



P.O. Box 755
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FlyBigBear.com

“The Big Bear Airport District provides Big Bear Valley with a safe, efficient and exceptional venue for aviation operations.”

REGULAR BOARD OF DIRECTORS MEETING

Big Bear Airport District
Wednesday, November 12, 2025
4:00 P.M.

Temporary Terminal Building – Board Room (501 Valley Blvd, Big Bear City, CA 92314)

Teleconference location: Pursuant to Government Code Section 54953(b), President Steve Castillo will be participating in the Regular Board of Directors Meeting remotely from the following location: 1110 Willow Road, Northbrook, IL 60062.

BOARD MEMBERS:

Steve Castillo, President
Marikay Lindstrom, Vice President
Darrell Gardner
Wesley Krause
Kam Lawrence

Unless you are a public safety official, please turn off your cell phone or place it on vibrate mode during the Meeting.

This Agenda is prepared and posted pursuant to the requirements of the California Government Code Section 54954.2, which is a portion of California’s Open Meeting Law called the “Brown Act.” The agenda contains a brief, general description of each item of business that is to be discussed and/or transacted. Prior to acting on any Agenda item, the Board will consider public comments.

1. CALL TO ORDER

2. FLAG SALUTE

MISSION STATEMENT: The Big Bear Airport District serves the Big Bear Valley by providing a safe, efficient, and exceptional venue for aviation operations.

3. ROLL CALL AND INTRODUCTIONS

4. APPROVAL OF AGENDA

5. PUBLIC COMMENTS: A person wishing to comment on a non-Agenda item should approach the podium and wait for the President to recognize him/her. Unless otherwise

provided for a specific item, all comments are limited to 3 minutes each with an overall total of 15 minutes. A speaker cannot allot their time to others.

Comments on Agenda items: Comments concerning matters on the agenda will be heard at the time the matter is considered.

Comments on non-Agenda Items: Comments concerning matters not on the agenda will be heard during the Public Comment section on the agenda. A speaker's comments should be within the subject matter jurisdiction of the Big Bear Airport District Board.

Please note that if you wish to address the Board on items not listed on the posted Agenda, the Brown Act does not allow Board discussion of such items because they are not on the agenda and thus were not publicly noticed. Therefore, the Board may only do the following: refer the matter to staff, ask for additional information or request a report back, or give a limited factual response. Your comments may be placed on the agenda for future discussion.

6. BIG BEAR AIRPORT'S PILOTS ASSOCIATION

7. CONSENT AGENDA

7.1. APPROVAL OF MEETING MINUTES – OCTOBER 8, 2025, REGULAR MEETING

7.2. YTD FINANCIAL REPORTS – SEPTEMBER 2025

8. PULLED CONSENT AGENDA ITEMS

9. BUSINESS MATTERS

9.1. FISCAL YEAR 2024-25 FINANCIAL AUDIT REPORT PRESENTED BY PAUL J. KAYMARK FROM THE DISTRICT'S AUDITING FIRM, NIGRO & NIGRO, PC

9.2. DISCUSSION AND POSSIBLE ADOPTION OF RESOLUTION NO. 2025-08: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIG BEAR AIRPORT DISTRICT AUTHORIZING CONTRIBUTION TO ELIGIBLE EMPLOYEES' 457 DEFERRED COMPENSATION PLAN

9.3. COMMITTEE ASSIGNMENTS

President Castillo will either: (1) fill the vacant positions on the Personnel Committee and Safety Committee or (2): re-appoint all the Board Members to each of the following committees: Airport Development, Personnel, Public Outreach, and Safety.

10. MANAGER'S REPORT

11. COMMITTEE REPORTS: None

12. DIRECTOR'S COMMENTS

13. NEXT MEETING DATE:

Wednesday, December 10, 2025, at 4:00 p.m. – Regular Board of Directors Meeting
Location: Temporary Terminal Building

14. ADJOURNMENT

CERTIFICATION: I, Rebecca Cannon, Board Secretary of the Big Bear Airport District, do hereby certify that I posted a copy of the foregoing Agenda on November 8, 2025, at least 72 hours in advance of the Regular Board of Directors Meeting (Government Code Section 54954.2).



Rebecca Cannon
Board Secretary
Big Bear Airport District

The Big Bear Airport District (“District”) Board Meeting area is handicapped accessible. Persons with disabilities can receive this Agenda in an alternative format and should call the Airport Office at (909) 585-3219. Notification of 48 hours prior to the Meeting will enable the District to make arrangements to assure accessibility to the Meeting. The Agenda is posted on the District’s Website at www.flybigbear.com. If access to the Website is not available, copies may be obtained by calling the Airport Office.



MINUTES

REGULAR BOARD OF DIRECTORS MEETING

Wednesday, October 8, 2025

4:00 p.m.

*"The Big Bear Airport District serves the Big Bear Valley
by providing a safe, efficient, and exceptional venue for aviation operations"*

BOARD OF DIRECTORS

Steve Castillo, President | Marikay Lindstrom, Vice President
Director Darrell Gardner | Director Wesley Krause | Director Kam Lawrence

MEETING LOCATION

Temporary Terminal Building – 501 Valley Blvd, Big Bear City, CA 92314

1. **CALL TO ORDER:** Director Lawrence called to order the Regular Meeting of the Big Bear Airport Board of Directors on Wednesday, October 8, 2025, at 4:00 p.m.
2. **FLAG SALUTE:** Director Lawrence invited the Board and those present to join in the flag salute, and the salute followed.
3. **ROLL CALL AND INTRODUCTIONS:** Board Secretary, Rebecca Cannon, recorded the following:
 - DIRECTORS PRESENT:** Director Lawrence, Director Gardner, and Director Krause.
 - DIRECTORS ABSENT:** President Castillo and Vice President Lindstrom.
 - OTHERS PRESENT:** General Manager Ryan Goss, Administrative Manager Abby Erickson, Administrative Assistant Ariel Valenzuela and Board Secretary Rebecca Cannon.
4. **APPROVAL OF AGENDA:** No changes. Approved by Consensus.
5. **PUBLIC COMMENTS:** None.
6. **BIG BEAR AIRPORTS PILOTS ASSOCIATION:** No Report.
7. **CONSENT AGENDA**
 - 7.1. **APPROVAL OF MEETING MINUTES – SEPTEMBER 10, 2025, REGULAR MEETING**

7.2. YTD FINANCIAL REPORTS – AUGUST 2025

Director Gardner moved to approve the minutes of the Regular Board of Directors Meeting held on September 10, 2025, and to accept, for filing, the Year-to-Date Financial Reports for August 2025 as presented.

Director Lawrence seconded the motion.

The motion passed, with all present board members voting AYE.

8. PULLED CONSENT AGENDA ITEMS: None.

9. BUSINESS MATTERS

9.1. DISCUSSION AND POSSIBLE ADOPTION OF RESOLUTION NO. 2025-07: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIG BEAR AIRPORT DISTRICT FIXING THE CONTRIBUTION UNDER THE PUBLIC EMPLOYEES’ MEDICAL AND HOSPITAL CARE ACT AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS

General Manager Ryan Goss pointed out that staff edited the table in the resolution after the agenda was published for readability purposes, but assured the Directors and the public that the amount(s) presented within the table were not altered.

Director Krause moved to approve and adopt Resolution No. 2025-07, as amended by staff.

Director Gardner seconded the motion.

Said motion was approved by the following vote:

- AYES: Gardner, Krause, Lawrence
- NOES: None
- ABSENT: Castillo, Lindstrom
- ABSTAIN: None

9.2. DISCUSSION AND POSSIBLE APPROVAL OF AN AGREEMENT FOR LEGAL SERVICES WITH ELIZABETH L. MARTYN

Director Krause moved to approve the Legal Services Agreement with Elizabeth L. Martyn.

Director Lawrence seconded the motion.

Said motion was approved by the following vote:

- AYES: Gardner, Krause, Lawrence
- NOES: None
- ABSENT: Castillo, Lindstrom
- ABSTAIN: None

10. MANAGERS’ REPORT

In addition to reviewing the August 2025 operation report, General Manager Ryan Goss provided an update on the construction of the new terminal building.

11. COMMITTEE REPORTS: None.

12. DIRECTOR'S COMMENTS: None.

13. NEXT MEETING DATE:

Wednesday, November 12, 2025, at 4:00 p.m. – Regular Board of Directors Meeting
Location: Temporary Terminal Building

14. ADJOURNMENT: 4:22 p.m.

Steve Castillo, President
Board Of Directors

Attest: _____
Rebecca Cannon
Board Secretary

DRAFT

Big Bear Airport District
Profit & Loss Budget Performance
September 2025

	September	Jul - Sep 25	Total Budget	\$ Over/(Under) Budget	% of Budget Target: 25%
Income					
4054 · State Subsidy	\$ -	\$ -	\$ 10,000.00	\$ (10,000.00)	0%
4055 · Tax Revenues	-	-	2,224,400	(2,224,400)	0%
4110 · Sales-Aircraft Fuel	55,400	192,926	666,100	(473,174)	29%
4200 · Auto Parking	650	1,875	8,000	(6,125)	23%
4206 · Events Revenue	1,000	1,000	1,000	-	100%
4210 · Commercial Leases	2,475	6,425	29,700	(23,275)	22%
4220 · Ground Lease	8,571	25,954	100,600	(74,646)	26%
4230 · Hangar Rentals	34,954	103,881	427,700	(323,819)	24%
4254 · Gate Access Remote/Key Repl.	-	80	200	(120)	40%
4255 · Aircraft Oil Sales	-	624	3,300	(2,676)	19%
4256 · Aircraft Stores Sales	-	-	900	(900)	0%
4260 · Souvenir Sales	488	994	7,000	(6,006)	14%
4270 · Storage Units	488	1,465	5,900	(4,435)	25%
4280 · Tiedown Rents	506	1,558	6,200	(4,642)	25%
4290 · Tiedown Transient	554	829	3,000	(2,171)	28%
4300 · RV/Camper Storage	1,366	4,098	17,300	(13,202)	24%
4305 · Reimbursement	-	2,212	202,500	(200,288)	1%
4310 · Misc Revenue	-	-	600	(600)	0%
4320 · Late Fees-Tenant Rentals	-	-	300	(300)	0%
Total Income	106,452	343,921	3,714,700	(3,370,779)	9%
Cost of Goods Sold					
5000 · COGS- Aircraft Fuel	40,628	140,959	598,300	(457,341)	24%
5005 · COGS-Souvenirs	-	-	5,800	(5,800)	0%
5010 · COGS - Oil	-	-	1,900	(1,900)	0%
5015 · COGS - Aircraft Stores	-	-	1,000	(1,000)	0%
Total COGS	40,628	140,959	607,000	(466,041)	23%
Gross Profit	65,824	202,962	3,107,700	(2,904,738)	7%
Expense					
5040 · Marketing	102	370	75,000	(74,630)	0%
5061 · Bank Charges/Credit Card Fees	2,540	12,146	33,700	(21,554)	36%
5090 · Contract Services	4,773	15,766	91,300	(75,534)	17%
5110 · Motorized Vehicle Fuel	2,031	5,872	27,200	(21,328)	22%
5125 · Directors' Expenses	500	3,961	13,700	(9,739)	29%
5140 · Dues & Subscriptions	213	1,453	16,500	(15,047)	9%
5150 · Staff Expenses	1,001	1,954	16,000	(14,046)	12%
5160 · Fees/Permits/Licenses	4,021	4,021	13,300	(9,279)	30%
5170 · Hazardous Waste Pickup	-	-	1,000	(1,000)	0%
5180 · Insurance-Liability Expense	-	75,173	85,000	(9,827)	88%
5182 · Insurance-Worker's comp	2,692	21,787	23,300	(1,513)	94%
5210 · Janitorial Supplies	412	997	2,300	(1,303)	43%
5215 · Manager's Expenses	15	15	2,100	(2,085)	1%
5230 · Office Operational Expense	96	886	5,200	(4,314)	17%
5250 · Professional Services	3,772	23,208	98,300	(75,092)	24%
5260 · Repair & Maintenance-AWOS	360	360	5,300	(4,940)	7%
5275 · R & M - Aircraft Fuel Farm	-	965	10,000	(9,035)	10%
5280 · Repair & Maintenance-Grounds	1,164	2,885	15,000	(12,115)	19%
5285 · Repair & Maintenance-Hangars	-	-	10,000	(10,000)	0%

**Big Bear Airport District
Profit & Loss Budget Performance
September 2025**

	September	Jul - Sep 25	Total Budget	\$ Over/(Under) Budget	% of Budget Target: 25%
5290 · Repair & Maintenance-Lighting	-	1,459	5,500	(4,041)	27%
5295 · R & M - Terminal Building	-	9	6,200	(6,191)	0%
5300 · R & M - Motorized Equipment	4,046	4,244	32,000	(27,756)	13%
5305 · Repair & Maint Fire Extinguish	-	3,775	3,600	175	105%
5310 · Emerg Equip/Supplies	-	-	1,300	(1,300)	0%
5350 · CDTFA Dealer Tax	125	428	1,100	(672)	39%
5373 · Tools/Small Maint Equipment	-	423	5,000	(4,577)	8%
5390 · Winter Ops Contingency	-	-	6,000	(6,000)	0%
5400 · Utilities	9,528	26,276	161,900	(135,624)	16%
6565 · Salaries	63,485	155,915	798,200	(642,285)	20%
6570 · FICA-Employer	-	130	300	(170)	43%
6575 · Medicare-Employer	843	2,359	10,900	(8,541)	22%
6585 · Health, Life, Dent.& Vision Ins	21,893	68,082	317,400	(249,318)	21%
6590 · 457 Contribution-ER Match	1,731	4,599	24,000	(19,401)	19%
6594 · Survivor Benefit Expense	-	557	500	57	111%
6595 · Pension Expense	5,762	95,450	159,700	(64,250)	60%
6596 · Pension - ER Paid for EE	1,082	2,899	13,300	(10,401)	22%
6597 · GASB 68 Report Fee	350	350	700	(350)	50%
6599 · SSA218-CalPERS Annual AdminFee.	-	-	100	(100)	0%
Total Expense	132,537	538,774	2,091,900	(1,553,126)	26%
Net Ordinary Income	(66,713)	(335,812)	1,015,800	(1,351,612)	-33%
Other Income/Expense					
Other Income					
4330 · Investment Revenue	66,084	146,771	285,800	(139,029)	51%
4332 · Unrealized Gain/(Loss) on Invmt	31,391	54,687			
Total Other Income	97,475	201,458	285,800	(84,342)	70%
Other Expense					
5208 · Terminal Building Construction	632,576	1,636,347			
5042 · Capital Improvement Proj. FY24	(144)	7,617	88,000	(80,383)	9%
5039 · Capital Improvement Projects 22	-	23,800	25,000	(1,200)	95%
5205 · Interest Exp-Terminal Bldg Loan	-	110,481	217,500	(107,019)	51%
5207 · Term.Bldg. Loan Debt Service	-	230,000	230,000	-	100%
Total Other Expense	632,432	2,008,245	560,500	1,447,745	358%
Net Other Income	(534,957)	(1,806,787)	(274,700)	(1,532,087)	658%
Net Income	\$ (601,670.00)	\$ (2,142,599.00)	\$ 741,100.00	\$ (2,883,699.00)	

Big Bear Airport District
Balance Sheet
As of September 30, 2025

Accrual Basis

	Sep 30, 25
ASSETS	
Current Assets	
Checking/Savings	
1040 · Checking Account	1,315,455
Total Checking/Savings	1,315,455
Accounts Receivable	
1140 · Accounts Receivable	7,729
Total Accounts Receivable	7,729
Other Current Assets	
1001 · Petty Cash	350
1125 · LAIF	294,015
1125.01 · LAIF - Fair Market Value	349
1127 · TD Ameritrade, Inc.	10,253,447
1128 · CLASS	1,376,010
1142 · Lease Receivable	335,806
1160 · Prepaid Medical/Life Insurance	37,369
1164 · Pre Paid Jet A Fuel Tax	6,559
1166 · Pre-Paid Expense	7,699
1181 · Inventory-Souvenirs	4,830
1182 · Inventory-Fuel	78,611
1183 · Inventory - Oil	6,519
1185 · Inventory - Aircraft Stores	4,156
1499 · Undeposited Funds	2,007
Total Other Current Assets	12,407,727
Total Current Assets	13,730,911
Fixed Assets	
1201 · Land	3,692,512
1220 · Land Improvements	18,172,525
1240 · Structure Improvements	5,726,203
1250 · Operating Equipment	4,184,403
1270 · Accumulated Depreciation	-21,973,321
1300 · Construction in Progress	3,189,400
Total Fixed Assets	12,991,721
Other Assets	
1150 · Deferred Outflows of Resources	636,719
Total Other Assets	636,719
TOTAL ASSETS	27,359,351

Big Bear Airport District
Balance Sheet
As of September 30, 2025

Accrual Basis

	Sep 30, 25
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2001 · Accounts Payable	41,429
Total Accounts Payable	41,429
Other Current Liabilities	
2010 · Retention Payable	190,887
2123 · Accrued Vacation	74,890
2124 · Accrued Sick Leave	106,953
2200 · Sales Taxes Payable	13,280
2250 · Retirement Contribution Payable	-5,268
2255 · Survival Benefit Payable	-7
2265 · PERS 457 Payable	-2,454
2301 · Deposits-Tenant Security	34,246
2302 · Deposits-Gate Access	6,890
2303 · Deposits-Wait List	15,642
2320 · Prepaid Rents	165,306
Total Other Current Liabilities	600,363
Total Current Liabilities	641,792
Long Term Liabilities	
2525 · Terminal Building Loan	7,480,948
2600 · Net Pension Liability	840,024
2620 · Net OPEB Obligation	1,000,435
2625 · Deferred Inflows of Resources	748,951
2630 · DIR - Leases	331,356
Total Long Term Liabilities	10,401,714
Total Liabilities	11,043,506
Equity	
3900 · Retained Earnings	18,458,439
Net Income	-2,142,594
Total Equity	16,315,845
TOTAL LIABILITIES & EQUITY	27,359,351

Big Bear Airport District
US Bank CC Expense-Detail
September 2025

Accrual Basis

Date	Memo	Amount
US Bank		
09/22/2025	John Deere window/OshKosh parts	3,553.54
09/22/2025	AE Lunch at CalPERS Training	11.69
09/22/2025	Coffee Bar Supplies	102.20
09/22/2025	RG Chamber Breakfast	15.00
09/22/2025	Office Supplies	96.07
09/22/2025	Zoom, IP Video	212.98
09/22/2025	Ring Central	317.72
09/22/2025	Backflow test	100.00
	Total US Bank	4,409.20
TOTAL		4,409.20

Big Bear Airport District Monthly Check Report

September 2025

Date	Num	Name	Memo	Amount
09/03/2025	DD2856	Abby Erickson	Direct Deposit	0.00
09/03/2025	DD2857	Ariel Valenzuela	Direct Deposit	0.00
09/03/2025	DD2858	Hugo Medel-Valdes	Direct Deposit	0.00
09/03/2025	DD2859	James Ryan Goss	Direct Deposit	0.00
09/03/2025	DD2860	John M. Egerer	Direct Deposit	0.00
09/03/2025	DD2861	John R Melissa	Direct Deposit	0.00
09/03/2025	DD2862	Rebecca Cannon	Direct Deposit	0.00
09/17/2025	DD2863	Abby Erickson	Direct Deposit	0.00
09/17/2025	DD2864	Ariel Valenzuela	Direct Deposit	0.00
09/17/2025	DD2865	David Caballero	Direct Deposit	0.00
09/17/2025	DD2866	Hugo Medel-Valdes	Direct Deposit	0.00
09/17/2025	DD2867	James Ryan Goss	Direct Deposit	0.00
09/17/2025	DD2868	John M. Egerer	Direct Deposit	0.00
09/17/2025	DD2869	John R Melissa	Direct Deposit	0.00
09/17/2025	DD2870	Rebecca Cannon	Direct Deposit	0.00
*** Missing numbers here ***				
09/02/2025	4771	PERS - Retirement	457 Contribution PP ending 8/30/25	-2,222.76
09/02/2025	4772	PERS - Retirement	PP ending 8/30/25	-4,854.96
*** Missing numbers here ***				
09/09/2025	4780		GASB68 Report Fee	-350.00
09/16/2025	4781	PERS - Retirement	457 Contribution PP ending 9/13/25	-2,453.52
09/16/2025	4782	PERS - Retirement	PP ending 9/13/25	-5,251.77
*** Missing numbers here ***				
09/29/2025	4785		PERS Medical Premium - October	-26,567.10
09/29/2025	4786	PERS - Retirement	PP ending 9/27/25	-5,251.77
09/29/2025	4787	PERS - Retirement	457 Contribution PP ending 9/27/25	-2,453.52
*** Missing numbers here ***				
09/11/2025	Wire 9925	Angeles Contractor, Inc.	Work through 8/31/25	-600,947.52
*** Missing numbers here ***				
09/03/2025	35134	Big Bear City CSD.	BBAD	-923.22
09/03/2025	35135	Caballero, David.	September 2025 cell phone	-50.00
09/03/2025	35136	Cannon, Rebecca.	September 2025 cell phone	-50.00
09/03/2025	35137	Castillo, Steve	Monthly reimbursement - September 2025	-100.00
09/03/2025	35138	DIY Home Center	0060-00061228	-9.23
09/03/2025	35139	Erickson, Abby.	September 2025 cell phone	-50.00
09/03/2025	35140	Gardner, Darrell	Monthly reimbursement - September 2025	-100.00
09/03/2025	35141	Goss, Ryan	September 2025 cell phone	-50.00
09/03/2025	35142	Grainger, Inc.	816693576	-34.13
09/03/2025	35143	Independent Fee Estimates, LLC	BBAD	-2,950.00
09/03/2025	35144	Krause, Wesley	Monthly reimbursement - September 2025	-100.00
09/03/2025	35145	Lawrence, Kam.	Monthly reimbursement - September 2025	-100.00
09/03/2025	35146	Lindstrom, Marikay.	Monthly reimbursement - September 2025	-100.00
09/03/2025	35147	Medel, Hugo	September 2025 cell phone	-50.00
09/03/2025	35148	Melissa, John	September 2025 cell phone	-50.00
09/03/2025	35149	Nativescapes, Inc.	BBAD	-568.00
09/03/2025	35150	Southwest Gas	910000935051	-11.00
09/03/2025	35151	Streamline	10312FFC-0002 Sept 1-Oct 1 2025	-245.00
09/03/2025	35152	Valenzuela, Ariel.	September 2025 cell phone	-50.00
09/03/2025	35153	Weiner, Louis G. Photography	BBAD	-40.00
09/03/2025	35154	Bergland, John H-Par N	H-Par N	-460.00
09/09/2025	35155	282 Services	Meter calibration on AV gas Refueler	-964.70
09/09/2025	35156	Advanced Copy Systems	SB6733	-78.35
09/09/2025	35157	Bear Valley Electric	Airport accounts	-2,369.92
09/09/2025	35158	Born Aviation Products, Inc	BIGBEAR	-109.76
09/09/2025	35159	Butcher's Block	101970	-8.60
09/09/2025	35160	Erickson, Abby.	CalPERS Training Mileage Reimbursement ...	-78.40
09/09/2025	35161	Mountain Water Company	BBAD	-96.00
09/09/2025	35162	RSI	KL35	-360.00
*** Missing numbers here ***				
09/09/2025	35164	Bear Valley Electric	Airport accounts	-581.61
09/09/2025	35165	Bear Valley Electric	Airport accounts	-449.85
09/09/2025	35166	Bear Valley Electric	Airport accounts	-319.42
09/09/2025	35167	Bear Valley Electric	Airport accounts	-214.91
09/09/2025	35168	Bear Valley Electric	Airport accounts	-209.75
09/09/2025	35169	Bear Valley Electric	Airport accounts	-209.62
09/09/2025	35170	Bear Valley Electric	Airport accounts	-186.29
09/09/2025	35171	Bear Valley Electric	Airport accounts	-112.02
09/09/2025	35172	Bear Valley Electric	Airport accounts	-83.70

Big Bear Airport District Monthly Check Report

September 2025

Date	Num	Name	Memo	Amount
09/09/2025	35173	Bear Valley Electric	Airport accounts	-70.92
09/09/2025	35174	Bear Valley Electric	Airport accounts	-55.40
09/09/2025	35175	Bear Valley Electric	Airport accounts	-44.79
09/09/2025	35176	Bear Valley Electric	Airport accounts	-35.51
09/09/2025	35177	Bear Valley Electric	Airport accounts	-21.80
09/09/2025	35178	Bear Valley Electric	Airport accounts	-20.05
09/09/2025	35179	Bear Valley Electric	Airport accounts	-19.14
09/09/2025	35180	Starting Line Advisory	BBAD45904	-3,392.45
09/17/2025	35181	Bear Valley Printing	BBAD	-561.27
09/17/2025	35182	De Lage Landen	345023	-118.12
09/17/2025	35183	Flyers Energy LLC	3685	-2,031.37
09/17/2025	35184	Reliance Standard	GL160580, LTD 130861	-540.83
09/17/2025	35185	Sonitrol of San Bernardino	23424,237693	-260.52
09/17/2025	35186	Zavala Engineering, Inc	Supervising Concrete Pour	-1,220.00
09/23/2025	35187	Big Bear City CSD.	BBAD	-80.90
09/23/2025	35188	Cole Huber LLP	10443	-380.00
09/23/2025	35189	De Lage Landen	345023	-17.99
09/23/2025	35190	Principal Financial Group	1014239-10001	-1,382.20
09/23/2025	35191	S.B. County Fire Protection District	FA0001983	-2,783.00
09/23/2025	35192	Shred-it, Inc.	12147987	-97.90
09/23/2025	35193	Southwest Gas	910000935051	-12.90
09/23/2025	35194	Zavala Engineering, Inc	Supervising Concrete Pour	-700.00
09/30/2025	35195	Accent Computer Solutions, Inc.	Computer Support	-3,115.63
09/30/2025	35196	Bear Valley Electric	Airport accounts	-5,887.64
09/30/2025	35197	Big Bear City CSD.	BBAD	-1,654.26
09/30/2025	35198	Butcher's Block	101970	-234.38
09/30/2025	35199	Chem-Pak, Inc.	B1017	-412.30
09/30/2025	35200	Geiger Supply, Inc.	BBAI	-41.74
09/30/2025	35201	La Sierra Fire Equipment, Inc.	BBAD	-3,774.65
09/30/2025	35202	SDRMA	7114	-2,691.62

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

October 01, 2025

[LAIIF Home](#)
[PMIA Average Monthly Yields](#)

BIG BEAR AIRPORT DISTRICT

GENERAL MANAGER
P.O. BOX 755
BIG BEAR CITY, CA 92314

[Tran Type Definitions](#)

September 2025 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	294,015.09
Total Withdrawal:	0.00	Ending Balance:	294,015.09

Columbia Capital Management, LLC
PORTFOLIO SUMMARY
Big Bear Airport District
Income
September 30, 2025

Security Type	Quantity	Total Cost	Market Value	Pct. Assets	Cur. Yield	Est. Annual Income
Fixed Income						
Agency Securities	2,000,000	1,979,327.00	1,978,529.35	57.5	4.1	43,000.00
	2,000,000	1,979,327.00	1,978,529.35	57.5	4.1	43,000.00
Cash and Equiv.						
Cash and Equivalents	0	588,119.80	588,119.80	17.1	0.2	1,176.24
Mutual Funds	873,842	873,841.90	873,841.90	25.4	4.6	40,399.81
	873,842	1,461,961.70	1,461,961.70	42.5	2.8	41,576.05
TOTAL PORTFOLIO	2,873,842	3,441,288.70	3,440,491.05	100.0	3.6	84,576.05

Columbia Capital Management, LLC
FIXED INCOME PORTFOLIO
Big Bear Airport District
Income
September 30, 2025

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value +Accr.Int.	Pct. Assets	Yield To Mat.	Duration
Agency Securities										
1,000,000	FEDERAL HOME LOAN BANKS 4.300% Due 07-17-26	100.00	1,000,025.00	99.84	998,401.57	8,719.44	1,007,121.01	29.0	4.50	0.77
1,000,000	FEDERAL HOME LOAN BANKS 0.000% Due 04-14-26	97.93	979,302.00	98.01	980,127.78	0.00	980,127.78	28.5	3.76	0.53
			<u>1,979,327.00</u>		<u>1,978,529.35</u>	<u>8,719.44</u>	<u>1,987,248.79</u>	<u>57.5</u>	<u>4.13</u>	<u>0.65</u>
			1,979,327.00		1,978,529.35	8,719.44	1,987,248.79	57.5	4.13	0.65
Cash and Equivalents										
	Cash		<u>588,119.80</u>		<u>588,119.80</u>		<u>588,119.80</u>	<u>17.1</u>		<u>0.00</u>
			588,119.80		588,119.80	0.00	588,119.80	17.1	0.00	0.00
Mutual Funds										
873,842	SCHWAB US TREASURY MONEY ULTRA	1.00	873,841.90	1.00	873,841.90		873,841.90	25.4		0.00
			<u>873,841.90</u>		<u>873,841.90</u>	<u>0.00</u>	<u>873,841.90</u>	<u>25.4</u>	<u>0.00</u>	<u>0.00</u>
			3,441,288.70		3,440,491.05	8,719.44	3,449,210.49	100.0	2.38	0.37

Columbia Capital Management, LLC
PERFORMANCE REPORT
GROSS OF FEES
Big Bear Airport District
Income
From 08-31-25 to 09-30-25

Portfolio Value on 08-31-25	3,388,869.36
Accrued Interest	48,126.51
Contributions	0.00
Withdrawals	0.00
Realized Gains	1,539.73
Unrealized Gains	1,362.11
Interest	48,064.90
Dividends	654.95
Change in Accrued Interest	-39,407.07
Portfolio Value on 09-30-25	3,440,491.05
Accrued Interest	8,719.44
Average Capital	3,436,995.88
Total Gain before Fees	12,214.62
IRR for 0.08 Years	0.36%

Columbia Capital Management, LLC
PERFORMANCE REPORT
GROSS OF FEES
Big Bear Airport District
Income
From 05-01-22 to 09-30-25

Portfolio Value on 05-01-22	0.00
Accrued Interest	0.00
Contributions	0.00
Withdrawals	0.00
Transfers In	2,999,733.00
Realized Gains	64,323.86
Unrealized Gains	-797.65
Interest	371,593.33
Dividends	5,638.51
Change in Accrued Interest	8,719.44
Portfolio Value on 09-30-25	3,440,491.05
Accrued Interest	8,719.44
Average Capital	2,922,816.77
Total Gain before Fees	449,477.49
IRR for 3.42 Years	15.38%

Columbia Capital Management, LLC
FIXED INCOME DISTRIBUTION
Big Bear Airport District
Income
September 30, 2025

Summary Information

	Totals		Weighted Averages
Par Value	2,000,000	Average YTM	4.13
Market Value	1,978,529.35	Average Maturity (yrs)	0.67
Total Cost	1,979,327.00	Average Coupon (%)	2.17
Net Gain/Loss	-797.65	Average Duration	0.65
Annual Income	43,000.00	Average Moody Rating	NR
Number of Issues	2	Average S&P Rating	NR

Distribution by Moody Rating

Rating	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
Not Rated	2	1,978,529.35	100.0	4.1	2.170%	0.7

Distribution by S&P Rating

Rating	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
Not Rated	2	1,978,529.35	100.0	4.1	2.170%	0.7



Big Bear Airport District
 PO Box 755
 Big Bear City, CA 92314

California CLASS

California CLASS

Average Monthly Yield: 4.2725%

		Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
CA-01-0172-0001	Cash Reserve	1,570,982.55	0.00	200,000.00	5,027.77	54,835.98	1,424,483.48	1,376,010.32
TOTAL		1,570,982.55	0.00	200,000.00	5,027.77	54,835.98	1,424,483.48	1,376,010.32



Cash Reserve

Account Summary

Average Monthly Yield: 4.2725%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
California CLASS	1,570,982.55	0.00	200,000.00	5,027.77	54,835.98	1,424,483.48	1,376,010.32

Transaction Activity

Transaction Date	Transaction Description	Contributions	Withdrawals	Balance	Transaction Number
09/01/2025	Beginning Balance			1,570,982.55	
09/09/2025	Withdrawal		200,000.00		13548
09/30/2025	Income Dividend Reinvestment	5,027.77			
09/30/2025	Ending Balance			1,376,010.32	



California CLASS

California CLASS

Date	Dividend Rate	Daily Yield
09/01/2025	0.00000000	4.3238%
09/02/2025	0.000118470	4.3175%
09/03/2025	0.000118622	4.3297%
09/04/2025	0.000118635	4.3302%
09/05/2025	0.000357231	4.3463%
09/06/2025	0.00000000	4.3463%
09/07/2025	0.00000000	4.3463%
09/08/2025	0.000119040	4.3449%
09/09/2025	0.000118746	4.3342%
09/10/2025	0.000118698	4.3325%
09/11/2025	0.000118598	4.3288%
09/12/2025	0.000356493	4.3373%
09/13/2025	0.00000000	4.3373%
09/14/2025	0.00000000	4.3373%
09/15/2025	0.000119379	4.3574%
09/16/2025	0.000119433	4.3593%
09/17/2025	0.000118363	4.3202%
09/18/2025	0.000116724	4.2604%
09/19/2025	0.000344004	4.1854%
09/20/2025	0.00000000	4.1854%
09/21/2025	0.00000000	4.1854%
09/22/2025	0.000114288	4.1715%
09/23/2025	0.000114221	4.1691%
09/24/2025	0.000114187	4.1678%
09/25/2025	0.000114492	4.1790%
09/26/2025	0.000344334	4.1894%
09/27/2025	0.00000000	4.1894%
09/28/2025	0.00000000	4.1894%
09/29/2025	0.000114709	4.1848%
09/30/2025	0.000114740	4.1880%

Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.**

BIG BEAR AIRPORT DISTRICT
Presentation to the Board of Directors
For the Fiscal Year Ended
June 30, 2025

NIGRO & NIGRO^{PC}



SCOPE OF WORK

Perform Audit Testwork of the Entity's Annual Financial Statements/Report

Report on the Entity's internal control over financial reporting and on compliance in accordance with Government Auditing Standards

OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

1. Form and express an opinion about whether the Annual Financial Statements results, that have been prepared by management, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
2. Our responsibility is to plan and perform the audit to obtain **reasonable assurance (not absolute assurance)** about whether the Annual Financial Statements are free of material misstatements.
3. We are to consider the Entity's internal controls and segregations of duties over accounting procedures and financial reporting as we perform our audit testwork. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal controls.

AUDIT RESULTS

An Auditor's **Unmodified Opinion** has been issued on the Annual Financial Statements.

- The Annual Financial Statements are fairly presented in all material respects.
- The adopted significant accounting policies have been consistently applied.
- Estimates are considered reasonable for Depreciation, Pension and OPEB expenses along with Lease transactions.
- New GASB Pronouncements were adopted.
- Required disclosures are properly reflected in the Annual Financial Statements.

AU-C 265 – Communicating Internal Control Related Matters Identified in an Audit

No Material Issues Arose to be Reported to the Governing Board/Management

Any Minor Issues Were Discussed Orally and Corrected by Management

How Do We Make You Better?

Best Practice Solutions Were Conveyed to Management – That's the Audit ROI

Big Bear Airport District
Dashboard – Audited Financial Statements
June 30, 2025 vs 2024

Revenues & Expenses	2025	2024	Variance
Operating Revenues:			
Facility and hangar rentals	\$ 570,342	574,405	\$ (4,063)
Fuel and oil sales, net of cost	160,262	119,642	40,620
Aircraft tiedown fees, parking etc.	34,857	36,571	(1,714)
Other operating revenue	64,988	4,291	60,697
Non-Operating Revenues:			
Property taxes – ad valorem	2,255,071	2,017,583	237,488
Redevelopment taxes	-	136,265	(136,265)
Investment earnings	870,665	619,525	251,140
State subsidy	10,000	10,000	-
Total Revenues	<u>3,966,185</u>	<u>3,518,282</u>	<u>447,903</u>
Operating Expenses:			
Salaries and wages	795,195	669,738	125,457
Employee benefits	646,769	488,184	158,585
Board of directors expenses	13,661	9,500	4,161
Materials and supplies	122,129	138,297	(16,168)
Insurance	85,801	87,635	(1,834)
Professional services	255,516	252,241	3,275
Repairs and maintenance	73,821	95,951	(22,130)
Utilities and telephone	168,914	152,236	16,678
Operating expenses before depr.	<u>2,161,806</u>	<u>1,893,782</u>	<u>268,024</u>
Depreciation Expense	1,693,544	3,277,967	(1,584,423)
Total Operating Expenses	<u>3,855,350</u>	<u>5,171,749</u>	<u>(1,316,399)</u>
Non-Operating Expenses:			
Interest expense	221,432	221,425	7
Temporary building costs	115,738	116,436	(698)
Total Expenses	<u>4,192,520</u>	<u>5,509,610</u>	<u>(1,317,090)</u>
Change in Revenues & Expenses	<u>\$ (226,335)</u>	<u>\$ (1,991,328)</u>	<u>\$ 1,764,993</u>

Capital Outlay:			
Capital Asset Additions	\$ (2,251,232)	\$ (416,423)	\$ (1,834,809)
Depreciation Expense	<u>1,693,544</u>	<u>3,277,967</u>	<u>(1,584,423)</u>
Change in Capital Expense	<u>\$ (557,688)</u>	<u>\$ 2,861,544</u>	<u>\$ (3,419,232)</u>

Debt Service:			
Principal Paid	\$ (220,000)	\$ (275,000)	\$ 55,000

Cash & Investments	<u>\$ 15,931,125</u>	<u>\$ 16,135,698</u>	<u>\$ (204,573)</u>
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Quick Summary:			
Change in Revenues & Expenses	\$ (226,335)		
Change in Capital Expense	(557,688)		
Change in Debt Service	(220,000)		
Change in Accounts Payable	961,245		
Change in OPEB & Pension Liability	(184,536)		
Change in Cash & Investments	<u>\$ (227,314)</u>	Approximately	<u>\$ (22,741)</u>

Investment Earnings to Portfolio	<u>5.43%</u>
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BIG BEAR AIRPORT DISTRICT
Report to the Board of Directors
For the Fiscal Year Ended
June 30, 2025

NIGRO & NIGRO^{PC}

BIG BEAR AIRPORT DISTRICT

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For the Fiscal Year Ended June 30, 2025

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

We are pleased to present this report related to our audit of the financial statements of the Big Bear Airport District (District) as of and for the year ended June 30, 2025. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Big Bear Airport District financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Big Bear Airport District.

Very truly yours,

Murrieta, California
November 12, 2025

Required Communications

BIG BEAR AIRPORT DISTRICT
Required Communications
For the Fiscal Year Ended June 30, 2025

Generally accepted auditing standards (AU-C 260, *The Auditor’s Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<p>Our Responsibilities with Regard to the Financial Statement Audit</p>	<p>Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated May 1, 2025. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.</p>
<p>Overview of the Planned Scope and Timing of the Financial Statement Audit</p>	<p>An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.</p>
<p>Accounting Policies and Practices</p>	<p>Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted.</p> <p>Adoption of, or Change in, Significant Accounting Policies or Their Application Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p>Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Management’s Judgments and Accounting Estimates Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgment. No such significant accounting estimates were noted or estimate applications were changed from the previous year.</p>
<p>Audit Adjustments</p>	<p>Audit adjustments are summarized in the attached Summary of Adjusting Journal Entries.</p>
<p>Uncorrected Misstatements</p>	<p>We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.</p>

BIG BEAR AIRPORT DISTRICT
Required Communications
For the Fiscal Year Ended June 30, 2025

Area	Comments
Discussions With Management	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	No significant difficulties were encountered in performing our audit.
Required Supplementary Information	<p>We applied certain limited procedures to the:</p> <ol style="list-style-type: none"> 1. Management's Discussion and Analysis 2. Required Pension Plan Disclosures 3. Required OPEB Plan Disclosures <p>Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

BIG BEAR AIRPORT DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2025

Disclosure of Audit Adjustments and Reclassifications

As part of our external audit engagement, we operate under the presumption that the District's books and records are materially accurate and appropriately closed prior to the commencement of audit fieldwork. Nonetheless, audit adjustments and reclassifications are often proposed during the course of the audit to ensure the District's financial statements are presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), and to enhance comparability with prior-year financial data. In the interest of transparency and governance, we have included, as an attachment to this letter, a summary of audit adjustments and reclassification journal entries identified during the audit.

The existence or absence of such adjustments does not inherently indicate deficiencies, but rather reflects the auditor's role in enhancing the fair presentation of the financial statements. Disclosure of these items provides the Board of Directors with insight into the scope and depth of the audit procedures performed.

To promote timely and accurate financial reporting, we recommend that management strengthen internal controls and oversight over the year-end financial close process. Enhancing these procedures can reduce the volume of post-closing audit adjustments and reclassifications, improve the quality of interim and year-end financial reporting, and support the District's efforts in maintaining compliance with financial reporting requirements and best practices in fiscal governance.

Summary of Adjusting Journal Entries

BIG BEAR AIRPORT DISTRICT
Summary of Adjusting Journal Entries
For the Fiscal Year Ended June 30, 2025

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
To Reclass Fixed Asset Deletion			
1240	Structure Improvements	48,732.00	
1220	Land Improvements		48,732.00
Total		48,732.00	48,732.00
Adjusting Journal Entries JE # 2			
To record GASB 75 OPEB.			
1151	DOR - OPEB Contributions	5,352.89	
2621	DIR - OPEB Related	152,837.00	
6586	OPEB Expense	29,413.11	
1152	DOR - OPEB Related		22,739.00
2620	Net OPEB Obligation		164,864.00
Total		187,603.00	187,603.00
Adjusting Journal Entries JE # 3			
To True up GASB 101 Balance			
2123	Accrued Vacation	14,516.63	
2124	Accrued Sick Leave	17,504.74	
6565	Salaries		32,021.37
Total		32,021.37	32,021.37
	Total Adjusting Journal Entries	268,356.37	268,356.37

**BIG BEAR AIRPORT DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Years Ended
June 30, 2025 and 2024**

NIGRO & NIGRO^{PC}

BIG BEAR AIRPORT DISTRICT

For the Fiscal Years Ended June 30, 2025 and 2024

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Financial Section



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the Big Bear Airport District (District), which comprise the balance sheets as of June 30, 2025 and 2024, and the related statements of revenues, expenses and changes in net position and cash flows for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Big Bear Airport District, as of June 30, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As described in Notes 1 and 6, to the financial statements, as of July 1, 2024, the District adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. Our opinion is not modified with respect to these matters.

Management's Responsibility for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated November 12, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Murrieta, California
November 12, 2025

BIG BEAR AIRPORT DISTRICT

Management's Discussion and Analysis (Unaudited) For the Fiscal Years Ended June 30, 2025 and 2024

Management's Discussion and Analysis (MD&A) offers readers of Big Bear Airport District's financial statements a narrative overview of the District's financial activities for the fiscal years ended June 30, 2025 and 2024. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to-prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District incurred a net loss before capital contributions of \$226,335 and \$1,991,328 for fiscal years ended June 30, 2025 and 2024, respectively. Both losses are primarily attributable to depreciation expense and not cash flows.
- In 2025, total revenues before capital contributions increased by \$447,903 or 12.73% from \$3,518,282 in 2024, to \$3,966,185 in 2025, primarily due to an increase of \$237,488 in property taxes – ad valorem, and a \$251,140 increase in investment earnings.
- In 2024, total revenues before capital contributions increased by \$624,089 or 21.56% from \$2,894,193 in 2023 to \$3,518,282, from 2024, primarily due to an increase of \$169,070 in property taxes – ad valorem, and a \$393,997 increase in investment earnings.
- In 2025, expenses for the District's operations before depreciation expense increased by \$268,024 or 14.15% from \$1,893,782 in 2024, to \$2,161,806 in 2025, primarily due to a increase of \$284,042 in salaries and benefits expenses.
- In 2024, expenses for the District's operations before depreciation expense decreased by \$117,170 or 5.83% from \$2,010,952 in 2023, to \$1,893,782 in 2024, primarily due to a decrease of \$105,574 in salaries and benefits expenses.

REQUIRED FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Balance Sheet includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and creditworthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

BIG BEAR AIRPORT DISTRICT

Management's Discussion and Analysis (Unaudited) For the Fiscal Years Ended June 30, 2025 and 2024

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation.

Condensed Balance Sheets

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>	<u>June 30, 2023</u>	<u>Change</u>
Assets:					
Current assets	\$ 5,151,079	\$ 2,281,078	\$ 2,870,001	\$ 1,931,710	\$ 349,368
Non-current assets	11,334,003	14,177,926	(2,843,923)	13,759,023	418,903
Capital assets, net	<u>12,991,721</u>	<u>12,070,577</u>	<u>921,144</u>	<u>15,077,762</u>	<u>(3,007,185)</u>
Total assets	<u>29,476,803</u>	<u>28,529,581</u>	<u>947,222</u>	<u>30,768,495</u>	<u>(2,238,914)</u>
Deferred outflows of resources	<u>619,333</u>	<u>817,176</u>	<u>(197,843)</u>	<u>920,423</u>	<u>(103,247)</u>
Total assets and deferred outflows of resources	<u>\$ 30,096,136</u>	<u>\$ 29,346,757</u>	<u>\$ 749,379</u>	<u>\$ 31,688,918</u>	<u>\$ (2,342,161)</u>
Liabilities:					
Current liabilities	\$ 1,493,032	\$ 479,749	\$ 1,013,283	\$ 500,479	\$ (20,730)
Non-current liabilities	<u>9,214,587</u>	<u>9,273,523</u>	<u>(58,936)</u>	<u>9,342,966</u>	<u>(69,443)</u>
Total liabilities	<u>10,707,619</u>	<u>9,753,272</u>	<u>954,347</u>	<u>9,843,445</u>	<u>(90,173)</u>
Deferred inflows of resources	<u>927,470</u>	<u>906,103</u>	<u>21,367</u>	<u>1,166,763</u>	<u>(260,660)</u>
Net position:					
Net investment in capital assets	9,885,267	12,102,767	(2,217,500)	14,640,499	(2,537,732)
Unrestricted	<u>8,575,780</u>	<u>6,584,615</u>	<u>1,991,165</u>	<u>6,038,211</u>	<u>546,404</u>
Total net position	<u>18,461,047</u>	<u>18,687,382</u>	<u>(226,335)</u>	<u>20,678,710</u>	<u>(1,991,328)</u>
Total liabilities, deferred outflows of resources and net position	<u>\$ 30,096,136</u>	<u>\$ 29,346,757</u>	<u>\$ 749,379</u>	<u>\$ 31,688,918</u>	<u>\$ (2,342,161)</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$18,461,047 and \$18,687,382 as of June 30, 2025 and 2024, respectively.

BIG BEAR AIRPORT DISTRICT

Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2025 and 2024

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Condensed Balance Sheets (continued)

By far the largest portion of the District's net position (54% as of June 30, 2025 and 65% as of June 30, 2024) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of years 2025 and 2024, the District showed a positive balance in its unrestricted net position of \$8,575,780 and \$6,584,615, respectively, which may be utilized in future years.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>	<u>June 30, 2023</u>	<u>Change</u>
Operating revenues	\$ 830,449	\$ 734,909	\$ 95,540	\$ 693,166	\$ 41,743
Operating expenses	<u>(2,161,806)</u>	<u>(1,893,782)</u>	<u>(268,024)</u>	<u>(2,010,952)</u>	<u>117,170</u>
Operating loss before depreciation	(1,331,357)	(1,158,873)	(172,484)	(1,317,786)	158,913
Depreciation expense	<u>(1,693,544)</u>	<u>(3,277,967)</u>	<u>1,584,423</u>	<u>(2,412,992)</u>	<u>(864,975)</u>
Operating loss	(3,024,901)	(4,436,840)	1,411,939	(3,730,778)	(706,062)
Non-operating revenues, net	<u>2,798,566</u>	<u>2,445,512</u>	<u>353,054</u>	<u>2,084,249</u>	<u>361,263</u>
Net loss before capital contributions	(226,335)	(1,991,328)	1,764,993	(1,646,529)	(344,799)
Capital contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,557</u>	<u>(1,557)</u>
Change in net position	(226,335)	(1,991,328)	1,764,993	(1,644,972)	(346,356)
Net Position:					
Beginning of year	<u>18,687,382</u>	<u>20,678,710</u>	<u>(1,991,328)</u>	<u>22,323,682</u>	<u>(1,644,972)</u>
End of year	<u>\$ 18,461,047</u>	<u>\$ 18,687,382</u>	<u>\$ (226,335)</u>	<u>\$ 20,678,710</u>	<u>\$ (1,991,328)</u>

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, the District's net position decreased by \$226,335 and \$1,991,328 for the years ended June 30, 2025 and 2024 respectively.

BIG BEAR AIRPORT DISTRICT

Management's Discussion and Analysis (Unaudited) For the Fiscal Years Ended June 30, 2025 and 2024

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Total Revenues

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase Change</u>	<u>June 30, 2023</u>	<u>Increase (Decrease)</u>
Operating revenues:					
Facility and hangar rentals	\$ 570,342	\$ 574,405	\$ (4,063)	\$ 578,884	\$ (4,479)
Fuel and oil sales, net of cost	160,262	119,642	40,620	71,705	47,937
Aircraft tiedown fees, parking and souvenirs	34,857	36,571	(1,714)	36,509	62
Other operating revenue	64,988	4,291	60,697	6,068	(1,777)
Total operating	<u>830,449</u>	<u>734,909</u>	<u>95,540</u>	<u>693,166</u>	<u>41,743</u>
Non-operating:					
Property taxes – ad valorem	2,255,071	2,017,583	237,488	1,848,513	169,070
Redevelopment taxes	-	136,265	(136,265)	116,986	19,279
Investment earnings	870,665	619,525	251,140	225,528	393,997
State subsidy	10,000	10,000	-	10,000	-
Total non-operating	<u>3,135,736</u>	<u>2,783,373</u>	<u>352,363</u>	<u>2,201,027</u>	<u>582,346</u>
Total revenues	<u>\$ 3,966,185</u>	<u>\$ 3,518,282</u>	<u>\$ 447,903</u>	<u>\$ 2,894,193</u>	<u>\$ 624,089</u>

In 2025, total revenues before capital contributions increased by \$447,903 or 12.73% from \$3,518,282 in 2024, to \$3,966,185 in 2025, primarily due to an increase of \$237,488 in property taxes – ad valorem, and a \$251,140 increase in investment earnings.

In 2024, total revenues before capital contributions increased by \$624,089 or 21.56% from \$2,894,193 in 2023 to \$3,518,282, from 2024, primarily due to an increase of \$169,070 in property taxes – ad valorem, and a \$393,997 increase in investment earnings.

Total Expenses

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase Change</u>	<u>June 30, 2023</u>	<u>Increase (Decrease)</u>
Operating expenses:					
Salaries and wages	\$ 795,195	\$ 669,738	\$ 125,457	\$ 720,532	\$ (50,794)
Employee benefits	646,769	488,184	158,585	542,964	(54,780)
Board of directors expenses	13,661	9,500	4,161	15,016	(5,516)
Materials and supplies	122,129	138,297	(16,168)	124,570	13,727
Insurance	85,801	87,635	(1,834)	94,319	(6,684)
Professional services	255,516	252,241	3,275	272,252	(20,011)
Repairs and maintenance	73,821	95,951	(22,130)	77,637	18,314
Utilities and telephone	168,914	152,236	16,678	163,662	(11,426)
Operating expenses before depreciation	<u>2,161,806</u>	<u>1,893,782</u>	<u>268,024</u>	<u>2,010,952</u>	<u>(117,170)</u>
Depreciation	1,693,544	3,277,967	(1,584,423)	2,412,992	864,975
Non-operating expenses:					
Interest expense	221,432	221,425	7	60,351	161,074
Cost of debt issuance	-	-	-	-	-
Temporary building for construction costs	115,738	116,436	(698)	56,427	60,009
Total non-operating expenses	<u>337,170</u>	<u>337,861</u>	<u>(691)</u>	<u>116,778</u>	<u>221,083</u>
Total expenses	<u>\$ 4,192,520</u>	<u>\$ 5,509,610</u>	<u>\$ (1,317,090)</u>	<u>\$ 4,540,722</u>	<u>\$ 968,888</u>

In 2025, expenses for the District's operations before depreciation expense increased by \$268,024 or 14.15% from \$1,893,782 in 2024, to \$2,161,806 in 2025, primarily due to a increase of \$284,042 in salaries and benefits expenses.

BIG BEAR AIRPORT DISTRICT

Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2025 and 2024

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Total Expenses (continued)

In 2024, expenses for the District's operations before depreciation expense decreased by \$117,170 or 5.83% from \$2,010,952 in 2023, to \$1,893,782 in 2024, primarily due to a decrease of \$105,574 in salaries and benefits expenses.

Capital Assets

	<u>Balance</u> <u>June 30, 2025</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Balance</u> <u>June 30, 2023</u>
Capital assets:			
Non-depreciable assets	\$ 6,881,912	\$ 4,324,492	\$ 4,108,935
Depreciable assets	28,083,131	30,717,595	30,662,370
Accumulated depreciation	<u>(21,973,322)</u>	<u>(22,971,510)</u>	<u>(19,693,543)</u>
Total capital assets, net	<u>\$ 12,991,721</u>	<u>\$ 12,070,577</u>	<u>\$ 15,077,762</u>

At the end of fiscal year 2025 and 2024, the District's investment in capital assets amounted to \$12,991,721 and \$12,070,577 (net of accumulated depreciation), respectively. The investment in capital assets includes land, land improvements, structures, buildings, operating equipment, and office equipment. See Note 5 for further information.

Debt Administration

The long-term debt of the District is summarized below:

	<u>Balance</u> <u>June 30, 2025</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Balance</u> <u>June 30, 2023</u>
Long-term debt:			
Loan payable	<u>\$ 7,390,000</u>	<u>\$ 7,610,000</u>	<u>\$ 7,885,000</u>

For the year ended June 30, 2025, long-term debt decreased by \$220,000 from regular principal payments on the loan for the construction of a new terminal and administration building. See Note 7 for further information.

FACTORS AFFECTING CURRENT FINANCIAL POSITION

Management is in the process of razing the existing structure and building a new facility for the District's Administration and Terminal building in the coming years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the District's General Manager at 501 Valley Blvd., Big Bear City, California 92314 or (909) 585-3219.

BIG BEAR AIRPORT DISTRICT
Balance Sheets
June 30, 2025 and 2024

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>2025</u>	<u>2024</u>
Current assets:		
Cash and cash equivalents (Note 2)	\$ 4,859,942	\$ 2,038,890
Accrued interest receivable	3,185	14,177
Accounts receivable – customers	27,929	21,178
Lease receivable (Note 4)	72,986	72,831
Property taxes receivable	56,179	52,340
Materials and supplies inventory	91,311	73,941
Prepaid items	39,547	7,721
Total current assets	<u>5,151,079</u>	<u>2,281,078</u>
Non-current assets:		
Restricted – investments (Note 2 and 3)	4,283,546	7,642,190
Investments (Note 2)	6,787,637	6,454,618
Lease receivable (Note 4)	262,820	81,118
Capital assets – not being depreciated (Note 5)	6,881,912	4,324,492
Capital assets, net – being depreciated (Note 5)	6,109,809	7,746,085
Total non-current assets	<u>24,325,724</u>	<u>26,248,503</u>
Total assets	<u>29,476,803</u>	<u>28,529,581</u>
Deferred outflows of resources:		
Deferred amounts related to net OPEB liability (Note 8)	287,503	304,889
Deferred amounts related to net pension liability (Note 9)	331,830	512,287
Total deferred outflows of resources	<u>619,333</u>	<u>817,176</u>
Total assets and deferred outflows of resources	<u>\$ 30,096,136</u>	<u>\$ 29,346,757</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,016,087	\$ 54,842
Customer deposits and unearned revenue	55,976	54,890
Accrued interest payable	90,948	93,766
Long-term liabilities – due within one year:		
Compensated absences (Note 6)	100,021	56,251
Loan payable (Note 7)	230,000	220,000
Total current liabilities	<u>1,493,032</u>	<u>479,749</u>
Noncurrent liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 6)	49,264	27,707
Loan payable (Note 7)	7,160,000	7,390,000
Net OPEB liability (Note 8)	1,165,299	1,000,435
Net pension liability (Note 9)	840,024	855,381
Total noncurrent liabilities	<u>9,214,587</u>	<u>9,273,523</u>
Total liabilities	<u>10,707,619</u>	<u>9,753,272</u>
Deferred inflows of resources:		
Deferred amounts related to leases (Note 4)	331,356	147,175
Deferred amounts related to net OPEB liability (Note 8)	557,048	709,885
Deferred amounts related to net pension liability (Note 9)	39,066	49,043
Total deferred inflows of resources	<u>927,470</u>	<u>906,103</u>
Net position:		
Net investment in capital assets (Note 10)	9,885,267	12,102,767
Unrestricted	8,575,780	6,584,615
Total net position	<u>18,461,047</u>	<u>18,687,382</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 30,096,136</u>	<u>\$ 29,346,757</u>

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

BIG BEAR AIRPORT DISTRICT

Statement of Revenues, Expenses and Changes in Net Position For the Fiscal Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Facility and hangar rentals	\$ 570,342	\$ 574,405
Fuel and oil sales, net of cost	160,262	119,642
Aircraft tiedown fees, parking and souvenirs	34,857	36,571
Other operating revenue	64,988	4,291
Total operating revenues	<u>830,449</u>	<u>734,909</u>
Operating expenses:		
Salaries and wages	795,195	669,738
Employee benefits	646,769	488,184
Board of directors expenses	13,661	9,500
Insurance	122,129	138,297
Materials and supplies	85,801	87,635
Professional services	255,516	252,241
Repairs and maintenance	73,821	95,951
Utilities and telephone	168,914	152,236
Total operating expenses	<u>2,161,806</u>	<u>1,893,782</u>
Operating (loss) before depreciation	<u>(1,331,357)</u>	<u>(1,158,873)</u>
Depreciation expense	<u>(1,693,544)</u>	<u>(3,277,967)</u>
Operating (loss)	<u>(3,024,901)</u>	<u>(4,436,840)</u>
Non-operating revenues(expenses):		
Property taxes – ad valorem	2,255,071	2,017,583
Redevelopment taxes	-	136,265
Investment earnings	870,665	619,525
State subsidy	10,000	10,000
Interest expense	(221,432)	(221,425)
Temporary building for construction costs	<u>(115,738)</u>	<u>(116,436)</u>
Total non-operating revenues, net	<u>2,798,566</u>	<u>2,445,512</u>
Change in net position	<u>(226,335)</u>	<u>(1,991,328)</u>
Net Position:		
Beginning of year	<u>18,687,382</u>	<u>20,678,710</u>
End of year	<u>\$ 18,461,047</u>	<u>\$ 18,687,382</u>

BIG BEAR AIRPORT DISTRICT*Statement of Cash Flows**For the Fiscal Years Ended June 30, 2025 and 2024*

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash receipts from customers and others	\$ 537,189	\$ 709,130
Cash paid to employees for salaries and wages	(747,981)	(686,892)
Cash paid to vendors and suppliers for materials and services	(67,732)	(1,190,950)
Net cash used in operating activities	<u>(278,524)</u>	<u>(1,168,712)</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes – ad valorem	2,251,232	2,015,222
Proceeds from property taxes – redevelopment taxes	-	136,265
Net cash provided by non-capital financing activities	<u>2,251,232</u>	<u>2,151,487</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,614,688)	(270,782)
Principal paid on long-term debt	(220,000)	(275,000)
Interest paid on long-term debt	(224,250)	(173,601)
Net cash provided by (used in) capital and related financing activities	<u>(3,058,938)</u>	<u>(719,383)</u>
Cash flows from investing activities:		
Proceeds from the sale of investments	3,823,089	82,884
Investment earnings	84,193	35,673
Net cash used in investing activities	<u>3,907,282</u>	<u>118,557</u>
Net increase in cash and cash equivalents	2,821,052	381,949
Cash and cash equivalents:		
Beginning of year	<u>2,038,890</u>	<u>1,656,941</u>
End of year	<u>\$ 4,859,942</u>	<u>\$ 2,038,890</u>

BIG BEAR AIRPORT DISTRICT*Statement of Cash Flows, Continued**For the Fiscal Years Ended June 30, 2025 and 2024*

	<u>2025</u>	<u>2024</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating (loss)	\$ (3,024,901)	\$ (4,436,840)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,693,544	3,277,967
State subsidy	10,000	10,000
Temporary building for construction costs	(115,738)	(116,436)
Change in assets – (increase)decrease:		
Accounts receivable – customers, net	(6,751)	4,813
Lease receivable	(181,857)	69,509
Materials and supplies inventory	(17,370)	42,377
Prepaid items	(31,826)	308
Change in deferred outflows of resources – (increase)decrease		
Deferred amounts related to net OPEB liability	17,386	109,554
Deferred amounts related to net pension liability	180,457	(6,307)
Change in liabilities – increase(decrease):		
Accounts payable and accrued expenses	961,245	(27,815)
Customer deposits and unearned revenue	1,086	6,335
Compensated absences	65,327	11,831
Net OPEB liability	164,864	61,302
Net pension liability	(15,357)	85,350
Change in deferred inflows of resources – increase(decrease)		
Deferred amounts related to leases	184,181	(70,507)
Deferred amounts related to net OPEB liability	(152,837)	(160,795)
Deferred amounts related to net pension liability	(9,977)	(29,358)
Total adjustments	<u>2,746,377</u>	<u>3,268,128</u>
Net cash used in operating activities	<u>\$ (278,524)</u>	<u>\$ (1,168,712)</u>
Non-cash investing, capital and financing transactions:		
Change in fair-market value of investments	<u>\$ 186,915</u>	<u>\$ 255,308</u>
Change in investment earnings increment	<u>\$ 599,557</u>	<u>\$ 328,544</u>

BIG BEAR AIRPORT DISTRICT

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Big Bear Airport District (District) began operations before the 1940's. In 1972, the District became part of a San Bernardino County (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. The District at large is an independent special district with enabling legislation 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. A variety of federal, state and local laws, agreements and regulations govern operations at the District. 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 District's noise limits and imposes certain other restrictions on District operations.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity (GASB Statement No. 61). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

B. Basis of Presentation, Basis of Accounting

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net position from operations as operating income in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

BIG BEAR AIRPORT DISTRICT

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

3. Receivables and Allowance for Doubtful Accounts

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. Uncollectable accounts are based on prior experience and management's assessment of the collectability of existing accounts.

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

4. Lease Receivable and Deferred Inflows of resources

The primary objective is to enhance the relevance and consistency of information about the governments' leasing activities. As a lessor, the District is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions. The District's lease receivable is measured at the present value of the lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

5. Materials and Supplies Inventory

Inventories consisted of fuel, oil and souvenir merchandise, which are valued at the lower of cost or market using the first-in first-out basis method.

6. Prepaids

Certain payments of vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

7. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets.

Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
Land Improvements	10-40 years
Structures and Improvements	10-40 years
Building	10 years
Operating Equipment	10-35 years
Office Equipment	15 years

8. Deferred Outflows/Inflows of resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

BIG BEAR AIRPORT DISTRICT

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

9. Compensated Absences

The District's employee benefits provide for accumulation of vacation and sick leave. Liabilities for vacation and sick leave are recorded when benefits are earned. Full cash payment for all unused vacation leave is available to employees upon retirement or termination. Cash payment for all unused sick leave is available up to 55% of the employee's current pay rate upon retirement or termination based on years of service at the District. The cost of vacation is recorded in the period accrued. In accordance with GASB No. 101, Compensated Absences, leave is recognized when it is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Management evaluates sick leave for other District employees to determine the amount that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This analysis includes assessing relevant factors such as historical information about the use, payment or forfeiture of compensated absences and the District's portion of medicare taxes.

10. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans and addition to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date June 30, 2023
Measurement Date June 30, 2024
Measurement Period July 1, 2023 to June 30, 2024

11. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefit Plan (OPEB Plan) and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2024
Measurement Date June 30, 2024
Measurement Period July 1, 2023 to June 30, 2024

BIG BEAR AIRPORT DISTRICT

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

12. Net Position

Net position is classified into two components: investment in capital assets and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "investment in capital assets".

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1 and are payable in two installments, on December 10 and April 10. The San Bernardino County Assessor's Office assesses all real and personal property within the County each year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one (1%) of countywide assessed valuations. The San Bernardino County Auditor-Controller's Office remits an undisclosed portion of the one (1%) current and delinquent property tax collections to the District throughout the year.

F. New Pronouncements – Governmental Accounting Standards Board (GASB)

During the fiscal year ended June 30, 2025, the District has implemented new GASB pronouncements as follows:

GASB Statement No. 101 – Compensated Absences

This GASB Statement amends the definition of a compensated absence to encompass the various types of benefits offered by governmental employees and establishes a unified model for accounting and reporting. The statement also revises the related financial statement disclosure requirements, including eliminating certain disclosures previously required that GASB research found did not provide essential information to financial statement users. The GASB statement applies to all units of state and local governments. The District adopted the Statement as of July 1, 2024. See Note 6 for the effect of this Statement.

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 2 – CASH AND INVESTMENTS

Cash and investments were classified in the accompanying financial statements as follows:

<u>Description</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Cash and cash equivalents	\$ 4,859,942	\$ 2,038,890
Restricted – investments	4,283,546	7,642,190
Investments	<u>6,787,637</u>	<u>6,454,618</u>
Total	<u>\$ 15,931,125</u>	<u>\$ 16,135,698</u>

Cash and investments consisted of the following:

<u>Description</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Cash on hand	\$ 350	\$ 350
Demand deposits held with financial institutions	2,511,596	182,898
Deposits in Local Agency Investment Fund (LAIF)	291,179	1,251,296
Deposits in California Cooperative Liquid Assets Securities System (CA CLASS)	2,056,817	604,346
Investments	<u>11,071,183</u>	<u>14,096,808</u>
Total	<u>\$ 15,931,125</u>	<u>\$ 16,135,698</u>

Demand Deposits with Financial Institutions

At June 30, 2025 and 2024, the carrying amount of the District’s demand deposits were \$2,511,596 and \$182,898, respectively, and the financial institution’s balances were \$2,533,648 and \$347,403, respectively. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution’s balance and the District’s balance for each year.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

BIG BEAR AIRPORT DISTRICT

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 2 – CASH AND INVESTMENTS (continued)

Local Agency Investment Fund (LAIF)

The California State Treasurer, through the Pooled Money Investment Account (PMIA), invests taxpayers' money to manage the State's cash flow and strengthen the financial security of local governmental entities. PMIA policy sets as primary investment objectives safety, liquidity and yield. Through the PMIA, the Investment Division manages the Local Agency Investment Fund (LAIF). The LAIF allows cities, counties and special districts to place money in a major portfolio and, at no additional costs to taxpayers, use the expertise of Investment Division staff. Participating agencies can withdraw their funds from the LAIF at any time as LAIF is highly liquid and carries a dollar-in dollar-out amortized cost methodology.

The District is a voluntary participant in LAIF. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis and it is Not Rated under the current credit risk ratings format. For financial reporting purposes, the District considers LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2025, and 2024, the District held \$291,179 and \$1,251,296 in LAIF, respectively.

California Cooperative Liquid Assets Securities System (California CLASS)

The California Cooperative Liquid Assets Securities System (California CLASS) is a joint exercise of power entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS provides California public agencies with a convenient method for investing in high-quality, short- to medium-term securities carefully selected to optimize interest earnings while prioritizing safety and liquidity. The California CLASS Prime and Enhanced Cash funds offer public agencies the opportunity to strengthen and diversify their cash management programs in accordance with the safety, liquidity, and yield hierarchy that governs the investment of public funds.

The management of California CLASS is under the direction of a Board of Trustees comprised of eligible Participants of the program. The Board of Trustees has appointed Public Trust Advisors, LLC to serve as the Investment Advisor and Administrator of the program and has appointed U.S. Bank as the Custodian.

The District is a voluntary participant in California CLASS. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by California CLASS for the entire California CLASS portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by California CLASS. California CLASS is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis. The California Class Prime and Enhanced Cash funds receive a credit rating of AAAM (S&P Global Ratings) and AAAsf/S1 (FitchRatings), respectively. For financial reporting purposes, the District considers California CLASS a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2025, the District held \$2,056,817 in California CLASS. Fiscal year 2024 was the first year the District participated in California CLASS.

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 2 – CASH AND INVESTMENTS (continued)

Investments

The District’s investments as of June 30, 2025 were as follows:

Type of Investments	Measurement Input	Credit Rating	Maturity			
			June 30, 2025 Fair Value	12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. treasury obligations	Level 1	AA+ to AAA	\$ 3,143,177	\$ 2,151,402	\$ -	\$ 991,775
U.S. government sponsored agency securities	Level 2	A to AAA	2,874,610	1,175,903	1,698,707	-
Money market mutual funds	N/A	N/A	5,053,396	5,053,396	-	-
Total investments			\$ 11,071,183	\$ 8,380,701	\$ 1,698,707	\$ 991,775

The District’s investments as of June 30, 2024 were as follows:

Type of Investments	Measurement Input	Credit Rating	Maturity		
			June 30, 2024 Fair Value	12 Months or Less	13 to 24 Months
U.S. treasury obligations	Level 1	AA+ to AAA	\$ 3,645,503	\$ 1,537,918	\$ 2,107,585
U.S. government sponsored agency securities	Level 2	A to AAA	10,358,776	9,201,533	1,157,243
Money market mutual funds	N/A	N/A	92,529	92,529	-
Total investments			\$ 14,096,808	\$ 10,831,980	\$ 3,264,828

Authorized Investments and Investment Policy

The District has adopted an investment policy directing the Fiscal Officer to deposit funds in financial institutions to purchases financial investments in accordance with California Government Code 53600-53610 as follows:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. government sponsored agency securities	5-years	None	None
Non-negotiable certificates of deposit	10-years	None	None
Money market mutual funds	5-years	20%	20%
Collateralized bank deposits	None	None	None

Fair Value Measurement Input

The District categorizes its fair value measurement inputs within the fair value hierarchy established by generally accepted accounting principles. The District has presented its measurement inputs as noted in the previous table.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 2 – CASH AND INVESTMENTS (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with longer maturities have greater sensitivity to changes in market interest rates. The District’s investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District has elected to use the segmented time distribution method of disclosure for the maturities of its investments as related to interest rate risk as noted in the previous table.

Custodial Credit Risk – Investments

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District’s investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools.

NOTE 3 – RESTRICTED – INVESTMENTS

Restricted – cash and cash equivalents as of June 30, consisted of the following:

<u>Description</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Unspent proceeds from loan issuance	\$ 4,283,546	\$ 7,642,190
Less: Unspent proceeds from loan issuance	<u>(4,283,546)</u>	<u>(7,642,190)</u>
Total restricted – net position	<u>\$ -</u>	<u>\$ -</u>

The restricted – investments balance on the balance sheet at June 30, 2025 and 2024 was invested in holdings by the District from the remaining unused proceeds from the loan payable – 2022. This amount is then used in the calculation of net investment in capital assets. (See Note 10)

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES

Changes in the District’s lease receivable for the year ended June 30, 2025 was as follows:

Description	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Cellular antenna site rental No. 1	\$ 33,495	\$ 175,847	\$ (33,495)	\$ 175,847
Cellular antenna site rental No. 2	14,443	78,840	(14,443)	78,840
Cellular antenna site rental No. 3	106,011	-	(24,892)	81,119
Total lease receivable	\$ 153,949	\$ 254,687	\$ (72,830)	\$ 335,806

Changes in the District’s lease receivable for the year ended June 30, 2024 was as follows:

Description	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Cellular antenna site rental No. 1	\$ 65,351	\$ -	\$ (31,856)	\$ 33,495
Cellular antenna site rental No. 2	28,601	-	(14,158)	14,443
Cellular antenna site rental No. 3	129,506	-	(23,495)	106,011
Total lease receivable	\$ 223,458	\$ -	\$ (69,509)	\$ 153,949

The District is reporting a total lease receivable of \$335,806 and \$153,949, and a total related deferred inflows of resources of \$331,356 and \$147,175 for the years ending June 30, 2025 and 2024, respectively. Also, the District is reporting total lease revenue of \$70,506 and \$70,507 and interest revenue of \$2,890 and \$4,432 related to lease payments received for the years ending June 30, 2025, and 2024, respectively.

The leases held by the District do not have an implicit rate of return, therefore the District used their incremental borrowing rate of 2.00% to 2.50% for existing leases to discount the lease revenue to the net present value. In some cases, leases contain termination clauses. In these cases, the clause requires the lessee or lessor to show cause to terminate the lease. Also, certain leasing-types are considered “volatile leases.” Those volatile leases were not extended past their initial lease period for financial statement recognition due to their volatility.

BIG BEAR AIRPORT DISTRICT

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)

Cellular Antenna Site Rental No. 1

The District, on June 30, 2025, renewed a continuous lease with American Tower for 60 months as lessor for the use of a cellular antenna site rental. An initial lease receivable was recorded in the amount of \$175,847. As of June 30, 2025, the value of the lease receivable was \$175,847. The lease is required to make monthly fixed payments of \$2,870 for the first 12-month period, then increase 3.0% on February 1st of each year. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was \$175,847 as of June 30, 2025. The District recognized lease revenue of \$30,337 and interest revenue of \$366 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Cellular Antenna Site Rental No. 2

The District, on June 30, 2025, renewed a continuous lease with Sprint for 60 months as lessor for the use of a cellular antenna site rental. An initial lease receivable was recorded in the amount of \$78,840. As of June 30, 2025, the value of the lease receivable was \$78,840. The lease is required to make monthly fixed payments of \$1,399 for the duration of the current lease term, then increase 15% on July 1st upon renewal. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was \$78,840 as of June 30, 2025. The District recognized lease revenue of \$13,883 and interest revenue of \$157 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Cellular Antenna Site Rental No. 3

The District, on June 1, 2024, entered into a lease agreement with AT&T for 60 months as lessor for the use of a cellular antenna site rental. An initial lease receivable was recorded in the amount of \$131,432. As of June 30, 2025, the value of the lease receivable was \$81,119. The lease is required to make monthly fixed payments of \$2,200 for the first 12-month period, then increase 3% on June 1st of each year. The lease has an interest rate of 2.50%. The value of the deferred inflow of resources was \$76,669 as of June 30, 2025. The District recognized lease revenue of \$26,286 and interest revenue of \$2,367 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Minimum future lease receipts for the next four fiscal years are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 72,986	\$ 6,759	\$ 79,745
2027	76,578	5,055	81,633
2028	77,759	3,269	81,028
2029	53,087	1,814	54,901
2030	55,396	650	56,046
Total	335,806	\$ 17,547	\$ 353,353
Current	(72,986)		
Long-term	\$ 262,820		

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)

Changes in the District’s deferred inflows of resources related to leases for June 30, 2025 is as follows:

Description	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Cellular antenna site rental No. 1	\$ 30,338	\$ 175,847	\$ (30,338)	\$ 175,847
Cellular antenna site rental No. 2	13,883	78,840	(13,883)	78,840
Cellular antenna site rental No. 3	102,954	-	(26,285)	76,669
Total deferred inflows	<u>\$ 147,175</u>	<u>\$ 254,687</u>	<u>\$ (70,506)</u>	<u>\$ 331,356</u>

Changes in the District’s deferred inflows of resources related to leases for June 30, 2024 is as follows:

Description	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Cellular antenna site rental No. 1	\$ 60,675	\$ -	\$ (30,337)	\$ 30,338
Cellular antenna site rental No. 2	27,766	-	(13,883)	13,883
Cellular antenna site rental No. 3	129,241	-	(26,287)	102,954
Total deferred inflows	<u>\$ 217,682</u>	<u>\$ -</u>	<u>\$ (70,507)</u>	<u>\$ 147,175</u>

The amounts reported as deferred inflows of resources related to leases for the year ended June 30, 2025, will be amortized in future periods as follows:

Amortization Period Fiscal Year Ended June 30	Deferred Inflows of Resources
2026	\$ 77,224
2027	77,224
2028	75,033
2029	50,938
2030	50,937
Total	<u>\$ 331,356</u>

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Summary changes in capital asset balances for the year ended June 30, 2025, were as follows:

Description	Balance July 1, 2024	Additions	Deletions/ Transfers	Balance June 30, 2025
Non-depreciable assets:				
Land	\$ 3,692,512	\$ -	\$ -	\$ 3,692,512
Construction-in-process	631,980	2,614,688	(57,268)	3,189,400
Total non-depreciable assets	4,324,492	2,614,688	(57,268)	6,881,912
Depreciable assets:				
Land improvements	18,172,525	-	(48,732)	18,123,793
Structures and improvements	5,774,935	-	-	5,774,935
Building	2,643,000	-	(2,643,000)	-
Operating equipment	4,127,135	57,268	-	4,184,403
Total depreciable assets	30,717,595	57,268	(2,691,732)	28,083,131
Accumulated depreciation:				
Land improvements	(13,292,019)	(1,245,327)	48,732	(14,488,614)
Structures and improvements	(4,925,094)	(215,988)	-	(5,141,082)
Building	(2,643,000)	-	2,643,000	-
Operating equipment	(2,111,397)	(232,229)	-	(2,343,626)
Total accumulated depreciation	(22,971,510)	(1,693,544)	2,691,732	(21,973,322)
Total depreciable assets, net	7,746,085	(1,636,276)	-	6,109,809
Total capital assets, net	\$ 12,070,577	\$ 978,412	\$ (57,268)	\$ 12,991,721

Summary changes in capital asset balances for the year ended June 30, 2024, were as follows:

Description	Balance July 1, 2023	Additions	Deletions/ Transfers	Balance June 30, 2024
Non-depreciable assets:				
Land	\$ 3,692,512	\$ -	\$ -	\$ 3,692,512
Construction-in-process	416,423	215,557	-	631,980
Total non-depreciable assets	4,108,935	215,557	-	4,324,492
Depreciable assets:				
Land improvements	18,172,525	-	-	18,172,525
Structures and improvements	5,735,091	39,844	-	5,774,935
Building	2,643,000	-	-	2,643,000
Operating equipment	4,111,754	15,381	-	4,127,135
Total depreciable assets	30,662,370	55,225	-	30,717,595
Accumulated depreciation:				
Land improvements	(10,919,560)	(2,372,459)	-	(13,292,019)
Structures and improvements	(4,693,030)	(232,064)	-	(4,925,094)
Building	(2,313,183)	(329,817)	-	(2,643,000)
Operating equipment	(1,767,770)	(343,627)	-	(2,111,397)
Total accumulated depreciation	(19,693,543)	(3,277,967)	-	(22,971,510)
Total depreciable assets, net	10,968,827	(3,222,742)	-	7,746,085
Total capital assets, net	\$ 15,077,762	\$ (3,007,185)	\$ -	\$ 12,070,577

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 6 – COMPENSATED ABSENCES

Changes to compensated absences balances for the years ended June 30, 2025, and 2024, were as follows:

<u>Balance</u> <u>July 1, 2024</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 83,957	\$ 65,328	\$ 149,285	\$ 100,021	\$ 49,264

<u>Balance</u> <u>July 1, 2023</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 72,127	\$ 11,830	\$ 83,957	\$ 56,251	\$ 27,707

As of June 30, 2025, the total liability for compensated absences was \$149,285, of which \$100,021 is expected to be paid within one year and is reported as a current liability. The beginning balance of compensated absences as of July 1, 2024, reflected an immaterial difference upon implementation of GASB Statement No. 101; therefore, no restatement was required.

NOTE 7 – LOANS PAYABLE

Summary changes to loans payable balances for the year ended June 30, 2025, were as follows:

<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 7,610,000	\$ -	\$ (220,000)	\$ 7,390,000	\$ 230,000	\$ 7,160,000

Summary changes to loans payable balances for the year ended June 30, 2024, were as follows:

<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 7,885,000	\$ -	\$ (275,000)	\$ 7,610,000	\$ 220,000	\$ 7,390,000

2022 – Installment Purchase Agreement

On May 19, 2022, the District entered into an installment purchase agreement for \$7,920,00 with First Foundation Public Finance to provide funds for the design and construction of a new terminal building. The initial advance of \$1,000,000, less issuance costs, was issued at the time of closing, with the remaining draw of \$6,920,000 being issued on May 19, 2023. The terms of the agreement provide for interest payable semi-annually on February 1st and October 1st at a rate of 2.990% per annum. The note matures on October 1st, 2047. At June 30, 2025, the outstanding balance of the 2022 – installment purchase agreement was \$7,390,000.

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 7 – LOANS PAYABLE (continued)

Annual debt service requirements for loans payable are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 230,000	\$ 217,523	\$ 447,523
2027	235,000	210,571	445,571
2028	240,000	203,470	443,470
2029	245,000	196,219	441,219
2030	255,000	188,744	443,744
2030-2034	1,400,000	822,549	2,222,549
2035-2039	1,630,000	596,206	2,226,206
2040-2044	1,885,000	334,207	2,219,207
2045-2048	1,270,000	57,857	1,327,857
Total	7,390,000	<u>\$ 2,827,345</u>	<u>\$ 10,217,345</u>
Current	<u>(230,000)</u>		
Long-term	<u>\$ 7,160,000</u>		

NOTE 8 – NET OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2025</u>	<u>2024</u>
OPEB related deferred outflows	\$ 287,503	\$ 304,889
Net other post-employment benefits liability	1,165,299	1,000,435
OPEB related deferred inflows	557,048	709,885

A. General Information about the OPEB Plan

Plan Description

The District provides lifetime retiree health benefits to eligible retirees and dependents. The District’s contribution toward the cost of retiree health insurance shall not exceed the maximum contribution paid by the District for the categories of employee only (Single), employee plus one (Two-Party), and employee plus two or more dependents (Family). Eligibility for retiree health benefits requires retirement on or after age 50 with at least 5 consecutive years of District eligible service. As of June 30, 2025 and 2024, the current contribution maximum for each employee group is shown below:

<u>District Maximum Contribution</u>	<u>2025</u>	<u>2024</u>
Single	\$ 1,216	\$ 1,216
Two-party	2,432	2,432
Family	3,162	3,162

BIG BEAR AIRPORT DISTRICT

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 8 – NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

A. General Information about the OPEB Plan (continued)

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and/or the District's Board of Directors. Currently, contributions are not required from plan members. The District has pre-funded contributions to the CERBT OPEB Trust and the District has been requesting reimbursement from that OPEB Trust on an annual basis.

Contributions

Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For fiscal year ended June 30, 2025, the District's contributions totaling \$89,128 included \$82,010 in current year premium payments and an implied subsidy of \$7,118. For fiscal year ended June 30, 2024, the District's contributions totaling \$83,775, included \$64,474 in current year premium payments and an implied subsidy of \$7,182.

B. Net OPEB Liability

For the fiscal year ended June 30, 2025, the District's total OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023. For the fiscal year ended June 30, 2024, the District's total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023. A summary of the principal assumptions and methods used to determine the total OPEB liability are noted below.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 and 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2024	June 30, 2022
Discount rate	5.51%	5.66%
Inflation	2.50%	2.50%
Salary increases	3.00%	3.00%
Investment rate of return	6.25%	6.25%
Healthcare cost trend rates	6.0 percent	6.0 percent

The long-term expected rate of return in the CERBT OPEB Trust investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Rate of Return
Global Equities	59%	4.80%
U.S. Fixed	25%	1.80%
Inflation Assets	5%	1.60%
REITs	8%	3.70%
Commodities	3%	1.90%

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 8 – NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATION (continued)

B. Net OPEB Liability (continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 5.51% and 5.66% as of June 30, 2024 and 2023 Measurement Dates, respectively. The projection of cash flows used to determine the discount rate assumed that the District’s contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in the Net OPEB Liability

The changes in the total OPEB liability for fiscal year June 30, 2025 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at July 1, 2024 (Measurement date July 1, 2023)	\$ 1,215,196	\$ 214,761	\$ 1,000,435
Changes for the year:			
Service cost	64,671	-	64,671
Interest	70,102	-	70,102
Changes in assumptions	72,950	-	72,950
Changes in experience	64,470	-	64,470
Contributions by employer	-	83,775	(83,775)
Net investment income	-	23,624	(23,624)
Administrative expenses	-	(70)	70
Benefit payments	(83,775)	(83,775)	-
Net changes	188,418	23,554	164,864
Balance at June 30, 2025 (Measurement date June 30, 2024)	\$ 1,403,614	\$ 238,315	\$ 1,165,299

The changes in the total OPEB liability for fiscal year June 30, 2024 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at July 1, 2023 (Measurement date July 1, 2021)	\$ 1,140,989	\$ 201,856	\$ 939,133
Changes for the year:			
Service cost	62,634	-	62,634
Interest	67,645	-	67,645
Changes in assumptions	15,584	-	15,584
Changes in experience	-	-	-
Contributions by employer	-	71,656	(71,656)
Net investment income	-	12,964	(12,964)
Administrative expenses	-	(59)	59
Benefit payments	(71,656)	(71,656)	-
Net changes	74,207	12,905	61,302
Balance at June 30, 2024 (Measurement date June 30, 2022)	\$ 1,215,196	\$ 214,761	\$ 1,000,435

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 8 – NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATION (continued)

C. Changes in the Net OPEB Liability

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 percentage point higher than the current discount rate:

For the fiscal year ended June 30, 2025:

1% Decrease	Discount Rate	1% Increase
4.51%	5.51%	6.51%
\$ 1,320,429	\$ 1,165,299	\$ 1,033,868

For the fiscal year ended June 30, 2024:

1% Decrease	Discount Rate	1% Increase
4.66%	5.66%	6.66%
\$ 1,132,321	\$ 1,000,435	\$ 888,589

Sensitivity of the Total OPEB Liability to Changes in Medical Trend Rates

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using medical trend rates that are 1-percentage point lower:

For the fiscal year ended June 30, 2025:

1% Decrease	Healthcare Cost Trend Rates	1% Increase
5.00%	6.00%	7.00%
\$ 1,020,858	\$ 1,165,299	\$ 1,339,454

For the fiscal year ended June 30, 2024:

1% Decrease	Healthcare Cost Trend Rates	1% Increase
5.00%	6.00%	7.00%
\$ 865,272	\$ 1,165,299	\$ 1,165,531

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 8 – NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATION (continued)

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense of \$118,541. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions made after the measurement date	\$ 89,128	\$ -
Changes in assumptions	144,650	(349,594)
Differences between expected and actual experience	53,725	(198,603)
Differences between projected and actual earnings on OPEB plan investments	-	(8,851)
Total Deferred Outflows/(Inflows) of Resources	\$ 287,503	\$ (557,048)

The differences between projected and actual earnings on plan investments is amortized over five years. The District reported \$89,128 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ (113,632)
2027	(93,358)
2028	(94,470)
2029	(82,148)
2030	24,935
Thereafter	-
Total	\$ (358,673)

At June 30, 2025, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2025.

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 8 – NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATION (continued)

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

For the year ended June 30, 2024, the District recognized OPEB expense of \$93,836. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions made after the measurement date	\$ 83,775	\$ -
Changes in assumptions	221,114	(439,233)
Differences between expected and actual experience	-	(268,570)
Differences between projected and actual earnings on OPEB plan investments	-	(2,082)
Total Deferred Outflows/(Inflows) of Resources	\$ 304,889	\$ (709,885)

The differences between projected and actual earnings on plan investments is amortized over five years. The District reported \$83,775 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2025	\$ (23,743)
2026	(134,494)
2027	(114,220)
2028	(115,332)
2029	(103,012)
Thereafter	2,030
Total	\$ (488,771)

At June 30, 2024, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2024.

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2025</u>	<u>2024</u>
Pension related deferred outflows	\$ 331,830	\$ 512,287
Net pension liability	840,024	855,381
Pension related deferred inflows	39,066	49,043

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees’ Retirement System (CalPERS), or "The Plan".

A. General Information about the Pension Plan

The Plan

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	<u>Miscellaneous Plans</u>	
	<u>Classic Tier 1</u>	<u>PEPRA Tier 2</u>
	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.0%
Required member contribution rates	7.000%	8.250%
Required employer contribution rates – FY 2024	14.990%	8.630%
Required employer contribution rates – FY 2023	14.930%	8.190%

Plan Description

The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plan’s June 30, 2023 and June 30, 2022 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website.

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

At June 30, 2024 (Measurement Date), the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	1	7	8
Transferred and terminated members	2	11	13
Retired members and beneficiaries	10	-	10
Total plan members	13	18	31

At June 30, 2023 (Measurement Date), the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	1	7	8
Transferred and terminated members	3	8	11
Retired members and beneficiaries	9	-	9
Total plan members	13	15	28

All qualified permanent and probationary employees are eligible to participate in the District’s cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five years of service. The death benefit is one of the following the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each Plan are applied as specified by the Public Employees’ Retirement Law.

BIG BEAR AIRPORT DISTRICT

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Contributions for the fiscal year ended June 30, 2025, were as follows:

<u>Contribution Type</u>	<u>Miscellaneous Plans</u>		<u>Total</u>
	<u>Classic Tier 1</u>	<u>PEPRA Tier 2</u>	
Contributions – employer	<u>\$ 91,795</u>	<u>\$ 103,258</u>	<u>\$ 195,053</u>

Contributions for the fiscal year ended June 30, 2024, were as follows:

<u>Contribution Type</u>	<u>Miscellaneous Plans</u>		<u>Total</u>
	<u>Classic Tier 1</u>	<u>PEPRA Tier 2</u>	
Contributions – employer	<u>\$ 77,371</u>	<u>\$ 101,795</u>	<u>\$ 179,166</u>

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

Proportionate Share of Net Pension Liability and Pension Expense

The District’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024 and 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 and 2022, rolled forward to June 30, 2024 and 2023, respectively, using standard update procedures. The District’s proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

The following table shows the District’s proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2024 (Measurement Date):

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2023 (Measurement Date)	\$ 4,066,642	\$ 3,211,261	\$ 855,381
Balance as of June 30, 2024 (Measurement Date)	\$ 4,536,273	\$ 3,696,249	\$ 840,024
Change in Plan Net Pension Liability	\$ 469,631	\$ 484,988	\$ (15,357)

The following table shows the District’s proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2023 (Measurement Date):

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2022 (Measurement Date)	\$ 3,837,387	\$ 3,067,356	\$ 770,031
Balance as of June 30, 2023 (Measurement Date)	\$ 4,066,642	\$ 3,211,261	\$ 855,381
Change in Plan Net Pension Liability	\$ 229,255	\$ 143,905	\$ 85,350

The District’s proportionate share percentage of the net pension liability for the June 30, 2024 (Measurement Date) was as follows:

	<u>Percentage Share of Risk Pool</u>		
	<u>Fiscal Year Ending June 30, 2025</u>	<u>Fiscal Year Ending June 30, 2024</u>	<u>Change Increase/ (Decrease)</u>
	<u>June 30, 2024</u>	<u>June 30, 2023</u>	
Measurement Date			
Percentage of Risk Pool Net Pension Liability	0.017368%	0.017106%	0.000262%
Percentage of Plan (PERF C) Net Pension Liability	0.017368%	0.006857%	0.010511%

The District’s proportionate share percentage of the net pension liability for the June 30, 2023 (Measurement Date) was as follows:

	<u>Percentage Share of Risk Pool</u>		
	<u>Fiscal Year Ending June 30, 2024</u>	<u>Fiscal Year Ending June 30, 2023</u>	<u>Change Increase/ (Decrease)</u>
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	
Measurement Date			
Percentage of Risk Pool Net Pension Liability	0.017106%	0.016456%	0.000650%
Percentage of Plan (PERF C) Net Pension Liability	0.006857%	0.006666%	0.000191%

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

For the fiscal year ended June 30, 2025, the District recognized a pension expense of \$226,368. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 135,999	\$ -
Difference between actual and proportionate share of employer contributions	-	(36,232)
Adjustment due to differences in proportions	53,254	-
Differences between expected and actual experience	72,628	(2,834)
Differences between projected and actual earnings on pension plan investments	48,359	-
Changes in assumptions	21,590	-
Total Deferred Outflows/(Inflows) of Resources	\$ 331,830	\$ (39,066)

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

An amount of \$135,999 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ 68,284
2027	105,845
2028	(792)
2029	(16,572)
Total	\$ 156,765

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

For the fiscal year ended June 30, 2024, the District recognized a pension expense of \$228,852. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 179,166	\$ -
Difference between actual and proportionate share of employer contributions	-	(42,264)
Adjustment due to differences in proportions	99,286	-
Differences between expected and actual experience	43,697	(6,779)
Differences between projected and actual earnings on pension plan investments	138,494	-
Changes in assumptions	51,644	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 512,287</u>	<u>\$ (49,043)</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

An amount of \$179,166 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2025	\$ 104,520
2026	69,449
2027	106,135
2028	3,974
Total	<u>\$ 284,078</u>

BIG BEAR AIRPORT DISTRICT
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2024 and 2023 (Measurement dates), the total pension liability was determined by rolling forward the June 30, 2023 and 2022, total pension liability. The June 30, 2024 and 2023, total pension liability were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

The table below reflects long-term expected real rate of return by asset class.

Asset Class	Assumed Asset Allocation	Real Return ^{1,2}
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Estate	15.0%	3.21%
Leverage	-5.0%	-0.59%
	100.0%	

¹ An expected inflation of 2.3% is used for this period.

² Figures are based on the 2021 Asset Liability Management study.

BIG BEAR AIRPORT DISTRICT

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2024, measurement date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

At June 30, 2024 (Measurement Date):

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate	Current	Discount Rate
	- 1%	Discount	+ 1%
	5.90%	Rate 6.90%	7.90%
CalPERS – Miscellaneous Plan	\$ 1,452,150	\$ 840,024	\$ 336,154

BIG BEAR AIRPORT DISTRICT

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 9 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (continued)

At June 30, 2023 (Measurement Date):

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate	Current	Discount Rate
	- 1% 5.90%	Discount Rate 6.90%	+ 1% 7.90%
CalPERS – Miscellaneous Plan	\$ 1,405,377	\$ 855,381	\$ 402,687

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

C. Payable to the Pension Plans

At June 30, 2025 and 2024, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2025 and 2024, respectively.

NOTE 10 – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets consisted of the following as of June 30:

Description	June 30, 2025	June 30, 2024
Net investment in capital assets:		
Capital assets – not being depreciated	\$ 6,881,912	\$ 4,324,492
Capital assets – being depreciated, net	6,109,809	7,746,085
Loan payable – current portion	(230,000)	(220,000)
Loan payable – non-current portion	(7,160,000)	(7,390,000)
Unspent proceeds from loan issuance (Note 3)	4,283,546	7,642,190
Total net investment in capital assets	\$ 9,885,267	\$ 12,102,767

BIG BEAR AIRPORT DISTRICT

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California special districts. The purpose of the SDRMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. Further information about the SDRMA is as follows:

A. Entity	SDRMA	
B. Purpose	To provide risk financing and risk management services to California public agencies	
C. Participants	As of June 30, 2025 – 512 member agencies	
D. Governing board	Seven representatives employed by members	
E. District payments for FY 2025:		
Property/Liability policy	\$105,936	
Workers' compensation policy	\$16,192	
F. Condensed financial information	June 30, 2025	
Statement of net position:		<u>June 30, 2025</u>
Total assets		<u>\$ 185,602,180</u>
Deferred outflows		<u>1,361,901</u>
Total liabilities		<u>78,502,352</u>
Deferred inflows		<u>332,457</u>
Net position		<u>\$ 108,129,272</u>
Statement of revenues, expenses and changes in net position:		
Total revenues		\$ 136,035,247
Total expenses		<u>(113,092,341)</u>
Change in net position		22,942,906
Beginning – net position		<u>85,186,366</u>
Ending – net position		<u>\$ 108,129,272</u>
G. Member agencies share of year-end financial position	Not Calculated	

BIG BEAR AIRPORT DISTRICT

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 11 – RISK MANAGEMENT (continued)

At June 30, 2025, the District participated in the liability and property programs of the SDRMA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$2,500,000, combined single limit at \$2,500,000 per occurrence. The District purchased additional excess coverage layers: \$10,000,000 for general, auto and public officials' liability, which increases the limits on the insurance coverage noted above.

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage up to \$400,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverages.
- Property loss is paid at the replacement cost for property on file, if replaced within three years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$1.0 billion per occurrence, subject to a \$2,000 deductible per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to a \$1,000 deductible per occurrence.
- Public officials' personal liability up to \$500,000 each occurrence, with an annual aggregate of \$500,000 per each elected/appointed official to which this coverage applies, subject to the terms, with a deductible of \$500 per claim.
- Workers' compensation insurance per statutory requirements and Employer's Liability Coverage up to \$5 million.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal year 2025, 2024 and 2022. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2025, 2024 and 2022.

NOTE 12 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in an Internal Revenue Code (IRS) Section 457 Deferred Compensation Program. The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors.

BIG BEAR AIRPORT DISTRICT

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 12 – DEFERRED COMPENSATION SAVINGS PLAN (continued)

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Construction Contracts

The District has a variety of agreements with private parties relating to the design and construction of the new Terminal Building. The financing of the construction contracts is being provided by a combination of debt and the District's replacement reserves. The cost of the project to date is \$3,189,400, with the total estimated cost of the project being \$14,300,000.

As of June 30, 2025, The District has committed approximately \$102,567 to complete an open construction contract related to the project.

Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12 – months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition

NOTE 14 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 12, 2025, the date which the financial statements were available to be issued.

Required Supplementary Information

BIG BEAR AIRPORT DISTRICT

*Schedule of Proportionate Share of the Net Pension Liability
For the Fiscal Years Ended June 30, 2025 and 2024*

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2015	0.003035%	277,448	320,717	86.51%	90.01%
June 30, 2016	0.011311%	392,940	334,550	117.45%	86.35%
June 30, 2017	0.012080%	476,201	398,206	119.59%	84.65%
June 30, 2018	0.012009%	452,603	455,055	99.46%	85.64%
June 30, 2019	0.013055%	522,778	571,780	91.43%	84.52%
June 30, 2020	0.014196%	598,805	408,364	146.64%	82.51%
June 30, 2021	0.010333%	196,211	524,058	37.44%	94.55%
June 30, 2022	0.016456%	770,031	565,750	136.11%	79.93%
June 30, 2023	0.017106%	855,381	633,956	134.93%	78.97%
June 30, 2024	0.017368%	840,024	601,015	139.77%	81.48%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 and June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.65% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2022:

There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%.

From fiscal year June 30, 2023 to June 30, 2025:

There were no significant changes in assumptions.

BIG BEAR AIRPORT DISTRICT
Schedule of Pension Contributions
For the Fiscal Years Ended June 30, 2025 and 2024

Last Ten Fiscal Years
California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2016	54,117	(54,117)	-	334,550	16.18%
June 30, 2017	55,115	(55,115)	-	398,206	13.84%
June 30, 2018	68,232	(68,232)	-	455,055	14.99%
June 30, 2019	66,986	(66,986)	-	571,780	11.72%
June 30, 2020	76,707	(76,707)	-	408,364	18.78%
June 30, 2021	93,603	(93,603)	-	524,058	17.86%
June 30, 2022	105,553	(105,553)	-	565,750	18.66%
June 30, 2023	119,889	(119,889)	-	633,956	18.91%
June 30, 2024	179,166	(179,166)	-	601,015	29.81%
June 30, 2025	195,053	(195,053)	-	681,500	28.62%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation	Inflation	Investment Rate of Return
June 30, 2016	June 30, 2014	Entry Age	Fair Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Fair Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Fair Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Fair Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Fair Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Fair Value	2.50%	7.15%
June 30, 2022	June 30, 2020	Entry Age	Fair Value	2.50%	7.15%
June 30, 2023	June 30, 2021	Entry Age	Fair Value	2.30%	6.90%
June 30, 2024	June 30, 2022	Entry Age	Fair Value	2.30%	6.90%
June 30, 2025	June 30, 2024	Entry Age	Fair Value	2.30%	6.90%

Amortization Method Level percentage of payroll, closed
Salary Increases Depending on age, service, and type of employment
Investment Rate of Return Net of pension plan investment expense, including inflation
Retirement Age 50 years (3%@60), 52 years (2%@62)
Mortality Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

BIG BEAR AIRPORT DISTRICT

Schedule of Changes in the District's Total OPEB Liability and Related Ratios For the Fiscal Years Ended June 30, 2025 and 2024

Fiscal Year Ended	Last Ten Fiscal Years*				
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total OPEB liability:					
Service cost	\$ 64,671	\$ 62,634	\$ 129,806	\$ 115,407	\$ 115,793
Interest	70,102	67,645	43,198	48,414	57,565
Changes in assumptions	72,950	15,584	(618,511)	128,731	50,560
Differences between expected and actual experience	64,470	-	(226,519)	(89,151)	(155,966)
Changes of benefit terms	-	-	-	-	-
Benefit payments	(83,775)	(71,656)	(59,102)	(71,459)	(66,827)
Net change in total OPEB liability	188,418	74,207	(731,128)	131,942	1,125
Total OPEB liability - beginning	1,215,196	1,140,989	1,872,117	1,740,175	1,739,050
Total OPEB liability - ending	1,403,614	1,215,196	1,140,989	1,872,117	1,740,175
Plan fiduciary net position:					
Contributions - employer	83,775	71,656	259,102	9,974	8,519
Net investment income	23,624	12,964	1,122	14,717	3,800
Administrative expense	(70)	(59)	(2)	(19)	(50)
Benefit payments	(83,775)	(71,656)	(59,102)	(71,459)	(66,827)
Net change in plan fiduciary net position	23,554	12,905	201,120	(46,787)	(54,558)
Plan fiduciary net position - beginning	214,761	201,856	736	47,523	102,081
Plan fiduciary net position - ending	238,315	214,761	201,856	736	47,523
District's net OPEB liability	\$ 1,165,299	\$ 1,000,435	\$ 939,133	\$ 1,871,381	\$ 1,692,652
Plan fiduciary net position as a percentage of the total OPEB liability	16.98%	17.67%	17.69%	0.04%	2.73%
Covered payroll	\$ 642,345	\$ 619,192	\$ 549,033	\$ 520,680	\$ 520,680
District's net OPEB liability as a percentage of covered payroll	181.41%	161.57%	171.05%	359.41%	325.08%

Notes to Schedule:

Benefit Changes:

Measurement Date June 30, 2020 – There were no changes of benefits terms
 Measurement Date June 30, 2021 – There were no changes of benefits terms
 Measurement Date June 30, 2022 – There were no changes of benefits terms
 Measurement Date June 30, 2023 – There were no changes of benefits terms
 Measurement Date June 30, 2024 – There were no changes of benefits terms

Changes in Assumptions:

Measurement Date June 30, 2020 – There were no changes in assumptions except change in discount rate
 Measurement Date June 30, 2021 – There were no changes in assumptions except change in discount rate
 Measurement Date June 30, 2022 – There was a change in discount rate and inflation rate
 Measurement Date June 30, 2023 – There was a change in discount rate
 Measurement Date June 30, 2024 – There was a change in discount rate

* Fiscal year 2018 was the first year of implementation; therefore, only eight years are shown.

BIG BEAR AIRPORT DISTRICT

*Schedule of Changes in the District's Total OPEB Liability and Related Ratios (continued)
For the Fiscal Years Ended June 30, 2025 and 2024*

Fiscal Year Ended Measurement Date	Last Ten Fiscal Years*		
	June 30, 2020	June 30, 2019	June 30, 2018
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Total OPEB liability:			
Service cost	\$ 43,940	\$ 18,426	\$ 17,933
Interest	72,149	46,109	51,075
Changes in assumptions	662,879	(10,589)	-
Differences between expected and actual experience	-	138,502	-
Changes of benefit terms	-	91,476	-
Benefit payments	<u>(53,355)</u>	<u>(41,086)</u>	<u>(38,662)</u>
Net change in total OPEB liability	725,613	242,838	30,346
Total OPEB liability - beginning	<u>1,013,437</u>	<u>770,599</u>	<u>740,253</u>
Total OPEB liability - ending	<u>1,739,050</u>	<u>1,013,437</u>	<u>770,599</u>
Plan fiduciary net position:			
Contributions - employer	-	-	-
Net investment income	9,116	14,002	20,153
Administrative expense	(32)	(323)	-
Benefit payments	<u>(53,355)</u>	<u>(41,086)</u>	<u>(38,662)</u>
Net change in plan fiduciary net position	(44,271)	(27,407)	(18,509)
Plan fiduciary net position - beginning	<u>146,352</u>	<u>173,759</u>	<u>192,268</u>
Plan fiduciary net position - ending	102,081	146,352	173,759
District's net OPEB liability	<u>\$ 1,636,969</u>	<u>\$ 867,085</u>	<u>\$ 596,840</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>5.87%</u>	<u>14.44%</u>	<u>22.55%</u>
Covered payroll	<u>\$ 595,464</u>	<u>\$ 578,120</u>	<u>\$ 487,305</u>
District's net OPEB liability as a percentage of covered payroll	<u>274.91%</u>	<u>149.98%</u>	<u>122.48%</u>

Notes to Schedule:

Benefit Changes:

Measurement Date June 30, 2017 – There were no changes of benefits terms
 Measurement Date June 30, 2018 – There were no changes of benefits terms
 Measurement Date June 30, 2019 – There were no changes of benefits terms

Changes in Assumptions:

Measurement Date June 30, 2017 – There were no changes in assumptions
 Measurement Date June 30, 2018 – There was a change in discount rate
 Measurement Date June 30, 2019 – There were no changes in assumptions except change in discount rate

* Fiscal year 2018 was the first year of implementation; therefore, only eight years are shown.

BIG BEAR AIRPORT DISTRICT
Schedule of OPEB Contributions
For the Fiscal Years Ended June 30, 2025 and 2024

Fiscal Year Ended	Last Ten Fiscal Years*				
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Actuarially determined contribution*	\$ 156,385	\$ 138,676	\$ 134,637	\$ 63,261	\$ 72,370
Contributions in relation to the actuarially determined contributions	(83,775)	(71,656)	(259,102)	(63,261)	(71,459)
Contribution deficiency (excess)	\$ 72,610	\$ 67,020	\$ (124,465)	\$ -	\$ 911
Covered payroll	\$ 642,345	\$ 619,192	\$ 549,033	\$ 520,680	\$ 520,680
Contributions as a percentage of covered payroll	13.04%	11.57%	47.19%	12.15%	13.72%

Notes to Schedule:

Valuation Date	June 30, 2024	June 30, 2022	June 30, 2022	June 30, 2021	June 30, 2021
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial cost method	Entry Age				
Amortization method	(1)	(1)	(1)	(1)	(1)
Closed period, level percent of pay	20-years	20-years	20-years	20-years	20-years
Asset valuation method	Fair Value				
Discount rate	5.66%	5.66%	5.79%	2.66%	2.66%
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%
Payroll increases	3.00%	3.00%	3.00%	3.00%	3.00%
Mortality	(2)	(2)	(2)	(2)	(2)
Morbidity	Not Valued				
Disability	Not Valued				
Retirement	(3)	(3)	(3)	(3)	(3)
Percent Married - Spouse Support	70%	70%	70%	70%	70%
Healthcare trend rates	(4)	(4)	(4)	(4)	(4)

(1) Closed period, level percent of pay

(2) CalPERS 2021 Study

(3) CalPERS Public Agency Miscellaneous 2.0% @55 and 2% @62

(4) Pre-65 - 6.00% trending down 0.25% annually to 6.00% in 2030 and later
 Post-65 - 4.50% trending down 0.25% annually to 4.00% in 2030 and later

* Fiscal year 2018 was the first year of implementation; therefore, only eight years are shown.

BIG BEAR AIRPORT DISTRICT
Schedule of OPEB Contributions (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Fiscal Year Ended	Last Ten Fiscal Years*		
	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution*	\$ 68,693	\$ 65,323	\$ 41,882
Contributions in relation to the actuarially determined contributions	<u>(66,827)</u>	<u>(61,054)</u>	<u>(41,086)</u>
Contribution deficiency (excess)	<u>\$ 1,866</u>	<u>\$ 4,269</u>	<u>\$ 796</u>
Covered payroll	<u>\$ 595,464</u>	<u>\$ 619,192</u>	<u>\$ 549,033</u>
Contributions as a percentage of covered payroll	<u>11.22%</u>	<u>9.86%</u>	<u>7.48%</u>

Notes to Schedule:

Valuation Date	June 30, 2019	June 30, 2019	June 30, 2017
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Methods and Assumptions Used to Determine

Contribution Rates:

	Entry Age	Entry Age	Entry Age
Actuarial cost method	Entry age normal	Entry Age	Entry Age
Amortization method	Closed period, level percent of pay	(1)	(1)
Amortization period	20-years	20-years	20-years
Asset valuation method	Fair Value	Fair Value	Fair Value
Discount rate	3.16%	7.00%	6.00%
Inflation	2.75%	2.75%	3.00%
Payroll increases	3.00%	3.00%	3.00%
Mortality	(2)	(2)	(2)
Morbidity	Not Valued	Not Valued	Not Valued
Disability	Not Valued	Not Valued	Not Valued
Retirement	(3)	(3)	(3)
Percent Married - Spouse Support	70%	70%	70%
Healthcare trend rates	(4)	(4)	(4)

(1) Closed period, level percent of pay

(2) CalPERS 2021 Study

(3) CalPERS Public Agency Miscellaneous 2.0% @55 and 2% @62

(4) Pre-65 - 6.00% trending down 0.25% annually to 6.00% in 2030 and later
 Post-65 - 4.50% trending down 0.25% annually to 4.00% in 2030 and later

* Fiscal year 2018 was the first year of implementation; therefore, only eight years are shown.

Other Independent Auditors' Report



INDEPENDENT AUDITORS' 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

Board of Directors
Big Bear Airport District
Big Bear City, 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 financial statements of Big Bear Airport District as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise Big Bear Airport District's basic financial statements, and have issued our report thereon dated November 12, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Big Bear Airport District'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Big Bear Airport District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Big Bear Airport District'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 District'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Murrieta, California
November 12, 2025

RESOLUTION NO. 2025-08

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIG BEAR AIRPORT
DISTRICT AUTHORIZING CONTRIBUTION TO ELIGIBLE EMPLOYEES' 457
DEFERRED COMPENSATION PLAN**

WHEREAS, the Big Bear Airport District recognizes the importance of providing its employees with comprehensive medical, dental, and vision benefits to promote the employee's health and well-being; and

WHEREAS, the Big Bear Airport District previously adopted a monthly allowance amount for eligible employees to apply toward the cost of medical, dental, and vision benefits, which may be reviewed and adjusted by the Board on an annual basis; and

WHEREAS, the Big Bear Airport District desires to provide employees with an additional benefit by contributing a portion of any unused benefit allowance toward their 457 Deferred Compensation Plan, thereby supporting all eligible employees' long-term financial goals.

NOW, THEREFORE, The Board of Directors of the Big Bear Airport District does resolve the following:

1. The Big Bear Airport District affirms the continuation of the previously established monthly allowance for eligible employees to be applied toward medical, dental, and vision insurance premiums; and
2. In cases where the total cost of an employee's selected medical, dental, and vision coverage is less than the adopted monthly allowance, the Big Bear Airport District shall contribute fifty percent (50%) of the remaining amount to the employee's 457 Deferred Compensation Plan, subject to applicable plan limits and regulations; and
3. This Resolution shall take effect on January 1, 2026, and remain in effect unless modified or rescinded by the Board of Directors.

PASSED, APPROVED AND ADOPTED this 12th day of November 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Steve Castillo, Board President

ATTEST:

I hereby certify that the Board of Directors of the Big Bear Airport District adopted the foregoing Resolution No. 2025-08 at a Regular Board of Directors Meeting held on the 12th day of November 2025.

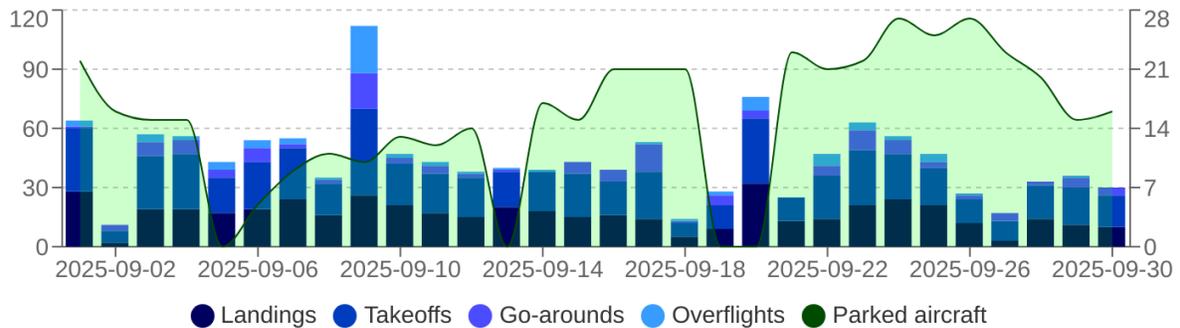
Rebecca Cannon, Board Secretary

Big Bear City | Runway Operations Report

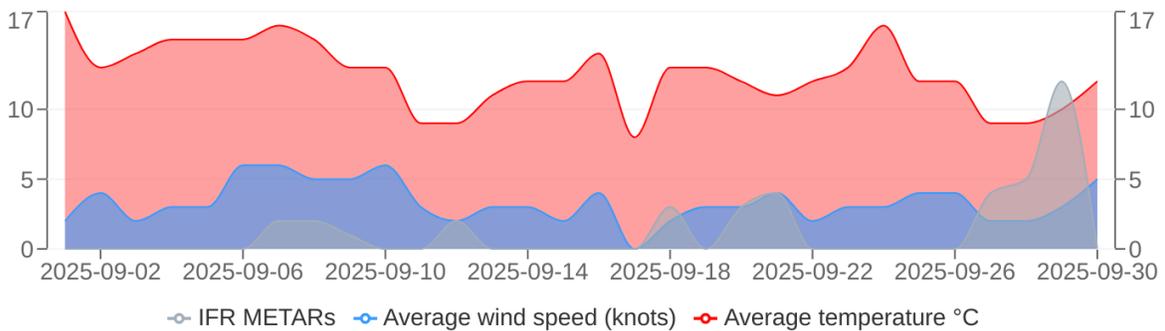
Report Date Range: 09/2025

Total Operations	Landings	Takeoffs	Go-Arounds	Overflights
1,328	495	613	139	81

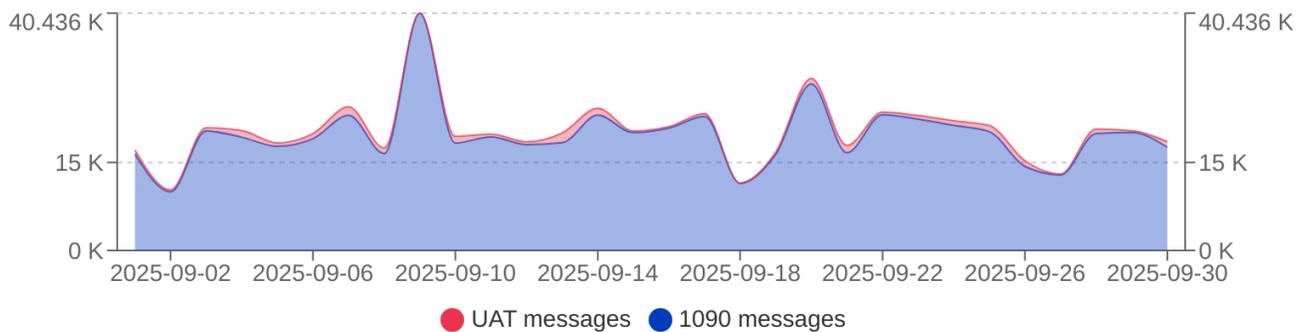
Operations by Day



Weather Conditions



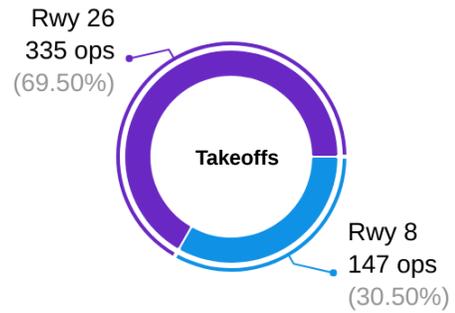
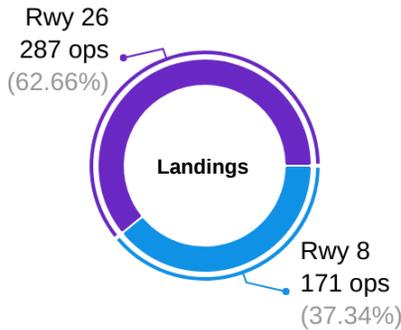
Receiver health



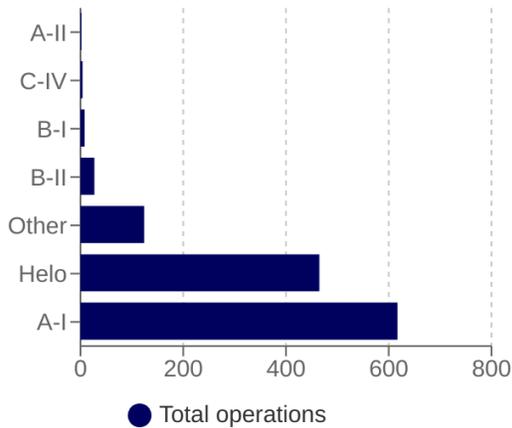
Big Bear City | Runway Operations Report

Report Date Range: 09/2025

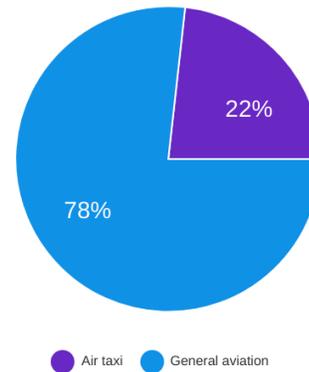
Operations by Runway



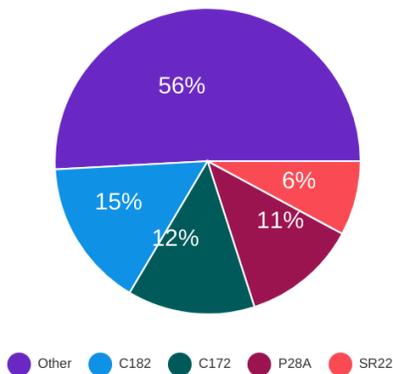
Operations by Category



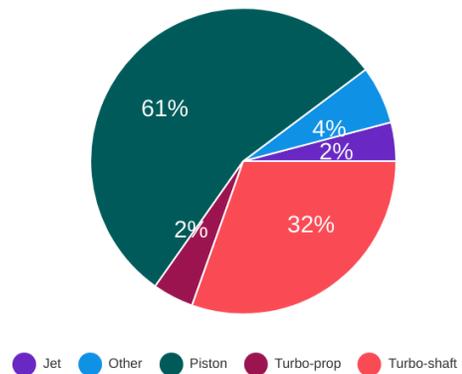
Operations by Type



Top Aircraft Types



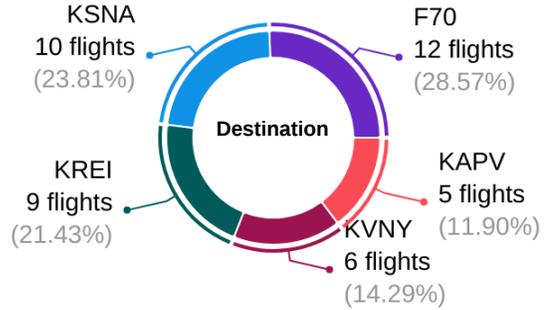
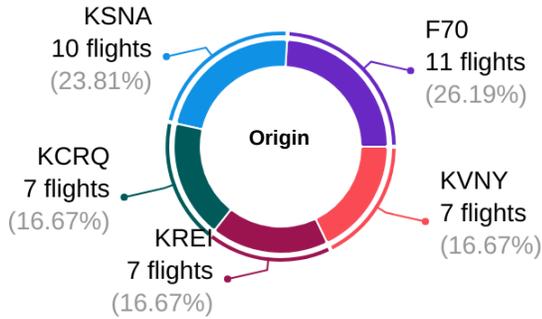
Operations by Engine Type



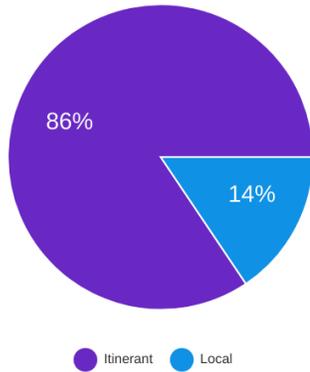
Big Bear City | Runway Operations Report

Report Date Range: 09/2025

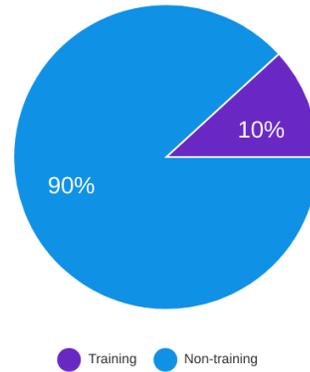
Top Airports



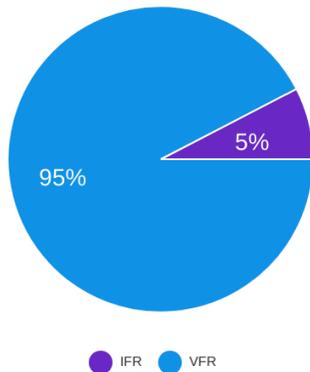
Local vs Itinerant Flights



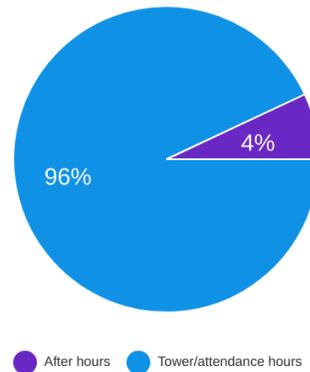
Training Operations



IFR vs VFR Flights



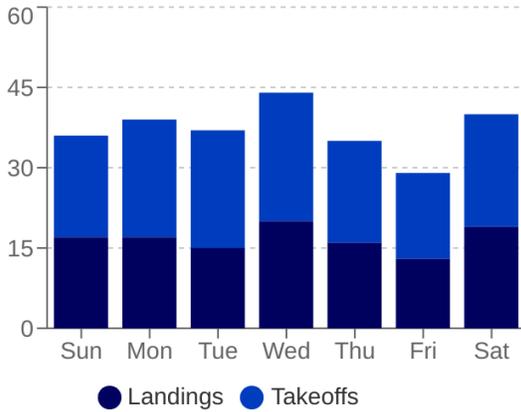
After Hours Operations



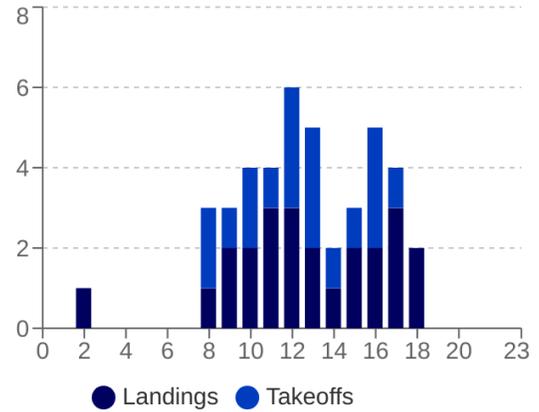
Big Bear City | Runway Operations Report

Report Date Range: 09/2025

Operations by Day of Week

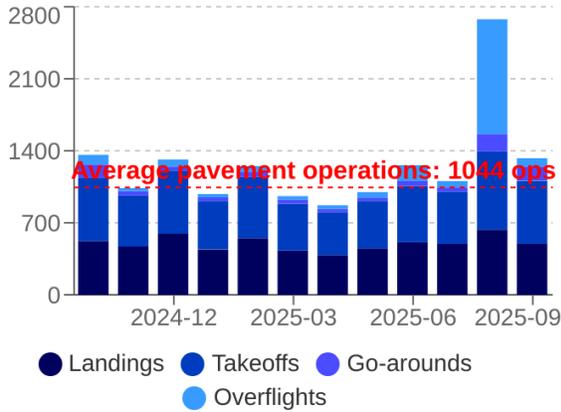


Operations by Hour



Historical Data

Landings and Takeoff By Month



Busiest Days on Record

Rank	Date	Pavement ops	Aircraft
1	2022-09-07 (W)	235	9
2	2022-09-06 (Ti)	150	15
3	2023-03-03 (Fi)	139	64
4	2023-01-28 (S)	137	49
5	2023-01-21 (S)	130	52
6	2022-09-05 (M)	121	23
6	2022-12-26 (M)	121	52
7	2024-02-11 (S)	115	55
7	2023-04-01 (S)	115	53
8	2023-10-21 (S)	110	38