commitments

At December 31, 2021, BFT's commitments with contractors are as follows (*in Thousands*):

Project	Spent to Date	Remaining Commitment
Passenger Amenities Project	\$ 461	\$ 13
Fixed Route Buses	\$ -	\$ 4,523
Total	\$ 461	\$ 4,537

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 4 – CAPITAL ASSETS (continued)

Activity for the year ended December 31, 2020 was as follows (*in Thousands*):

Description	Balance Jan 1, 2020	Increases	Decreases	Adjustments	Balance Dec 31, 2020
Capital Assets, Not Being Depreciated:					
Land	\$ 2,209	\$ -	\$ -	\$ -	\$ 2,209
Work in Progress	2,623	829	1,505	-	1,947
Total Capital Assets, Not Being Depreciated	<u>4,832</u>	<u>829</u>	<u>1,505</u>	<u>-</u>	<u>4,156</u>
Capital Assets, Being Depreciated:					
Vehicles	45,474	3,639	2,354	-	46,760
Building and Structures	20,450	1,836	-	-	22,285
Equipment and Furnishing	4,631	392	-	(1,128)	3,895
Intangibles	-	53	-	984	1,037
Leases-Buildings & Structures	386	440	105	-	721
Leases-Equipment	120	55	8	-	167
Total Capital Assets, Being Depreciated	<u>71,061</u>	<u>6,415</u>	<u>2,467</u>	<u>(144)</u>	<u>74,865</u>
Less Accumulated Depreciation/Amortization For:					
Vehicles	25,073	3,360	2,354	-	26,079
Building and Structures	12,258	509	-	-	12,767
Equipment and Furnishing	2,084	488	-	(293)	2,279
Intangibles	-	247	-	257	504
Leases-Buildings & Structures	61	154	31	-	184
Leases-Equipment	37	40	4	-	73
Total Accumulated Depreciation/Amortization	<u>39,513</u>	<u>4,798</u>	<u>2,389</u>	<u>(36)</u>	<u>41,887</u>
Total Capital Assets, Being Depreciated, Net	<u>31,548</u>	<u>1,617</u>	<u>78</u>	<u>(108)</u>	<u>32,978</u>
Business-type Activities Capital Assets, Net	<u>\$ 36,380</u>	<u>\$ 2,446</u>	<u>\$ 1,583</u>	<u>\$ (108)</u>	<u>\$ 37,134</u>

Software purchases totaling \$0.9 million were reported as capital assets in the Equipment and Furnishings category in prior years. Those purchases and their associated depreciation/amortization were reclassified in 2020 as Intangible Assets per GASB 51.

Construction Commitments

At December 31, 2020, BFT's commitments with contractors are as follows (*in Thousands*):

Project	Spent to Date	Remaining Commitment
Passenger Amenities Project	\$ -	\$ 414
Total	\$ -	\$ 414

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 5 – PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the years 2021 and 2020 (*in Thousands*):

Aggregate Pension Amounts – All Plans		
	2021	2020
Pension liabilities	\$ 1,612	\$ 6,471
Pension assets	\$ 16,911	\$ -
Deferred outflows of resources	\$ 2,456	\$ 2,493
Deferred inflows of resources	\$ 17,358	\$ 1,815
Pension expense/expenditures	\$ 3,747	\$ 417

State Sponsored Pension Plans

Substantially all Ben Franklin Transit (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 annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

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

Or, the DRS ACFR may be downloaded from the DRS website at 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 reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 5 – PENSION PLANS (continued)

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 2021 and 2020 were as follows:

PERS Plan 1		
Actual Contribution Rates	Employer	Employee*
January – June 2021		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Total	12.97%	6.00%
July – December 2021		
PERS Plan 1	10.07%	6.00%
Administrative Fee	0.18%	
Total	10.25%	6.00%
July 2019 – August 2020		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Total	12.86%	6.00%
September – December 2020		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Total	12.97%	6.00%

* For employees participating in JBM, the contribution rate was 12.26%.

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

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 5 – PENSION PLANS (continued)

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.

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 2021 and 2020 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	Employer 2/3	Employee 2*
January – June 2021		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.97%	7.90%
July – December 2021		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	10.25%	6.36%

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 5 – PENSION PLANS (continued)

PERS Plan 2/3		
Actual Contribution Rates	Employer 2/3	Employee 2
July 2019 – August 2020		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.86%	7.90%
September – December 2020		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.97%	7.90%

* For employees participating in JBM, the contribution rate was 15.90%.

BFT's actual PERS plan contributions to plans for the fiscal years 2021 and 2020 ending December 31, were as follows (*in Thousands*):

BFT's Actual Contributions		
	2021	2020
PERS Plan 1	\$ 916	\$ 951
PERS Plan 2/3	\$ 1,527	\$ 1,564

Actuarial Assumptions - 2021

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2021 with a valuation date of June 30, 2020. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 *Demographic Experience Study* and the 2019 *Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021. Plan liabilities were rolled forward from June 30, 2020, to June 30, 2021, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

NOTE 5 – PENSION PLANS (continued)

Mortality rates were developed using the Society of Actuaries' Pub. H-2020 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. 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 no changes in assumptions since the last valuation. There were changes in methods since the last valuation.

- For purposes of the June 30, 2020 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) introduced temporary method changes to produce asset and liability measures as of the valuation date. See high-level summary below. OSA will revert back to the methods outlined in the 2019 AVR when preparing the 2021 AVR, a contribution rate-setting valuation, which will serve as the basis for 2022 ACFR results.
- To produce measures at June 30, 2020, unless otherwise noted in the 2020 AVR, OSA relied on the same data, assets, methods, and assumptions as the June 30, 2019 AVR. OSA projected the data forward one year reflecting assumed new hires and current members exiting the plan as expected. OSA estimated June 30, 2020, assets by relying on the fiscal year end 2019 assets, reflecting actual investment performance over FY 2020, and reflecting assumed contribution amounts and benefit payments during FY 2020. OSA reviewed the actual June 30, 2020, participant and financial data to determine if any material changes to projection assumptions were necessary. OSA also considered any material impacts to the plans from 2021 legislation. See the 2020 AVR for more information.

Actuarial Assumptions - 2020

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2020 with a valuation date of June 30, 2019. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 Experience Study and the 2019 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2020. Plan liabilities were rolled forward from June 30, 2019, to June 30, 2020, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

NOTE 5 – PENSION PLANS (continued)

Mortality rates were developed using the Society of Actuaries' Pub. H-2020 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society Actuaries, to project mortality rates for every year after the 2010 base table. 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.

- OSA updated its demographic assumptions based on the results of its latest demographic experience study. See OSA's 2013-2018 Demographic Experience Study at leg.wa.gov/osa.
- OSA updated the Early Retirement Factors and Joint-and-Survivor factors used in its model to match the ones implemented by DRS on October 1, 2020. These factors are used to value benefits for members who elect to retire early and for survivors of members that die prior to retirement.
- The valuation includes liabilities and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determining contribution rates and funded status.
- OSA simplified its modeling of medical premium reimbursements for survivors of duty-related deaths in LEOFF 2.
- OSA changed its method of updating certain data items that change annually, including the public safety duty-related death lump sum and Washington state average wage. OSA set these values at 2018 and will project them into the future using assumptions until the next Demographic Experience Study in 2025. See leg.wa.gov/osa for more information on this method change.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's 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 7.4 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 7.4 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 (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 5 – PENSION PLANS (continued)

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, 2021 and June 30, 2020, 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.

Asset Class	2021 Target Allocation	2021 % Long-Term Expected Real Rate of Return Arithmetic	2020 Target Allocation	2020 % Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	2.20%	20%	2.20%
Tangible Assets	7%	5.10%	7%	5.10%
Real Estate	18%	5.80%	18%	5.80%
Global Equity	32%	6.30%	32%	6.30%
Private Equity	23%	9.30%	23%	9.30%
	100%		100%	

Sensitivity of the Net Pension Liability/(Asset)

The table below presents BFT's 2021 proportionate share of the net pension liability calculated using the discount rate of 7.4 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 (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

As of June 30, 2021 (in Thousands):

Plan	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	\$ 2,746	\$ 1,612	\$ 623
PERS 2/3	\$ (4,818)	\$ (16,911)	\$ (26,870)

The table below presents BFT's 2020 proportionate share of the net pension liability calculated using the discount rate of 7.4 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 (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

As of June 30, 2020 (in Thousands):

Plan	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	\$ 5,544	\$ 4,426	\$ 3,451
PERS 2/3	\$ 12,728	\$ 2,046	\$ (6,751)

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 5 – PENSION PLANS (continued)

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, 2021, and June 30, 2020 BFT reported a net pension asset of \$16.9 million and a net pension liability of \$1.6 million, respectively, for its proportionate share of the net pension asset and net pension liability as follows (*in Thousands*):

Plan	2021 Liability (or Asset)	2020 Liability (or Asset)
PERS 1	\$ 1,612	\$ 4,426
PERS 2/3	(\$ 16,911)	\$ 2,046

At June 30, 2021, June 30, 2020, and June 30, 2019 BFT’s proportionate share of the collective net pension liabilities was as follows:

Plan	Proportionate Share 6/30/21	Proportionate Share 6/30/20	Proportionate Share 6/30/19	Change in Proportion	
				2020 to 2021	2019 to 2020
PERS 1	0.132000%	0.125358%	0.127247%	0.006642%	(0.001889)%
PERS 2/3	0.169764%	0.159938%	0.161352%	0.009826%	(0.001414)%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2021 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*.

Pension Expense

For the year ended December 31, 2021, and December 31, 2020 BFT recognized pension expense as follows (*in Thousands*):

Plan	2021 Pension Expense	2020 Pension Expense
PERS 1	\$ (54)	\$ 137
PERS 2/3	(3,694)	280
TOTAL	\$ (3,747)	\$ 417

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 5 – PENSION PLANS (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2021, and December 31, 2020, BFT reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (*in Thousands*):

PERS 1	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-	(1,789)	-	(25)
Changes of assumptions	-	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-
Contributions subsequent to the measurement date	417	-	496	-
TOTAL	\$ 417	\$ (1,789)	\$ 496	\$ (25)

PERS 2/3	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 821	\$ (207)	\$ 732	\$ (256)
Net difference between projected and actual investment earnings on pension plan investments	-	(14,134)	-	(104)
Changes of assumptions	25	(1,201)	29	(1,397)
Changes in proportion and differences between contributions and proportionate share of contributions	479	(28)	421	(33)
Contributions subsequent to the measurement date	714	-	814	-
TOTAL	\$ 2,039	\$ (15,570)	\$ 1,996	\$ (1,790)

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 5 – PENSION PLANS (continued)

PERS 1 & 2/3 COMBINED	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 821	\$ (207)	\$ 732	\$ (256)
Net difference between projected and actual investment earnings on pension plan investments	-	(15,923)	-	(129)
Changes of assumptions	25	(1,201)	29	(1,397)
Changes in proportion and differences between contributions and proportionate share of contributions	479	(28)	421	(33)
Contributions subsequent to the measurement date	1,131	-	1,310	-
TOTAL	\$ 2,456	\$ (17,359)	\$ 2,492	\$ (1,815)

2021 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, 2022. 2020 deferred outflows of resources related to pensions resulting from BFT's contributions subsequent to the measurement date were recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows (*in Thousands*):

As of December 31, 2021 (*in Thousands*):

Year ended December 31	PERS 1	PERS 2/3
2022	\$ (474)	\$ (3,741)
2023	\$ (434)	\$ (3,488)
2024	\$ (411)	\$ (3,346)
2025	\$ (470)	\$ (3,679)
2026	\$ -	\$ (21)
Thereafter	\$ -	\$ 32

As of December 31, 2020 (*in Thousands*):

Year ended December 31	PERS 1	PERS 2/3
2021	\$ (112)	\$ (752)
2022	\$ (4)	\$ (106)
2023	\$ 34	\$ 133
2024	\$ 57	\$ 265
2025	\$ -	\$ (52)
Thereafter	\$ -	\$ (97)

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 6 – CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2021, the following changes occurred in long-term liabilities (in Thousands):

Description	Balance			Balance Dec 31, 2021	Due Within One Year
	Jan 1, 2021	Additions	Reductions		
Compensated Absences	\$ 1,432	\$ 2,289	\$ 2,070	\$ 1,651	\$ 391
Net Pension Liability - PERS 1	4,426	-	2,814	1,612	-
Net Pension Liability - PERS 2/3	2,045	-	2,045	-	-
Total OPEB Liability	4,644	374	1,241	3,777	41
Lease Liability	618	369	204	783	204
Total Long-Term Liabilities:	\$ 13,165	\$ 3,032	\$ 8,374	\$ 7,823	\$ 636

During the year ended December 31, 2020, the following changes occurred in long-term liabilities (in Thousands):

Description	Balance			Balance Dec 31, 2020	Due Within One Year
	Jan 1, 2020	Additions	Reductions		
Compensated Absences	\$ 1,080	\$ 2,067	\$ 1,715	\$ 1,432	\$ 342
Net Pension Liability - PERS 1	4,893	484	951	4,426	-
Net Pension Liability - PERS 2/3	1,567	2,147	1,669	2,045	-
Total OPEB Liability	3,376	1,311	43	4,644	47
Lease Liability	416	229	27	618	208
Total Long-Term Liabilities:	\$ 11,332	\$ 6,238	\$ 4,405	\$ 13,165	\$ 597

(Also, see Note 1 item 8 – 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.

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 8 – CAPITAL CONTRIBUTIONS

	<i>(in Thousands)</i>	
	<u>2021</u>	<u>2020</u>
Federal	\$ -	\$ 2,372
State	457	1,102
Total	<u>\$ 457</u>	<u>\$ 3,474</u>

Capital contributions include accruals of \$0.2 million in 2021, \$2.6 million in 2020 and \$1.4 million in 2019. BFT received \$1.9 million in 2020 accruals and \$0.7 million of 2019 accruals in 2021 leaving \$0.6 million of 2020 and \$0.7 million of 2019 accruals outstanding.

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 2021, 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 written notice and at the end of the fiscal year. 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.

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 9 – RISK MANAGEMENT (continued)

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

BFT purchases a Covered Locations Pollution Liability insurance policy. The policy term is from April 4, 2021 to April 4, 2024. The carrier is Beazley Eclipse. The insuring agreement has coverage parts for covered location pollution liability coverage – new pollution conditions, covered location pollution liability coverage – existing pollution conditions, transportation pollution liability, and non-owned disposal site pollution liability. The policy covers cleanup costs, damages, and claims expenses. The limit of coverage is \$5 million each pollution condition – includes claims expenses with a \$5 million aggregate including claims expenses. BFT has a \$100,000 deductible per pollution condition. Locations must be listed to be covered.

BFT has not presented any claims to WSTIP in either 2020 or 2019 that exceeded its coverage limits through WSTIP.

RISK / EXPOSURE	COVERAGE		DEDUCTIBLE
GENERAL LIABILITY: Bodily Injury & Property Damage Personal Injury & Advertising Injury Contractual Liability	\$25 million	Per occurrence	\$0
Personal Injury and Advertising Injury	\$25 million	Per offense	\$0
Contractual liability	\$25 million	Per occurrence	\$0
Vanpool Driver Medical Expense Protection	\$35,000	Per occurrence	\$0
Underinsured Motorist Coverage (by mode)	\$60,000	Per occurrence	\$0
Permissive Use of a Member-Owned Motor Vehicle	\$100,000 for property damage and \$300,000 for bodily injury	Per occurrence	\$0
Endorsement 1: COMMUNICABLE DISEASE LIABILITY:	\$500,000	Per occurrence	\$0
Annual aggregate for all Members or Additional Covered Parties	\$2 million		

Ben Franklin Transit
Notes to the Financial Statements
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NOTE 9 – RISK MANAGEMENT (continued)

Summary of coverage provided in 2021: (continued)

RISK / EXPOSURE	COVERAGE		DEDUCTIBLE
PUBLIC OFFICIALS LIABILITY	\$25 million	Per occurrence and aggregate	\$5,000
Endorsement 1:			
VIOLATIONS OF WAGE & HOUR LAWS	\$250,000	Per occurrence	\$25,000
Annual aggregate per Member	\$250,000		
	\$500 million	Per occurrence, all perils and insureds/members combined	\$5,000
PROPERTY COVERAGE			
All perils subject to the following sublimits:			
Flood zones A & V – annual aggregate	\$10 million	Per occurrence, annual aggregate	\$500,000
All flood zones except A & V – annual aggregate	\$50 million	Per occurrence, annual aggregate	\$500,000
Earthquake, volcanic eruption, landslide, and mine subsidence	\$25 million	Per occurrence, annual aggregate	5% subject to \$500,000 minimum per occurrence per unit
AUTO PHYSICAL DAMAGE			
Auto Physical Damage (below \$250,000 in value)	Fair market value		\$5,000
Auto Physical Damage for all vehicles with a model year of 2011 or later and valued over \$250,000	Replacement Cost	Limited to \$1.5 million any one vehicle	\$5,000
BOILER AND MACHINERY	\$100 million		\$250,000 or \$350,000 depending on size of boiler
CRIME / PUBLIC EMPLOYEE DISHONESTY including faithful performance. Also includes:	\$1 million	Per occurrence	\$10,000
Employee theft	\$1 million	Per occurrence	\$10,000
Forgery or alteration	\$1 million	Per occurrence	\$10,000
Inside the premises – theft of money and securities	\$1 million	Per occurrence	\$10,000
Inside the premises – robbery or safe burglary of other property	\$1 million	Per occurrence	\$10,000
Outside premises	\$1 million	Per occurrence	\$10,000
Computer fraud	\$1 million	Per occurrence	\$10,000
Funds Transfer Fraud	\$1 million	Per occurrence	\$10,000
Money orders and counterfeit money	\$1 million	Per occurrence	\$10,000
CYBER LIABILITY INSURANCE			
Annual Policy and Program Aggregate Limit of Liability for all policy holders (not just WSTIP members)	\$40 million		
Insured/Member Annual Aggregate Limit of Liability	\$2 million		\$5,000
BREACH RESPONSE COSTS	\$500,000	Aggregate for each insured/member (limit is increased to \$1 million if Beazley Nominated Service Providers are used)	
FIRST PARTY LOSS			
Business Interruption			
Resulting from Security Breach	\$750,000	Aggregate limit	
Resulting from System Failure	\$500,000	Aggregate limit	

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 9 – RISK MANAGEMENT (continued)

Summary of coverage provided in 2021: (continued)

RISK / EXPOSURE	COVERAGE		DEDUCTIBLE
CYBER LIABILITY INSURANCE (continued)			
Dependent Business Loss			
<i>Resulting from Security Breach</i>	\$750,000	Aggregate limit	
<i>Resulting from System Failure</i>	\$100,000	Aggregate limit	
Cyber Extortion Loss	\$750,000	Aggregate limit	
Data Recovery Costs	\$750,000	Aggregate limit	
LIABILITY			
Data & Network Liability	\$2 million	Aggregate limit	
Regulatory defense and penalties	\$2 million	Aggregate limit	
Payment Card Liabilities & Costs	\$2 million	Aggregate limit	
Media Liability	\$2 million	Aggregate limit	
eCRIME			
Fraudulent Instruction	\$75,000	Aggregate limit	
Funds Transfer Fraud	\$75,000	Aggregate limit	
Telephone Fraud	\$75,000	Aggregate limit	
CRIMINAL REWARD			
	\$25,000	Limit	
COVERAGE ENDORSEMENTS			
Reputation Loss	\$100,000	Limit of Liability	
Claims Preparation Costs for Reputation Loss Claims Only	\$50,000	Limit of Liability	
Computer Hardware Replacement Costs	\$100,000	Limit of Liability	
Invoice Manipulation	\$100,000	Limit of Liability	
Cryptojacking	\$25,000	Limit of Liability	

Following is a summary of coverage provided in 2020:

RISK / EXPOSURE	COVERAGE		DEDUCTIBLE
GENERAL LIABILITY			
Bodily Injury & Property Damage			\$0
Personal Injury & Advertising Injury		Per occurrence	
Contractual Liability	\$25 million		
Personal Injury and Advertising Injury	\$25 million	Per offense	\$0
Contractual liability			\$0
Vanpool Driver Medical Expense Protection	\$35,000	Per occurrence	\$0
Underinsured Motorist Coverage	\$60,000	Per occurrence	\$0
PUBLIC OFFICIALS LIABILITY			
Endorsement 1 - Per Occurrence and Annual	\$25 million	Per occurrence and aggregate	\$5,000
Per Member Aggregate	\$250,000	Per occurrence	\$25,000

* Each member selects the modes which uninsured motorist coverage is applied to.

PROPERTY COVERAGE

All perils subject to the following sublimits:	\$500 million	Per occurrence, all perils and insureds/ members combined	\$5,000
Flood zones A & V – annual aggregate	\$10 million	Per occurrence, annual aggregate	\$250,000
All flood zones except A & V – annual aggregate	\$50 million	Per occurrence, annual aggregate	\$250,000
Earthquake, volcanic eruption, landslide, and mine subsidence	\$25 million	Per occurrence, annual aggregate	5% subject to \$500,000 minimum per occurrence per unit

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 9 – RISK MANAGEMENT (continued)

Summary of coverage provided in 2020: (continued)

RISK / EXPOSURE	COVERAGE		DEDUCTIBLE
AUTO PHYSICAL DAMAGE			
Auto Physical Damage (below \$250,000 in value)	Fair market value		\$5,000
Auto Physical Damage for all vehicles with a model year of 2010 or later and valued over \$250,000	Replacement Cost	Limited to \$1.5 million any one vehicle	\$5,000
BOILER AND MACHINERY	\$100 million		\$250,000 or \$350,000 depending on size of boiler
CRIME / PUBLIC EMPLOYEE DISHONESTY			
Including faithful performance. (Also includes:)	\$1 million	Per occurrence	\$10,000
Employee theft	\$1 million	Per occurrence	\$10,000
Forgery or alteration	\$1 million	Per occurrence	\$10,000
Theft, disappearance and destruction (inside premises)	\$1 million	Per occurrence	\$10,000
Robbery and safe burglary (inside premises)	\$1 million	Per occurrence	\$10,000
Robbery and safe burglary (outside premises)	\$1 million	Per occurrence	\$10,000
Computer fraud	\$1 million	Per occurrence	\$10,000
Funds Transfer Fraud	\$1 million	Per occurrence	\$10,000
Money orders and counterfeit money	\$1 million	Per occurrence	\$10,000
CYBER LIABILITY INSURANCE			
Breach Response Costs	\$500,000	Limit increases to \$1 million if carrier's nominated service providers are utilized	
<i>First Party Loss</i>			
Business Interruption			
Resulting from Security Breach	\$2 million	Limit to Liability	
Resulting from System Failure	\$500,000	Limit to Liability	
Dependent Business Loss			
Resulting from Security Breach	\$750,000	Limit to Liability	
Resulting from System Failure	\$100,000	Limit to Liability	
Cyber Extortion Loss	\$2 million	Limit to Liability	
Data Recovery Costs	\$2 million	Limit to Liability	
LIABILITY			
Data & Network Liability	\$2 million	Limit to Liability	
Regulatory defense and penalties	\$2 million	Limit to Liability	
Payment Card liabilities & Costs	\$2 million	Limit to Liability	
Media Liability	\$2 million	Limit to Liability	
RISK / EXPOSURE	COVERAGE		DEDUCTIBLE
eCRIME			
Fraudulent Instruction	\$75,000	Limit to Liability	
Funds Transfer Fraud	\$75,000	Limit to Liability	
Telephone Fraud	\$75,000	Limit to Liability	
CRIMINAL REWARD	\$25,000	Limit	
COVERAGE ENDORSEMENTS			
Reputation Loss	\$50,000	Limit to Liability	
Claims Preparation Costs for Reputation Loss Claims Only	\$50,000	Limit to Liability	
Computer Hardware Replacement Costs	\$75,000	Limit to Liability	
Invoice Manipulation	\$100,000	Limit to Liability	
Cryptojacking	\$25,000	Limit to Liability	
POLLUTION LIABILITY INSURANCE			
Claims Including Claims Expenses	\$5,000,000	Per Occurrence	\$100,000

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 10 – LEASES- (LESSEES)

In 2019, BFT implemented GASB 87, Leases. BFT is committed under various leases for space and equipment. The major categories of leases are Park & Ride Lots (4 leases), Buildings (3 leases), Potable Water Coolers, Photocopy & Fax Equipment (10 leases) and Mail Equipment (2 leases). BFT does not acquire any interest in the property. Unless excluded, GASB 87 requires all leases over 12 months in duration are to be accounted for as Intangible Assets with corresponding Liabilities. The initial value of the asset and liability were determined by calculating the present value of the lease payments. Equipment values were calculated using a discount rate of 2.85% and Structure values were calculated using a discount rate of 2.75%. The rates used in the calculations were provided by BFT's bank, U.S. Bank, in February 2020, as the rates that U.S. Bank would charge BFT for financing purchases of similar assets. The rates provided were used for both 2021 and 2020 calculations.

Per GASB 87 variable payments based on future performance of the lessee or usage of the underlying asset should not be included in the measurement of the lease liability. Rather, those variable payments are recognized as outflows of resources (expense) in the period in which the obligation for those payments is incurred. BFT has one lease which incorporates variable payments based on usage. That lease is for vehicle tires from Bridgestone Americas Tire Operations, LLC. During 2021 and 2020 BFT paid Bridgestone \$145.8 thousand and \$137.9 thousand, respectively, for leasing tires.

As of December 31, 2021 and 2020, the outstanding balances of the Lease Assets (net of amortization) & Liabilities by category are (*in Thousands*):

Leases - December 31, 2021		
Category	Net Asset Balance	Liability Balance
Park & Ride Lots	\$64	\$69
Buildings	587	601
Sub-total Structures	651	669
Potable Water Coolers	4	4
Photocopy & Fax Equip.	86	87
Mail Equipment	19	21
Sub-total Equipment	109	113
Total	\$761	\$782

Leases - December 31, 2020		
Category	Net Asset Balance	Liability Balance
Park & Ride Lots	\$91	\$92
Buildings	446	429
Sub-total Structures	537	521
Potable Water Coolers	6	6
Photocopy & Fax Equip.	63	63
Mail Equipment	26	28
Sub-total Equipment	94	97
Total	\$631	\$618

As of December 31, 2021 and 2020, the principal and interest requirements to maturity on the leases are as follows (*in Thousands*):

Leases - 2021			
Year Ended December 31	Debt Service	Interest	Total
2022	\$ 204	\$19	\$223
2023	194	14	208
2024	197	8	205
2025	69	4	73
2026	31	3	34
2027-2031	88	6	94
2032-2036	0	0	0
Total	\$782	\$53	\$836

Leases - 2020			
Year Ended December 31	Debt Service	Interest	Total
2021	\$ 208	\$15	\$223
2022	198	9	207
2023	62	5	66
2024	36	4	40
2025	31	3	33
2026-2030	77	6	84
2031-2035	7	0	7
Total	\$618	\$41	\$659

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 11 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS – NO QUALIFYING TRUST

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB 75 for the years 2021 and 2020 (*in Thousands*):

Aggregate OPEB Amounts – All Plans		
	2021	2020
OPEB liabilities	\$3,776	\$4,644
OPEB assets	\$-0-	\$-0-
Deferred outflows of resources	\$20	\$23
Deferred inflows of resources	\$-0-	\$-0-
OPEB expense	\$868	\$1,311

- a. 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. BFT’s plan is considered a single-employer defined benefit plan.
- b. The plan is available to non-bargaining employees. The premiums for the retired employees are blended with the rates for active employees. The blending of rates is considered an implicit subsidy paid by BFT. There are no COLAs associated with the plan.
- c. At December 31, 2021 and 2020, the following employees were covered by the benefit terms:

	2021	2020
Inactive employees or beneficiaries currently receiving benefits	11	12
Inactive employees entitled to but not yet receiving benefits	9	3
Active employees	85	80
Total	105	95

- d. The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

Assumptions and Other Inputs

The discount rate used in the online tool developed by the Office of the State Actuary was 2.21% for the beginning of the measurement year and 2.16% for the end of the measurement year. Projected salary changes were 3.5% plus service-based increases. Healthcare Trend rates used an initial rate from about 2.11%, reaching an ultimate rate of approximately 4.3% in 2075. Mortality rates were calculated using the PubG.H-2010 (General) base mortality table with an age setback of 0 years, mortality improvements using MP-2017 Long-Term Rates and a Generational projection period. An inflation rate of 2.75% was used. Post-retirement participation percentage was 65% and the percentage with spousal coverage was 45%.

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 11 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS – NO QUALIFYING TRUST (continued)

Assumptions for retirement, disability, termination, and mortality were based on the 2020 PEBB OPEB Actuarial Valuation Report (AVR). Retirement service for each active cohort was based on the average entry age of 35 with a minimum service of 1 year.

a. The following presents the net OPEB liability (*in Thousands*) of BFT calculated using the current healthcare cost trend rate of 6.8 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.8%) or 1-percentage point higher (7.8%) than the current rate.

	1% Decrease (5.8%)	Current Healthcare Cost Trend Rate (6.8%)	1% Increase (7.8%)
2021 Total OPEB Liability	\$3,058	\$3,776	\$4,731
2020 Total OPEB Liability	\$3,731	\$4,644	\$5,868

b. The following presents the net OPEB liability (*in Thousands*) of BFT calculated using the discount rate of 3.5 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.5%) or 1-percentage point higher (4.5%) than the current rate.

	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
2021 Total OPEB Liability	\$4,577	\$3,776	\$3,149
2020 Total OPEB Liability	\$5,677	\$4,644	\$3,840

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

NOTE 11 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS – NO QUALIFYING TRUST (continued)

Changes in the Total OPEB Liability

The schedule of changes in the total OPEB liability follows (*in Thousands*):

PEBB Plan	2021	2020
Total OPEB Liability on January 1st	\$4,644	\$3,376
Service cost	265	170
Interest	108	123
Changes of benefit terms	0	0
Changes in Experience Data and Assumptions	(1,196)	1,018
Benefit payments	(45)	(43)
Other changes	0	0
Total OPEB Liability on December 31st	\$3,776	\$4,644

a. The Alternative Measurement Method (AMM) was performed with a valuation date of June 30, 2021. The AMM was used to measure the TOL in place of an actuarial valuation.

b. The backward projection of the liability reflected the estimated service cost, assumed interest, and expected benefit payments.

c. There were no changes of benefit terms that affected measurement of the TOL since the prior measurement date.

d. There were no obligations for the payment of benefits transferred from the employer to one or more insurance companies.

e. There were no changes between the measurement date of the TOL and the employer's reporting date that are expected to have any effect on the TOL.

f. The total OPEB expense recognized by BFT in the reporting period was (\$0.864) million.

g. At December 31, 2021, BFT reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (*in Thousands*):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -0-	\$-0-
Changes of assumptions	-0-	-0-
Payments subsequent to the measurement date	20	-0-
TOTAL*	\$20	\$-0-

NOTE 11 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS – NO QUALIFYING TRUST (continued)

i. At December 31, 2020, BFT reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (*in Thousands*):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -0-	\$-0-
Changes of assumptions	-0-	-0-
Payments subsequent to the measurement date	23	-0-
TOTAL*	\$23	\$-0-

Deferred outflows of resources of \$20.1 thousand, resulting from payments subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2022.

NOTE 12 – PRIOR PERIOD ADJUSTMENTS

2021: BFT reported no prior period adjustments.

2020: The prior period adjustment listed on the financial statements was due to the sales tax revenue accrual at the end of 2018 never being adjusted to actual during 2019.

NOTE 13 – COVID-19 PANDEMIC

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gatherings, travel and in-person interactions.

The length of time these measures will continue to be in place, and the full extent of the financial impact on BFT is unknown at this time. Sales tax revenues, the primary source of revenue for BFT, continues to remain strong with year over year growth in both 2021 and 2020.

NOTE 14 – DEFERRED COMPENSATION PLAN

BFT maintains an Internal Revenue Code (IRC) Section 457 plan for all permanent employees. Section 457 requires that the assets and income of the plans be held in trust for the exclusive benefit of participants and their beneficiaries. Monthly contributions to the plan are deducted from the wages of employees who choose to participate as prescribed by federal law and regulations. The contributions are deposited with a third party in BFT's name and in trust on behalf of BFT's employees. BFT has little administrative involvement and does not contribute to nor perform investing functions for this plan, therefore, this plan is not shown in BFT's financial statements.



Required Supplementary Information

**BFT partnered with Second Harvest Tri-Cities to help distribute food to those in need in 2020.*

Ben Franklin Transit
 Required Supplementary Information
 For the Year Ended December 31, 2021 and 2020

Schedule of Proportionate Share of the Net Pension Liability
 PERS Plan1
 As of June 30, 2021
 Last 10 Fiscal Years*
 (in Thousands)

	2021	2020	2019	2018	2017	2016	2015	20XX	20XX	20XX
<u>Employer's proportion of the net pension liability (asset)</u>	0.132000%	0.125358%	0.127247%	0.124894%	0.116013%	0.114841%	0.125862%			
<u>Employer's proportionate share of the net pension liability</u>	\$ 1,612	\$ 4,426	\$ 4,893	\$ 5,578	\$ 5,505	\$ 6,168	\$ 6,584			
TOTAL	\$ 1,612	\$ 4,426	\$ 4,893	\$ 5,578	\$ 5,505	\$ 6,168	\$ 6,584			
<u>Covered payroll**</u>	\$ 20,531	\$ 18,882	\$ 17,701	\$ 16,819	\$ 14,554	\$ 14,312	\$ 14,216			
<u>Employer's proportionate share of the net pension liability as a percentage of covered payroll</u>	7.85%	23.44%	27.64%	33.16%	37.82%	43.10%	46.31%			
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%			

Notes to Schedule:

**Until a full 10-year trend is compiled, only information for those years available is presented.*

GASB 68 was implemented for the 2015 financial statements so only seven years of data are available. Up to ten years of history will be presented over time as the data is generated.

*** 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, 2021 and 2020

Schedule of Proportionate Share of the Net Pension Liability
PERS Plan2/3
As of June 30, 2021
Last 10 Fiscal Years*
(in Thousands)

	2021	2020	2019	2018	2017	2016	2015	20XX	20XX	20XX
Employer's proportion of the net pension liability (asset)	16.976400%	0.159938%	0.161352%	0.158252%	0.146848%	0.143055%	0.158146%			
Employer's proportionate share of the net pension liability (asset)	\$ (16,911)	\$ 2,046	\$ 1,567	\$ 2,702	\$ 5,102	\$ 7,203	\$ 5,651			
TOTAL	\$ (16,911)	\$ 2,046	\$ 1,567	\$ 2,702	\$ 5,102	\$ 7,203	\$ 5,651			
Covered payroll**	\$ 20,531	\$ 18,781	\$ 17,568	\$ 16,765	\$ 14,457	\$ 14,138	\$ 14,043			
Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	(82.37%)	10.89%	8.92%	16.12%	35.29%	50.95%	40.24%			
Plan fiduciary net position as a percentage of the total pension liability	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%			

Notes to Schedule:

**Until a full 10-year trend is compiled, only information for those years available is presented.*

GASB 68 was implemented for the 2015 financial statements so only seven years of data are available. Up to ten years of history will be presented over time as the data is generated.

*** 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, 2021 and 2020

Schedule of Employer Contributions
 PERS Plan1
 As of December 31, 2021
 Last 10 Fiscal Years*
 (in Thousands)

	2021	2020	2019	2018	2017	2016	2015	20XX	20XX	20XX
<u>Statutorily or contractually required contributions</u>	\$ 916	\$ 951	\$ 916	\$ 873	\$ 776	\$ 696	\$ 576			
<u>Contributions in relation to the statutorily or contractually required contributions**</u>	(916)	(951)	(916)	(873)	(776)	(696)	(576)			
<u>Contribution deficiency (excess)</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
<u>Covered payroll***</u>	\$ 21,495	\$ 19,777	\$ 18,322	\$ 17,084	\$ 15,755	\$ 14,396	\$ 14,121			
<u>Contributions as a percentage of covered payroll</u>	4.26%	4.81%	5.00%	5.11%	4.93%	4.83%	4.08%			

Notes to Schedule:

**Until a full 10-year trend is compiled, only information for those years available is presented.*

GASB 68 was implemented for the 2015 financial statements so only seven years of data are available. Up to ten years of history will be presented over time as the data is generated.

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

**** 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, 2021 and 2020

Schedule of Employer Contributions
 PERS Plan2/3
 As of December 31, 2021
 Last 10 Fiscal Years*
 (in Thousands)

	2021	2020	2019	2018	2017	2016	2015	20XX	20XX	20XX
<u>Statutorily or contractually required contributions</u>	\$ 1,527	\$ 1,564	\$ 1,405	\$ 1,270	\$ 1,086	\$ 888	\$ 840			
<u>Contributions in relation to the statutorily or contractually required contributions**</u>	(1,527)	(1,564)	(1,405)	(1,270)	(1,086)	(888)	(840)			
<u>Contribution deficiency (excess)</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
<u>Covered payroll***</u>	\$ 21,495	\$ 19,745	\$ 18,185	\$ 16,975	\$ 15,713	\$ 14,250	\$ 13,945			
<u>Contributions as a percentage of covered payroll</u>	7.10%	7.92%	7.73%	7.48%	6.91%	6.23%	6.02%			

Notes to Schedule:

*Until a full 10-year trend is compiled, only information for those years available is presented.

GASB 68 was implemented for the 2015 financial statements so only seven years of data are available. Up to ten years of history will be presented over time as the data is generated.

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

*** 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, 2021 and 2020

Schedule of Changes in the Employer's Total OPEB Liability
 OPEB
 As of June 30, 2021
 (in Thousands)

	2021	2020	2019	2018	20XX	20XX	20XX	20XX	20XX	20XX
Total OPEB Liability										
Service Cost	\$ 266	\$ 170	\$ 182	193						
Interest	108	123	152	139						
Changes in Experience Data and Assumptions	(1,196)	1,018	(677)	(218)						
Changes in Benefit Terms	-	-	-	-						
Benefit Payments	(46)	(43)	(56)	(42)						
Other	-	-	-	-						
Net Changes in total OPEB Liability	(868)	1,268	(399)	72						
Total OPEB Liability - Beginning	4,644	3,376	3,775	3,703						
Total OPEB Liability - Ending	3,776	4,644	3,376	3,775						
Covered Employee Payroll*	\$ 6,368	\$ 5,643	\$ 5,184	4,567						
Employer's proportionate share of the net pension liability as a percentage of covered payroll	%	59.30%	%	82.30%	%	65.12%	%	82.66%		

Notes to Schedule:

* Covered Employee Payroll is the payroll of employees who are provided with OPEB through the OPEB plan.

GASB 75 was implemented for the 2018 financial statements so only four years of data are available. Up to ten years of history will be presented over time as the data is generated.

The Alternative Measurement Method (AMM) tool, prepared by the Washington State Office of the State Actuary was used to generate the OPEB information for BFT, relying on inpts from BFT for eligible counts, average ages and covered payroll.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.



Statistical Section

Ben Franklin Transit
Statistical Section
For the Year Ended December 31, 2021 and 2020

This part of BFT’s annual comprehensive 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.....73
- Changes in Net Position.....74

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.....75
- Direct and Overlapping Sales Tax Rates.....76

Debt Capacity: This schedule contains intangible lease related debt information to help the reader assess the affordability of the BFT’s current level of intangible lease debt.

- Ratios of Outstanding Debt.....77

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.....78
- Principal Employers.....79

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.....80

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

Ben Franklin Transit
Statistical Section
For the Year Ended December 31, 2021 and 2020

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net Position										
Net Investment in Capital Assets	\$ 36,413	\$ 36,516	\$ 35,964	\$ 37,143	\$ 27,109	\$ 28,692	\$ 30,351	\$ 26,881	\$ 22,779	\$ 23,518
Restricted for:										
Capital Assets Reinvestment	601	-	-	-	-	-	-	-	-	-
PERS Pension	3,381	-	-	-	-	-	-	-	-	-
Unrestricted	66,392	51,544	43,591	35,128	34,066	29,384	21,985	29,549	26,547	19,319
TOTAL Net Position	<u>\$ 106,787</u>	<u>\$ 88,060</u>	<u>\$ 79,555</u>	<u>\$ 72,271</u>	<u>\$ 61,175</u>	<u>\$ 58,076</u>	<u>\$ 52,336</u>	<u>\$ 56,430</u>	<u>\$ 49,326</u>	<u>\$ 42,837</u>

Source: Annual Comprehensive Financial Report

Ben Franklin Transit
Statistical Section
For the Year Ended December 31, 2021 and 2020

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating Revenues										
Passenger Fares	\$ 738	\$ 1,029	\$ 3,239	\$ 3,621	\$ 3,841	\$ 3,928	\$ 3,981	\$ 4,220	\$ 3,822	\$ 4,105
Other Operating Revenues	338	150	356	273	593	755	1,246	457	356	800
Total Operating Revenues	\$ 1,076	\$ 1,179	\$ 3,595	\$ 3,894	\$ 4,434	\$ 4,683	\$ 5,227	\$ 4,677	\$ 4,178	\$ 4,905
Operating Expenses										
Operations	\$ 22,684	\$ 24,076	\$ 23,814	\$ 22,890	\$ 22,144	\$ 20,364	\$ 19,255	\$ 19,985	\$ 18,354	\$ 17,552
Maintenance	5,689	5,548	6,849	6,917	6,434	5,575	5,691	7,199	7,416	7,930
Administrative Expenses	8,468	10,382	7,634	7,111	6,398	5,795	4,819	4,899	4,699	4,035
Depreciation & Amortization	4,713	4,763	4,665	3,787	3,360	3,542	3,802	3,210	3,388	3,996
Total Operating Expenses	41,554	44,769	42,962	40,705	38,336	35,276	33,567	35,293	33,857	33,513
Operating Income (Loss)	\$ (40,478)	\$ (43,590)	\$ (39,367)	\$ (36,811)	\$ (33,902)	\$ (30,593)	\$ (28,340)	\$ (30,616)	\$ (29,679)	\$ (28,608)
Nonoperating Revenues (Expense)										
Sales Tax	\$ 48,272	\$ 39,474	\$ 39,312	\$ 36,600	\$ 34,214	\$ 33,218	\$ 30,667	\$ 27,864	\$ 26,650	\$ 25,902
Interest Income	55	236	707	600	316	81	40	18	23	22
Lease Interest	(23)	(17)	(13)	-	-	-	-	-	-	-
Administrative Expenses	(5)	-	-	-	-	-	-	-	-	-
Operating Grants	10,246	8,928	5,070	4,115	2,000	2,768	193	4,493	7,324	1,983
Gain (Loss) of Sale of Assets	204	157	31	96	373	6	113	43	9	(134)
Total Nonoperating Revenues (Expense)	\$ 58,749	\$ 48,778	\$ 45,108	\$ 41,411	\$ 36,903	\$ 36,073	\$ 31,013	\$ 32,418	\$ 34,006	\$ 27,773
Net Income (Loss) Before Contributions	\$ 18,271	\$ 5,188	\$ 5,741	\$ 4,600	\$ 3,002	\$ 5,480	\$ 2,673	\$ 1,802	\$ 4,327	\$ (835)
Capital Contributions	457	3,474	1,544	10,178	2,279	1,382	5,933	5,300	2,162	2,006
Net Income (Loss) After Contributions	\$ 18,728	\$ 8,662	\$ 7,285	\$ 14,778	\$ 5,281	\$ 6,862	\$ 8,606	\$ 7,102	\$ 6,489	\$ 1,171
Changes in Net Position	\$ 18,728	\$ 8,662	\$ 7,285	\$ 14,778	\$ 5,281	\$ 6,862	\$ 8,606	\$ 7,102	\$ 6,489	\$ 1,171

Source: Annual Comprehensive Financial Report

Ben Franklin Transit
Statistical Section
For the Year Ended December 31, 2021 and 2020

TAXABLE SALES BY CATEGORY
Benton County and Franklin County (combined)
2021 - 2012
(in Thousands)

CATEGORY (NAICS version)	CODE	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Retail Trade	<u>44-45</u>	\$ 3,889,555	\$ 3,463,325	\$ 3,154,627	\$ 2,944,106	\$ 2,742,707	\$ 2,607,444	\$ 2,448,277	\$ 2,249,885	\$ 2,130,696	\$ 2,020,399
Agriculture, Forestry, Fishing	<u>11</u>	2,701	6,736	5,296	5,352	5,026	4,577	4,506	4,427	5,093	19,902
Mining	<u>21</u>	321	1,322	1,270	1,921	843	1,561	1,596	1,045	440	2,030
Utilities	<u>22</u>	3,831	5,501	4,830	3,866	2,994	3,157	3,113	3,103	2,754	2,753
Construction	<u>23</u>	1,192,258	1,144,108	1,109,425	846,669	826,446	838,873	797,438	663,360	672,974	518,156
Manufacturing	<u>31-33</u>	119,121	138,001	128,202	110,776	91,175	92,698	83,173	84,310	79,589	68,407
Wholesale Trade	<u>41-42</u>	502,908	472,748	460,516	441,948	440,807	429,692	423,059	393,572	374,469	351,767
Transportation & Warehousing	<u>48-49</u>	43,340	24,544	18,783	17,477	16,612	13,007	11,727	11,074	11,824	13,218
Information	<u>51</u>	176,478	165,961	190,314	191,856	184,150	190,396	187,984	173,402	163,155	152,607
Finance, Insurance	<u>52</u>	54,854	50,985	47,020	51,519	41,545	39,148	30,523	24,640	24,192	23,858
Real Estate, Rental/Leasing	<u>53</u>	127,716	122,790	128,878	130,464	114,655	108,299	115,333	102,696	100,739	96,958
Professional, Scientific & Technical Services	<u>54</u>	138,641	125,096	105,748	87,102	94,168	83,982	66,366	66,098	70,350	81,480
Management, Education & Health Services	<u>55-62</u>	257,745	246,157	209,109	193,891	127,804	112,511	99,879	92,201	89,172	83,265
Arts, Entertainment & Recreation	<u>71</u>	48,925	29,802	59,364	56,160	48,827	45,945	42,709	39,422	37,477	36,099
Accommodations & Food Services	<u>72</u>	651,614	474,694	602,487	577,421	541,456	501,052	470,265	428,646	402,109	389,513
Other Services	<u>81</u>	179,441	156,872	167,103	159,815	157,044	141,831	138,861	139,635	131,758	108,730
Public Administration, Other	<u>92,00</u>	8,144	2,547	2,419	2,246	4,023	4,174	3,927	3,082	3,322	5,611
TOTAL TAXABLE SALES		\$ 7,397,593	\$ 6,631,189	\$ 6,395,391	\$ 5,822,589	\$ 5,440,282	\$ 5,218,347	\$ 4,928,736	\$ 4,480,598	\$ 4,300,113	\$ 3,974,753

Notes:

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

Ben Franklin Transit
 Statistical Section
 For the Years Ended December 31, 2021 and 2020

DIRECT AND OVERLAPPING SALES TAX RATES
 Last Ten Fiscal Years

Fiscal Year	Direct PTBA Sales Tax Rate (%)	Local Sales Tax Rate (%)	State Sales Tax Rate (%)	Total Sales Tax Rate (%)
2021 Benton	0.6	2.1	6.5	8.6
2021 Franklin	0.6	2.1	6.5	8.6
2020 Benton	0.6	2.1	6.5	8.6
2020 Franklin	0.6	2.1	6.5	8.6
2019 Benton	0.6	2.1	6.5	8.6
2019 Franklin	0.6	2.1	6.5	8.6
2018 Benton	0.6	2.1	6.5	8.6
2018 Franklin	0.6	2.1	6.5	8.6
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

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

Source: Washington Department of Revenue

Ben Franklin Transit
 Statistical Section
 For the Year Ended December 31, 2021 and 2020

RATIOS OF OUTSTANDING DEBT
 Last Ten Calendar Years

Fiscal Year	Intangible Lease Debt (in Thousands)	Percent Of Personal Income	Debt Per Capita (\$)
2021	\$ 783	*	2.54
2020	618	0.0040%	2.04
2019	416	0.0030%	1.40
2018	-	n/a	n/a
2017	-	n/a	n/a
2016	-	n/a	n/a
2015	-	n/a	n/a
2014	-	n/a	n/a
2013	-	n/a	n/a
2012	-	n/a	n/a

Note:

*2021 estimates of Personal Income are scheduled to be released in November 2022.

Sources:

Personal Income and Per Capita Personal Income data – See Demographic And Economic Statistics Schedule on following page of this ACFR.

Ben Franklin Transit
Statistical Section
For the Year Ended December 31, 2021 and 2020

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Year	Population			Personal Income (in Thousands)			Per Capita		Unemployment Rate Seasonally Adjusted
	Benton County	Franklin County	Combined Total	Benton County	Franklin County	Combined Total	Benton County	Franklin County	Kennewick-Pasco-Richland (Benton & Franklin Counties)
2021	209,400	98,350	307,750	***** DATA NOT YET PUBLISHED *****					5.3%
2020	205,700	96,760	302,460	\$10,646,415	\$4,745,304	\$ 15,391,719	\$51,757	\$49,042	8.4%
2019	201,800	94,680	296,480	9,959,637	3,742,322	13,701,959	49,354	39,526	5.2%
2018	197,420	92,540	289,960	9,413,380	3,501,343	12,914,723	47,682	37,836	5.6%
2017	193,500	90,330	283,830	8,915,706	4,182,098	13,097,804	46,076	46,298	5.8%
2016	190,500	88,670	279,170	8,657,463	3,133,598	11,791,061	45,446	35,340	6.7%
2015	188,590	87,150	275,740	8,450,529	3,059,575	11,510,104	44,809	35,107	7.1%
2014	186,500	86,600	273,100	7,776,677	2,843,165	10,619,842	41,698	32,831	7.7%
2013	183,400	84,800	268,200	7,451,725	2,668,062	10,119,787	40,631	31,463	9.1%
2012	180,000	82,500	262,500	7,464,960	2,603,288	10,068,248	41,472	31,555	9.5%

Note:
2021 estimates of Personal Income (In Thousands) and Per Capita are scheduled to be released in November 2022

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, 2021 - new estimates for 2020; revised estimates for 2012-2019.
All state and local area dollar estimates are in current dollars (not adjusted for inflation).

Unemployment Rates – Average For Year - Washington State Employment Security Department/LMPA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics
Last updated March 2, 2022

Ben Franklin Transit
Statistical Section
For the Year Ended December 31, 2021 and 2020

PRINCIPAL EMPLOYERS
Current Year and 9 Years Ago

Principal Employers:	2021			2012		
	Number of Employees	Rank	Percent of Employment	Number of Employees	Rank	Percent of Employment
PNNL/Battelle	4,750	1	3.40%	4,339	1	4.48%
KADLEC Medical Center	3,532	2	2.53%	2,227	4	2.30%
ConAgra (Lamb Weston)	3,000	3	2.15%	2,498	3	2.58%
Bechtel National	2,943	4	2.11%	2,990	2	3.09%
Kennewick School District	2,336	5	1.67%	1,922	5	1.99%
Washington River Protection Solutions	2,129	6	1.52%	1,385	9	1.43%
Pasco School District	2,015	7	1.44%	1,908	6	1.97%
Mission Support Alliance, LLC	1,902	8	1.36%	1,694	8	1.75%
Richland School District	1,500	9	1.07%	--	-	--
Tyson Foods	1,300	10	--	1,300	10	1.34%
CH2M Hill	--	-	--	1,808	7	1.87%
URS-Washington Division	--	-	--	--	-	--
Washington Closure Hanford	--	-	--	--	-	--
Other	114,352		81.82%	96,762		100.00%
Total Number of Employees	139,759		100%	118,833		100%

Note:

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

Sources:

2021 & 2012 employer information – Tri-City Industrial Development Council (TRIDEC)

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, 2021 and 2020

SELECTED OPERATING INFORMATION
2021 – 2012
(in Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
UNLINKED PASSENGER TRIPS										
A. Fixed Route	1,415	1,218	2,097	2,033	2,184	2,420	2,652	2,824	2,789	3,009
Directly Operated	173	154	299	316	293	308	317	n/a	n/a	n/a
Purchased Transportation	55	20	78	76	74	72	70	n/a	n/a	n/a
Taxi / Purchased Transportation	-	-	-	50	108	123	123	n/a	n/a	n/a
B. Demand Response	228	174	377	442	475	503	510	496	467	468
C. Vanpool	154	222	653	646	643	709	795	828	862	1,201
Total	1,797	1,614	3,127	3,121	3,302	3,632	3,957	4,148	4,118	4,678
PASSENGER MILES										
A. Fixed Route	5,958	5,129	8,827	8,801	9,195	9,976	10,931	11,648	20,981	22,746
Directly Operated	1,269	1,085	2,212	2,326	2,158	2,485	2,557	n/a	n/a	n/a
Purchased Transportation	357	122	616	607	614	613	557	n/a	n/a	n/a
Taxi / Purchased Transportation	-	-	-	377	856	988	638	n/a	n/a	n/a
B. Demand Response	1,626	1,207	2,828	3,310	3,628	4,086	3,752	3,782	2,820	2,785
C. Vanpool	5,359	7,546	2,161	2,132	2,160	22,376	25,387	27,036	27,595	38,780
Total	12,943	13,882	33,271	33,437	34,431	36,438	40,070	42,466	51,396	64,311
TOTAL ACTUAL MILES										
A. Fixed Route	3,355	2,892	2,960	2,682	2,406	2,345	2,331	2,307	2,308	2,310
Directly Operated	1,552	1,418	2,254	2,180	2,125	2,152	2,179	n/a	n/a	n/a
Purchased Transportation	584	138	267	292	287	272	257	n/a	n/a	n/a
Taxi / Purchased Transportation	-	-	-	305	644	702	706	n/a	n/a	n/a
B. Demand Response	2,136	1,556	2,521	2,777	3,056	3,126	3,142	3,055	2,832	2,832
C. Vanpool	1,129	1,346	3,502	3,471	3,421	3,516	3,804	4,079	4,047	4,663
Total	6,620	5,794	8,983	8,930	8,883	8,987	9,277	9,441	9,187	9,805
TOTAL ACTUAL HOURS										
A. Fixed Route	207	181	185	169	147	140	140	139	140	141
Directly Operated	91	89	136	136	140	138	128	n/a	n/a	n/a
Purchased Transportation	26	13	16	17	17	16	15	n/a	n/a	n/a
Taxi / Purchased Transportation	-	-	-	11	23	31	31	n/a	n/a	n/a
B. Demand Response	117	102	152	164	180	185	174	170	163	176
C. Vanpool	25	30	80	72	71	78	84	84	88	114
Total	349	313	417	405	398	403	398	393	391	431

Notes:

1) 2021 data source - BFT

2) Data for unlinked passenger trips and passenger miles reflect the National Transit Database (NTD) data for 2020 and years prior and are computed on a statistically sampled basis and subject to statistical variations from year to year.

3) Data for total actual miles and hours match the NTD reported data for 2020 and years prior.

4) On October 30, 2018 Tri City Taxi ceased operations effectively eliminating BFT's ability to obtain demand response services from external vendors during 2019.

Ben Franklin Transit
Statistical Section
For the Year Ended December 31, 2021 and 2020

SELECTED OPERATING INFORMATION (continued)
2021 – 2012
(in Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
VEHICLE REVENUE MILES										
A. Fixed Route	3,206	2,770	2,823	2,558	2,245	2,161	2,149	2,120	2,118	2,089
Directly Operated	1,370	1,213	1,997	1,963	1,798	1,850	1,878	n/a	n/a	n/a
Purchased Transportation	554	130	223	224	223	214	205	n/a	n/a	n/a
Taxi / Purchased Transportation	-	-	-	305	644	702	706	n/a	n/a	n/a
B. Demand Response	1,924	1,343	2,220	2,492	2,665	2,766	2,789	2,712	2,456	2,480
C. Vanpool	1,129	1,346	3,502	3,471	3,421	3,516	3,804	4,034	4,047	4,663
Total	6,259	5,459	8,545	8,521	8,331	8,443	8,742	8,866	8,621	9,232
VEHICLE REVENUE HOURS										
A. Fixed Route	200	176	179	164	140	133	132	131	131	133
Directly Operated	83	81	127	127	114	113	107	n/a	n/a	n/a
Purchased Transportation	25	12	14	13	13	12	12	n/a	n/a	n/a
Taxi / Purchased Transportation	-	-	-	11	23	31	31	n/a	n/a	n/a
B. Demand Response	108	93	141	151	150	156	150	148	138	151
C. Vanpool	25	30	80	72	71	78	84	84	88	114
Total	333	299	400	387	361	367	366	363	357	398
TOTAL OPERATING EXPENSES										
A. Fixed Route	\$ 21,896	\$ 22,530	\$ 19,669	\$ 17,892	\$ 15,423	\$ 13,583	\$ 13,202	\$ 14,017	\$ 13,751	\$ 12,373
DEMAND RESPONSE										
Directly Operated	11,608	14,102	14,400	13,645	13,201	11,900	11,785	n/a	n/a	n/a
Purchased Transportation	1,676	1,095	1,489	1,448	1,365	1,246	976	n/a	n/a	n/a
Taxi / Purchased Transportation	-	-	-	1,127	2,063	2,206	2,366	n/a	n/a	n/a
B. Demand Response	13,284	15,197	15,889	16,220	16,629	15,352	15,127	14,989	13,724	12,998
C. Vanpool	1,504	2,077	2,601	2,466	2,574	2,389	2,442	2,970	2,885	3,152
Total	\$ 36,684	\$ 39,804	\$ 38,159	\$ 36,578	\$ 34,626	\$ 31,324	\$ 30,771	\$ 31,976	\$ 30,360	\$ 28,523
FARE REVENUE										
A. Fixed Route	\$ 144	\$ 251	\$ 1,069	\$ 1,325	\$ 1,484	\$ 1,317	\$ 1,285	\$ 1,462	\$ 1,278	\$ 1,376
B. Demand Response	44	71	364	411	480	490	486	476	392	413
C. Vanpool	550	706	1,806	1,885	1,878	2,122	2,210	2,282	2,156	2,318
Total	\$ 738	\$ 1,028	\$ 3,239	\$ 3,621	\$ 3,842	\$ 3,929	\$ 3,981	\$ 4,220	\$ 3,826	\$ 4,107

Notes:

- 1) 2021 data source - BFT
- 2) Data for revenue miles and hours match the NTD reported data for 2020 and years prior.
- 3) On October 30, 2018 Tri City Taxi ceased operations effectively eliminating BFT's ability to obtain demand response services from external vendors during 2019.

Ben Franklin Transit
Statistical Section
For the Year Ended December 31, 2021 and 2020

SELECTED OPERATING INFORMATION (continued)
2021 – 2012

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
COST PER PASSENGER MILE										
A. Fixed Route	\$ 3.68	\$ 4.39	\$ 2.23	\$ 2.03	\$ 1.68	\$ 1.36	\$ 1.21	\$ 1.20	\$ 0.66	\$ 0.56
B. Demand Response										
Directly Operated	9.15	13.00	6.51	5.87	6.12	4.79	4.61	4.66	6.01	5.66
Purchased Transportation	4.69	8.98	2.42	2.39	2.22	2.03	1.75	1.48	2.27	2.20
Taxi / Purchased Transportation	-	-	-	2.99	2.41	2.23	3.71	2.89	3.00	3.01
Total Demand Response	<u>13.84</u>	<u>21.97</u>	<u>8.93</u>	<u>11.24</u>	<u>10.75</u>	<u>9.05</u>	<u>10.07</u>	<u>9.03</u>	<u>11.28</u>	<u>10.87</u>
C. Vanpool	0.28	0.28	0.12	0.12	0.12	0.11	0.10	0.11	0.10	0.08
COST PER TOTAL ACTUAL MILE										
A. Fixed Route	\$ 6.53	\$ 7.79	\$ 6.64	\$ 6.67	\$ 6.41	\$ 5.79	\$ 5.66	\$ 6.08	\$ 5.96	\$ 5.51
B. Demand Response										
Directly Operated	7.48	9.94	6.39	6.26	6.21	5.53	5.41	5.53	5.47	5.03
Purchased Transportation	2.87	7.93	5.58	4.96	4.76	4.58	3.80	3.27	3.41	3.52
Taxi / Purchased Transportation	-	-	-	3.70	3.20	3.14	3.35	2.91	3.19	3.27
Total Demand Response	<u>10.35</u>	<u>17.88</u>	<u>11.97</u>	<u>14.91</u>	<u>14.17</u>	<u>13.25</u>	<u>12.56</u>	<u>11.71</u>	<u>12.07</u>	<u>11.82</u>
C. Vanpool	133	154	0.74	0.71	0.75	0.68	0.64	0.73	0.71	0.68
COST PER UNLINKED PASSENGER TRIP										
A. Fixed Route	\$ 15.47	\$ 18.50	\$ 9.38	\$ 8.80	\$ 7.06	\$ 5.61	\$ 4.98	\$ 4.96	\$ 4.93	\$ 4.23
B. Demand Response										
Directly Operated	67.10	9157	48.16	43.18	45.05	38.64	37.18	37.21	36.02	32.43
Purchased Transportation	30.47	54.75	19.09	19.05	18.45	17.31	13.94	12.92	13.34	12.97
Taxi / Purchased Transportation	-	-	-	22.54	19.10	17.93	19.24	17.23	19.07	20.83
Total Demand Response	<u>97.57</u>	<u>146.32</u>	<u>67.25</u>	<u>84.77</u>	<u>82.60</u>	<u>73.88</u>	<u>70.36</u>	<u>67.36</u>	<u>68.43</u>	<u>66.23</u>
C. Vanpool	9.77	9.36	3.98	3.82	4.00	3.37	3.07	3.59	3.35	2.62
COST PER TOTAL ACTUAL HOUR										
A. Fixed Route	\$ 105.78	\$ 124.48	\$ 106.32	\$ 105.87	\$ 104.92	\$ 97.02	\$ 94.30	\$ 100.84	\$ 98.49	\$ 90.33
B. Demand Response										
Directly Operated	127.56	158.45	105.88	100.33	94.29	86.23	92.07	93.71	9132	76.62
Purchased Transportation	64.46	84.23	93.06	85.18	80.29	77.88	65.07	56.65	55.39	53.58
Taxi / Purchased Transportation	-	-	-	102.45	89.70	71.16	76.32	64.55	69.83	71.53
Total Demand Response	<u>192.02</u>	<u>242.68</u>	<u>198.94</u>	<u>287.96</u>	<u>264.28</u>	<u>235.27</u>	<u>233.46</u>	<u>214.91</u>	<u>216.54</u>	<u>20173</u>
C. Vanpool	60.16	69.23	32.51	34.25	36.25	30.63	29.07	35.36	32.71	27.66
FARE REVENUE PER PASSENGER										
All modes combined	\$ 0.41	\$ 0.64	\$ 1.04	\$ 1.16	\$ 1.16	\$ 1.08	\$ 1.01	\$ 1.02	\$ 0.93	\$ 0.88

Notes:

- 1) 2021 data source - BFT
- 2) Data for unlinked passenger trips and passenger miles reflect the National Transit Database (NTD) data for 2020 and years prior and are computed on a statistically sampled basis and subject to statistical variations from year to year.
- 3) Data for total actual and revenue miles and hours match the NTD reported data for 2020 and years prior.
- 4) Fare revenue includes passenger revenue, the sale of maps, and revenue from contracts to provide additional service, advertising revenue and miscellaneous revenue.
- 5) On October 30, 2018 Tri City Taxi ceased operations effectively eliminating BFT's ability to obtain demand response services from external vendors during 2019.

Ben Franklin Transit
Statistical Section
For the Year Ended December 31, 2021 and 2020

SELECTED OPERATING INFORMATION (continued)
2021 – 2012

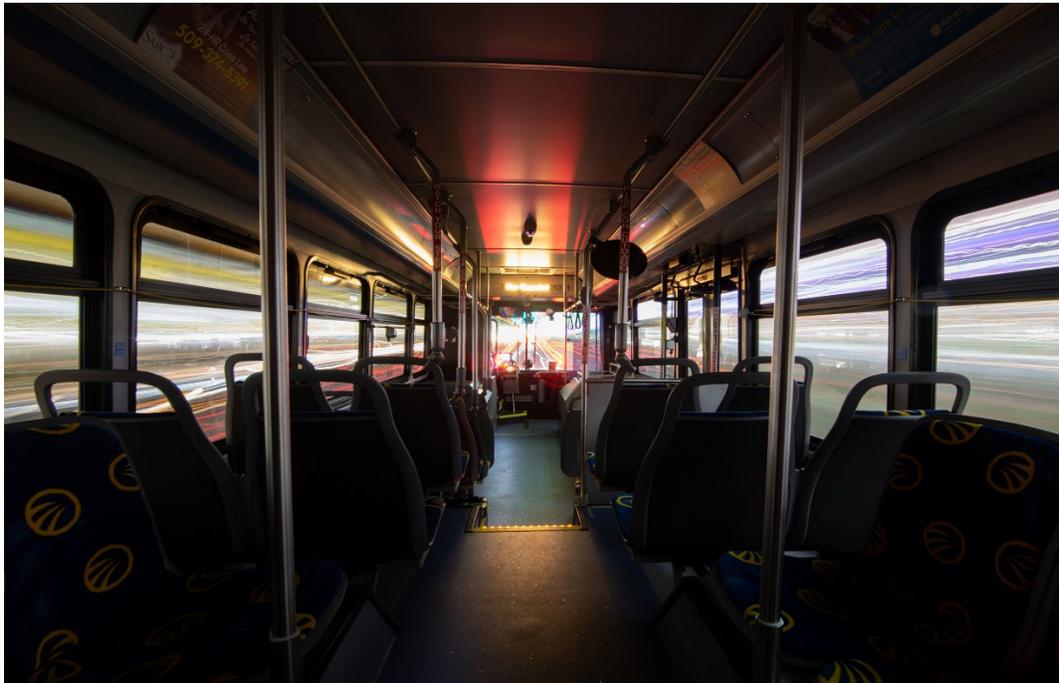
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FULL-TIME EQUIVALENT EMPLOYEES										
A. Fixed Route	230.7	196.6	180.1	176.3	161.4	115.1	116.1	119.2	120.1	128.7
B. Demand Response	135.8	136.6	141.0	139.5	129.2	101.0	102.0	107.0	105.9	119.4
C. Vanpool	9.0	8.9	11.3	10.3	10.4	9.9	7.9	8.8	10.0	12.0
Total	375.5	342.1	332.5	326.0	301.0	226.0	226.0	235.0	236.0	260.1
CAPITAL ASSETS - FLEET VEHICLES										
A. Fixed Route	71	65	72	72	60	63	62	68	69	63
B. Demand Response	119	119	101	123	118	118	123	147	97	108
C. Vanpool	272	272	314	335	347	334	346	386	337	364

Notes:

- 1) 2021 data source – BFT
- 2) 2020 and years prior data source - NTD
- 3) Full-Time Equivalent Employees excludes Purchased Transportation

Ben Franklin Transit 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*