



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

CONTINUING DISCLOSURE  
ANNUAL REPORT  
FOR  
FISCAL YEAR ENDED JUNE 30, 2021

Dated: January 18, 2022

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, 2021**

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**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, 2021 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, 2021 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 18, 2022

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>
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
2020 <sup>4</sup>	7,562,039	10,800,000
2021 <sup>4</sup>	4,216,396	11,300,000 <sup>5</sup>

<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.

<sup>4</sup> On March 4, 2020, the Governor of California declared a State of Emergency in response to the threat of COVID-19 ordering residents to shelter-in-place and imposing restrictions on travel and public gatherings. The unprecedented pandemic crisis caused a significant reduction in air traffic across all airports in Fiscal Year 2020 and 2021.

<sup>5</sup> The MAP Limit increased to 11.8 MAP on January 1, 2021. For Fiscal Year 2021, the MAP Limit is prorated.

Source: Airport Management

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

Air Carrier	Fiscal Year 2019		Fiscal Year 2020 <sup>9</sup>		Fiscal Year 2021 <sup>9</sup>	
	Enplaned Passengers	Market Share	Enplaned Passengers	Market Share	Enplaned Passengers	Market Share
Southwest	1,830,327	34.3%	1,217,571	32.2%	827,264	39.5%
American	854,137	16.0	644,661	17.1	422,996	20.2
United	846,524	15.8	594,768	15.8	210,005	10.0
Delta	550,127	10.3	390,784	10.4	164,193	7.8
Alaska <sup>1</sup>	589,507	11.0	413,625	11.0	127,829	6.1
Horizon	125,896	2.4	88,894	2.4	92,442	4.4
Frontier	119,441	2.2	80,790	2.1	73,540	3.5
Commuters <sup>2,3</sup>	56,270	1.1	65,035	1.7	69,312	3.3
SkyWest-Commercial	226,881	4.2	178,015	4.7	65,095	3.1
Spirit <sup>4</sup>	0	0.0	0	0.0	22,533	1.1
Allegiant <sup>5</sup>	0	0.0	0	0.0	18,391	0.9
Sun Country <sup>6</sup>	0	0.0	0	0.0	2,994	0.1
WestJet <sup>7</sup>	41,607	0.8	28,942	0.8	0	0.0
Compass <sup>8</sup>	101,507	1.9	69,324	1.8	0	0.0
Totals	5,342,224	100.0%	3,772,409	100.0%	2,096,594	100.0%

<sup>1</sup> Alaska terminated international flights to Mexico from the Airport on August 6, 2019.

<sup>2</sup> Delux (dba JetSuiteX Air) commenced operations at the Airport on June 5, 2018.

<sup>3</sup> Includes SkyWest Commuter (dba Delta Connection and/or dba United Express) and Delux (dba JetSuiteX Air).

<sup>4</sup> Spirit Airlines commenced operations at the Airport on November 17, 2020.

<sup>5</sup> Allegiant Air commenced operations at the Airport on February 12, 2021.

<sup>6</sup> Sun Country Airlines commenced operations at the Airport on May 6, 2021.

<sup>7</sup> WestJet Airlines temporarily ceased operations at the Airport on March 19, 2020 due to the closure of the US-Canadian border in response to the COVID-19 pandemic. On October 1, 2021, WestJet resumed operations at the Airport.

<sup>8</sup> Compass Airlines ceased operations at the Airport on April 17, 2020.

<sup>9</sup> On March 4, 2020, the Governor of California declared a State of Emergency in response to the threat of COVID-19 ordering residents to shelter-in-place and imposing restrictions on travel and public gatherings. The unprecedented pandemic crisis caused a significant reduction in air traffic across all airports in Fiscal Year 2020 and 2021.

Source: Airport Management

**Table 9**  
**John Wayne Airport**  
**Air Carrier Landed Weight Market Share**  
**Fiscal Years 2019-2021**

Air Carrier	Fiscal Year 2019		Fiscal Year 2020 <sup>11</sup>		Fiscal Year 2021 <sup>11</sup>	
	Pounds <sup>1</sup>	Market Share	Pounds <sup>1</sup>	Market Share	Pounds <sup>1</sup>	Market Share
Southwest	2,053,374	34.3%	1,497,696	32.6%	1,472,649	40.8%
American	853,172	14.3	702,086	15.3	563,736	15.7
United	905,454	15.1	683,347	14.9	315,159	8.7
Delta	612,626	10.3	471,819	10.3	293,343	8.1
Alaska <sup>2</sup>	648,742	10.9	457,083	9.9	240,183	6.6
Horizon	147,594	2.5	115,359	2.5	144,817	4.0
Commuters <sup>3,4</sup>	90,694	1.5	123,519	2.7	142,141	3.9
SkyWest-Commercial	275,872	4.6	227,195	4.9	124,504	3.4
Frontier	105,712	1.8	78,286	1.7	92,880	2.6
FedEx	78,054	1.3	78,883	1.7	76,658	2.1
Spirit <sup>5</sup>	0	0.0	0	0.0	57,221	1.6
UPS	44,845	0.8	44,525	1.0	44,423	1.2
Allegiant <sup>6</sup>	0	0.0	0	0.0	44,259	1.2
Sun Country <sup>7</sup>	0	0.0	0	0.0	3,359	0.1
WestJet <sup>8</sup>	43,583	0.7	32,477	0.7	0	0.0
Compass <sup>9</sup>	115,291	1.9	84,893	1.8	0	0.0
Totals <sup>10</sup>	5,975,013	100.0%	4,597,168	100.0%	3,615,332	100.0%

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

<sup>2</sup> Alaska terminated international flights to Mexico from the Airport on August 6, 2019.

<sup>3</sup> Delux (dba JetSuiteX Air) commenced operations at the Airport on June 5, 2018.

<sup>4</sup> Includes SkyWest Commuter (dba Delta Connection and/or dba United Express) and Delux (dba JetSuiteX Air).

<sup>5</sup> Spirit Airlines commenced operations at the Airport on November 17, 2020.

<sup>6</sup> Allegiant Air commenced operations at the Airport on February 12, 2021.

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<sup>8</sup> WestJet Airlines temporarily ceased operations at the Airport on March 19, 2020 due to the closure of the US-Canadian border in response to the COVID-19 pandemic. On October 1, 2021, WestJet resumed operations at the Airport.

<sup>9</sup> Compass Airlines ceased operations at the Airport on April 17, 2020.

<sup>10</sup> Totals may not foot due to rounding.

<sup>11</sup> On March 4, 2020, the Governor of California declared a State of Emergency in response to the threat of COVID-19 ordering residents to shelter-in-place and imposing restrictions on travel and public gatherings. The unprecedented pandemic crisis caused a significant reduction in air traffic across all airports in Fiscal Year 2020 and 2021.

Source: Airport Management

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

<b>Type of Aircraft</b>	<b>Fiscal Years</b>				
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Class A <sup>1,2</sup>	30,386	30,908	30,103	24,228	20,427
Class E <sup>3</sup>	15,052	15,184	17,865	13,106	8,392
Total	<u>45,438</u>	<u>46,092</u>	<u>47,968</u>	<u>37,334</u>	<u>28,819</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.

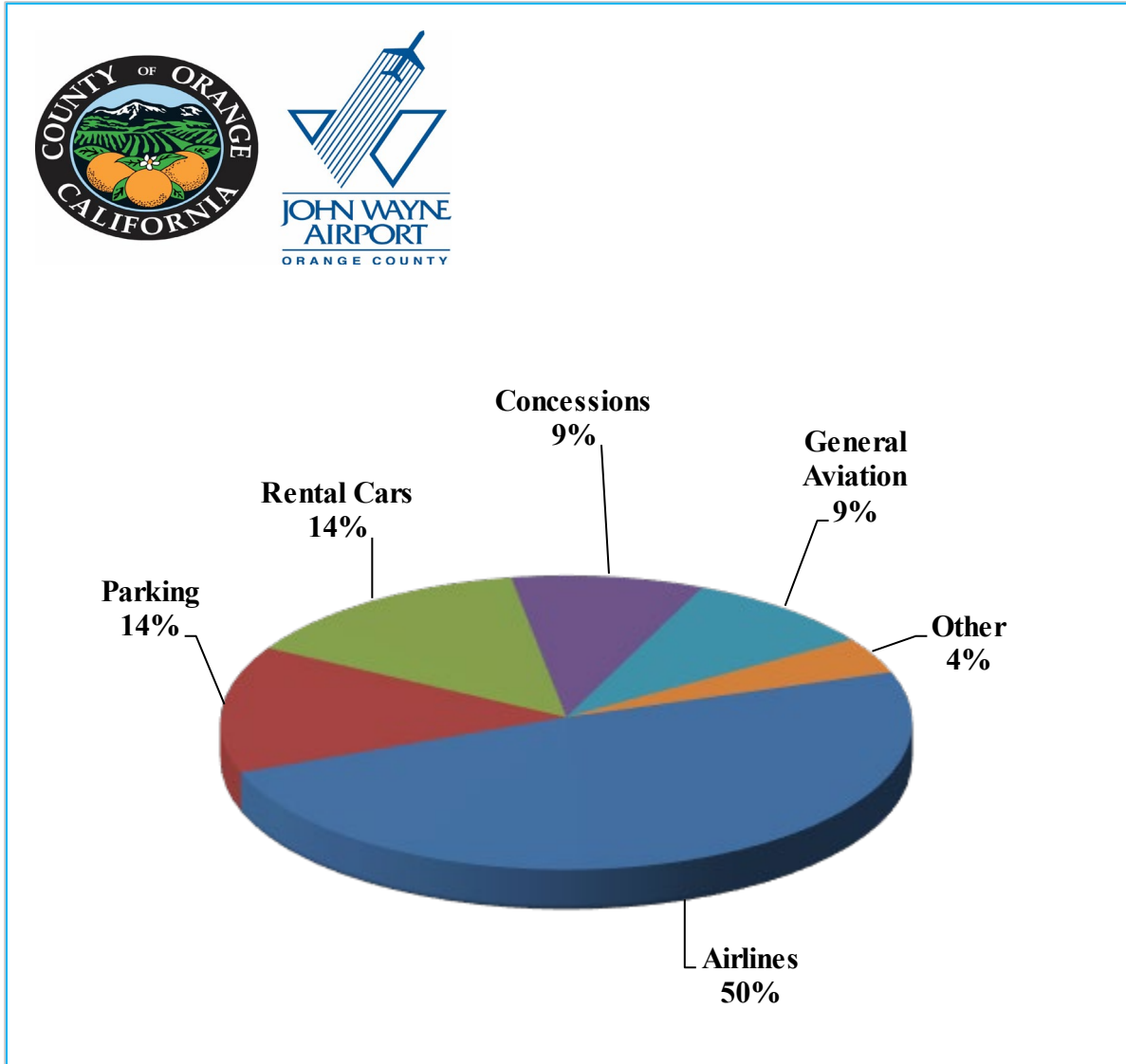
<sup>2</sup> Class A includes international Class A (IA).

<sup>3</sup> Class E includes both Class E and PE.

Source: Airport Management



**Table 14**  
**John Wayne Airport**  
**Revenue Sources**  
**Fiscal Year 2021**



Source: Airport Management

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>REVENUES:</b>					
Airline Terminal Rent <sup>1</sup>	\$ 30,537	\$ 30,315	\$ 31,891	\$ 31,230	\$ 29,334
Airline Landing Fees	14,429	14,760	15,554	12,556	11,580
Airline Apron Fees	2,666	2,675	2,732	2,495	2,217
Utility & Janitorial Reimbursement	5,671	5,550	5,768	6,339	6,328
Parking	37,669	36,163	34,736	24,188	14,130
Rental Cars	15,933	16,847	17,262	16,175	14,214
Food & Beverage	6,771	6,723	6,981	6,479	4,395
Other Concessions <sup>2</sup>	10,027	10,414	13,372	12,835	7,863
Aircraft Tiedown Fees	1,827	2,246	2,288	2,332	1,184
FBO Fees	3,387	4,683	4,961	5,014	7,355
Ramp Equipment Storage	963	933	955	1,013	892
Interest Revenue	1,291	2,752	7,852	5,731	191
Miscellaneous Revenue <sup>3</sup>	1,345	1,688	738	821	947
Total Operating Revenues <sup>4</sup>	<u>132,516</u>	<u>135,749</u>	<u>145,090</u>	<u>127,208</u>	<u>100,630</u>
<b>OPERATING EXPENSES:<sup>5,6</sup></b>					
Professional and Specialized Services	40,913	42,157	44,179	40,839	26,806
Salaries and Employee Benefits	19,497	20,320	22,983	22,426	17,035
Other Services and Supplies	28,479	28,261	28,547	29,864	26,331
Taxes and other fees <sup>7</sup>	166	151	154	160	186
Total Operating Expenses	<u>89,055</u>	<u>90,889</u>	<u>95,863</u>	<u>93,289</u>	<u>70,358</u>
<b>NET REVENUES<sup>8</sup></b>	43,461	44,860	49,227	33,919	30,272
<b>LONG-TERM DEBT SERVICE<sup>9</sup></b>					
Series 2009 Bonds <sup>10,11</sup>	(6,506)	(6,243)	(5,465)	--	--
Series 2019 Bonds <sup>10,11</sup>	--	--	(1,019)	(6,241)	(6,233)
<b>NET REVENUE AFTER DEBT SERVICE PAYMENTS</b>	<u>\$ 36,955</u>	<u>\$ 38,617</u>	<u>\$ 42,743</u>	<u>\$ 27,678</u>	<u>\$ 24,039</u>
Coverage Calculation <sup>12</sup>	6.68x	7.19x	7.59x	5.43x	4.86x

<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, transportation network companies, 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.

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

- <sup>4</sup> Per the Indenture, grants (excluding Available Grants Revenue) should be excluded from revenues.
- <sup>5</sup> The Airport was awarded the following Federal Aviation Administration (FAA) grants that permit reimbursement for allowable operating costs incurred by the Airport, including debt service payments, for a period of four years: Coronavirus Aid, Relief, and Economic Security (CARES) Act Airport grant in the amount of \$44,910; Airport Coronavirus Relief Grant Program in the amount of \$9,941; and Airport Rescue Grant in the amount of \$33,582.
- <sup>a)</sup> In Fiscal Year 2020, the Airport claimed \$4,262 in operating expenses and \$520 in debt service payment on General Airport Revenue Bond (GARB) from the CARES Act Airport grant.
- <sup>b)</sup> In Fiscal Year 2021, the Airport claimed a total of \$20,011 in operating expenses from CARES Act Airport grant and Airport Coronavirus Relief Grant Program.
- <sup>6</sup> Per the Indenture, current expenses paid with amounts other than Revenues are excluded (including expenses claimed on grants, except for Available Grants Revenue).
- <sup>7</sup> In Fiscal Year 2017, "Taxes and other fees" were reclassified to operating expenses in the financial statements.
- <sup>8</sup> Conforms to the indenture definition, excluding depreciation expense.
- <sup>9</sup> Consists of debt service paid only from Net Revenues. The County also paid a portion of the debt service with Available PFC Revenues, and CARES Act Airport grant, which is not included in the Long-Term Debt Service.
- <sup>10</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>11</sup> Long-Term debt service amount transferred to Trustee based on the debt schedule net PFC.
- <sup>12</sup> Representing Net Revenues divided by Long-Term Debt Service. Long-Term Debt Service does not include debt service paid with Available PFC Revenues and Available Grant 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, 2021*