Big Bear Airport District
2010-2011 Budget

	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	TOTAL Jul '10 - Jun 11
Ordinary Income/Expense													
Income													
4110 · Sales-Fuel													
265 · Jet A	10,800.00	10,800.00	10,800.00	10,800.00	10,800.00	10,800.00	10,800.00	10,800.00	10,800.00	10,800.00	10,800.00	10,800.00	129,600.00
275 · 100LL	50,400.00	50,400.00	50,400.00	50,400.00	50,400.00	50,400.00	50,400.00	50,400.00	50,400.00	50,400.00	50,400.00	50,400.00	604,800.00
Total 4110 · Sales-Fuel	61,200.00	61,200.00	61,200.00	61,200.00	61,200.00	61,200.00	61,200.00	61,200.00	61,200.00	61,200.00	61,200.00	61,200.00	734,400.00
4200 · Auto Parking	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
4205 · Air Fair Revenue/Donations											2,500.00	2,500.00	5,000.00
4206 · Events Revenue	1,000.00	475.00										500.00	1,975.00
4208 . Bid Plans for Project										490.00		490.00	980.00
4210 · Commercial Leases	3,917.00	3,917.00	3,917.00	3,917.00	3,917.00	3,917.00	3,917.00	3,917.00	3,917.00	3,917.00	3,917.00	3,913.00	47,000.00
4215 · Gate Access	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
4220 · Ground Lease	3,875.00	3,875.00	3,875.00	3,875.00	3,875.00	3,875.00	3,875.00	3,875.00	3,875.00	3,875.00	3,875.00	3,875.00	46,500.00
4230 · Hangar Rentals	26,500.00	26,500.00	26,500.00	26,500.00	26,500.00	26,500.00	26,500.00	26,500.00	26,500.00	26,500.00	26,500.00	26,500.00	318,000.00
4255 · Oil Sales	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
4260 · Souvenir Sales	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
4270 · Storage	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	9,000.00
4280 · Tiedown Rents	3,415.00	2,915.00	2,375.00	2,375.00	2,375.00	2,375.00	2,375.00	2,375.00	2,375.00	2,375.00	2,375.00	2,375.00	30,080.00
4290 · Tiedown Transient	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
4300 · Vehicle Storage	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
4320 · Late Fees	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	1,128.00
4330 · Interest Income			12,500.00			12,500.00			12,500.00			12,500.00	50,000.00
Total Other Income	41,551.00	40,526.00	52,011.00	39,511.00	39,511.00	52,011.00	39,511.00	39,511.00	52,011.00	40,001.00	42,011.00	55,497.00	533,663.00
Total Income	102,751.00	101,726.00	113,211.00	100,711.00	100,711.00	113,211.00	100,711.00	100,711.00	113,211.00	101,201.00	103,211.00	116,697.00	1,268,063.00
Cost of Goods Sold													
5000 · COGS-Fuel													
270 · Jet A	7,650.00	7,650.00	7,650.00	7,650.00	7,650.00	7,650.00	7,650.00	7,650.00	7,650.00	7,650.00	7,650.00	7,650.00	91,800.00
271 · 100LL	44,235.00	44,235.00	44,235.00	44,235.00	44,235.00	44,235.00	44,235.00	44,235.00	44,235.00	44,235.00	44,235.00	44,235.00	530,820.00
	51,885.00	51,885.00	51,885.00	51,885.00	51,885.00	51,885.00	51,885.00	51,885.00	51,885.00	51,885.00	51,885.00	51,885.00	622,620.00
Gross Profit	50,866.00	49,841.00	61,326.00	48,826.00	48,826.00	61,326.00	48,826.00	48,826.00	61,326.00	49,316.00	51,326.00	64,812.00	645,443.00
5010 . Capital Expenditures	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	15,000.00
5040 · Advertising	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
5061 . Credit Card Fees	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
5090 · Contract Services	2,650.00	2,650.00	2,650.00	2,650.00	2,650.00	2,650.00	2,650.00	2,650.00	2,650.00	2,650.00	2,650.00	2,650.00	31,800.00
5110 · Diesel/Propane/Oil Expense	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
5120 · Director Stipend	1,334.00	1,333.00	1,333.00	1,333.00	1,333.00	1,334.00	1,333.00	1,333.00	1,334.00	1,333.00	1,333.00	1,334.00	16,000.00
5125 · Director Expenses	210.00	210.00	210.00	210.00	210.00	210.00	210.00	210.00	210.00	210.00	210.00	210.00	2,520.00
5140 · Dues & Subscriptions	50.00	50.00	50.00	50.00	2,000.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	2,550.00
5150 · Training/Seminars	425.00	425.00	425.00	425.00	425.00	425.00	425.00	425.00	425.00	425.00	425.00	425.00	5,100.00
5155 · Education Reimbursement	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	7,800.00
5160 · Fees/Permits/Licenses			3,000.00	150.00		650.00	300.00			900.00			5,000.00
5162 · Gate Access Cards & Clickers			1,000.00										1,000.00
5165 · Gifts	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
5170 · Hazardous Waste Pickup		200.00			200.00			200.00			200.00		800.00
5180 · Insurance-Liability	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	50,400.00
5182 · Insurance-Worker's comp	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	14,400.00
5210 · Janitorial Supplies	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00

Big Bear Airport District
2010-2011 Budget

	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	TOTAL Jul '10 - Jun 11
5215 · Manager's Expenses	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	3,300.00
5220 . Public Relations	400.00	400.00	400.00	200.00	200.00	900.00	200.00	200.00	200.00	200.00	200.00	200.00	3,700.00
5230 . Office Supplies/Postage/Shipping	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	7,800.00
5240 · Air Fair/Open House							4,820.00	4,820.00	4,820.00	9,640.00	14,450.00	14,450.00	53,000.00
5250 · Professional Services	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	103,200.00
5259 · Avi Met Data Link NADIN	195.00	195.00	195.00	195.00	195.00	195.00	195.00	195.00	195.00	195.00	195.00	195.00	2,340.00
5260 · Repair & Maintenance-AWOS							2,400.00						2,400.00
5265 · Repair & Maintenance-Barnstorm	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00
5270 · Repair & Maintenance-Equipment	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	7,200.00
5271 · Repair & Maintenance-Computer	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	2,100.00
5275 · Repair & Maintenance-Fuel Pump	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00
5280 · Repair & Maintenance-Grounds	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
5285 · Repair & Maintenance-Hangars	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	9,000.00
5290 · Repair & Maintenance-Lighting	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	9,000.00
5295 · Repair & Maintenance-Structure	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00
5300 · Repair & Maintenance-Vehicles	425.00	425.00	425.00	425.00	425.00	425.00	425.00	425.00	425.00	425.00	425.00	425.00	5,100.0
5305 · Repair & Maint Fire Extintguish	1,500.00					1,500.00							3,000.0
5310 · Repair & Maint. First Aid Kit	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	960.00
5350 · Sales Tax/Jet A Tax	1,800.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	2,700.00	900.00	900.00	13,500.00
5355 · Souvenirs/Promotions			750.00			750.00			750.00			750.00	3,000.00
5360 · Telephone	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00
5373 · Tools/Small Maint Equipment	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
5375 · Travel	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
5380 · Uniform Expense	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	2,400.00
5400 · Utilities	10,000.00	10,000.00	10,000.00	7,500.00	7,500.00	7,500.00	12,500.00	15,000.00	15,000.00	10,000.00	10,000.00	10,000.00	125,000.00
6565 · Salaries	28,080.00	28,080.00	28,080.00	28,080.00	28,080.00	29,830.00	30,010.00	30,010.00	30,010.00	28,440.00	28,630.00	28,630.00	345,960.00
6570 · FICA-Employer	168.00	168.00	168.00	168.00	168.00	168.00	168.00	168.00	168.00	168.00	168.00	168.00	2,016.00
6575 · Medicare-Employer	408.00	408.00	408.00	408.00	408.00	408.00	408.00	408.00	408.00	408.00	408.00	408.00	4,896.00
6580 · SUI/ETT-Employer	294.00	294.00	294.00	294.00	294.00	294.00	294.00	294.00	294.00	294.00	294.00	294.00	3,528.00
6585 · Health,Life & Dental Insurance	6,300.00	6,300.00	6,300.00	6,300.00	6,300.00	6,300.00	6,300.00	6,300.00	6,300.00	6,300.00	6,300.00	6,300.00	75,600.00
6590 · 457 Match	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	22,800.00
6594 · Survivor Benefit Expense	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	96.00
6595 · Retirement-Employer	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	43,212.00
6596 · Retirement-Employee	1,638.00	1,638.00	1,638.00	1,638.00	1,638.00	1,638.00	1,638.00	1,638.00	1,638.00	1,638.00	1,638.00	1,638.00	19,656.00
6597 . Winter Ops Contingency						5,750.00	5,750.00	5750.00	5750.00				23,000.00
Total Expense	88,441.00	86,240.00	90,790.00	84,090.00	85,490.00	94,441.00	103,540.00	103,540.00	104,091.00	98,540.00	101,040.00	101,591.00	1,141,834.00
Net Ordinary Income	-36,191.00	-35,016.00	-32,081.00	-33,881.00	-35,281.00	-35,731.00	-53,731.00	-53,331.00	-45,381.00	-48,041.00	-48,331.00	-39,395.00	-496,391.00
Other Income													
4055 · Tax Revenues						440,000.00	70,000.00		70,000.00	310,000.00	10,000.00	100,000.00	1,000,000.00
4056 · City Tax Income		17,000.00											17,000.00
Total Other Income		17,000.00				440,000.00	70,000.00		70,000.00	310,000.00	10,000.00	100,000.00	1,017,000.00
Net Other Income		17,000.00											
Net Income	-36,191.00	-18,016.00	-32,081.00	-33,881.00	-35,281.00	404,269.00	16,269.00	-53,331.00	24,619.00	261,959.00	-38,331.00	60,605.00	520,609.00

OMB Approved 2120-0567

Airport Capital Improvement Plan - FY 2010

U.S. Department of Transportation
Federal Aviation Administration

3130

1. Airport	2. State	3. NPIAS No.	4. LOCID:
Big Bear Airport	California		

	5. Project Description *(by Funding Year in Priority Order)* (a)	Federal Funds (b)	State Funds (c)	LOCAL FUNDS PFC (d)	LOCAL FUNDS Other (e)	Total $ (f)	Environmental Impact (g)	Start Date (h)	Completion Date (i)
1	Engineering, Design, and Construction Management	$ 332,500	$ 8,313	$ 9,188		$ 350,000	N/A	Jan-08	Sep-10
2	Construction Schedule I - Rehabilitate South Parallel, West Section	$ 1,377,500	$ 34,438	$ 38,063		$ 1,450,000	NEPA	May-10	Sep-10
3	Purchase Bear City Park	$ 712,500	$ 17,813	$ 19,688		$ 750,000	NEPA & CEQA	Jan-08	Dec-10
4	Fog Seal Runway	$ 66,500	$ 1,663	$ 1,838		$ 70,000	N/A	May-10	Sep-10
5	Fog Seal North Taxiway and Ramp	$ 76,000	$ 1,900	$ 2,100		$ 80,000	N/A	May-10	Sep-10
6									
7									
	TOTAL for FY 2010	**$ 2,565,000**	**$ 64,125**	**$ 70,875**	**$ -**	**$ 2,700,000**			

OMB Approved 2120-0567

Airport Capital Improvement Plan - FY 2011

U.S. Department of Transportation
Federal Aviation Administration

1. Airport
Big Bear Airport

2. State
California

3. NPIAS No.

4. LOCID:

	5. Project Description *(by Funding Year in Priority Order)* (a)	Federal Funds (b)	State Funds (c)	LOCAL FUNDS PFC (d)	LOCAL FUNDS Other (e)	Total $ (f)	Environmental Impact (g)	Start Date (h)	Completion Date (i)
1	Engineering, Design, and Construction Management	$ 475,000	$ 11,875	$ 13,125		$ 500,000	N/A	Jan-10	Sep-11
2	Construction Schedule I - Rehabilitate South Parallel, East Section	$ 1,425,000	$ 35,625	$ 39,375		$ 1,500,000	NEPA	May-11	Sep-11
3	Extend North Parallel Taxiway 2000 Feet West	$ 1,805,000	$ 45,125	$ 49,875		$ 1,900,000	NEPA & CEQA	May-10	Sep-11
4	Fog Seal South Ramp, Center Section	$ 71,250	$ 1,781	$ 1,969		$ 75,000	N/A	May-11	Sep-11
5	Obstruction Survey - Lighting and Tree Removal	$ 76,000	$ 1,900	$ 2,100		$ 80,000	N/A	May-10	Sep-11
	TOTAL for FY 2011	**$ 3,852,250**	**$ 96,306**	**$ 106,444**	**$ -**	**$ 4,055,000**			

OMB Approved 2120-0567

Airport Capital Improvement Plan - FY 2012

U.S. Department of Transportation
Federal Aviation Administration

1. Airport	2. State	3. NPIAS No.	4. LOCID:
Big Bear Airport	California		

	5. Project Description *(by Funding Year in Priority Order)* (a)	Federal Funds (b)	State Funds (c)	LOCAL FUNDS PFC (d)	LOCAL FUNDS Other (e)	Total $ (f)	Environmental Impact (g)	Start Date (h)	Completion Date (i)
1	Engineering, Design, and Construction Management	$ 475,000	$ 11,875	$ 13,125		$ 500,000	N/A	Jan-10	Sep-12
2	Reroute Highways 18 and 38, Fence Bear City Park	$ 712,500	$ 17,813	$ 19,688		$ 750,000	NEPA & CEQA	May-10	Sep-12
3	Fog Seal Runway	$ 71,250	$ 1,781	$ 1,969		$ 75,000	N/A	May-12	Aug-12
	TOTAL for FY 2012	**$ 783,750**	**$ 19,594**	**$ 21,656**	**$ -**	**$ 825,000**			

OMB Approved 2120-0567

Airport Capital Improvement Plan - FY 2013

U.S. Department of Transportation
Federal Aviation Administration

1. Airport Big Bear Airport

2. State California

3. NPIAS No.

4. LOCID:

	5. Project Description *(by Funding Year in Priority Order)* (a)	Federal Funds (b)	State Funds (c)	LOCAL FUNDS PFC (d)	LOCAL FUNDS Other (e)	Total $ (f)	Environmental Impact (g)	Start Date (h)	Completion Date (i)
1	Engineering, Design, and Construction Management	$ 23,750	$ 594	$ 656		$ 25,000	N/A	Jan-13	Aug-13
2	Fog Seal Runway	$ 76,000	$ 1,900	$ 2,100		$ 80,000	N/A	May-13	Aug-13
3	Fog Seal South Taxiway and Ramp	$ 76,000	$ 1,900	$ 2,100		$ 80,000	N/A	May-13	Aug-13
	TOTAL for FY 2013	**$ 152,000**	**$ 3,800**	**$ 4,200**	**$ -**	**$ 160,000**			

OMB Approved 2120-0567

Airport Capital Improvement Plan - FY 2014

U.S. Department of Transportation
Federal Aviation Administration

1. Airport	2. State	3. NPIAS No.	4. LOCID:
Big Bear Airport	California		

	5. Project Description *(by Funding Year in Priority Order)* (a)	Federal Funds (b)	State Funds (c)	LOCAL FUNDS PFC (d)	LOCAL FUNDS Other (e)	Total $ (f)	Environmental Impact (g)	Start Date (h)	Completion Date (i)
1	Engineering, Design, and Construction Management	$ 9,500	$ 238	$ 263		$ 10,000	N/A	Jan-14	Aug-14
2	Fog Seal South Taxiway	$ 76,000	$ 1,900	$ 2,100		$ 80,000	N/A	May-14	Aug-14
	TOTAL for FY 2013	**$ 76,000**	**$ 1,900**	**$ 2,100**	**$ -**	**$ 80,000**			

BIG BEAR AIRPORT DISTRICT

Audited Financial Statements
(With Independent Auditor's Report)

For the Years Ended June 30, 2010 and 2009

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BIG BEAR AIRPORT DISTRICT

Management's Discussion and Analysis

The Big Bear Airport District offers readers of its financial statements this narrative and analysis of the financial activities of the Airport for the fiscal year ended June 30, 2010.

Financial Highlights

- The assets of the Airport exceeded its liabilities at the close of the most recent fiscal year by $24.5 million (net assets). Net Assets is the difference between all of the Airport's assets and liabilities.
- The Airport's total assets increased by $874,574. As a result of the acquisition of the X-ray hangars, and the purchase of equipment.
- The Airport's total revenues exceeded its total expenses by $838,755.
- The Airport District implemented GASB 45 in accordance with Government Auditing Standards. For additional information and analysis, see footnote 6 on page 13 to 15 and additional supplemental information on page 16.

Overview of the Financial Statements

The annual report consists of three parts: (1) management's discussion and analysis (this section), (2) the basic financial statements, (3) required supplemental information.

The management's discussion and analysis is intended to serve as an introduction to the Airport's basic financial statements. The Airport's basic financial statements are comprised of three components: (1) independent auditor's report, (2) statements of net assets, revenues, expenses and changes in net assets, and cash flows, and (3) compliance reports. The annual report also contains other supplementary information in addition to the basic statements.

Basic Financial Statements

Independent Auditor's Report is a statement by the Accountancy Firm performing the annual financial audit. This is a statement that the audit is in accordance with Government Auditing Standards.

The Statement of Net Assets presents information on all of the Airport's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Airport is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Asset presents information showing how the Airport's net assets changed during the most recent fiscal year. All changes in net assets 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Basic Financial Statements, continued

The Statement of Cash Flows illustrates sources providing and using cash flows of the Airport. The statement categorizes cash flows in three distinct classes. These classes are operations, investing and financing. Cash flows provided or used in operations relates to the transactions giving rise to the airports operating activities. Cash flows provided or used in investing activities are comprised of the acquisitions of property, equipment and improvements and proceeds from the related sale of these assets. Financing activities include cash provided or used in the borrowing or repayment of debt.

Notes to Financial Statements consists of information on the Airport and a summary of the Airport's accounting policies. The operations of the Airport are accounted for as an enterprise fund. Enterprise funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing services to the general public on a continuing basis are financed or recovered through user charges and other non-operating revenues. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes can be found on pages 10-15.

The Schedule of Expenditures of Federal Awards provides separate information on certain governmental funding used for capital improvements. The Airport Improvement Program (AIP) of the Federal Aviation Administration (FAA) provided this funding.

Financial Information

Condensed Statement of Net Assets:

		2010	2009	2008
Current and other assets	$	4,062,549	4,613,240	3,874,705
Capital assets		20,674,595	19,249,330	18,737,532
Total assets		24,737,144	23,862,570	22,612,237
Current liabilities		127,703	156,965	93,919
Deferred revenue		47,502	58,189	77,444
Noncurrent liabilities		78,008	2,240	2,240
Total liabilities		253,213	217,394	173,603
Net assets				
Invested in capital assets		20,674,595	19,249,330	18,737,532
Unrestricted		3,809,336	4,395,846	3,701,102
Total net assets	$	24,483,931	23,645,176	22,438,634

The largest portion of the Airport's net assets, $20,674,595 is invested in capital assets (land, improvements, equipment, and construction-in progress). Capital asset balances are trending upward due to construction-in-progress of runway, taxiway, and ramp during the 2008 to 2010 fiscal years. The Airport uses its capital assets to provide hangar space, taxiways, runways, and equipment to maintain these facilities for airport users.

Financial Information, continued

Current and other assets include cash, restricted cash, receivables, prepaid expenses and inventory. These assets are available to meet both current and non-current obligations.

Since 2008, total assets increased 9%. The increases are the result of operating surpluses and additions of capital assets for runway, taxiway, ramp and security improvements, hangar acquisitions, and equipment purchases over the past three years in excess of $5.6 million dollars.

The change in total liabilities relates to the repayment of construction contracts payable, recognition of deferred revenue, and accrued liability insurance payable.

Total net assets increased as a result of federal and state annual capital contributions, and net surpluses from operating and non-operating activities.

Revenues: The following schedule presents a summary of revenues for the fiscal years ended June 30, 2010, 2009 and 2008:

		2010	2009	2008
Operating revenues:				
Facility rentals	$	437,913	446,554	452,519
Fuel sales, tiedown, and parking fees		97,776	104,731	74,848
Total operating revenues		535,689	551,285	527,367
Nonoperating revenues:				
Grants		800,488	868,939	1,169,366
Property taxes		1,188,081	1,238,004	1,206,448
Investment income		22,768	77,673	103,201
Other		37,218	10,142	(17,137)
Total nonoperating revenues		2,048,555	2,194,758	2,461,878
Total revenues	$	2,584,244	2,746,043	2,989,245

Operating revenues decreased 3% compared to 2009 due to fluctuations in the price and quantity of low lead fuel sales, as well as hangar vacancies.

Non-operating revenues decreased $146,203 (7%) from 2009 due to reduced FAA Airport Improvement Program grant funding, and a reduction in interest income. Local Agency Investment Fund (LAIF) quarterly apportionment rates decreased from a high of 1.51% as of June 30, 2009 to a low of 0.56% as of June 30, 2010. See note 2 on page 12 of the audit report for more information on the LAIF investment fund.

Financial Information, continued

Expenses: The following schedule presents a summary of expenses for the fiscal years ended June 30, 2010, 2009 and 2008:

		2010	2009	2008
Operating expenses:				
Personnel cost	$	616,646	453,641	484,594
Operating cost		330,931	356,103	269,972
Repair and maintenance		69,433	85,114	48,322
Utilities		118,690	103,176	100,204
Total operating expenses		1,135,700	998,034	903,092
Other expenses:				
Depreciation		609,789	541,467	493,208
Total other expenses		609,789	541,467	493,208
Total expenses	$	1,745,489	1,539,501	1,396,300

Total operating expenses for 2010 increased as a result of repairs due to snow damage. The balance of operating expenditures is considered normal and similar to 2009.

Capital Assets

The Airport expended $2,036,054 and $1,053,264 for capital assets during the 2010 and 2009 fiscal years, respectively. The major expenditures for FY10 are related to the purchase of X-ray hangars and equipment.

Long-term Debt

No new debt was incurred during the year; the Airport remains free of long-term debt.

Contacting the Airport District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Airport District's finances and to show the Airport District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the General Manager, Big Bear Airport District at 501 W Valley Blvd., Big Bear City, CA 92314, or at 909-585-3219.

James C. Gwaltney
General Manager
Big Bear Airport District

Independent Auditor's Report

To the Board of Directors
Big Bear Airport District
Big Bear City, California

We have audited the accompanying statement of net assets of Big Bear Airport District as of June 30, 2010 and 2009, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Big Bear Airport District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Bear Airport District as of June 30, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued our report dated November 11, 2010 on our consideration of Big Bear Airport District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants for the year ended June 30, 2010. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Big Bear Airport District taken as a whole. The accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2010, which is also the responsibility of Big Bear Airport District's management, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SHAWN WASHINGTON ACCOUNTANCY CORPORATION 3801 University Avenue, Suite 500 Riverside, CA 92501 Tel (951) 788-6700 Fax (951) 788-6767
www.swaccpa.com

The Management's Discussion and Analysis required supplementary information listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Shawn Washington Accountancy Corporation

November 11, 2010
Riverside, California

BIG BEAR AIRPORT DISTRICT
Statement of Net Assets
As of June 30, 2010 and 2009

(See Independent Auditor's Report)

ASSETS

		2010	2009
Current assets:			
Cash and cash equivalents (Notes 1 and 2)	$	3,877,377	4,237,978
Grant(s) receivable		-	147,304
Taxes receivable		88,219	105,134
Other receivables		30,454	40,103
Prepaid expense		48,069	46,897
Fuel inventory		18,430	35,824
Total current assets		4,062,549	4,613,240
Noncurrent assets:			
Property and equipment, net (Notes 1 and 3)		20,674,595	19,249,330
Total assets		24,737,144	23,862,570

LIABILITIES AND NET ASSETS

Current liabilities:			
Construction contract(s) payable		-	74,416
Accounts payable		44,959	55,916
Accrued expenses		82,744	26,633
Deferred revenue		47,502	58,189
Total current liabilities		175,205	215,154
Noncurrent liabilities:			
Other post employment benefit obligation (OPEB) (Note 6)		76,195	-
Security deposits		1,813	2,240
Total noncurrent liabilities		78,008	2,240
Total liabilities		253,213	217,394
Net assets:			
Invested in capital assets		20,674,595	19,249,330
Unrestricted		3,809,336	4,395,846
Total net assets		24,483,931	23,645,176
Total liabilities and net assets	$	24,737,144	23,862,570

The accompanying notes are an integral part of these financial statements

BIG BEAR AIRPORT DISTRICT
Statement of Revenues, Expenses and Changes in Net Assets
For the Years Ended June 30, 2010 and 2009

(See Independent Auditor's Report)

		2010	2009
Operating revenues:			
Facility and hangar rentals	$	437,913	446,554
Fuel sales (net of cost of goods sold)		56,118	57,494
Aircraft tiedown fees, parking, souvenirs, and other		41,658	47,237
		535,689	551,285
Operating expenses:			
Salaries and employee benefits		616,646	453,641
Utilities and telephone		118,690	103,176
Office supplies and expenses		144,360	108,439
Insurance		51,314	48,526
Repairs and maintenance		69,433	85,114
Outside professional services		117,128	170,480
Board expenses and directors fees		18,129	28,658
Total operating expenses		1,135,700	998,034
Operating loss before depreciation		(600,011)	(446,749)
Depreciation		609,789	541,467
Operating loss		(1,209,800)	(988,216)
Nonoperating revenues and (expenses):			
Property taxes		1,188,081	1,238,004
Interest income (expense), net		22,768	77,673
Other revenue (expense), net		37,218	10,142
Total nonoperating revenues		1,248,067	1,325,819
Change in net assets before capital contributions		38,267	337,603
Capital contributions:			
Federal grants		780,964	847,745
State grants		19,524	21,194
Total capital contributions		800,488	868,939
Increase in net assets		838,755	1,206,542
Net assets, beginning of year		23,645,176	22,438,634
Net assets, end of year	$	24,483,931	23,645,176

The accompanying notes are an integral part of these financial statements

BIG BEAR AIRPORT DISTRICT
Statement of Cash Flows
For the Years Ended June 30, 2010 and 2009

(See Independent Auditor's Report)

		2010	2009
Cash flows from operating activities:			
Revenue collected:			
Grant awards	$	947,792	728,867
Rentals, fuel sales, and tiedown fees		525,002	532,030
Property taxes		1,204,996	1,260,964
Other miscellaneous receipts		69,208	109,017
Payments for expenses:			
Salaries and other benefits		(540,451)	(453,641)
Payments to vendors and other creditors		(414,966)	(306,783)
Professional services		(117,128)	(170,480)
Net cash provided by operating activities		1,674,453	1,699,974
Cash flows from investing activities:			
Purchase of property improvements		(2,035,054)	(1,053,265)
Net cash used in investing activities		(2,035,054)	(1,053,265)
Net increase (decrease) in cash		(360,601)	646,709
Cash at beginning of year		4,237,978	3,591,269
Cash at end of year		3,877,377	4,237,978
Reconciliation of increase in net assets to net cash provided by operating activities			
Increase in net assets		838,755	1,206,542
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation		609,789	541,467
Change in current assets		190,090	(91,826)
Change in current liabilities		34,040	(30,625)
Change in non current liabilites		76,195	
Change in construction contracts payable		(74,416)	74,416
Net cash provided by operating activities		1,674,453	1,699,974
Supplementary Information:			
Cash paid for interest		-	-
Cash paid for income taxes	$	-	-

The accompanying notes are an integral part of these financial statements

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Organization

The Big Bear City Airport (the Airport) began operations before the 1940's. In 1972, the Airport became part of a San Bernardino County Service Area (CSA-53) and was operated by the County. In 1979, the Big Bear Valley voted to form a duly constituted and existing airport district under the constitution and laws of the State of California. As a public corporation, the Big Bear Airport District at large is independent, distinct from, and not an agent of the State or any other of the State's political subdivisions, including the County of San Bernardino. The enabling legislation is found at Public Utilities Code 22000.

The governing body consists of a five-member board elected from the Big Bear Valley. The Board members serve terms of four years. The Airport is a self-governed, enterprise district. A variety of federal, state and local laws, agreements and regulations govern operations at the Airport. The Federal Aviation Administration (FAA) has jurisdiction over flying operations generally, including personnel, aircraft, ground facilities and other technical matters, as well as certain environmental matters. Federal law governs the Airport noise limits, and imposes certain other restrictions on the Airport operations.

The Airport derives revenues primarily from terminal space and facility rentals, auto parking, fuel sales, concessions, and aircraft tiedown fees. The Airport's major expenses include salaries and employee benefits, and other expenses such as maintenance, insurance and utilities.

Basis of Accounting

The operations of the Airport are accounted for as an enterprise fund. Enterprise funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Under Governmental Accounting Standards Board ("GASB") Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,* the Airport has elected to apply all applicable Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Basis of Accounting and Estimates

The Airport prepares its financial statements on the accrual basis of accounting in conformity with generally accepted accounting principles, which provides that revenues are recorded when earned and expenses are recorded when incurred. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Note 1 – Organization and Summary of Significant Accounting Policies, continued

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and

Delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Airport's enterprise fund are charges to customers for use of property. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Transactions that are capital, tax revenues, and other income are reported as non-operating revenues. Interest expense and financing are reported as non-operating expenses.

Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include highly liquid investments with an original maturity date of three months or less.

Receivables

Receivables are reported at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectable.

Inventory

Fuel inventory is valued using the First-in First-out method.

Property and Equipment

Acquisition of equipment in excess of $600 is capitalized and is recorded at cost. Property assets, including infrastructure assets, purchased or constructed by the Airport are capitalized at cost, while contributed properties are recorded at fair market value when received. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets, which range from 3 to 20 years for equipment and 15 to 30 years for infrastructure and buildings. No depreciation is provided on construction in progress until construction is completed and the asset is placed in service.

Capital Contributions

Certain expenditures for airport capital improvements are significantly funded through the Airport Improvement Program (AIP) of the FAA, with certain matching funds provided by the State, or from various State allocations or grant programs. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred.

Grants for capital asset acquisition, facility development and rehabilitation are reported in the Statement of Revenues, Expenses and Changes in Net Assets, after non-operating revenues and expenses as capital contributions.

Note 1 – Organization and Summary of Significant Accounting Policies, continued

Compensated Absences

Employees can carry forward up to a maximum of 400 hours of paid time accrual. Regular employees who receive disability retirement due to permanent incapacity to work are entitled to 100% cash payment of accrued sick leave. The liability for compensated absences earned through this fiscal year-end, but not yet taken, is accrued by charging the expense for the change in the liability from the prior year.

Pension Plan

The provision for retirement pension cost is recorded when the related payroll is accrued and the obligation is incurred.

Note 2 – Cash and Cash Equivalents

Pooled Cash and Investments

Cash includes pooled funds in the amount of $3,964,181. The Treasurer maintains the LAIF pool for certain California local agencies and special districts for the purpose of benefiting from economies of scale through pooled investment activities. At June 30, 2010, the LAIF Pool contained time deposits, U.S. government agency securities, negotiable certificates of deposits, bankers' notes, commercial paper, U.S. Treasury bills and notes, and corporate bonds and floaters. Interest is apportioned to individual funds based generally on the average daily balances on deposit with the Treasurer.

Concentration of Credit Risk

As of June 30, 2010, the Organization had no cash deposits in excess of federally insured limits.

Note 3 – Property and Equipment

Property and equipment are comprised as follows:

		2010	2009
Land	$	2,675,000	2,675,000
Improvements - runways, taxiways and aprons		22,600,537	21,810,337
Hangar		478,500	-
Construction in progress		280,272	-
Building		2,387,084	2,387,084
Operating equipment		1,505,359	1,030,563
Office equipment		72,908	61,622
Restaurant equipment		52,850	52,850
Total		30,052,510	28,017,456
Less: accumulated depreciation		(9,377,915)	(8,768,126)
Property and equipment, net	$	20,674,595	19,249,330

Depreciation expense as of June 30, 2010 and 2009 was $609,789 and $541,467, respectively.

Note 4 – Pension

Big Bear Airport District provides pension benefits for all of its full-time employees through California Public Employees' Retirement System (CalPERS), which is a state-run cost-sharing multiple-employer defined benefit pension plan. It provides benefits based on a member's years of service, age, and highest compensation. In addition, benefits are provided for disability and death, with payments in some cases going to survivors or beneficiaries of eligible members.

The pension expense for the year ending June 30, 2010 was $13,741.

Note 5 – Tenant Agreements

Minimum future rentals to be received on non-cancelable leases as of June 30, 2010 for each of the next 5 years and in the aggregate are as follows:

June 30,	
2011 $	35,265
2012	35,265
2013	35,265
2014	35,265
2015	35,265
2016 and thereafter	172,225
Total $	348,550

Note 6 - Postemployment Benefits Other Than Pensions

Plan Description. The Big Bear Airport District administers a single-employer defined benefit healthcare plan under the Public Employees' Medical and Hospital Care Act. The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Airport District's group health insurance plan, which covers both active and retired members. Benefit provisions are administered by the California Public Employees' Retirement System (CALPERS) on an annual basis.

Funding Policy. Contribution requirements are established by CALPERS representatives. The Airport District contributes a maximum per month of $832 of the cost of current-year premiums for eligible retired plan members and their spouses and a maximum of $1,400 per month for eligible full-time employees and their families. For fiscal year 2010, the Airport District contributed $23,222 to the plan. In fiscal year 2010, total retired member contributions were $8,649.

Annual OPEB Cost and Net OPEB Obligation. The Airport District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Airport District has elected to calculate the ARC and related information using the alternative measurement methods permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if not paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Note 6 - Postemployment Benefits Other Than Pensions, continued

The following table shows the components of the Airport District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Airport District's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	$	50,635
Interest on net OPEB obligation		760
Adjustment to annual required contribution		-
Annual OPEB cost (expense)		51,395
Contributions made		(23,222)
Increase in net OPEB obligation		28,173
Net OPEB obligation, beginning of year		-
Net OPEB obligation, end of year	$	28,173

The Airport District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year 2010 and the two preceding fiscal years were as follows:

Fiscal Year Ended		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
June 30, 2010	$	51,395	45.2%	$	28,173
June 30, 2009		n/a	n/a		n/a
June 30, 2008		n/a	n/a		n/a

Funded Status and Funding Progress. As of June 30, 2010, the actuarial accrued liability for benefits was $956,801, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $312,105, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 306.6 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subjected to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 6 - Postemployment Benefits Other Than Pensions, continued

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 65, or at the first subsequent year in which the member would qualify for benefits.

Marital status – Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality – Life expectancies were based in mortality tables from the National Center for Health Statistics. The 2010 United States Life Table for Males and for Females were used.

Turnover – Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate – The expected rate of increase in healthcare insurance premiums was based on the three year average increase in inflation provided by US Department of the Census.

Health insurance premiums – For 2010 health insurance premiums, the maximum rate ($676) approved by Resolution of the Board of Trustees *Fixing the Employer's Contribution* was used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate – The expected long-term inflation assumption of 3.3 percent was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in *The 2010 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds* for an intermediate growth scenario.

Payroll growth rate – The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the Airport District's short-term investment portfolio (LAIF), a discount rate of 1.5 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2010, was thirty years.

SUPPLEMENTARY INFORMATION

BIG BEAR AIRPORT DISTRICT

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Simplified Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
June 30, 2010	$ -	956,801.00	956,801.00	0.0%	312,105.00	306.6%
June 30, 2009	-	-	-	0.0%	-	-
June 30, 2008	-	-	-	0.0%	-	-

BIG BEAR AIRPORT DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA No.	Grant Number	Award Amount	Revenue Recognized	Amount Expended
Department of Transportation, Federal Aviation Administration:					
Direct Funding:					
Design and Construct Six Heliport Parking Pads (Hardstands).	20.106	3-06-0022-016-2008	$ 617,485	-	-
Rehabilitation of Taxiway B and Acquire Emergency Engine Generator.	20.106	3-06-0022-017-2009	1,159,190	780,964	780,964
			$ 1,776,675	780,964	780,964

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Big Bear Airport District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*

To the Board of Directors
Big Bear Airport District
Big Bear City, California

We have audited the combined financial statements of Big Bear Airport District (California nonprofit organizations) as of and for the year ended June 30, 2010, and have issued our report thereon dated November 11, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Big Bear Airport District's financial statements are free of material misstatements, 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.*

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Big Bear Airport District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of Big Bear Airport District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Big Bear Airport District's internal control over financial reporting. Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weakness. A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects Big Bear Airport District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Big Bear Airport District's financial statements that is more inconsequential will not be prevented or detected by Big Bear Airport District's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Big Bear Airport District's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Shawn Washington Accountancy Corporation

Riverside, California
November 11, 2010

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Report On Compliance With Requirements
Applicable To Each Major Program And On The Internal Control
Over Compliance In Accordance With OMB Circular A-133

To the Board of Directors
Big Bear Airport District
Big Bear City, California

Compliance

We have audited the compliance of Big Bear Airport District (California nonprofit organizations) with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement*" that are applicable to each of its major federal programs for the year ended June 30, 2010. Big Bear Airport District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Big Bear Airport District's management. Our responsibility is to express an opinion on Big Bear Airport District's compliance based on our audit.

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 OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*." Those standards and OMB Circular A-133 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 Big Bear Airport District'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. Our audit does not provide a legal determination of Big Bear Airport District's compliance with those requirements.

In our opinion, Big Bear Airport District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Big Bear Airport District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Big Bear Airport District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures 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 Big Bear Airport District's internal control over compliance.

A *control deficiency* in Big Bear Airport District's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects Big Bear Airport District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by Big Bear Airport District's internal control.

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A material weakness is a significant deficiency or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Big Bear Airport District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Shawn Washington Accountancy Corporation

Riverside, California
November 11, 2010

BIG BEAR AIRPORT DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Section I - Summary of Auditor's Results

Financial Statements

1. The auditor's report expresses an unqualified opinion on the financial statements of Big Bear Airport District as of June 30, 2010.

2. No reportable conditions were identified during the audit of the financial statements.

3. No instances of noncompliance were identified during the audit.

Federal Awards

4. No reportable conditions or material weaknesses were disclosed during the audit of the major program.

5. The auditor's report on compliance for the major federal award program expresses an unqualified opinion.

6. The program tested as a major program was:

Name of Federal Program or Grant	CFDA No.
Department of Transportation - Federal Aviation Administration	20.106

7. The threshold used for distinguishing between Types A and B programs was $300,000.

8. Big Bear Airport District qualifies as a low risk auditee.