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**JOHN WAYNE AIRPORT**  
**ORANGE COUNTY**



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

**CONTINUING DISCLOSURE**  
**ANNUAL REPORT**  
**FOR**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**Dated: January 20, 2023**

**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, 2022**

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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, 2022 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, 2022 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 20, 2023

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>
2012	8,650,860	10,800,000 <sup>3</sup>
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>
2022	10,309,156	11,800,000

<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.

<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 2020 <sup>8</sup>		Fiscal Year 2021 <sup>8</sup>		Fiscal Year 2022	
	Enplaned Passengers	Market Share	Enplaned Passengers	Market Share	Enplaned Passengers	Market Share
Southwest	1,217,571	32.2%	827,264	39.5%	1,924,057	37.5%
American	644,661	17.1	422,996	20.2	822,473	16.0
United	594,768	15.8	210,005	10.0	706,933	13.8
Delta	390,784	10.4	164,193	7.8	463,600	9.0
Alaska	413,625	11.0	127,829	6.1	428,950	8.4
Spirit <sup>1</sup>	0	0.0	22,533	1.1	198,902	3.9
Frontier	80,790	2.1	73,540	3.5	154,172	3.0
SkyWest-Commercial	178,015	4.7	65,095	3.1	131,658	2.6
Allegiant <sup>2</sup>	0	0.0	18,391	0.9	110,311	2.1
Horizon	88,894	2.4	92,442	4.4	74,628	1.5
Commuters <sup>3</sup>	65,035	1.7	69,312	3.3	67,313	1.3
Air Canada <sup>4</sup>	0	0.0	0	0.0	21,430	0.4
WestJet <sup>5</sup>	28,942	0.8	0	0.0	18,164	0.3
Sun Country <sup>6</sup>	0	0.0	2,994	0.1	11,350	0.2
Compass <sup>7</sup>	69,324	1.8	0	0.0	0	0.0
Totals	3,772,409	100.0%	2,096,594	100.0%	5,133,941	100.0%

<sup>1</sup> Spirit Airlines commenced operations at the Airport on November 17, 2020.

<sup>2</sup> Allegiant Air commenced operations at the Airport on February 12, 2021.

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

<sup>4</sup> Air Canada commenced operations at the Airport on October 1, 2021.

<sup>5</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>6</sup> Sun Country Airlines commenced operations at the Airport on May 6, 2021, and ceased operations on March 31, 2022.

<sup>7</sup> Compass Airlines ceased operations at the Airport on April 17, 2020.

<sup>8</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 2020-2022**

Air Carrier	Fiscal Year 2020 <sup>10</sup>		Fiscal Year 2021 <sup>10</sup>		Fiscal Year 2022	
	Pounds <sup>1</sup>	Market Share	Pounds <sup>1</sup>	Market Share	Pounds <sup>1</sup>	Market Share
Southwest	1,497,696	32.6%	1,472,649	40.8%	2,342,627	38.2%
American	702,086	15.3	563,736	15.7	885,853	14.5
United	683,347	14.9	315,159	8.7	801,322	13.0
Delta	471,819	10.3	293,343	8.1	555,819	9.0
Alaska	457,083	9.9	240,183	6.6	450,437	7.3
Spirit <sup>2</sup>	0	0.0	57,221	1.6	253,964	4.1
SkyWest-Commercial	227,195	4.9	124,504	3.4	158,883	2.6
Frontier	78,286	1.7	92,880	2.6	151,567	2.5
Allegiant <sup>3</sup>	0	0.0	44,259	1.2	139,712	2.3
Commuters <sup>4</sup>	123,519	2.7	142,141	3.9	131,607	2.1
Horizon	115,359	2.5	144,817	4.0	85,676	1.4
FedEx	78,883	1.7	76,658	2.1	76,050	1.2
UPS	44,525	1.0	44,423	1.2	44,423	0.7
Air Canada <sup>5</sup>	0	0.0	0	0.0	29,133	0.5
WestJet <sup>6</sup>	32,477	0.7	0	0.0	25,452	0.4
Sun Country <sup>7</sup>	0	0.0	3,359	0.1	14,318	0.2
Compass <sup>8</sup>	84,893	1.8	0	0.0	0	0.0
Totals <sup>9</sup>	4,597,168	100.0%	3,615,332	100.0%	6,146,843	100.0%

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

<sup>2</sup> Spirit Airlines commenced operations at the Airport on November 17, 2020.

<sup>3</sup> Allegiant Air commenced operations at the Airport on February 12, 2021.

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

<sup>5</sup> Air Canada commenced operations at the Airport on October 1, 2021.

<sup>6</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>7</sup> Sun Country Airlines commenced operations at the Airport on May 6, 2021, and ceased operations on March 31, 2022.

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

<sup>9</sup> Totals may not total correctly due to rounding.

<sup>10</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>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Class A <sup>1,2</sup>	30,908	30,103	24,228	20,427	30,693
Class E <sup>3</sup>	15,184	17,865	13,106	8,392	16,077
Total	<u>46,092</u>	<u>47,968</u>	<u>37,334</u>	<u>28,819</u>	<u>46,770</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.

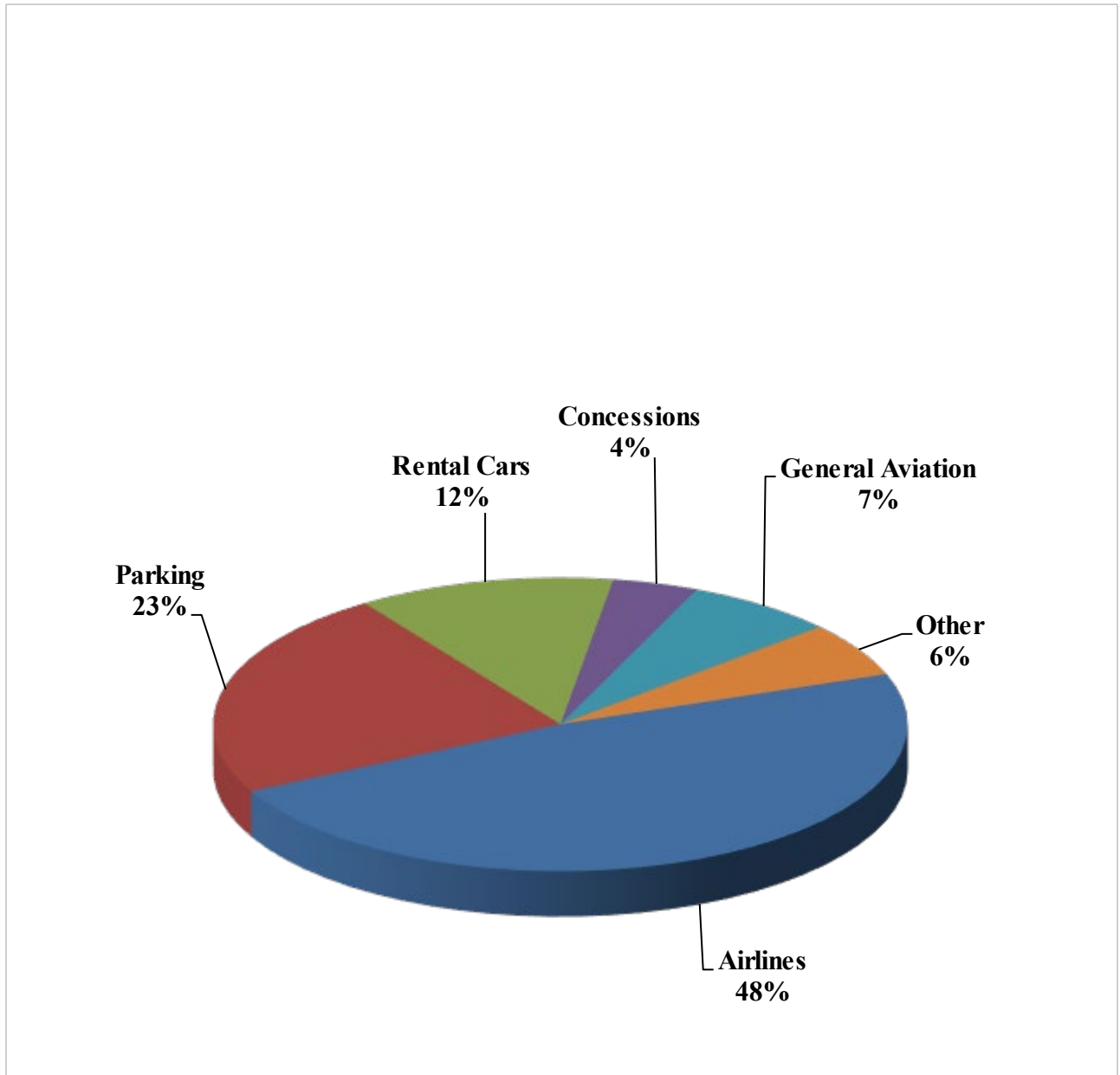
<sup>2</sup> Class A includes international Class A (IA).

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

Source: Airport Management



**Table 14**  
**John Wayne Airport**  
**Revenue Sources**  
**Fiscal Year 2022**



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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
REVENUES:					
Airline Terminal Rent <sup>1</sup>	\$ 30,315	\$ 31,891	\$ 31,230	\$ 29,334	\$ 31,345
Airline Landing Fees	14,760	15,554	12,556	11,580	23,475
Airline Apron Fees	2,675	2,732	2,495	2,217	3,639
Utility & Janitorial Reimbursement	5,550	5,768	6,339	6,328	7,006
Parking	36,163	34,736	24,188	14,130	32,688
Rental Cars	16,847	17,262	16,175	14,214	15,843
Food & Beverage	6,723	6,981	6,479	4,395	3,826
Other Concessions <sup>2</sup>	10,414	13,372	12,835	7,863	11,702
Aircraft Tiedown Fees	2,246	2,288	2,332	1,184	10
FBO Fees	4,683	4,961	5,014	7,355	10,096
Ramp Equipment Storage	933	955	1,013	892	1,074
Interest Revenue	2,752	7,852	5,731	191	(2,926)
Miscellaneous Revenue <sup>3</sup>	1,688	738	821	947	922
Total Operating Revenues <sup>4</sup>	<u>135,749</u>	<u>145,090</u>	<u>127,208</u>	<u>100,630</u>	<u>138,700</u>
OPERATING EXPENSES: <sup>5,6</sup>					
Professional and Specialized Services	42,157	44,179	40,839	26,806	38,537
Salaries and Employee Benefits	20,320	22,983	22,426	17,035	18,300
Other Services and Supplies	28,261	28,547	29,864	26,331	31,520
Taxes and other fees <sup>7</sup>	151	154	160	186	153
Total Operating Expenses	<u>90,889</u>	<u>95,863</u>	<u>93,289</u>	<u>70,358</u>	<u>88,510</u>
NET REVENUES <sup>8</sup>	44,860	49,227	33,919	30,272	50,190
LONG-TERM DEBT SERVICE <sup>9</sup>					
Series 2009 Bonds <sup>10,11</sup>	(6,243)	(5,465)	--	--	--
Series 2019 Bonds <sup>10,11</sup>	--	(1,019)	(6,241)	(6,233)	(5,501)
NET REVENUE AFTER DEBT SERVICE PAYMENTS	<u>\$ 38,617</u>	<u>\$ 42,743</u>	<u>\$ 27,678</u>	<u>\$ 24,039</u>	<u>\$ 44,689</u>
Coverage Calculation <sup>12</sup>	7.19x	7.59x	5.43x	4.86x	9.12x

<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) COVID-19 relief grants that permit reimbursement for allowable operating costs incurred by the Airport, including debt service payments, for a period of four years:
- a) Coronavirus Aid, Relief, and Economic Security (CARES) Act Airport Grant for \$44,910. The Airport claimed:
    - <sup>1)</sup> In Fiscal Year (FY) 2020, \$4,262 in operating expenses and \$520 in debt service payments.
    - <sup>2)</sup> In FY 2021, \$20,011 in operating expenses.
    - <sup>3)</sup> In FY 2022, \$8,174 in operating expenses and \$5,501 in debt service payments.
  - b) Airport Coronavirus Response Grant Program under the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) for \$9,941. The Airport claimed:
    - <sup>1)</sup> In FY 2021, \$9,934 in operating expenses.
    - <sup>2)</sup> In FY 2022, the remaining \$7 balance in operating expenses and the grant was closed.
  - c) Airport Rescue Grant under the American Rescue Plan Act (ARPA) for \$33,582.
    - <sup>1)</sup> In FY 2022, the Airport did not claim any operating expenses or debt service payments.
- <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 FY 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, 2022*