

City of Redding

Redding, California

Single Audit, Passenger Facility Charges Program, and Independent Auditors' Reports

For the Year Ended June 30, 2019



City of Redding

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

To the Honorable Mayor and Members of City Council
of the City of Redding
Redding, California

We have audited, in accordance with the 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, the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Redding, California (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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To the Honorable Mayor and Members of City Council
of the City of Redding
Redding, California
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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The PwC Group, LLP

Walnut Creek, California
December 18, 2019



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditors' Report

To the Honorable Mayor and Members of City Council
of the City of Redding
Redding, California

Report on Compliance for Each Major Federal Program

We have audited the City of Redding' (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

To the Honorable Mayor and Members of City Council
of the City of Redding
Redding, California
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Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2019, and have issued our report thereon dated December 18, 2019 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinions on the City's financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The PwC Group, LLP

Walnut Creek, California
December 18, 2019

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City of Redding
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/Pass - Through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Federal Expenditures	Amount Provided to Subrecipients
<u>U.S. Department of Housing and Urban Development</u>				
<i>Direct Program:</i>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grant	14.218	B-18-MC 060033	\$ 39,654	\$ -
Community Development Block Grant	14.218	B-17-MC 060033	365,061	52,254
Community Development Block Grant	14.218	B-16-MC 060033	146,931	102,801
Total CDBG - Entitlement Grants Cluster			551,646	155,055
HOME Investment Partnership	14.239	M17-MC060238	340,666	-
HOME Investment Partnership	14.239	M16-MC060238	60,070	-
HOME Investment Partnership	14.239	M15-MC060238	46,286	-
Subtotal - Program 14.239			447,022	-
Housing Vouchers Cluster:				
Section 8 Housing Choice Vouchers	14.871	CA 106	8,422,575	-
Total Housing Vouchers Cluster			8,422,575	-
Family Self-Sufficiency (FSS) Program:				
FSS Coordinator	14.896	FSS17CA0288	30,192	-
FSS Coordinator	14.896	FSS18CA2496	30,054	-
Subtotal - Program 14.896			60,246	-
Total U.S. Housing and Urban Development			9,481,489	155,055
<u>U.S. Department of Justice</u>				
<i>Direct Program:</i>				
Bulletproof Vest Partnership Program 2016	16.607	2016 Regular Solicitation	2,558	-
Bulletproof Vest Partnership Program 2017	16.607	2017 Regular Solicitation	3,837	-
Subtotal - Program 16.607			6,395	-
Asset Seizure Program	16.922	N/A	11,633	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2016-DJ-BX-0469	50,688	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2017-DJ-BX-0963	27,152	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2018-DJ-BX-0853	4,900	-
Subtotal - Program 16.738			82,740	-
Total U.S. Department of Justice			100,768	-

See accompanying Notes to the Schedule of Expenditures of Federal Awards

City of Redding
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2019

Federal Grantor/Pass - Through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Federal Expenditures	Amount Provided to Subrecipients
<u>U.S. Department of Transportation</u>				
Airport Improvement Program:				
<i>Direct Program</i>				
West Tie Down Apron	20.106	03-06-0194-48	95,408	-
T Hanger Taxilane	20.106	03-06-0194-49	197,441	-
Runway 16 Blast Pad Design/Taxi H	20.106	03-06-0194-52	262,196	-
Terminal Loop Design	20.106	03-06-0194-52	224,110	-
Parallel Taxi B Const 20	20.106	03-06-0308-20	1,071,768	-
			1,850,923	-
Highway Planning and Construction Cluster:				
<i>Passed through the California Department of Transportation:</i>				
Diestelhorst Bridge to Downtown via Benton	20.205	ATPL-5068(055)	96,560	-
Quartz Hill Road Improvement	20.205	CTIPS 211-0000-0115 (ATP)	1,866,739	-
FHBP study 5068-32 Sharon / ACID	20.205	HBRR 5068-32	128,728	-
FHBP study 5068-34 Sacramento / Olney	20.205	HBRR 5068-34	158,887	-
FHBP study 5068-35 Eastside / Canyon	20.205	HBRR 5068-35	84,541	-
FHBP study 5068-36 Eastside Olney	20.205	HBRR 5068-36	143,025	-
FHBP study 5068-37 Canyon / ACID	20.205	HBRR 5068-37	74,202	-
FHBP study 5068-38 Westside / Canyon	20.205	HBRR 5068-38	91,756	-
FHBP study 5068-39 Girvan / Olney	20.205	HBRR 5068-39	64,233	-
FHBP study 5068-45 Old Alturas / Chum Creek	20.205	HBRR 5068-45	33,165	-
Cypress Bridge	20.205	HBRR BRLS-5068(001)	1,377	-
Intersection Old Oregon/Oasis	20.205	HSIP 5068-30	1,305	-
Shoulder widening on Old Oregon Trail for recovery area and bike lanes	20.205	HSIP6-02-002 5068-52	77,840	-
Hartnell Avenue Ped Improvements	20.205	HSIP7-02-002 5068-54	127	-
Chum Creek/Maraglia Safety Improvements	20.205	HSIPL-5068(57)	33,974	-
Girvan Road Railroad Crossing Project	20.205	STPLR-7500(225)	183,142	-
Shasta Street Railroad Crossing Project	20.205	STPLR-7500(254)	21,866	-
Total Highway Planning and Construction Cluster			3,061,467	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Program:				
<i>Passed through the Shasta Regional Transportation Agency:</i>				
OWP WE 702.04 Sustainable Development Incentive Program	20.505	SRTA (OWP 2017-2018)	50,481	-

See accompanying Notes to the Schedule of Expenditures of Federal Awards

City of Redding
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2019

Federal Grantor/Pass - Through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Federal Expenditures	Amount Provided to Subrecipients
<u>U.S. Department of Transportation (Continued)</u>				
Federal Transit Cluster:				
<i>Direct Program:</i>				
FTA - Operating	20.507	CA 2018-97	1,500,000	-
FTA-CA-90-Z071	20.507	CA-90-Z071	658	-
FTA-CA-90-Z278	20.507	CA-90-Z278	23,770	-
Total Federal Transit Cluster			1,524,428	-
Highway Safety Cluster:				
<i>Passed through California Office of Traffic Safety:</i>				
Selective Traffic Enforcement Program (STEP)	20.600	PT18119	14,360	-
Selective Traffic Enforcement Program (STEP)	20.600	PT19095	15,881	-
Total Highway Safety Cluster			30,241	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated Program:				
<i>Passed through California Office of Traffic Safety:</i>				
Selective Traffic Enforcement Program (STEP)	20.608	PT18119	51,718	-
Selective Traffic Enforcement Program (STEP)	20.608	PT19095	125,559	-
Subtotal - Program 20.608			177,277	-
<i>Passed through State of California:</i>				
Air Service Development	20.930	DOT-OST-2014-0113-0035	108,406	-
			6,803,223	-
Total U.S. Department of Transportation				
<u>U.S. Department of Homeland Security</u>				
<i>Passed through the California Department of Boating and Waterways:</i>				
Small Water Craft Safety Program	97.012	C8962309	15,186	-
<i>Direct Program:</i>				
Disaster Grants - Public Assistance	97.036	FEMA-4382-DR-Carr Fire	344,974	-
Carr Fire Watershed and Erosion Control Project	97.039	FEMA HMGP#5189-5-3	49,226	-
Homeland Security Grant Program:				
<i>Passed through the County of Shasta:</i>				
Homeland Security Grant Program (HSGP)	97.067	18HSGP/17HSGP	54,398	-
Subtotal - Program 97.067			54,398	-
Total U.S. Department of Homeland Security			463,784	-
Total Expenditures of Federal Awards			\$ 16,849,264	\$ 155,055

See accompanying Notes to the Schedule of Expenditures of Federal Awards

City of Redding
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Note 1 – Reporting Entity

The financial reporting entity, as defined by the Governmental Accounting Standard Board (“GASB”), consists of the primary government, which is the City of Redding, California (the “City”), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Note 2 – Basis of Accounting

Funds received under the various grant programs have been recorded within the general fund, enterprise funds and special revenue funds of the City. The City utilizes the modified accrual method of accounting for the general fund and special revenue funds. The accompanying Schedule of Expenditures of Federal Awards (“Schedule”) is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in, the preparation of the City’s basic financial statements. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 – Schedule of Expenditures of Federal Awards

The accompanying Schedule presents the activity of all federal financial assistance programs of the City. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through the State of California, County of Shasta, County of Sacramento, and Shasta Regional Transpiration Agency is included in the Schedule. The Schedule was prepared from only the accounts of various grant programs and, therefore, does not present the financial position, change in fund balance, or results of operations of the City.

Note 4 – Indirect Cost Rate

The City has not elected to use the 10-percent de minimis indirect rate as allowed under the Uniform Guidance.

City of Redding
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section I – Summary of Auditors’ Results

Financial Statements

Type of report the auditors issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Type of auditor’s report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Expenditures</u>
14.239	HOME Investment Partnership	\$ 447,022
20.205	Highway Planning and Construction	3,061,467
	Total Expenditures of All Major Federal Programs	<u>\$ 3,508,489</u>
	Total Expenditures of Federal Awards	<u>\$ 16,849,264</u>
	Percentage of Total Expenditures of Federal Awards	<u>20.82%</u>

Dollar threshold used to distinguish between type A and type B program \$750,000

Auditee qualified as low-risk auditee in accordance with 2 CFR 200.520? Yes

City of Redding
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2019

Section II – Financial Statement Findings

A. Current Year Findings – Financial Statement Audit

No findings were noted on the City’s financial statement audit for the year ended June 30, 2019.

B. Prior Year Findings – Financial Statement Audit

No findings were noted on the City’s financial statement audit for the year ended June 30, 2018.

Section III – Federal Award Findings

A. Current Year Findings and Questioned Costs – Major Federal Award Program Audit

No findings or questioned costs were noted on the City’s major federal programs for the year ended June 30, 2019.

B. Prior Year Findings and Questioned Costs – Major Federal Award Program Audit

No findings or questioned costs were noted on the City’s major federal programs for the year ended June 30, 2018.

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE**

Independent Auditors' Report

To the Honorable Mayor and Members of City Council
of the City of Redding
Redding, California

Report on Compliance

We have audited the compliance of the City of Redding, California (the "City"), with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), for its passenger facility charge program for the year ended June 30, 2019. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

Management's Responsibility

Management is responsible for compliance with the requirements of laws and regulations applicable to the passenger facility charge program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Compliance with Passenger Facility Charge Audit Guide for Public Agencies

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

To the Honorable Mayor and Members of City Council
of the City of Redding
Redding, California
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Schedule of Passenger Facility Charges Collected and Expended and Interest Collected

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2019, and have issued our report thereon dated December 18, 2019 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinions on the City's financial statements. The accompanying Schedule of Passenger Facility Charges Collected and Expended and Interest Collected, as required by the Guide, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Passenger Facility Charges Collected and Expended and Interest Collected is fairly stated in all material respects in relation to the basic financial statements as a whole.

The PwC Group, LLP

Walnut Creek, California
December 18, 2019

City of Redding
Schedule of Passenger Facility Charges Collected and Expended and Interest Collected
For the Year Ended June 30, 2019

	Cumulative Total June 30, 2018	For the Quarter Ended	
		September 30, 2018	December 31, 2018
Unexpended (over expended) passenger facility charges and interest, beginning of period	\$ -	\$ (445,952)	\$ (517,187)
Revenues:			
Passenger facility charges collected	3,705,265	43,170	45,066
Interest earned	19,779	-	-
Total passenger facility charge revenue	<u>3,725,044</u>	<u>43,170</u>	<u>45,066</u>
Expenses:			
Project Number/Project Name	Amount Approved		
Completed and Closed Applications	\$ 3,440,457	3,440,457	-
Open Projects			
Application 17-05-C-00-RDD			
001-Aircraft Rescue and Fire Fighting Vehicle Acquisition	68,676	68,676	-
002-Airport Master Plan Update	44,832	44,800	-
003-ADA Passenger Loading Ramp	4,984	4,984	-
004-Airport Pavement Management System Study	4,735	4,735	-
005-T-Hangar Taxilane Reconstruction	458,672	276,871	92,099
006-West Tie Down Apron Reconstruction	323,278	273,682	22,306
007-Aircraft Rescue and Fire Fighting Station Modifications	1,735	1,735	-
009-Environmental Assessment Parallel Runway	32,690	187	-
013-PFC Application/Administration Costs	150,000	54,870	-
Total passenger facility charge revenue expenditures		<u>4,170,997</u>	<u>114,405</u>
Unexpended (over expended) passenger facility charges and interest, end of period	<u>\$ (445,952)</u>	<u>\$ (517,187)</u>	<u>\$ (515,730)</u>

See accompanying Notes to the Schedule of Facility Charges Collected and Expended and Interest Collected

City of Redding
Schedule of Passenger Facility Charges Collected and Expended and Interest Collected (Continued)
For the Year Ended June 30, 2019

	For the Quarter Ended		For the Year Ended	
	March 31, 2019	June 30, 2019	June 30, 2019	Cumulative Total June 30, 2019
Unexpended (over expended) passenger facility charges and interest, beginning of period	\$ (515,730)	\$ (475,353)	\$ (445,952)	\$ -
Revenues:				
Passenger facility charges collected	40,855	48,333	177,424	3,882,689
Interest earned	-	-	-	19,779
Total passenger facility charge revenue	<u>40,855</u>	<u>48,333</u>	<u>177,424</u>	<u>3,902,468</u>
Expenses:				
Project Number/Project Name				
Completed and Closed Applications	-	-	-	3,440,457
Open Projects				
Application 17-05-C-00-RDD				
001-Aircraft Rescue and Fire Fighting Vehicle Acquisition	-	-	-	68,676
002-Airport Master Plan Update	-	-	-	44,800
003-ADA Passenger Loading Ramp	-	-	-	4,984
004-Airport Pavement Management System Study	-	-	-	4,735
005-T-Hangar Taxilane Reconstruction	475	176	118,620	395,491
006-West Tie Down Apron Reconstruction	3	-	40,048	313,730
007-Aircraft Rescue and Fire Fighting Station Modifications	-	-	-	1,735
009-Environmental Assessment Parallel Runway	-	-	-	187
013-PFC Application/Administration Costs	-	-	-	54,870
Total passenger facility charge revenue expenditures	<u>478</u>	<u>176</u>	<u>158,668</u>	<u>4,329,665</u>
Unexpended (over expended) passenger facility charges and interest, end of period	<u>\$ (475,353)</u>	<u>\$ (427,196)</u>	<u>\$ (427,196)</u>	<u>\$ (427,196)</u>

See accompanying Notes to the Schedule of Facility Charges Collected and Expended and Interest Collected

City of Redding
Notes to the Schedule of Facility Charges Collected and Expended and Interest Collected
For the Year Ended June 30, 2019

Note 1 – Reporting Entity

The accompanying Schedule of Facility Charges Collected and Expended and Interest Collected includes all the Passenger Facility Charges (“PFC”) and the interest earnings thereon collected by the City from July 1, 2018 through June 30, 2019. The City currently collects \$4.50 per enplaned passenger. The current approval for charges as approved by the Federal Aviation Administration (“FAA”) is expected to end on February 1, 2025.

Note 2 – Basis of Accounting

The Schedule of Facility Charges Collected and Expended and Interest Collected was prepared on the accrual basis of accounting. PFCs are recorded as revenue when earned and expenditures for debt service and approved capital projects are recorded as expenditures are made. Expenditures are made in accordance with an approved FAA application.

City of Redding
Passenger Facility Charge Program
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section I – Summary of Auditors’ Results

A. Current Year Findings and Questioned Costs – Passenger Facility Charge Program

No findings or questioned costs were noted on the City’s compliance with requirements of the passenger facility charge program for the year ended June 30, 2019.

B. Prior Year Findings and Questioned Costs – Passenger Facility Charge Program

No findings or questioned costs were noted on the City’s compliance with requirements of the passenger facility charge program for the year ended June 30, 2018.

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