



Comprehensive Annual Financial Report

Year Ended December 31, 2012



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

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

This page intentionally left blank.



Ben Franklin Transit

Comprehensive Annual Financial Report

Year Ended December 31, 2012



Prepared by the Administrative Services Department
Richland, WA

This page intentionally left blank.

Ben Franklin Transit
Table of Contents

TABLE OF CONTENTS	1
INTRODUCTORY SECTION	3
Transmittal Letter.....	5
Board of Directors and Management Team.....	9
Organizational Chart.....	10
FINANCIAL SECTION	11
Report of the Independent Auditor.....	13
Management’s Discussion and Analysis.....	17
Basic Financial Statements.....	25
Comparative Statement of Net Position.....	27
Comparative Statement of Revenues, Expenses, and Changes in Net Position.....	28
Comparative Statement of Cash Flows.....	29
Notes to the Financial Statements.....	
1. Summary of Significant Accounting Policies.....	30
2. Cash and Investments.....	33
3. Receivables.....	33
4. Capital Assets and Depreciation.....	34
5. Pension Plans.....	35
6. Risk Management.....	41
7. Contingencies & Litigations.....	42
8. Derivative Instruments.....	42
9. Capital Contributions.....	45
10. Lease Obligations.....	45
11. Other Disclosures.....	45
STATISTICAL SECTION (LAST TEN FISCAL YEARS)	47
Contents.....	49
Net Position.....	51
Changes in Net Position.....	52
Taxable Sales by Category.....	53
Direct and Overlapping Sales Tax Rates.....	55
Demographic and Economic Statistics.....	56
Principal Employers.....	57
Selected Operating Information.....	58

This page intentionally left blank.



Introductory Section



BFT awarded Leadership in Energy & Environmental Design (LEED) Gold certification from the US Green Building Council

Pictured left to right:

Gerald Winkler – Integrus Architecture

Richard Ciccone – BFT Fleet/Facilities/Special Projects Manager

Timothy J. Fredrickson – BFT General Manager

Leo Bowman – BFT Chairman of the Board

This page intentionally left blank.



1000 Columbia Park Trail Richland, WA 99352-4851
509.735.4131 509.735.1800 fax www.bft.org

July 29, 2013

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

I. TRANSMITTAL OF BEN FRANKLIN TRANSIT'S 2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Ben Franklin Transit's (BFT's) Comprehensive Annual Financial Report for the year ended December 31, 2012 is presented herein. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. Because the cost of internal controls should not outweigh their benefits, BFT's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that its financial statements will be free from material misstatement. We believe the data, including management's discussion and analysis, the financial statements, supporting schedules 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.

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

II. PROFILE OF THE AGENCY

BFT is a Public Transportation Benefit Area (PTBA) authorized by Washington State Law Chapter 36.57A RCW. It is located in Benton and Franklin counties in Washington State. The Benton Franklin PTBA, also known as "Ben Franklin Transit," was formed on May 11, 1981 when voters passed a 0.3 % sales tax to fund public transportation. By authorizing this taxing authority, a municipal corporation (BFT), was formed. BFT assumed the operation of the PTBA's Dial-A-Ride system January 1, 1985. Vanpool service was initiated in September 1982

II. PROFILE OF THE AGENCY (continued)

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

Today, BFT provides fixed route, demand response and vanpool services in a 588.3 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 262,500 residents. In 2012, combined ridership for all modes of service totaled 4,683,142.

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: Richland, Pasco, Kennewick, West Richland, Prosser, and Benton City. There is also one non-voting member of the Local Teamsters Union. The Board appoints a General Manager to implement policies authorized by the Board and oversee BFT's daily operations as well as its approximately 259 employees. The overall management of BFT is divided into six departments; Operations, Dial-A-Ride, Maintenance, Service Delivery, Human Resources and Administrative Services.

BFT operates 21 fixed routes serving Benton City, Kennewick, Pasco, Prosser, Richland, and West Richland. There are five (5) inter-city routes, which travel between cities and sixteen (16) local routes that operate within each city. Fixed route service is derived from a network of four transit center hubs and seven park and ride lots connecting passengers with destinations such as the Tri Cities Airport, Pasco Amtrak and Greyhound Stations, Grapeline service to Walla Walla, Tri City Trolley service to Hermiston and Pendleton, and People for People service to Yakima. In addition, fixed route service serves both Columbia Basin Community College and Washington State University, most area schools and major local employers such as Battelle and the North Richland area business hub. In 2012, fixed route services carried just over 3.0 million passengers.

BFT's demand response mode includes all non-fixed route services including taxi feeder routes in low-density areas, Trans+plus night service and specialized transportation service known as Dial-A-Ride. Dial-A-Ride provides transportation to individuals in the community, who, due to a disability, are unable to use fixed route bus services. Dial-A-Ride is provided directly by BFT and through contracts with local transportation providers. In 2012, total ridership was 472,777.

Since its inception in 1984, BFT's vanpool program has expanded to 384 vans with over 2,329 weekday riders serving rural employment locations such as the Hanford facility and Umatilla Military Installation.

II. PROFILE OF THE AGENCY (continued)

As a community partner, BFT provides over 33,000 rides each year to special events such as the annual International Hydroplane Race and Air Show, Benton County Fair, Cable Bridge Run, and Art in the Park.

Consistent with sales tax revenues, BFT maintained a reduced service level in place since 2008 and 2009 service cuts. These cuts eliminated Sunday, capped Night Service, and reduced weekday operations by one hour for both AM and PM commutes.

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 2017 and is sustainable at 2012 year-end service levels of 401,107 service hours through 2014.

Major Initiatives

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

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

Since 2009, BFT has scaled back its programs in response to the economic downturn and declining sales tax revenues. The initiatives for 2012 were planned in accordance with BFT's TDP; each initiative and/or project was carefully reviewed before implementation to ensure sustainability and adherence to BFT's strategic priorities. Planned initiatives and capital projects for 2012 included:

- Performed a fare analysis that resulted in fare increase implementation
- Implemented Automated Dispatch and Electronic Timekeeping systems
- Completed the Mobile Data Terminals project providing electronic communication in 100% of the Dial-A-Ride fleet
- Implemented on-line payment processing for both Vanpool payments and Pass/Ticket sales
- Completed the bus shelter replacement project (25)
- Acquired 14 used Dial-A-Ride vehicles in a multi-agency vehicle swap program
- Ongoing participation/partnering in Zero Emissions Propulsion System (ZEPS) buses

III. ECONOMIC CONDITION AND OUTLOOK

The local economic recovery continues to be slow and tedious. An 8.9% unemployment rate for BFT's PTBA in 2012 is still significantly higher than the 2007 pre-recession unemployment rate of 5.3%. The projected unemployment rate for 2013 is 8.9% or unchanged from the 2012 rate. Local economic conditions and retail spending play major roles in the generation of sales tax revenue; BFT's primary revenue source. As the primary source, sales tax is expected to generate nearly \$25.0 million or 67% of total revenues in 2013. The largest factor affecting sales tax revenues is planned activity at the Hanford Nuclear Site. Current federal budget uncertainties have reduced Hanford related employment recently although stabilization is expected in 2013. BFT's 2013 receipts for the first three months are trending up as compared to 2012 receipts for the same periods. Given these factors however, the local economy is forecasted to grow by 2.4% for 2013.

Federal and State funding continue to play an important part of revenues at BFT. These funds are budgeted to contribute over 30% of total revenues for 2013. Federal and State funds are used to subsidize operations and to procure capital assets. BFT is optimistic in its position with these grantors and the ongoing availability of this funding source. Staff and the Board of Directors are actively engaged in applications for new and additional funding as they become available.

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

IV. ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the dedicated services of several departments and the tireless efforts of the Administrative Services staff. We would like to express our appreciation to all staff who assisted and contributed to the preparation of this report, with special thanks to Kevin Hebdon, Financial Services Supervisor; Marilyn Kloehn, Fiscal Support Specialist; and Dan Sanner, Technical Assistant.


Timothy J. Fredrickson
General Manager


Gloria Boyce
Administrative Services Manager

Board of Directors

Bowman, Leo, Chair – *Commissioner, Benton County*
Watkins, Matt, Vice Chair – *Council Member, City of Pasco*
Becken, Steve – *Council Member, City of Prosser*
Bloom, Richard – *Council Member, City of West Richland*
Christenesen, Terry – *Council Member, City of Richland*
Johnson, Lynn – *Council Member, Benton City*
Koch, Bob – *Commissioner, Franklin County*
Miller, Rick – *Commissioner, Franklin County*
Olson, Bob – *Council Member, City of Kennewick*
Nelson, Norma – *Non-Voting Rep, Teamsters Union*

Board of Directors Alternates

Beaver, James – *Commissioner, Benton County*
Bruce, Bob – *Council Member, Benton City*
Buel, Rich – *Council Member, City of West Richland*
Garrison, Mike – *Council Member, City of Pasco*
Parish, Paul – *Council Member, City of Kennewick*
Peck, Brad – *Commissioner, Franklin County*
Taylor, Randy – *Council Member, City of Prosser*
Thompson, Bob – *Council Member, City of Richland*

BFT Management Team

General Manager

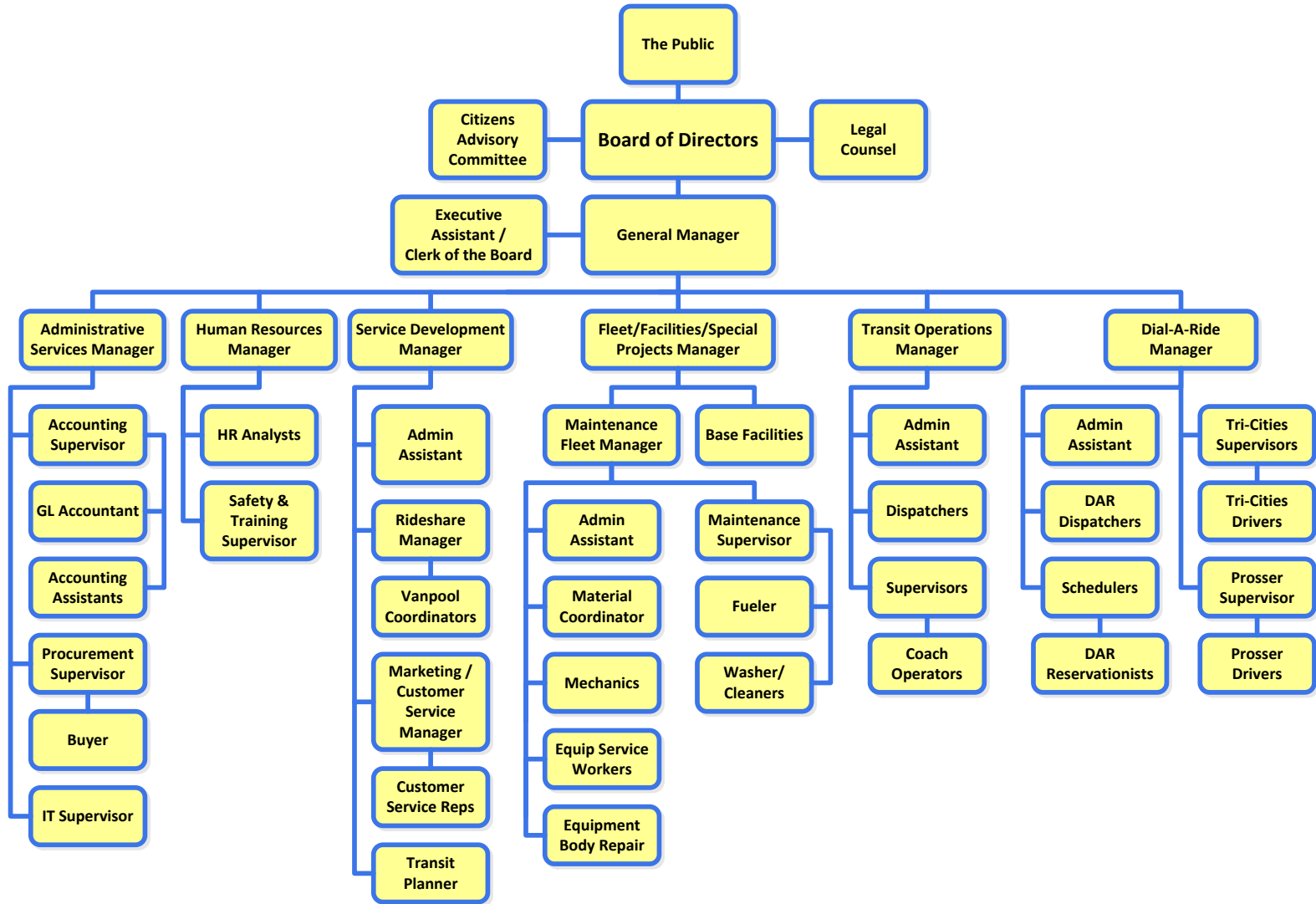
Timothy J. Fredrickson

Department Managers

Gloria Boyce, *Administrative Services*
Richard Ciccone, *Fleet / Facilities / Special Projects*
Barb Hays, *Transit Operations*
Debra Hughes, *Human Resources*
Kathy McMullen, *Service Development*
Katherine Ostrom, *Dial-A-Ride*

Ben Franklin Transit Introduction

BFT Organizational Chart





Financial Section



Passengers boarding route 120 Westbound at Three Rivers Transit Center in Kennewick, WA

This page intentionally left blank.



Washington State Auditor Troy Kelley

INDEPENDENT AUDITOR'S REPORT

July 29, 2013

Board of Directors
Ben Franklin Transit
Richland, Washington

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Ben Franklin Transit, Benton County, Washington, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Transit's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Transit's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Transit's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ben Franklin Transit, Benton County, Washington, as of December 31, 2012 and 2011, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As described in Note 1, during the year ended December 31, 2012, the Transit has implemented the Governmental Accounting Standards Board Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

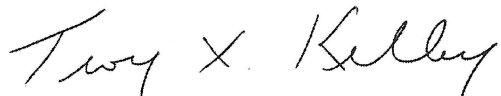
The information identified in the table of contents as the Introductory and Statistical section is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Transit. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated July 29, 2013, 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 cursive script that reads "Troy X. Kelley". The signature is written in black ink and is positioned above the typed name.

TROY KELLEY
STATE AUDITOR

Ben Franklin Transit
Report of the Independent Auditor

This page intentionally left blank.

Management's Discussion and Analysis

The Management's Discussion and Analysis of BFT's Comprehensive Annual Financial Report provides a narrative overview and analysis of BFT's financial performance for the fiscal year ended December 31, 2012. To obtain a complete understanding of BFT's financial condition, this document should be read in conjunction with the financial statements and accompanying notes.

Financial Highlights

- The assets of BFT exceeded its liabilities (net position) at December 31, 2012 by \$42,837,896 compared to \$41,665,951 in 2011 and \$35,298,080 in 2010. Of this amount, \$23,517,995, \$26,423,460, \$28,197,260 was invested in capital assets and \$19,319,901, \$15,242,491 and \$7,100,820 in unrestricted net position in 2012, 2011, and 2010 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, 2012 by 2.8 percent or \$1,171,945 compared to the year ended December 31, 2011 due in part to increased sales tax. BFT's total net position increased for the year ended December 31, 2011 by 18.0 percent or \$6,367,871 compared to the year ended December 31, 2010 primarily as a result of increased sales tax, fare revenues, and operating grants.
- BFT's total liabilities decreased for the year ended December 31, 2012 by 14.1 percent or \$366,114 compared to the year ended December 31, 2011. BFT's total liabilities decreased for the year ended December 31, 2011 by 21.4 percent or \$705,360 compared to the year ended December 31, 2010 due to timely vendor payments.
- BFT saw a decrease of \$141,167 in fare revenue to \$4,105,017 or 3.3 percent under 2011 due primarily to decreased demand for vanpool services. Fare revenues in 2011 and 2010 were \$4,246,184 and \$3,935,943 respectively. Fare revenues increased in 2011 over 2010 by 7.9 percent or \$310,241 as a result of increased demand of vanpool services.
- BFT experienced an increase of \$169,571 in sales tax revenue to \$25,902,472 or 0.7 percent over 2011 due to slow recovery of the economy. Sales tax increased in 2011 over 2010 by \$1,835,842 or 7.7 percent due to increased taxable Hanford activity.
- Operating expenses for 2012, excluding depreciation and capital, totaled \$29,517,138, an increase of \$1,189,608 or 4.2 percent over 2011. Operating expenses increased by \$1,624,750 or 6.1 percent from 2010 to 2011.
- Federal and State Operating Grants decreased by \$2,817,494 from 2011 to 2012 as compared to an increase of \$3,759,280 from 2010 to 2011. These fluctuations are due to the timing of grant availability and the years in which they are budgeted.
- Federal and State Capital Grants increased by \$1,113,263 from 2011 to 2012 and decreased by \$3,294,479 from 2010 to 2011. Fluctuations are budget and project based.

Overview of the Financial Statements

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

The Statement of Net Position presents information on all of BFT's assets and liabilities, 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 present information showing how BFT's net position changed during the current and prior years. 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, but 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 most recent two years. 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.

Financial Statement Analysis

Net Position

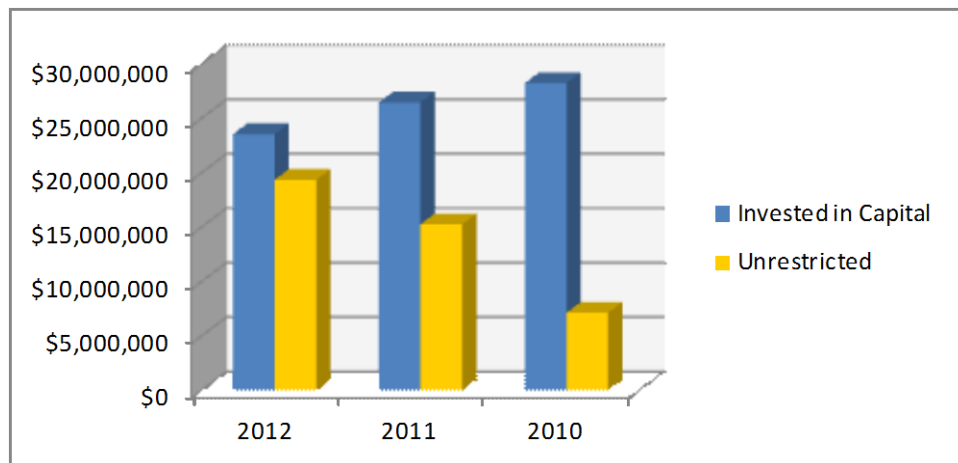
A large majority of BFT's total net position, \$23,517,995, reflect its investment in capital assets such as revenue vehicles, passenger facilities, and shop equipment. BFT uses these capital assets to provide transportation service to the community. Therefore, this portion of the net position balance is not available for future spending. The remaining portion of total net position, \$19,319,901 is unrestricted and available to support future obligations for transportation operations.

Ben Franklin Transit
Management's Discussion and Analysis

Summary Statement for Net Position
For the years ended December 31, 2012, 2011 and 2010

	2012	2011	2010
Assets:			
Current Assets	\$21,544,978	\$16,872,525	\$ 9,321,541
Other Non-Current Assets	1,910	963,069	1,077,743
Capital Assets (net)	23,517,995	26,423,460	28,197,257
Total Assets	45,064,883	44,259,053	38,596,541
Liabilities:			
Current Liabilities	1,468,312	1,387,585	1,954,334
Other Non-Current Liabilities	758,675	1,205,516	1,344,127
Total Liabilities	2,226,987	2,593,101	3,298,461
Net Position:			
Invested in Capital Assets, net of related debt	23,517,995	26,423,460	28,197,257
Unrestricted Net Position	19,319,901	15,242,491	7,100,823
Total Net Position	42,837,896	41,665,951	35,298,080
Total Liabilities and Net Position	\$45,064,883	\$44,259,053	\$38,596,541

Net Position by Type

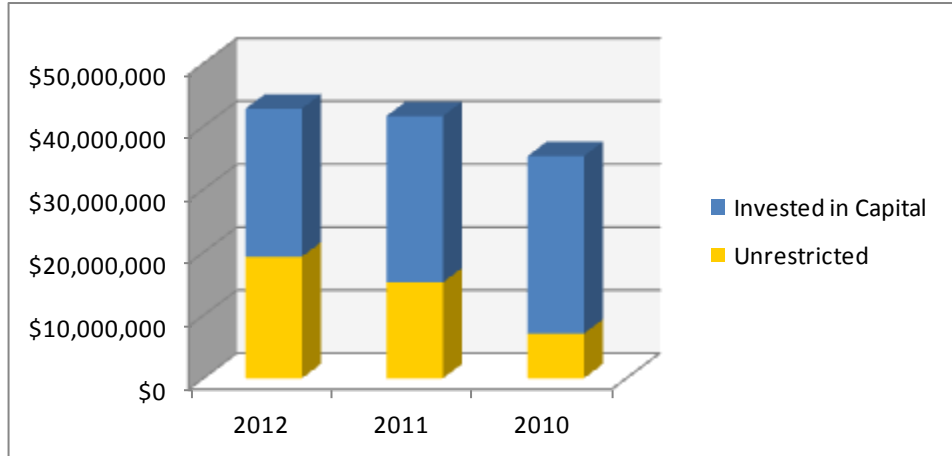


Net position may serve as a useful indicator of BFT's financial position over time. Total net position exceeds liabilities by \$40,610,909, \$39,072,850, and \$31,999,619 at December 31, 2012, 2011 and 2010 respectively. Based on the trend of Net Position as seen in the chart below, the financial condition of BFT has improved over the past three years due mainly to:

- Completion of MOA (Maintenance, Operations, and Administration) remodel and expansion projects
- Increase of Federal funding
- Efficient operations

Ben Franklin Transit
Management's Discussion and Analysis

2010 – 2013 Trend of Net Position



**Summary of Revenues, Expenses, and Changes in Net Position
For the years ended December 31, 2012, 2011 and 2010**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Operating Revenues	\$ 4,905,323	\$ 4,405,201	\$ 4,108,223
Operating Expenses	(29,517,138)	(28,327,530)	(26,702,780)
Depreciation	(3,995,734)	(3,082,137)	(3,163,320)
Operating Loss	<u>(28,607,549)</u>	<u>(27,004,466)</u>	<u>(25,757,877)</u>
Operating Subsidies	27,884,981	30,532,904	24,937,782
Non-Operating Revenues	(111,971)	38,109	46,851
Net Non-Operating Income	<u>27,773,010</u>	<u>30,571,013</u>	<u>24,984,633</u>
Net Income (Loss) Before Contributions	(834,539)	3,566,546	(773,244)
Capital Grants	2,006,482	893,219	4,187,695
Change in Net Position	<u>\$ 1,171,943</u>	<u>\$ 4,459,765</u>	<u>\$ 3,414,451</u>
Total Net Position - Beginning	\$ 41,665,953	\$ 35,298,080	\$ 31,909,713
Prior Period Adjustment	\$ -	\$ 1,908,106	\$ (26,084)
Total Net Position - Ending	<u>\$ 42,837,896</u>	<u>\$ 41,665,951</u>	<u>\$ 35,298,080</u>

Ben Franklin Transit
Management's Discussion and Analysis

Revenues

BFT's passenger fares consist of revenues from the sale of passes and tickets as well as cash fares collected on-board revenue vehicles. Passenger fares also include fares paid by Vanpool customers. BFT customers can purchase fare media and make Vanpool payments via the BFT website. Fare media can also be purchased at many of the local sales outlet stores or in person at BFT customer service locations. Sales tax revenue is received at the end of each month and is based on the business conducted two months prior. These funds come directly from the State Treasurer and are deposited into BFT's bank account. State and Federal grants are remitted to BFT on an application basis and are also deposited directly into BFT's bank account.

Operating Revenues

Operating Revenues	2012	2011	2010
Passenger Fares	\$ 4,105,017	\$ 4,246,184	\$ 3,935,943
Other Operating Revenue	800,306	159,017	172,280
Total Operating Revenues	4,905,323	4,405,201	4,108,223
Non-Operating Revenues			
Operating Subsidies			
Sales Tax	25,902,472	25,732,901	23,897,059
Operating Grants	1,982,509	4,800,003	1,040,723
Other Non-Operating Revenues			
Investment Income	21,689	25,228	45,722
Miscellaneous Income	(133,660)	12,881	1,129
Total Non-operating Revenues	27,773,010	30,571,013	24,984,633
Total Revenues	\$32,678,333	\$34,976,214	\$29,092,856

Expenses

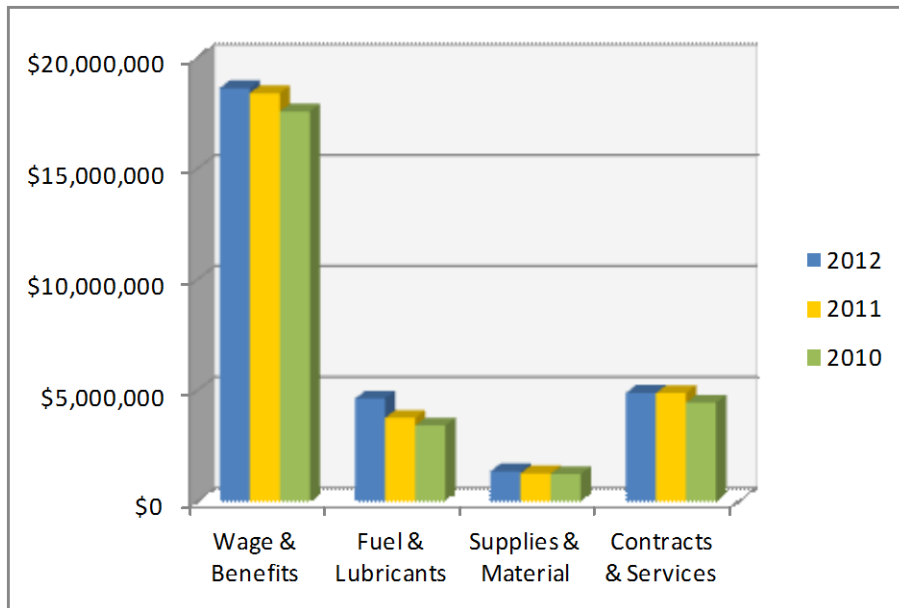
Wages and benefits for 2012 of \$18.6 million make up 56% of operating expenses and increased by 1.2% over 2011 levels. Contractual wage increases of 2.5% on January 1, 2012 accounted for the majority of the change in 2012. With a large fleet of diesel and gasoline vehicles, fuel is a significant expense for BFT. An increase of \$866,059 over 2011 is a result of increased fuel costs. BFT has taken measures to lower the cost of providing public transportation by outsourcing some of the low ridership days and times to various contractors. These contractors are able to provide these transportation needs at a lower rate than BFT. The community continues to benefit from these services and the demand for them continues to increase from year to year, thus a slight increase in contracts and services from 2011 to 2012.

Ben Franklin Transit
Management's Discussion and Analysis

Operating Expenses

Operating Expenses	2012	2011	2010
Wage & Benefits	\$18,626,248	\$18,401,340	\$17,579,938
Fuel & Lubricants	\$ 4,632,909	3,766,850	3,426,743
Supplies & Material	\$ 1,360,633	1,271,008	1,237,153
Contracts & Services	\$ 4,897,348	4,888,332	4,458,946
Depreciation & Amortization	\$ 3,995,734	3,082,137	3,163,320
Total Operating Expenses	\$33,512,872	\$31,409,667	\$29,866,100
Non-Operating Expenses			
Prior Period Adjustments	-	1,908,106	26,084
Total Non-Operating Expenses	-	1,908,106	26,084
Total Expenses	33,512,872	33,317,773	29,892,184

Operating Expenditures by Type



Ben Franklin Transit
Management's Discussion and Analysis

Operating Grants

In 2012, BFT received Federal and State operating grants in the amount of \$1,982,508. These funds help diffuse operation expenses. BFT uses operating grants to pay for part of the wages of its fixed route coach operators. For 2013, BFT has budgeted to receive \$6,000,000 in Federal operating grant assistance.

Operating Grants

2012	2011	2010
\$ 1,982,509	\$ 4,800,003	\$ 1,040,723

Capital Grants

BFT received Federal and State capital grants to assist with the procurement of buses and other capital projects. Capital projects were down in recent years as BFT has completed its Maintenance Operations and Administration expansion project. In 2012, BFT received just over \$2,000,000 in capital contributions. BFT is now gearing up for the acquisition of fixed route buses, which may include two all electric buses and has budgeted for just over \$6,000,000 for 2013 Federal capital grant contributions.

For more detailed information, please see Note 9 of the Notes to the Financial Statements (page 45).

Capital Assets

BFT's capital assets consist of land, vehicles, passenger facilities, shop equipment, and projects in progress with an acquisition value of more than \$5,000 and a useful life of more than one year. BFT's investment in capital assets net of depreciation as of December 31, 2012, totaled \$23,517,995 compared to \$26,423,460 in 2011 and \$28,197,257 in 2010. Capital assets decreased in 2012 by 11.0 percent or \$2,905,465. They also decreased from 2010 to 2011 by \$1,773,797 or 6.3 percent. Major capital acquisitions in 2012 and 2011 included the following:

- 2011 major vehicle acquisition included six used 35' fixed route vehicles (\$18,000).
- 2012 major vehicle acquisitions included five used para-transit vehicles (\$58,227) from Spokane Transit Authority and nine used para-transit vehicles (\$70,823) from Pierce Transit

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

Financial Outlook

BFT recognizes that its heavy reliance on sales tax revenues makes it more susceptible to economic fluctuations than most government agencies. In response, BFT has in place reserve policies to insulate it from short-term revenue downturns and unanticipated expenditures. The operating reserve policy sets operating reserves to be equal to three months' operating expenses. This amounts to nearly \$7.9 million in 2012. BFT is currently in compliance with this policy.

Sales tax revenues for 2012 totaled \$25,902,472 or 10.6 percent over the budgeted amount of \$23,411,543. BFT has projected sales tax revenue growth at 2.4 percent for 2013. BFT closely monitors revenues when determining service levels and capital expansion as stated in its six-year TDP. BFT does not anticipate any service level increases or decreases in 2013. Capital investment will focus on modest vehicle replacement 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 and is confident in its ability to weather these economic conditions.

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: Administrative Services Manager, 1000 Columbia Park Trail, Richland, WA 99352 or by calling 509.735.4131.

Basic Financial Statements



BFT's All Electric Transit Bus leading the Night Cruise (a parade of cars) in Cool Desert Nights, an annual Tri-Cities event

This page intentionally left blank.

Ben Franklin Transit
Comparative Statement of Net Position
December 31, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 15,873,724	\$ 7,864,833
Sales Tax Receivable	4,559,766	3,769,971
Accounts Receivable	672,157	4,129,871
Inventory	431,326	1,100,130
Prepaid Expenses	8,005	7,720
Total Current Assets	21,544,978	16,872,525
Non-Current Assets		
Capital Assets		
Land	2,343,718	2,343,718
Work in Progress	21,027	-
Site & Structure Improvements	23,382,138	23,551,205
Vehicles & Equipment	29,215,368	31,750,113
Less: Accumulated Depreciation	(31,444,256)	(31,221,576)
Total Capital Assets	23,517,995	26,423,460
Other Non-Current Assets		
Intangible Assets	-	921,763
Deferred Outflows - Hedging Derivatives	1,910	41,306
Total Non-Current Assets	23,519,905	27,386,529
Total Assets	45,064,883	44,259,053
Liabilities		
Current Liabilities		
Accounts Payable	584,814	726,544
Accrued Expenses	882,817	660,300
Contracts Payable	681	661
Other Current Liabilities	-	80
Total Current Liabilities	1,468,312	1,387,585
Non-Current Liabilities		
Compensated Absences	756,765	1,164,210
Deferred Inflows - Hedging Derivatives	1,910	41,306
Total Non-Current Liabilities	758,675	1,205,516
Total Liabilities	2,226,987	2,593,101
Net Position		
Invested in Capital Assets	23,517,995	26,423,460
Unrestricted Net Position	19,319,901	15,242,491
Total Net Position	\$ 42,837,896	\$ 41,665,951

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

Ben Franklin Transit
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating Revenues		
Passenger Fares	\$ 4,105,017	\$ 4,246,184
Other Operating Revenue	800,306	159,017
Total Operating Revenues	<u>4,905,323</u>	<u>4,405,201</u>
Operating Expenses		
Operations	17,552,235	17,515,588
Maintenance	7,930,019	7,105,350
Administrative Expenses	4,034,884	3,706,592
Depreciation & Amortization	3,995,734	3,082,137
Total Operating Expenses	<u>33,512,872</u>	<u>31,409,667</u>
Operating Income (Loss)	<u>\$ (28,607,549)</u>	<u>\$ (27,004,466)</u>
Non-Operating Revenues (Expense)		
Sales Tax	25,902,472	25,732,901
Interest Income	21,689	25,228
Operating Grants	1,982,509	4,800,003
Gain (Loss) of Sale of Assets	(133,660)	12,881
Total Non-Operating Revenues (Expense)	<u>27,773,010</u>	<u>30,571,013</u>
Net Income (Loss) Before Contributions	(834,539)	3,566,546
Capital Contributions	2,006,482	893,219
Net Income (Loss) After Contributions	<u>1,171,943</u>	<u>4,459,765</u>
Total Net Position - Beginning	41,665,953	35,298,080
Prior Period Adjustment	-	1,908,106
Total Net Position - Ending	<u>\$ 42,837,896</u>	<u>\$ 41,665,951</u>

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

Ben Franklin Transit
Comparative Statement of Cash Flows
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities:		
Cash Received From Customers	\$ 3,619,081	\$ 4,249,427
Other Cash Receipts	800,306	138,195
Cash Payments to Employees for Services	(13,598,886)	(12,072,902)
Cash Payments to Suppliers for Goods & Services	(15,576,451)	(15,024,331)
Net Cash Provided (Used) by Operating Activities	<u>(24,755,950)</u>	<u>(22,709,611)</u>
Cash Flows from Noncapital Financing Activities		
Sales Tax Received	25,112,678	24,828,352
Operating Grants Received	5,926,158	1,732,928
Net Cash Provided by Noncapital Financing Activities	<u>31,038,836</u>	<u>26,561,280</u>
Cash Flows from Capital and Related Financing Activities		
Capital Grants and Contribution	2,006,482	919,927
Proceeds of the Disposition of Capital Assets	14,605	-
Acquisition and Construction of Capital Assets	(316,771)	(1,243,439)
Net Cash Used by Capital and Related Financing Activities	<u>1,704,316</u>	<u>(323,512)</u>
Cash Flows from Investing Activities		
Proceeds from Investment Securities	-	21,121
Interest on Investments	21,689	25,228
Net Cash Provided by Investing Activities	<u>21,689</u>	<u>46,349</u>
Net Increase (Decrease) in Cash and Cash Equivalents	8,008,891	3,574,506
Balances - Beginning of the Year	7,864,833	4,290,327
Balances - End of the Year	<u>\$ 15,873,724</u>	<u>\$ 7,864,833</u>
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	(28,607,549)	(27,004,466)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and Amortization	3,472,863	3,082,137
Impairment	522,871	-
Noncash Adjustments	(429,655)	1,805,367
Change in Assets and Liabilities:		
(Increase) Decrease in Receivables	(10,152)	-
(Increase) Decrease in Inventories	154,005	(203,656)
(Increase) Decrease in Prepaid Expense	(285)	(4,941)
Increase (Decrease) in Payables	80,727	(384,052)
Increase (Decrease) in Vacation Accrual	61,225	-
Net Cash Used by Operating Activities	<u>\$ (24,755,950)</u>	<u>\$ (22,709,611)</u>

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of BFT conform to generally accepted accounting principles applicable to governmental units. The following is a summary of significant accounting policies presented to assist the reader in interpreting the financial statements. These notes should be viewed as an integral part of the accompanying financial statements.

- A. Reporting Entity** – Ben Franklin Transit (BFT) was authorized May 11, 1981, a municipal corporation formed under the authority of Chapter 36.57A of the Revised Code of Washington State. It operates Fixed Routes, Para-transit, Vanpool, Taxi Feeder, General Demand, and Night Service to the general 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.

BFT is a separate entity and is fiscally independent of other state and local government entities. Per criteria of Government Accounting Standards Board (GASB) 14, BFT is a primary government for reporting and there are no additional entities or funds for which BFT has reporting responsibilities.

- B. Measurement Focus, Basis of Accounting and Financial Statement Presentation** – BFT is a single enterprise proprietary fund accounted for on a flow of economic resources measurement focus. The measurement focus emphasizes the determination of increased/decreased net position and uses the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded as soon as they result in liabilities for benefits received. The fund activities are reported on a set of self-balancing financial statements that comprise its assets, liabilities, net position, revenues and expenses, and cash flows. Revenue and expenses are recorded as operating or non-operating.

BFT's operating revenues are generated directly from its transit operations and consist principally of passenger fares. Operating expenses for transit operations 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 other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. Unrestricted net position for the fund represents the net position available for future transit operations and capital asset acquisitions.

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, all Financial Accounting Standards Board (FASB) statements, and authoritative pronouncements issued on and before November 30, 1989 are applied to proprietary operations unless they conflict with GASB pronouncements. BFT has elected not to apply FASB statements issued subsequent to November 30, 1989.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

C. Assets, Liabilities, and Net Position

1. Cash and Cash Equivalents – Cash and all highly liquid investments and deposits with a maturity period of three months or less when purchased are considered as cash equivalents. State statutes permit BFT to invest in obligations of the United States, certificates of deposits issued by banks that are designated as public depositories by the Washington Public Deposit Protection Commission (PDPC) and the Local Government Investment Pool (LGIP). Investments are reported at fair market value measured by quoted market price. The reported value of the LGIP is the same as the fair value of the pool shares.
2. Receivables – Receivables consist mainly of bus pass sales not yet billed and sales tax.
3. Inventory and Prepaid Expenses – Inventory consists of fuel, tires, repair parts, and supplies. Purchases are recorded as increases to inventory and valued by the FIFO (First In, First Out) method. Expenses are recorded as the materials are used. Prepaid expenses consist of normal operating expenses for which payment is due at the first of the month or paid on an annual basis such as insurance and maintenance contracts. Prepaid transactions are expensed when the benefit is received.
4. 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.
5. Capital Assets – Capital assets, which include property, facilities, and equipment, are stated at historical cost or at fair market value as of the date contributed. The costs of asset replacements that improve or extend the asset's life are capitalized. The cost of normal maintenance and repairs is charged to operations as incurred. It is BFT's policy to capitalize all capital assets with an individual cost of more than \$5,000, and a useful life in excess of one year. 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.

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Asset	Years
Vehicles	5 - 12
Buildings and Structures	10 - 40
Equipment and Furnishings	5 - 20
Land Improvements	5 - 40

(Also, see Note 4 – Capital Assets and Depreciation)

6. Compensated Absences – Compensated absences or personal time off (PTO) are absences for which employees will be paid. BFT records unpaid leave for compensated absences as expenses and as liabilities when incurred. Employees may accumulate up to 480 hours. PTO is payable upon resignation, retirement or death. The balance at January 1, 2012 was \$1,164,210 with increases of \$9,362,655 and decreases of \$9,770,100 and an ending balance at December 31, 2012 of \$756,765
7. 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.
8. New Pronouncements – In 2012, BFT implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement identifies net position as the residual of all other elements presented in a statement of financial position, and renames that measure as net position, rather than net assets. This statement also provides financial reporting guidance for deferred outflows and inflows of resources. These elements are defined as consumption or acquisition of net position that is applicable to a future reporting period.

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

NOTE 2 – CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as of December 31, 2012 and 2011 respectfully as follows:

Composition of Cash and Cash Equivalents

	2012	2011
Demand Deposits	\$ 15,873,724	\$ 7,864,833
Investments having original maturities of less than 3 months	-	-
Total Cash and Cash Equivalents	\$ 15,873,724	\$ 7,864,833

All bank deposits are entirely insured by the Federal Depository Insurance Corporation (FDIC) and by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

NOTE 3 – RECEIVABLES

Receivables are reported net of allowance for uncollectible amounts. Receivables consist of the following:

	2012	2011
Accounts Receivable	\$ 672,157	\$ 4,129,871
Sales Tax Receivable	4,559,766	3,769,971
Total Receivables	\$ 5,231,923	\$ 7,899,842

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

NOTE 4 – CAPITAL ASSETS AND DEPRECIATION

Activity for the year ended December 31, 2012 was as follows:

Description	Balance Jan 1, 2012	Increases	Reclass	Decreases	Balance Dec 31, 2012
Non-Depreciated Capital Assets					
Land	\$ 2,343,718	\$ -	\$ -	\$ -	\$ 2,343,718
Work in Progress	\$ -	21,027	-	-	21,027
Total Non-Depreciated Capital Assets	2,343,718	21,027	-	-	2,364,745
Depreciated Capital Assets					
Vehicles	\$ 29,692,182	166,121	-	1,400,686	28,457,616
Building and Structures	\$ 23,551,205	34,494	921,763	1,125,325	23,382,137
Equipment and Furnishing	\$ 2,057,931	95,128	-	1,395,307	757,752
Intangible Property	\$ 921,763	-	(921,763)	-	-
Total Depreciated capital Assets	56,223,081	295,743	-	3,921,318	52,597,506
Accumulated Depreciation					
Vehicles	\$ 18,828,028	2,187,347	188,577	1,400,686	19,803,265
Building and Structures	\$ 10,582,187	1,248,880	(173,851)	602,454	11,054,762
Equipment and Furnishing	\$ 1,811,361	36,636	(14,725)	1,247,043	586,228
Intangible Property	\$ -	-	-	-	-
Capital Assets Being Depreciated, Net	31,221,576	3,472,863	0	3,250,183	31,444,256
Capital Assets, Net	\$ 27,345,223	\$ (3,156,093)	\$ (0)	\$ 671,135	\$ 23,517,995

Activity for the year ended December 31, 2011 was as follows:

Description	Balance Jan 1, 2011	Increases	Disposals	Decreases	Balance Dec 31, 2011
Non-Depreciated Capital Assets					
Land	\$ 2,343,718	\$ -	\$ -	\$ -	\$ 2,343,718
Work in Progress	7,020,289	820,427	-	7,840,716	-
Total Non-Depreciated Capital Assets	9,364,007	820,427	-	7,840,716	2,343,718
Depreciated Capital Assets					
Vehicles	37,714,502	494,773	870,237	9,387,330	29,692,182
Building and Structures	13,791,252	7,840,716	1,919,237	-	23,551,205
Equipment and Furnishing	3,366,939	1,380	(1,310,388)	-	2,057,931
Intangible Property	851,925	69,838	-	-	921,763
Total Depreciated capital Assets	55,724,618	8,406,707	1,479,086	9,387,330	56,223,081
Accumulated Depreciation					
Vehicles	26,030,545	2,176,573	-	9,379,090	18,828,028
Building and Structures	8,622,267	780,574	1,179,346	-	10,582,187
Equipment and Furnishing	1,386,631	124,990	299,740	-	1,811,361
Intangible Property	-	-	-	-	-
Capital Assets Being Depreciated, Net	36,039,443	3,082,137	1,479,086	9,379,090	31,221,576
Capital Assets, Net	\$ 29,049,182	\$ 6,144,997	\$ -	\$ 7,848,956	\$ 27,345,223

Note: December 31, 2011 balance includes intangible assets of \$921,763.

NOTE 4 – CAPITAL ASSETS AND DEPRECIATION (continued)

Construction Commitments

At December 31, 2012, BFT had no outstanding construction commitments. At December 31, 2011, this amount was approximately \$287,989.

NOTE 5 – PENSION PLANS

Substantially all 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 retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to the GASB Statement 27, *Accounting for Pensions by State and Local Government Employers* and the GASB Statement 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

Public Employees' Retirement System (PERS) Plans 1, 2, and 3

Plan Description

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts; employees of legislative committees; community and technical colleges, college and university employees not participating in higher education retirement programs; employees of district and municipal courts; and employees of local governments. Approximately 50 percent of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or Plan 3. The option must be exercised within 90 days of employment. Employees who fail to choose within 90 days default to Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

NOTE 5 – PENSION PLANS (continued)

PERS is comprised of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

PERS Plan 1 and Plan 2 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. during DRS' Fiscal Year 2012, the rate was five and one-half percent compounded quarterly. Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from PERS-covered employment.

PERS Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service, but the benefit may not exceed 60 percent of the AFC. The AFC is the monthly average of the 24 consecutive highest-paid service credit months.

The monthly benefit is subject to a minimum for retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. If a survivor option is chosen, the benefit is reduced. Plan 1 members retiring from inactive status prior to the age of 65 may also receive actuarially reduced benefits. Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity. The benefit amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60, at which time the benefit is converted to the member's service retirement amount. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the benefit amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. Plan 1 members may elect to receive an optional COLA amount (based on the Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service while actively serving in the military if such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

NOTE 5 – PENSION PLANS (continued)

The survivor of a PERS Plan 1 member who dies after having earned ten years of service credit has the option, upon the member's death, of either a monthly survivor benefit or the lump sum of contributions plus interest.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

PERS Plan 2 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 reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3 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 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. The surviving spouse or eligible child(ren) of a PERS Plan 2 member who dies after having earned ten years of service credit has the option of either a monthly benefit or a lump sum payment of the member's contributions plus interest.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. As established by Chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries, based on member choice. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 investments are made in the same portfolio as that of the PERS 2/3 defined benefit plan.

For DRS' fiscal year 2012, PERS Plan 3 employee contributions were \$95.2 million, and plan refunds paid out were \$66.2 million.

The defined benefit portion of PERS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit, and Plan 3 provides the same cost of living allowance as Plan 2.

NOTE 5 – PENSION PLANS (continued)

Effective June 7, 2006, PERS 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 twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 by June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service. These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions.

PERS Plan 2 and Plan 3 members who become totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible child(ren), may request interruptive military service credit.

PERS Plan 2 and Plan 3 members can purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Director of the Department of Labor and Industries.

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

NOTE 5 – PENSION PLANS (continued)

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of AFC. Judges in PERS Plan 3 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of AFC.

Members who chose to participate would: accrue service credit at the higher multiplier beginning with the date of their election; be subject to the benefit cap of 75 percent of AFC; stop contributing to the Judicial Retirement Account (JRA); pay higher contributions; and be given the option to increase the multiplier on past judicial service. Members who did not choose to participate would: continue to accrue service credit at the regular multiplier; not be subject to a benefit cap; continue to participate in JRA, if applicable; continue to pay contributions at the regular PERS rate; and never be a participant in the JBM Program.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM Program. Members required into the JBM program would: return to prior PERS Plan if membership had previously been established; be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member; accrue the higher multiplier for all judicial service; not contribute to JRA; and not have the option to increase the multiplier for past judicial service.

There are 1,184 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2011:

Retirees and Beneficiaries Receiving Benefits	79,363
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	29,925
Active Plan Members Vested	105,578
Active Plan Members Non-Vested	46,839
Total	261,705

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

NOTE 5 – PENSION PLANS (continued)

Funding Policy

Each biennium, the state Pension Funding Council adopts PERS Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from 5 percent to 15 percent, based on member choice. Two of the options are graduated rates dependent on the employee's age.

As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2012, are as follows:

Members Not Participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	7.21%**	7.21%**	7.21%***
Employee	6.00%****	4.64%****	*****

Notes:

* The employer rates include the employer administrative expense fee currently set at 0.16%.

** The employer rate for state elected officials is 10.74% for Plan 1 and 7.21% for Plan 2 and Plan 3.

*** Plan 3 defined benefit portion only.

**** The employee rate for state elected officials is 7.50% for Plan 1 and 4.64% for Plan 2.

***** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

NOTE 5 – PENSION PLANS (continued)

Members Participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer-State Agency*	9.71%	9.71%	9.71%**
Employer-Local Government*	7.21%	7.21%	7.21%**
Employee-State Agency	9.76%	9.10%	7.50%
Employee-Local Government	12.26%	11.60%	7.50%***

Notes:

* The employer rates include the employer administrative expense fee currently set at 0.16%.

** Plan 3 defined benefit portion only.

*** Minimum rate.

Both BFT and the employees made the required contributions. BFT required contributions for the years ended December 31, 2012, 2011 and 2010 were as follows:

	PERS Plan 1 (\$)	PERS Plan 2 (\$)	PERS Plan 3 (\$)
2012	21,738	1,322,139	195,089
2011	19,505	1,116,507	169,935
2010	18,187	964,104	147,928

NOTE 6 – RISK MANAGEMENT

BFT is a member of the Washington State Transit Insurance Pool (WSTIP). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.94 RCW, the Inter-local Cooperation Act. The Pool was formed on January 1, 1989 when eight transits in the state of Washington joined together by signing an Inter-local Government Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Sixteen (16) other transits have joined the Pool since then. The Pool allows members programs of joint self-insurance; joint purchasing of insurance and joint contracting for hiring of personnel to provide risk management, claims handling and administrative services. The coverage provided by the pool are property and liability insurance protecting the member systems assets and personal property and from claims arising from the negligent or other tortuous conduct of the member Transit System, their officers, employees, or agents.

For the years ended December 31, 2012, 2011 and 2010 BFT claim settlements did not exceed insurance coverage.

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

NOTE 6 – RISK MANAGEMENT (continued)

Coverage:

RISK	COVERAGE
Auto Liability	\$12,000,000 per occurrence with a \$0 deductible
General Liability	\$12,000,000 per occurrence with a \$0 deductible
Property	\$1,000,000,000 per occurrence with a \$5,000 deductible
Flood	\$10,000,000 per occ/agg \$5,000 deductible \$ 1,000,000 per occ/agg Flood Zone A
Earthquake	\$10,000,000 per occ/agg \$5,000 deductible
In-Transit	\$100,000 per occurrence \$5,000 deductible
Boiler & Machinery	\$100,000,000 per occurrence with a \$5,000 deductible
Public Officials	\$12,000,000 per claim/aggregate with a \$5,000 deductible
Public Honesty Bond / Faithful Performance	\$1,000,000 per claim with a \$10,000 deductible
Monies & Securities	\$1,000,000 per claim with a \$10,000 deductible
Depositors Forgery	\$1,000,000 per claim with a \$10,000 deductible
Auto Physical Damage	\$1,000,000,000 per occurrence with a \$5,000 deductible (fair market value)

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.

NOTE 8 – DERIVATIVE INSTRUMENTS

BFT entered into a Fuel Risk Management agreement with five Washington State transit agencies for the purpose of entering into a fuel price "hedge" contract to mitigate the variability of fuel prices by providing predictable and stable pricing over a set period time. Parties to the Inter-local Agreement include Link Transit, Ben Franklin Transit, Clallam Transit, Grant Transit Authority, Jefferson Transit Authority, and Valley Transit (Transits). The role of Project Administrator was assumed by Link Transit. Using a competitive process, the Transits selected a vendor and contractually agreed to purchase approximately 84,000 gallons of low sulfur #2 diesel fuel each month. On February 1, 2009, the Transits extended the contract and agreed to purchase one additional lot, which increased the total number of gallons purchased each month to 126,000 in the amounts shown in the Fuel Purchase Calculation table below.

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

NOTE 8 – DERIVATIVE INSTRUMENTS (continued)

The selected vendor offers a contract, which provides the opportunity for the Transits to mitigate the variability in the price of fuel. Under this contract, no specific supplier is required and the Transits can purchase fuel from providers other than the specified vendor. If the monthly average index price for fuel of the type purchased by the Transits, in this case, OPIS (Spot Prices for Pacific Northwest Low Sulfur No 2 Diesel Fuel) rises above the price agreed upon, the Contractor agrees to reimburse to the Transits, the difference between the fixed price and the monthly average index price on the day the fuel was purchased. If the monthly average index price falls below the agreed upon fixed price, the Transits pay the contractor the difference between the fixed price and the monthly average index price on the day the fuel was purchased. This type of Contract is referred to as a “Paper Swap” contract.

To determine how many gallons each Transit is committed to purchase, the number of gallons in the total number of lots committed for purchase each month is multiplied by the percentage share of each transit property. The sum of each multiplication for the designated Transit equals the number of gallons of fuel that each specific Transit commits to purchase each month, pursuant to this agreement. BFT is obligated to purchase 64,000 gallons of fuel each month to meet the provisions of this agreement.

On a monthly basis the average change in the OPIS price index is calculated and compare to the contract base price (\$2.40 (Jan) and \$3.00 (Feb-Dec) per gallon). If the OPIS index price for Pacific NW #2 low sulfur diesel fuel is lower than the contract price, the Contractor bills the Transits collectively for the difference times the number of gallons contracted.

If the price of the index is higher than the base price the Contractor pays the Transits collectively for the difference. The amount each transit owes or receives during this monthly settling is based on the percentages presented in the Fuel Purchase Calculation table below. BFT recognizes gains or losses from this contract a monthly basis.

Fuel Purchase Calculation:

Agency	Gallons prior to 2/1/09	% of Total	Gallons as of 2/1/09	% of Total
Ben Franklin	38,500	45.8	64,000	50.8
Link	18,000	21.4	25,000	19.8
Clallam	14,000	16.7	21,000	16.7
Grant	7,000	8.3	7,000	5.5
Jefferson	4,000	4.8	4,000	3.2
Valley	2,500	3.0	5,000	4.0
Total	84,000	100.0	126,000	100.0

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

NOTE 8 – DERIVATIVE INSTRUMENTS (continued)

A. Summary of Derivative Instruments – BFT had the following derivative instruments outstanding at December 31, 2012 and 2011.

	Changes in Fair Value		Fair Value at December 31,			Notional (gal)
	Classification	Amount	Classification	Date	Amount	
Commodity Forward	Deferred Inflow	\$39,396	Derivative	2012	\$1,910	38,500
Commodity Forward	Deferred Inflow	\$184,512	Derivative	2011	\$41,306	128,000

B. Objective and Terms of Derivative Instrument:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counter Party Rating
Commodity Forward Contract	Hedge of cash flows due to market price fluctuation #2 Low Sulfur Diesel Fuel	64,000	2/1/2009	2/1/2012	Pay \$2.40 per gallon; settlement based on OPIS Pacific NW #2 Low Sulfur Diesel Fuel	AA/Aa2

C. Net Cash flows of Derivatives Hedging Debt – None

D. Hedging Derivative Risks – BFT has hedging derivative risk associated with the ongoing fluctuations in the commodities pricing for diesel fuel. BFT is responsible for fluctuations in fuel pricing that causes the OPIS index to drop below the base contract price of \$2.40 and \$3.00 per gallon. Based on industry data used to determine the fair value this hedging contract, the OPIS index price for Pacific NW #2 Low Sulfur Diesel Fuel is projected to remain above the base contract price through January 2013 when the contract expires.

Year	Base Gallons Per Year	Hedge Rate (\$)	Base amount Per Year (\$)	Average Rates (\$)	Average amount Per Year (\$)	Earnings (Payments) Per Year (\$)	Total Hedging Gains (Losses) (\$)
2006	462,000	1.99	918,918	2.09	967,243	48,325.20	48,325.00
2007	462,000	2.17	1,001,385	2.24	1,033,633	32,268.39	80,593.39
2008	462,000	2.72	1,256,640	2.99	1,383,505	193,317.12	273,910.51
1/1/2009	38,500	2.72	104,720	1.51	58,062	(46,658.00)	227,252.51
2/1/2009	729,500	2.40	1,750,800	1.73	1,262,035	(502,511.92)	(275,259.41)
2010	768,000	2.40	1,843,200	2.23	1,712,640	(112,065.92)	(387,325.33)
2011	768,000	2.40	1,843,200	3.08	2,365,363	522,135.04	134,809.71
2012	64,000	2.40	153,600	3.05	194,880	41,280.00	176,089.71
2012	423,500	3.00	1,270,500	3.05	1,293,623	23,148.70	199,238.41

Ben Franklin Transit
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

NOTE 9 – CAPITAL CONTRIBUTIONS

Capital Contributions	<u>2012</u>	<u>2011</u>	<u>2010</u>
Federal	\$1,951,249	\$893,219	\$3,452,670
State	55,233	-	735,025
Total Capital Contributions	<u>\$2,006,482</u>	<u>\$893,219</u>	<u>\$4,187,695</u>

NOTE 10 – LEASE OBLIGATIONS

BFT currently has eight operating lease agreements, primarily for Park-N-Ride lots and one for office space. While these are long-term leases, the combined annual commitments are less than \$7,300.

NOTE 11 – OTHER DISCLOSURES

1. Fuel Derivative Instrument – In September 2011, BFT extended its Fuel Risk Management agreement to January 2013.
2. Other Operating Revenues – Other operating revenues increased from 2011 to 2012 by \$641,289 due to general ledger reconciliations in both Accounts Receivable (\$457,784) and Cash accounts (\$74,858). These amounts were associated with transactions in prior periods. Due to their immateriality, management has opted to recognize these revenues in the current period.
3. Capital Contributions – Capital Contribution amounts reported on the 2012 financial statements total \$2,006,482. Of this amount, \$1,951,249 is associated with capital grant expenditures incurred in 2010 and 2011. In December of 2012, BFT requested and received these funds from the Federal Transit Administration. Due to the overall immateriality of this item management has opted to realize these contributions in the current period.

This page intentionally left blank.



Statistical Section



Bus line-up at Dayton Transfer Center in Kennewick, WA

This page intentionally left blank.

Ben Franklin Transit
Statistical Section
For the Years Ended December 31, 2012 and 2011

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

CONTENTS **PAGE**

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

- Net Position.....51
- Change in Net Position.....52

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.....53
- Direct and Overlapping Sales Tax Rates.....55

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.....56
- Principal Employers.....57

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.....58

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

Ben Franklin Transit
Statistical Section
For the Years Ended December 31, 2012 and 2011

This page intentionally left blank.

Ben Franklin Transit
 Statistical Section
 For the Years Ended December 31, 2012 and 2011

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net Position										
Invested in capital assets	\$ 23,517,995	\$ 26,423,460	\$ 28,197,257	\$ 24,861,623	\$ 23,561,317	\$ 22,147,012	\$ 22,580,847	\$ 21,585,191	\$ 17,723,927	\$ 15,426,855
Unrestricted	19,319,901	15,242,491	7,100,823	7,048,090	7,147,662	9,575,336	9,927,233	11,422,784	13,074,615	12,540,620
TOTAL Net Position	<u>\$ 42,837,896</u>	<u>\$ 41,665,951</u>	<u>\$ 35,298,080</u>	<u>\$ 31,909,713</u>	<u>\$ 30,708,979</u>	<u>\$ 31,722,348</u>	<u>\$ 32,508,080</u>	<u>\$ 33,007,975</u>	<u>\$ 30,798,542</u>	<u>\$ 27,877,475</u>

Ben Franklin Transit
Statistical Section
For the Years Ended December 31, 2012 and 2011

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Operating Revenues										
Passenger Fares	\$ 4,105,017	\$ 4,246,184	\$ 3,935,943	\$ 3,968,962	\$ 3,523,056	\$ 2,865,336	\$ 2,162,424	\$ 2,084,556	\$ 1,879,535	\$ 1,587,506
Other Operating Revenue	800,306	159,017	172,280	1,206,605	112,665	150,093	130,938	106,252	113,168	85,514
Total Operating Revenues	<u>\$ 4,905,323</u>	<u>\$ 4,405,201</u>	<u>\$ 4,108,223</u>	<u>\$ 5,175,567</u>	<u>\$ 3,635,721</u>	<u>\$ 3,015,429</u>	<u>\$ 2,293,362</u>	<u>\$ 2,190,808</u>	<u>\$ 1,992,724</u>	<u>\$ 1,673,020</u>
Operating Expenses										
Operations	\$ 17,552,235	\$ 17,515,588	\$ 16,875,777	\$ 18,120,044	\$ 18,708,584	\$ 17,007,204	\$ 15,652,177	\$ 14,383,098	\$ 12,971,082	\$ 10,700,349
Maintenance	7,930,019	7,105,350	6,599,674	6,880,505	7,477,613	6,235,244	5,616,279	4,572,440	3,376,579	2,855,105
Administrative Expenses	4,034,884	3,706,592	3,227,329	3,360,359	3,549,597	3,122,439	3,319,643	3,313,336	3,451,106	3,173,504
Depreciation & Amortization	3,995,734	3,082,137	3,163,320	3,443,315	3,113,690	2,966,544	3,088,414	2,311,272	1,593,073	1,335,723
Other Operating Expenses	-	-	-	804,805	-	-	-	-	36,757	-
Total Operating Expenses	<u>33,512,872</u>	<u>31,409,667</u>	<u>29,866,100</u>	<u>32,609,028</u>	<u>32,849,484</u>	<u>29,331,431</u>	<u>27,676,513</u>	<u>24,580,146</u>	<u>21,428,627</u>	<u>18,064,681</u>
Operating Income (Loss)	<u>\$ (28,607,549)</u>	<u>\$ (27,004,466)</u>	<u>\$ (25,757,877)</u>	<u>\$ (27,433,461)</u>	<u>\$ (29,213,763)</u>	<u>\$ (26,316,002)</u>	<u>\$ (25,383,151)</u>	<u>\$ (22,389,338)</u>	<u>\$ (19,435,903)</u>	<u>\$ (16,391,661)</u>
Non-Operating Revenues (Expense)										
Sales Tax	\$ 25,902,472	\$ 25,732,901	\$ 23,897,059	\$ 22,773,709	\$ 23,386,739	\$ 22,975,166	\$ 20,566,210	\$ 20,633,101	\$ 18,752,230	\$ 18,924,604
Interest Income	21689	25,228	45,722	109,970	352,849	423,030	381,141	348,599	386,832	448,101
Operating Grants	1,982,509	4,800,003	1,040,723	1,089,671	1,003,811	-	1,133,373	-	464,892	-
Gain (Loss) of Sale of Assets	(133,660)	12,881	1,129	66,684	-	-	-	28,584	6,793	-
Total Non-Operating Revenues (Expense)	<u>\$ 27,773,010</u>	<u>\$ 30,571,013</u>	<u>\$ 24,984,633</u>	<u>\$ 24,040,034</u>	<u>\$ 24,743,399</u>	<u>\$ 23,398,196</u>	<u>\$ 22,080,724</u>	<u>\$ 21,010,284</u>	<u>\$ 19,610,747</u>	<u>\$ 19,372,705</u>
Net Income (Loss) Before Contributions	\$ (834,539)	\$ 3,566,547	\$ (773,244)	\$ (3,393,427)	\$ (4,470,364)	\$ (2,917,806)	\$ (3,302,427)	\$ (1,379,054)	\$ 174,844	\$ 2,981,044
Capital Contributions	2,006,482	893,219	4,187,695	4,594,161	3,456,995	2,132,074	2,802,532	3,588,487	2,746,223	2,087,971
Net Income (Loss) After Contributions	<u>\$ 1,171,943</u>	<u>\$ 4,459,766</u>	<u>\$ 3,414,451</u>	<u>\$ 1,200,734</u>	<u>\$ (1,013,369)</u>	<u>\$ (785,732)</u>	<u>\$ (499,895)</u>	<u>\$ 2,209,433</u>	<u>\$ 2,921,067</u>	<u>\$ 5,069,015</u>
Changes in Net Position	<u>\$ 1,171,943</u>	<u>\$ 4,459,766</u>	<u>\$ 3,388,367</u>	<u>\$ 1,200,734</u>	<u>\$ (1,013,369)</u>	<u>\$ (785,732)</u>	<u>\$ (499,895)</u>	<u>\$ 2,209,433</u>	<u>\$ 2,921,067</u>	<u>\$ 5,069,015</u>

Source: Comprehensive Annual Financial Report

Ben Franklin Transit
Statistical Section
For the Years Ended December 31, 2012 and 2011

TAXABLE SALES BY CATEGORY
Benton County PTBA and Franklin County PTBA (combined)
2012-2000
(in thousands of dollars)

CATEGORY (NAICS version)*	Fiscal Year								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Retail Trade	\$23,425,357	\$ 21,047,366	\$17,989,638	\$ 2,923,946	\$12,389,867	\$ 8,625,856	\$ 8,022,230	\$ 5,580,966	\$ 5,092,625
Agriculture, Forestry, Fishing	5,503,141	1,135,244	458,275	11,611	1,541,752	120,422	85,525	1,132,902	-
Mining	** D	36,456	D	-	-	-	-	-	-
Utilities	D	D	D	-	595,581	-	-	-	-
Construction	21,156,484	36,023,552	22,130,807	8,744,222	25,797,288	43,728,128	13,147,738	26,887,357	21,222,374
Manufacturing	2,578,969	6,264,291	4,805,586	1,026,327	6,016,468	2,995,520	2,307,554	17,447,822	2,622,024
Wholesale Trade	11,095,132	11,943,181	11,221,582	2,009,370	7,602,270	8,488,102	9,908,239	9,768,160	3,546,185
Transportation & Warehousing	419,773	437,808	339,217	21,864	385,081	-	-	-	235,872
Information	11,459,346	7,814,799	6,341,997	3,677,611	15,979,583	14,860,839	14,377,148	12,250,533	12,981,546
Finance, Insurance	252,325	175,018	136,743	15,702	99,854	327,903	412,072	718,636	688,408
Real Estate, Rental/leasing	5,676,918	5,039,648	4,333,198	2,552,082	2,820,608	1,916,461	1,525,455	1,282,312	1,715,331
Professional, Scientific & Technical Services	10,987,017	6,460,247	2,530,303	387,286	3,034,012	17,701,664	1,152,179	629,943	700,000
Management, Education & Health Services	2,435,784	30,648,876	2,089,690	182,926	1,125,724	994,123	913,499	1,088,970	969,363
Arts, Entertainment & Recreation	361,648	330,322	64,885	-	84,010	79,347	-	70,082	-
Accommodations & Food Services	651,359	740,848	693,138	227,004	690,227	444,712	500,809	351,032	2,620,244
Other Services	2,692,778	2,371,187	3,033,713	615,133	2,944,216	1,595,334	1,080,948	1,058,188	1,021,178
Public Administration, Other	18,585	D	D	758	276	1,348	17,347	2,034,427	-
TOTAL TAXABLE SALES	\$98,714,616	\$ 130,468,843	\$76,168,772	\$22,395,842	\$81,106,817	\$101,879,759	\$53,450,743	\$80,301,330	\$53,415,150

Notes:

* QBR data switched from SIC codes to NAICS codes in 2004.

** "D" = Did not report for confidentiality reasons.

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

Ben Franklin Transit
 Statistical Section
 For the Years Ended December 31, 2012 and 2011

TAXABLE SALES BY CATEGORY (continued)
 Benton County PTBA and Franklin County PTBA (combined)
 2012-2000
 (in thousands of dollars)

CATEGORY (SIC version)*	Fiscal Year			
	2003	2002	2001	2000
Retail Trade	\$ 8,929,266	\$ 7,751,575	\$ 7,733,509	\$ 7,854,463
Services	3,505,508	4,922,865	6,645,826	4,739,128
Contracting	17,131,754	6,728,646	6,987,267	12,501,867
Manufacturing	16,167,616	1,159,619	313,648	209,354
Transportation/comm/utilities	28,311,933	17,745,918	19,299,327	3,088,358
Wholesaling	4,219,770	2,590,363	3,143,735	3,613,276
Finance/insurance/real Estate	698,454	736,448	1,212,686	1,722,330
Other Business	2,122,501	1,558,203	1,496,805	1,081,020
TOTAL TAXABLE SALES	\$81,086,802	\$ 43,193,637	\$46,832,803	\$34,809,796

Note:

* QBR data switched from SIC codes to NAICS codes in 2004.

Ben Franklin Transit
 Statistical Section
 For the Years Ended December 31, 2012 and 2011

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	
2012 Benton	0.6	%	1.8	%	6.5	%	8.3	%
2012 Franklin	0.6		2.1		6.5		8.6	
2011	0.6		1.8		6.5		8.3	
2010	0.6		1.8		6.5		8.3	
2009	0.6		1.8		6.5		8.3	
2008	0.6		1.8		6.5		8.3	
2007	0.6		1.8		6.5		8.3	
2006	0.6		1.8		6.5		8.3	
2005	0.6		1.8		6.5		8.3	
2004	0.6		1.8		6.5		8.3	
2003	0.6		1.8		6.5		8.3	

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

Source: Washington Department of Revenue

Ben Franklin Transit
Statistical Section
For the Years Ended December 31, 2012 and 2011

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)
2012	180,000	82,500	262,500	\$ -	DATA NOT YET PUBLISHED		\$ -		8.9%
2011	177,900	80,500	258,400	\$7,172,962	\$2,479,492	\$9,652,454	\$39,700	\$29,711	8.0%
2010	176,472	79,215	255,687	6,883,488	2,210,241	9,093,729	39,006	27,902	7.8%
2009	171,122	74,478	245,600	6,443,140	2,049,097	8,492,237	37,652	27,513	7.5%
2008	166,573	70,775	237,348	6,340,552	1,941,340	8,281,892	38,065	27,430	5.5%
2007	161,669	67,586	229,255	5,749,548	1,720,283	7,469,831	35,564	25,453	5.3%
2006	159,564	64,585	224,149	5,228,549	1,498,253	6,726,802	32,768	23,198	6.0%
2005	157,726	61,360	219,086	5,035,609	1,388,552	6,424,161	31,926	22,630	6.1%
2004	155,689	58,165	213,854	4,877,107	1,276,763	6,153,870	31,326	21,951	6.3%
2003	153,596	55,447	209,043	4,665,361	1,229,713	5,895,074	30,374	22,178	7.4%

Note:
2012 estimates of Personal Income (In Thousands) and Per Capita are scheduled to be released on Nov 21, 2013

Sources:
Population data - Washington State Office of Financial Management, Forecasting Division
2012 PTBA Population are estimates from the TRIDEC fact sheet

Personal Income and Per Capita Personal Income data - US Department of Commerce, Bureau of Economic Analysis
Last updated November 26, 2012 - new estimates for 2011; revised estimates for 2009-2010.
All state and local area dollar estimates are in current dollars (not adjusted for inflation).

Unemployment Rates - Washington State Employment Security Department

Ben Franklin Transit
Statistical Section
For the Years Ended December 31, 2012 and 2011

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Principal Employers:	2012			2003		
	Number of Employees	Rank	Percent of Employment	Number of Employees	Rank	Percent of Employment
Battelle/PNNL	4,339	1	3.59%	3,850	2	3.80%
Bechtel National	2,990	2	2.48%	2,650	3	2.62%
ConAgra/Lamb-Weston	2,498	3	2.07%	1,800	5	1.78%
Kadlec Medical Center	2,227	4	1.84%	-	-	-
Kennewick School District	1,922	5	1.59%	2,000	4	1.97%
Pasco School District	1,908	6	1.58%	1,200	9	1.18%
CH2M Hill Hanford Group, Inc.	1,808	7	1.50%	1,441	7	1.42%
Mission Support Alliance	1,694	8	1.40%	-	-	-
Washington River Protection Solutions	1,385	9	1.15%	-	-	-
Tyson Foods	1,300	10	1.08%	1,450	6	1.43%
Richland School District	1,200	11	0.99%	1,100	10	1.09%
Energy Northwest	1,198	12	0.99%	1,406	8	1.39%
Fluor Hanford, Inc./Fluor Federal Services	287	24	0.24%	4,225	1	4.17%
Other	95,974		79.49%	80,158		79.14%
Total Number of Employees	120,730		100%	101,280		100%

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

Sources:
2012 employer information – Tri-City Industrial Development Council (TRIDEC)
2003 employer information – City of Kennewick 2012 CAFR, Schedule 18, Principal Employers, page 180 (Original source is 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 Years Ended December 31, 2012 and 2011

SELECTED OPERATING INFORMATION
2012-2003

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
PASSENGER BOARDINGS										
A. Fixed Route	3,020,031	3,079,844	3,299,955	3,663,535	3,084,422	3,286,960	3,146,208	3,066,920	2,952,657	2,832,341
B. Demand Response	472,777	468,735	513,722	656,510	668,991	631,686	580,528	576,415	493,002	448,244
C. Vanpool	1,190,334	1,293,163	1,261,296	1,177,060	1,140,777	859,028	695,500	733,445	657,877	507,518
Total	4,683,142	4,841,742	5,074,973	5,497,105	4,894,190	4,777,674	4,422,236	4,376,780	4,103,536	3,788,103
PASSENGER MILES										
A. Fixed Route	22,745,984	23,257,631	23,891,664	22,385,076	22,346,202	22,103,980	22,155,316	20,587,397	-	19,021,666
B. Demand Response	3,325,331	2,367,096	2,551,407	3,153,319	3,206,715	3,022,802	2,951,548	3,612,782	-	2,751,539
C. Vanpool	38,779,992	50,633,045	49,379,784	46,078,044	44,654,753	33,587,944	27,194,180	28,677,376	-	19,844,055
Total	64,851,307	76,257,772	75,822,855	71,616,439	70,207,670	58,714,726	52,301,044	52,877,555	-	41,617,260
OPERATING MILES										
A. Fixed Route	2,309,961	2,444,026	2,609,619	2,733,903	2,684,716	2,609,794	2,655,692	2,553,515	2,507,146	2,484,931
B. Demand Response	2,849,044	2,759,459	2,797,595	3,456,467	3,582,773	3,215,524	3,098,628	2,919,440	2,535,733	2,308,772
C. Vanpool	4,663,331	5,031,817	4,962,648	4,548,900	4,408,525	3,277,870	2,739,100	2,822,018	2,529,522	1,858,032
Total	9,822,336	10,235,302	10,369,862	10,739,270	10,676,014	9,103,188	8,493,420	8,294,973	7,572,401	6,651,735
OPERATING HOURS										
A. Fixed Route	140,966	142,086	139,995	154,572	154,981	152,792	155,376	150,947	150,882	139,735
B. Demand Response	176,405	168,493	162,098	219,849	222,785	200,870	190,528	159,838	152,959	135,819
C. Vanpool	113,963	116,561	109,896	107,940	104,489	74,168	61,360	64,290	54,535	69,575
Total	431,334	427,140	411,989	482,361	482,255	427,830	407,264	375,075	358,376	345,129

Notes:

- 1) Data for passenger boardings and passenger miles reflect the National Transit Database (NTD) data and are computed on a statistically sampled basis and subject to statistical variations from year to year.
- 2) Data for operating miles and hours match the NTD reported data.
- 3) No NTD data available for 2003 and 2004, information provided from 2004 CAFR.

Ben Franklin Transit
Statistical Section
For the Years Ended December 31, 2012 and 2011

SELECTED OPERATING INFORMATION (continued)
2012-2003

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
IN-SERVICE MILES										
A. Fixed Route	2,100,968	2,246,232	2,453,253	2,534,794	2,537,360	2,468,650	2,485,080	2,374,660	2,336,464	2,311,223
B. Demand Response	2,580,447	2,503,154	2,537,750	3,063,058	3,346,119	2,984,254	2,851,940	2,689,253	2,286,221	2,081,333
C. Vanpool	4,626,990	5,031,817	4,962,648	4,548,900	4,408,525	3,277,870	2,739,100	2,778,031	2,489,084	1,830,202
Total	9,308,405	9,781,203	9,953,651	10,146,752	10,292,004	8,730,774	8,076,120	7,841,944	7,111,769	6,222,758
IN-SERVICE HOURS										
A. Fixed Route	131,453	132,872	132,549	146,776	147,017	145,170	145,912	142,241	145,325	128,187
B. Demand Response	155,691	158,064	147,512	168,651	213,549	191,244	180,752	151,141	133,895	119,336
C. Vanpool	113,963	116,561	109,896	107,940	104,489	74,168	61,360	62,417	54,535	68,816
Total	401,107	407,497	389,957	423,367	465,055	410,582	388,024	355,799	333,755	316,339
NET OPERATING COST										
A. Fixed Route	12,372,816	11,731,345	12,371,140	12,764,250	13,512,037	12,152,958	11,759,384	11,199,386	10,991,002	8,803,684
B. Demand Response	12,997,681	12,275,387	12,609,742	13,641,590	14,943,173	12,918,721	11,959,800	10,186,800	7,630,950	7,200,350
C. Vanpool	3,152,496	3,171,746	2,959,089	2,664,299	2,651,248	2,045,021	1,793,184	1,661,543	1,005,880	1,088,104
Total	28,522,993	27,178,478	27,939,971	29,070,139	31,106,458	27,116,700	25,512,368	23,047,729	19,627,832	17,092,138
OPERATING REVENUE										
A. Fixed Route	1,376,351	1,372,001	1,303,603	1,201,828	1,139,811	1,024,262	715,998	672,656	597,546	607,601
B. Demand Response	413,174	380,027	378,353	399,401	377,415	301,885	273,461	200,376	187,951	173,517
C. Vanpool	2,317,843	2,492,568	2,253,987	2,367,733	2,005,830	1,538,866	1,172,849	1,204,748	1,040,056	806,388
Total	4,107,368	4,244,596	3,935,943	3,968,962	3,523,056	2,865,013	2,162,308	2,077,780	1,825,553	1,587,506

Notes:

- 1) Data for in-service miles and hours match the NTD reported data.
- 3) No NTD data available for 2003 and 2004, information provided from 2004 CAFR.
- 4) Operating revenue includes passenger revenue, the sale of maps, revenue from contracts to provide additional service, advertising revenue and miscellaneous revenue.

Ben Franklin Transit
Statistical Section
For the Years Ended December 31, 2012 and 2011

SELECTED OPERATING INFORMATION (continued)
2012-2003

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
COST PER PASSENGER MILE										
A. Fixed Route	\$ 0.56	\$ 0.50	\$ 0.52	\$ 0.57	\$ 0.60	\$ 0.55	\$ 0.56	\$ 0.54	\$ 0.51	\$ 0.46
B. Demand Response										
Directly Operated	4.39	6.90	6.53	5.71	5.99	5.48	5.12	3.85	3.64	3.44
Purchased Transportation	2.20	2.05	1.68	2.34	2.82	2.57	2.53	1.50	1.36	1.21
Taxi / Purchased Transportation	3.01	2.72	2.91	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	9.60	11.67	11.12	8.05	8.81	8.05	7.65	5.35	5.00	4.65
C. Vanpool	0.08	0.06	0.06	0.06	0.06	0.06	0.07	0.06	0.06	0.05
COST PER OPERATING MILE										
A. Fixed Route	\$ 5.51	\$ 4.80	\$ 4.74	\$ 4.67	\$ 5.03	\$ 4.66	\$ 4.43	\$ 4.39	\$ 3.96	\$ 3.54
B. Demand Response										
Directly Operated	5.03	4.74	4.88	4.59	4.68	4.30	4.11	3.93	3.71	3.49
Purchased Transportation	3.52	3.38	2.42	2.65	3.16	3.35	3.29	2.54	2.30	2.05
Taxi / Purchased Transportation	3.16	3.54	4.03	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	11.71	11.66	11.33	7.24	7.84	7.65	7.40	6.47	6.01	5.54
C. Vanpool	0.68	0.63	0.60	0.59	0.60	0.62	0.65	0.59	0.52	0.59
COST PER PASSENGER BOARDING										
A. Fixed Route	\$ 4.23	\$ 3.81	\$ 3.75	\$ 3.48	\$ 4.38	\$ 3.70	\$ 3.74	\$ 3.65	\$ 3.04	\$ 3.11
B. Demand Response										
Directly Operated	32.43	30.07	28.04	24.51	25.64	22.72	21.24	20.88	19.85	18.75
Purchased Transportation	12.97	12.07	9.93	13.58	16.22	15.70	18.95	11.73	13.42	9.45
Taxi / Purchased Transportation	20.06	20.97	21.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	65.46	63.11	58.97	38.09	41.86	38.42	40.19	32.61	33.27	28.20
C. Vanpool	2.62	2.45	2.35	2.26	2.32	2.38	2.58	2.27	2.01	2.14
COST PER OPERATING HOUR										
A. Fixed Route	\$ 90.33	\$ 82.57	\$ 88.37	\$ 82.58	\$ 87.19	\$ 79.54	\$ 75.68	\$ 74.19	\$ 79.16	\$ 63.00
B. Demand Response										
Directly Operated	76.62	76.23	81.29	67.02	70.27	67.69	63.98	70.62	63.96	57.31
Purchased Transportation	53.58	50.48	38.54	49.31	59.21	55.88	59.50	48.21	43.51	38.82
Taxi / Purchased Transportation	70.11	68.68	90.49	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	200.31	195.39	210.32	116.33	129.48	123.57	123.48	118.83	107.47	96.13
C. Vanpool	27.66	27.21	26.93	24.68	25.37	27.57	29.22	25.84	24.19	15.64
OPERATING REVENUE PER PASSENGER										
All modes combined	\$ 0.88	\$ 0.88	\$ 0.78	\$ 0.72	\$ 0.72	\$ 0.60	\$ 0.49	\$ 0.47	\$ 0.44	\$ 0.42

Notes:

- 1) Data for passenger boardings and passenger miles reflect the National Transit Database (NTD) data and are computed on a statistically sampled basis and subject to statistical variations from year to year.
- 2) Data for operating and in-service miles and hours match the NTD reported data.
- 3) No NTD data available for 2003 and 2004, information provided from 2004 CAFR.
- 4) Operating revenue includes passenger revenue, the sale of maps, revenue from contracts to provide additional service, advertising revenue and miscellaneous revenue.

Ben Franklin Transit
Statistical Section
For the Years Ended December 31, 2012 and 2011

SELECTED OPERATING INFORMATION (continued)
2012-2003

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
FULL-TIME EQUIVALENT EMPLOYEES										
A. Fixed Route	128.70	119.87	128.75	133.51	141.23	127.43	131.33	124.05	126.00	113.60
B. Demand Response	119.40	106.69	121.28	113.99	115.93	124.31	105.20	84.34	79.13	73.92
C. Vanpool	12.00	9.80	7.70	9.40	11.20	10.10	9.00	9.00	8.75	8.52
Total	260	236	258	257	268	262	246	217	214	196
CAPITAL ASSETS - FLEET VEHICLES										
A. Fixed Route	83	94	75	75	65	67	62	63	62	70
B. Demand Response	114	88	96	96	87	87	92	78	72	75
C. Vanpool	384	353	360	383	320	259	225	223	199	163

Notes:

- 1) No NTD data available for 2003 and 2004, information provided from 2004 CAFR.
- 2) Full-Time Equivalent Employees excludes Purchased Transportation.

Ben Franklin Transit
Statistical Section
For the Years Ended December 31, 2012 and 2011

This page intentionally left blank.

Ben Franklin Transit's Mission

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



Representing left to right: Vanpool, Dial-A-Ride, and Fixed Route modes of transportation

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