



COUNTY OF ORANGE, CALIFORNIA  
AIRPORT REVENUE REFUNDING BONDS,  
SERIES 2019A & 2019B

CONTINUING DISCLOSURE  
ANNUAL REPORT  
FOR  
FISCAL YEAR ENDED JUNE 30, 2019

Dated: January 3, 2020

Prepared By:  
John Wayne Airport

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**COUNTY OF ORANGE, CALIFORNIA  
AIRPORT REVENUE REFUNDING BONDS, SERIES 2019A & 2019B  
ANNUAL REPORT  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

**Table of Contents**

<b>INTRODUCTION</b> .....	1
<b>SECTION A</b>	
Update to charts and tables contained in the Official Statement relating to the Series 2019 Bonds.....	2
<b>AIRPORT OPERATIONS</b>	
Table 7 - Historical Passenger Activity Million Annual Passenger (MAP) Cap.....	3
Table 8 - Airline Enplanements Market Share.....	4
Table 9 - Air Carrier Landed Weight Market Share.....	5
Table 11 - Scheduled Departures.....	6
<b>FINANCIAL INFORMATION</b>	
Table 14 - Revenue Sources.....	7
Table 15 - Statements of Revenues and Expenses .....	8
<b>SECTION B</b>	
John Wayne Airport Audited Financial Statements Fiscal Year Ended June 30, 2019 .....	9

**INTRODUCTION**  
**SEC RULE 15C2-12 ANNUAL REPORT**

The County of Orange (the “County”) hereby provides its annual report for the fiscal year ended June 30, 2019 in connection with the following Bonds:

**Bond Issue:**

County of Orange, California, Airport Revenue Refunding Bonds, Series 2019A and 2019B, issued on May 14, 2019 (the “Bonds”).

**Annual Report:**

The County’s “Annual Report” (as defined in the Continuing Disclosure Certificate (the “Disclosure Certificate”) dated May 14, 2019 with respect to the Bonds) for the fiscal year ended June 30, 2019 consists of the audited financial statements of John Wayne Airport (the “Airport”) for said fiscal year and updates to the following tables contained in the Official Statement relating to the Bonds: Tables 7, 8, 9, and 11 under “AIRPORT OPERATIONS”, Tables 14 and 15 under “FINANCIAL INFORMATION.”

**Other Matters:**

This annual report is provided solely for purposes of the Disclosure Certificate. The filing of this report does not constitute or imply any representation (i) that the information provided herein, or any portion thereof, is material to investors, (ii) regarding any other financial, operating or other information about the County or the Bonds, or (iii) that no changes, circumstances or events have occurred since the end of the fiscal year to which this report relates (other than as contained in this report), or since the date of the Official Statement, or that no other information exists, which may have a bearing on the Airport’s or County’s financial condition, the security for the Bonds, or an investor’s decision to buy, sell, or hold the Bonds. The information contained in this report has been obtained from sources, which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness. No statement in this annual report should be construed as a prediction or representation about future financial performance of the County.

Dated: January 3, 2020

COUNTY OF ORANGE

## SECTION A

*Update to the charts and tables  
contained in the Official Statement  
relating to the Series 2019A and 2019B Bonds*

**Table 7**  
**John Wayne Airport**  
**Historical Passenger Activity**  
**Million Annual Passenger (MAP) CAP**

<b>Fiscal Years</b>	<b>Total Passengers<sup>1</sup></b>	<b>MAP Limit<sup>2</sup></b>
2009	8,552,590	10,300,000
2010	8,812,269	10,300,000
2011	8,611,054	10,550,000 <sup>3</sup>
2012	8,650,860	10,800,000
2013	9,124,172	10,800,000
2014	9,304,295	10,800,000
2015	9,608,873	10,800,000
2016	10,361,436	10,800,000
2017	10,373,714	10,800,000
2018	10,670,156	10,800,000
2019	10,717,482	10,800,000

<sup>1</sup> Enplanements and deplanements.

<sup>2</sup> The 2014 Amendment extended the term of the Settlement Agreement through December 31, 2030. The 2014 Amendment allows the MAP Limit to remain at 10.8 MAP through December 31, 2020. Furthermore, beginning on January 1, 2021, the 2014 Amendment provides for an increase of the MAP Limit to 11.8 MAP through December 31, 2025, and beginning on January 1, 2026 to 12.2 MAP or 12.5 MAP through December 31, 2030, depending on the actual service level between January 1, 2021 and December 31, 2025.

<sup>3</sup> The MAP Limit increased to 10.8 MAP on January 1, 2011.

Source: Airport Management

**Table 8**  
**John Wayne Airport**  
**Airline Enplanements Market Share**

Air Carrier	Fiscal Year 2017		Fiscal Year 2018		Fiscal Year 2019	
	Enplaned Passengers	Market Share	Enplaned Passengers	Market Share	Enplaned Passengers	Market Share
Southwest	2,221,567	42.9%	2,027,811	38.1%	1,830,327	34.3%
American <sup>1</sup>	845,755	16.4	855,832	16.0	854,137	16.0
United	719,481	13.9	819,149	15.4	846,524	15.8
Alaska	486,821	9.4	543,921	10.2	589,507	11.0
Delta	446,084	8.6	512,269	9.6	550,127	10.3
SkyWest-Commercial	155,526	3.0	221,352	4.2	226,881	4.2
Horizon <sup>2</sup>	42,686	0.8	77,584	1.5	125,896	2.4
Frontier	109,635	2.1	111,489	2.1	119,441	2.2
Compass <sup>3</sup>	86,872	1.7	94,189	1.8	101,507	1.9
Commuters <sup>4,5</sup>	27,186	0.5	18,599	0.3	56,270	1.1
WestJet	37,148	0.7	41,065	0.8	41,607	0.8
Totals	5,178,761	100.0%	5,323,260	100.0%	5,342,224	100.0%

<sup>1</sup> Effective November 1, 2015, American Airlines completed its acquisition of US Airways and commenced operating as a single carrier at the Airport. American Airlines and US Airways passenger data has been combined for the purposes of this table.

<sup>2</sup> Horizon Air commenced operations at the Airport on March 16, 2016.

<sup>3</sup> Compass Airlines commenced operations at the Airport on May 1, 2016.

<sup>4</sup> Delux (dba JetSuiteX Air) commenced operations at the Airport on June 5, 2018.

<sup>5</sup> Includes SkyWest Commuter (dba Delta Connection and/or dba United Express) and Delux (dba JetSuiteX Air).

Source: Airport Management

**Table 9**  
**John Wayne Airport**  
**Air Carrier Landed Weight Market Share**  
**Fiscal Years 2017-2019**

<b>Air Carrier</b>	<b>Fiscal Year 2017</b>		<b>Fiscal Year 2018</b>		<b>Fiscal Year 2019</b>	
	<b>Pounds<sup>1</sup></b>	<b>Market Share</b>	<b>Pounds<sup>1</sup></b>	<b>Market Share</b>	<b>Pounds<sup>1</sup></b>	<b>Market Share</b>
Southwest	2,496,448	42.7%	2,166,693	36.9%	2,053,374	34.3%
United	824,221	14.1	852,013	14.5	905,454	15.1
American <sup>2</sup>	853,392	14.6	912,221	15.5	853,172	14.3
Alaska	532,368	9.1	596,901	10.2	648,742	10.9
Delta	507,776	8.7	579,584	9.9	612,626	10.3
SkyWest-Commercial	194,014	3.3	275,944	4.7	275,872	4.6
Horizon <sup>3</sup>	44,707	0.8	45,906	0.8	147,594	2.5
Compass <sup>4</sup>	97,398	1.7	102,794	1.7	115,291	1.9
Frontier	100,143	1.7	113,852	1.9	105,712	1.8
Commuters <sup>5,6</sup>	29,286	0.5	20,377	0.3	90,694	1.5
FedEx	78,362	1.3	91,455	1.6	78,054	1.3
UPS	46,644	0.8	78,310	1.3	44,845	0.8
WestJet	43,349	0.7	43,583	0.7	43,583	0.7
<b>Totals<sup>7</sup></b>	<b>5,848,107</b>	<b>100.0%</b>	<b>5,879,632</b>	<b>100.0%</b>	<b>5,975,013</b>	<b>100.0%</b>

<sup>1</sup> Measured in thousands.

<sup>2</sup> Effective November 1, 2015, American Airlines completed its acquisition of US Airways and commenced operating as a single carrier at the Airport. American Airlines and US Airways passenger data has been combined for the purposes of this table.

<sup>3</sup> Horizon Air commenced operations at the Airport on March 16, 2016.

<sup>4</sup> Compass Airlines commenced operations at the Airport on May 1, 2016.

<sup>5</sup> Delux (dba JetSuiteX Air) commenced operations at the Airport on June 5, 2018.

<sup>6</sup> Includes SkyWest Commuter (dba Delta Connection and/or dba United Express) and Delux (dba JetSuiteX Air).

<sup>7</sup> Totals may not foot due to rounding.

Source: Airport Management

**Table 11**  
**John Wayne Airport**  
**Scheduled Departures**

<b>Type of Aircraft</b>	<b>Fiscal Years</b>				
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Class A <sup>1</sup>	29,505	29,413	30,386	30,908	30,103
Class E <sup>2</sup>	11,237	15,372	15,052	15,184	17,865
Total	<u>40,742</u>	<u>44,785</u>	<u>45,438</u>	<u>46,092</u>	<u>47,968</u>

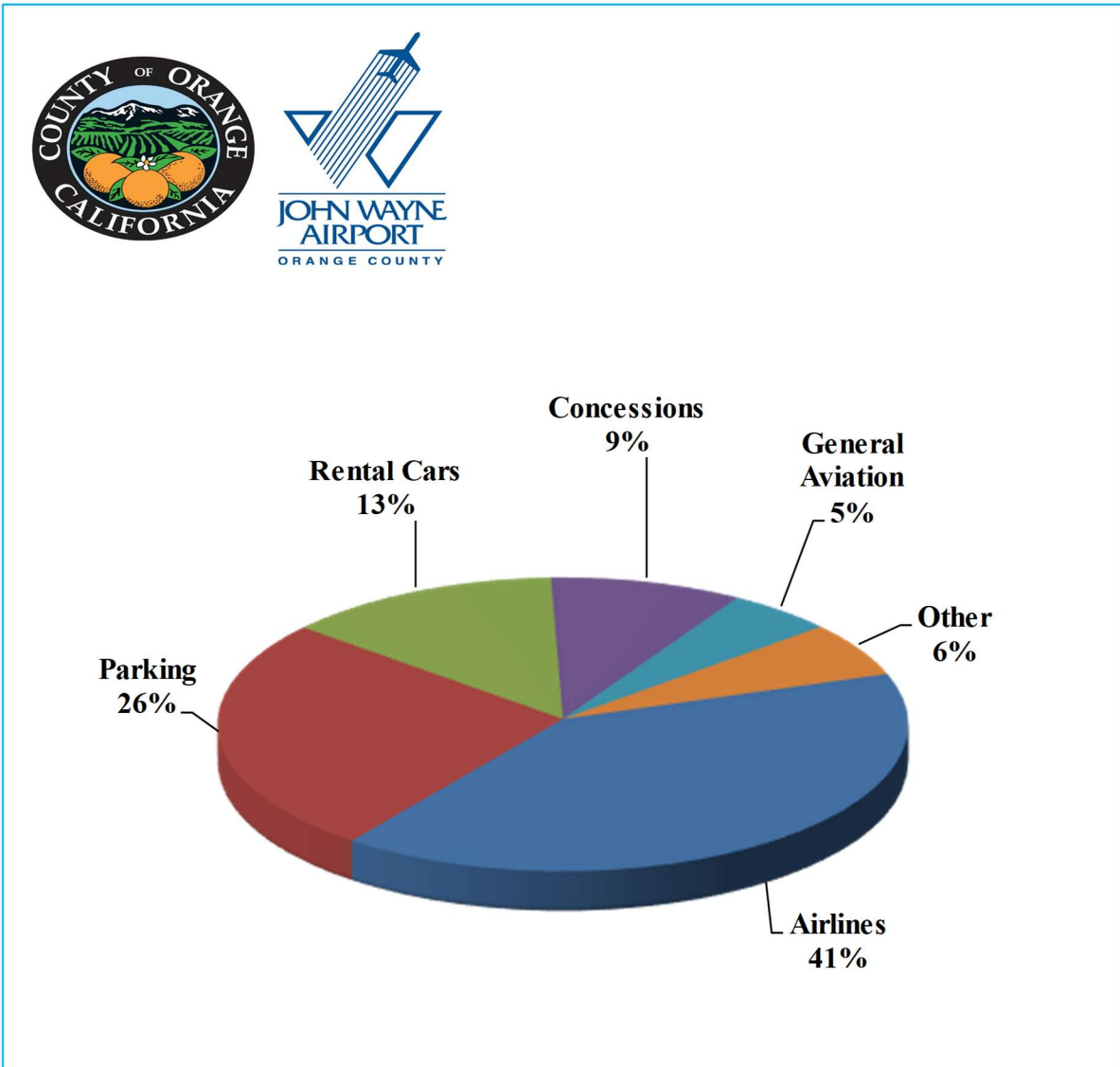
<sup>1</sup> The 2014 Amendment combines all regulated Class A and Class AA flights into a single class operating at maximum permitted Class A noise levels.

<sup>2</sup> Class E includes both Class E and PE.

Source: Airport Management



**Table 14**  
**John Wayne Airport**  
**Revenue Sources**  
**Fiscal Year 2019**



**Table 15**  
**County of Orange**  
**John Wayne Airport Enterprise Fund**  
**Statements of Revenues and Expenses**  
**(Prepared on an accrual basis)**  
**(in thousands)**

	<b>Fiscal Years Ended June 30,</b>				
	<b>Audited</b>				
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>REVENUES:</b>					
Airline Terminal Rent <sup>1</sup>	\$ 25,790	\$ 28,319	\$ 30,537	\$ 30,315	\$ 31,891
Airline Landing Fees	13,714	15,058	14,429	14,760	15,554
Airline Apron Fees	2,575	2,728	2,666	2,675	2,732
Utility & Janitorial Reimbursement	5,285	5,562	5,671	5,550	5,768
Parking	40,203	40,665	37,669	36,163	34,736
Rental Cars	14,705	15,913	15,933	16,847	17,262
Food & Beverage	7,822	6,442	6,771	6,723	6,981
Other Concessions <sup>2</sup>	6,318	8,802	10,027	10,414	13,372
Aircraft Tiedown Fees	1,558	1,636	1,827	2,246	2,288
FBO Fees	2,726	2,819	3,387	4,683	4,961
Ramp Equipment Storage	955	969	963	933	955
Interest Revenue	645	1,842	1,291	2,752	7,852
Miscellaneous Revenue <sup>3</sup>	2,002	1,708	1,345	1,688	738
Total Operating Revenues	<u>124,298</u>	<u>132,463</u>	<u>132,516</u>	<u>135,749</u>	<u>145,090</u>
<b>OPERATING EXPENSES:</b>					
Professional and Specialized Services	37,391	38,225	40,913	42,157	44,179
Salaries and Employee Benefits	19,142	19,711	19,497	20,320	22,983
Other Services and Supplies	26,024	24,896	28,479	28,261	28,547
Taxes and other fees <sup>4</sup>	--	--	166	151	154
Total Operating Expenses	<u>82,557</u>	<u>82,832</u>	<u>89,055</u>	<u>90,889</u>	<u>95,863</u>
<b>NET REVENUES<sup>5</sup></b>	<b>41,741</b>	<b>49,631</b>	<b>43,461</b>	<b>44,860</b>	<b>49,227</b>
<b>LONG-TERM DEBT SERVICE<sup>6</sup></b>					
Series 2009 Bonds <sup>7</sup>	(6,510)	(6,512)	(6,506)	(6,243)	(5,465)
Series 2019 Bonds <sup>7</sup>	--	--	--	--	(1,019)
<b>NET REVENUE AFTER DEBT SERVICE PAYMENTS</b>	<b>\$ 35,231</b>	<b>\$ 43,119</b>	<b>\$ 36,955</b>	<b>\$ 38,617</b>	<b>\$ 42,743</b>
Coverage Calculation <sup>8</sup>	6.41x	7.62x	6.68x	7.19x	7.59x

<sup>1</sup> "Airline Terminal Rent" includes airlines' share of post September 11, 2001 security costs.

<sup>2</sup> "Other Concessions" includes specialty retail concessions, advertising, taxi, ground transportation, TNCs, and other airline related services. Smart Carte, valet car wash, and other airline related services.

<sup>3</sup> "Miscellaneous Revenue" includes penalties and forfeitures, gate card fees, badge fees, safety classes, and commercial filming.

<sup>4</sup> In Fiscal Year 2017, "Taxes and other fees" were reclassified to operating expenses in the financial statements.

<sup>5</sup> Conforms to the indenture definition, net of depreciation expense.

<sup>6</sup> Consists of debt service paid only from Net Revenues. The County also paid a portion of the debt service with Available PFC Revenues, which is not included in the Long-Term Debt Service.

<sup>7</sup> On May 14, 2019, the County issued the Airport Revenue Refunding Bonds, Series 2019 to refund the remaining balance of the Series 2009 Bonds.

<sup>8</sup> Representing Net Revenues divided by Long-Term Debt Service. Long-Term Debt Service does not include debt service paid with Available PFC Revenues. The Indenture requires that the Net Revenues for each Fiscal Year must be at least 125% of the Long-Term Debt Service Required for the Fiscal Year.

Source: John Wayne Airport audited financial statements and Airport Management.

**SECTION B**

*John Wayne Airport Audited Financial Statements For  
Fiscal Year Ended June 30, 2019*