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CONTINUING DISCLOSURE (SUBMISSION STATUS: PUBLISHED)

FINANCIAL/OPERATING FILING (CUSIP-9 BASED)

Rule 15c2-12 Disclosure

Annual Financial Information and Operating Data: County of Orange, John Wayne Airport 2009 A&B Series Bonds Annual Report, for the year ended 06/30/2016

Audited Financial Statements or CAFR: John Wayne Airport Audited Financial Statements, for the year ended 06/30/2016

Documents

Financial Operating Filing

Series 2009 Annual Continuing Disclosure FY 2015-16 - 1.20.2017.pdf posted 01/20/2017

FY 2016 JWA Financial Statements FINAL .pdf posted 01/20/2017

The following issuers are associated with this continuing disclosure submission:

CUSIP-6	State	Issuer Name
684212	CA	ORANGE CNTY CALIF ARPT REV

The following 34 securities have been published with this continuing disclosure submission:

CUSIP-9	Maturity Date
684212DW0	07/01/2010
684212DX8	07/01/2011
684212DY6	07/01/2012
684212DZ3	07/01/2013
684212EA7	07/01/2014
684212EB5	07/01/2015
684212EC3	07/01/2016

684212ED1	07/01/2017
684212EE9	07/01/2018
684212EF6	07/01/2019
684212EG4	07/01/2020
684212EH2	07/01/2025
684212EJ8	07/01/2031
684212EK5	07/01/2039
684212EL3	07/01/2010
684212EM1	07/01/2011
684212EN9	07/01/2012
684212EP4	07/01/2013
684212EQ2	07/01/2014
684212ER0	07/01/2015
684212ES8	07/01/2015
684212ET6	07/01/2016
684212EU3	07/01/2017
684212EV1	07/01/2018
684212EW9	07/01/2018
684212EX7	07/01/2019
684212EY5	07/01/2020
684212EZ2	07/01/2021
684212FA6	07/01/2024
684212FB4	07/01/2024
684212FC2	07/01/2028
684212FD0	07/01/2034
684212FE8	07/01/2034
684212FF5	07/01/2039

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COUNTY OF ORANGE, CALIFORNIA
AIRPORT REVENUE BONDS, SERIES 2009 A & B
ANNUAL REPORT
FOR
FISCAL YEAR ENDED JUNE 30, 2016

Dated: January 20, 2017

**COUNTY OF ORANGE, CALIFORNIA
AIRPORT REVENUE BONDS, SERIES 2009 A & B
ANNUAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2016**

Table of Contents

INTRODUCTION.....	1
--------------------------	----------

SECTION A

Update to charts and tables contained in the Official Statement relating to the Series 2009 Bonds.....	2
---	---

AIRPORT OPERATIONS

Table 8 - Historical Passenger Activity, Million Annual Passenger Cap.....	3
Table 9 - Airline Enplanements Market Share.....	4
Table 10 - Airline Landed Weight Market Share.....	5
Table 12 - Scheduled Departures.....	6

FINANCIAL FACTORS

Table 14 - Revenue Sources.....	7
Table 15 - Statement of Revenues and Expenses	8

BOND RELATED ITEMS

Additional items required by the Continuing Disclosure Certificate with respect to the Bonds.	
Item 3.a – Principal amount of each Series of Bonds outstanding.....	10
Item 3.b – Balance in the Revenue Bond Reserve Account.....	11
Item 3.c, 3.d and 3.e – Capital Improvement Program; Significant Legislative, Administrative, and Judicial Challenges to the Airport; Material Information.....	12

SECTION B

John Wayne Airport Audited Financial Statements Fiscal Year Ended June 30, 2016	14
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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, 2016 in connection with the following Bonds:

Bond Issue:

County of Orange, California, Airport Revenue Bonds, Series 2009, dated July 1, 2009 (the "Bonds").

Annual Report:

The County's "annual report" (as defined in the Continuing Disclosure Certificate (the "Disclosure Certificate") dated July 1, 2009 with respect to the Bonds) for the fiscal year ended June 30, 2016 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 8, 9, 10 and 12 under "AIRPORT OPERATIONS", Tables 14 and 15 under "FINANCIAL FACTORS," and additional BOND RELATED ITEMS 3.A to 3.E.

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, 2017

COUNTY OF ORANGE

SECTION A

Update to the charts and tables
contained in the Official Statement
relating to the Series 2009 Bonds

TABLE 8
HISTORICAL PASSENGER ACTIVITY
MILLION ANNUAL PASSENGER (MAP) LIMIT

Fiscal Years	Total Passengers (1)	MAP Limit (2)
2007	9,910,016	10,300,000
2008	9,566,043	10,300,000
2009	8,552,590	10,300,000
2010	8,812,269	10,300,000
2011	8,611,054	10,550,000
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

NOTES:

(1) Source: JWA Passenger files

(2) The most recent amendment to the Settlement Agreement was approved in 2014 and extended the term through December 31, 2030. The amendment allows the operational capacity at the Airport to remain at currently authorized 10.8 Million Annual Passengers (MAP) through December 31, 2020. The amendment also provides for an increase to 11.8 MAP through December 31, 2025 and to 12.2 MAP or 12.5 MAP through December 31, 2030, depending on the actual service level from 2021 to 2025.

TABLE 9
JOHN WAYNE AIRPORT
AIRLINE ENPLANEMENTS MARKET SHARE
Fiscal Years 2013-14 through 2015-16

Air Carrier	2013-14		2014-15		2015-16	
	Enplaned Passengers	%	Enplaned Passengers	%	Enplaned Passengers	%
Southwest	1,926,497	41.5%	2,069,815	43.2%	2,385,979	46.1%
American-US Airways (1)	810,560	17.5%	869,519	18.1%	848,073	16.4%
United	740,027	15.9%	668,749	14.0%	663,604	12.8%
Alaska	407,059	8.8%	451,149	9.4%	527,747	10.2%
Delta	359,422	7.7%	374,967	7.8%	383,690	7.4%
SkyWest Commercial	66,674	1.4%	66,467	1.4%	111,582	2.2%
Frontier	152,395	3.3%	138,999	2.9%	106,125	2.1%
Commuters	85,253	1.8%	114,682	2.4%	80,072	1.5%
WestJet	37,891	0.8%	37,974	0.8%	36,997	0.7%
Compass (2)	0	0.0%	0	0.0%	15,661	0.3%
Horizon (3)	0	0.0%	0	0.0%	14,042	0.3%
Interjet (4)	54,374	1.2%	258	0.0%	0	0.0%
Mesa (5)	2,796	0.1%	0	0.0%	0	0.0%
Totals:	<u>4,642,948</u>	<u>100.0%</u>	<u>4,792,579</u>	<u>100.0%</u>	<u>5,173,572</u>	<u>100.0%</u>

NOTES:

- (1) Effective November 1, 2015, American Airlines completed its acquisition of US Airways and commenced operating as a single carrier at John Wayne Airport. American Airlines and US Airways passenger data were combined in the above presentation for all three fiscal years.
- (2) Compass Airlines commenced operations on May 1, 2016.
- (3) Horizon Air commenced operations on March 16, 2016.
- (4) Interjet terminated services on July 20, 2014.
- (5) Mesa Airlines terminated services on August 19, 2013.

TABLE 10
JOHN WAYNE AIRPORT
AIRLINE LANDED WEIGHT MARKET SHARE
Fiscal Years 2013-14 through 2015-16

Air Carrier	2013-14		2014-15		2015-16	
	Pounds	%	Pounds	%	Pounds	%
Southwest	2,250,530,000	41.1%	2,310,498,000	42.8%	2,793,760,000	47.3%
American-US Airways (1)	865,178,388	15.8%	893,390,416	16.5%	876,704,500	14.8%
United	881,517,200	16.1%	761,401,300	14.1%	752,763,000	12.7%
Alaska	452,614,400	8.3%	481,674,000	8.9%	540,788,600	9.2%
Delta	445,215,600	8.1%	447,667,800	8.3%	445,357,800	7.5%
SkyWest-Commercial	77,803,600	1.4%	74,123,700	1.4%	121,423,426	2.1%
Frontier	154,786,480	2.8%	145,372,880	2.7%	97,488,000	1.6%
Commuters	94,189,000	1.7%	119,736,000	2.2%	83,375,000	1.4%
FedEx	78,229,500	1.4%	78,319,500	1.4%	78,977,700	1.3%
UPS	43,260,000	0.8%	43,680,000	0.8%	44,310,000	0.7%
WestJet	47,278,500	0.9%	47,149,300	0.9%	44,048,500	0.7%
Compass (2)	0	0.0%	0	0.0%	17,127,177	0.3%
Horizon (3)	0	0.0%	0	0.0%	13,276,250	0.2%
Interjet (4)	83,329,200	1.5%	284,400	0.0%	0	0.0%
Mesa (5)	3,087,000	0.1%	0	0.0%	0	0.0%
Totals:	<u>5,477,018,868</u>	<u>100.0%</u>	<u>5,403,297,296</u>	<u>100.0%</u>	<u>5,909,399,953</u>	<u>100.0%</u>

NOTES:

- (1) Effective November 1, 2015, American Airlines completed its acquisition of US Airways and commenced operating as a single carrier at John Wayne Airport. American Airlines and US Airways passenger data were combined in the above presentation for all three fiscal years.
- (2) Compass Airlines commenced operations on May 1, 2016.
- (3) Horizon Air commenced operations on March 16, 2016.
- (4) Interjet terminated services on July 20, 2014.
- (5) Mesa Airlines terminated services on August 19, 2013.

TABLE 12
JOHN WAYNE AIRPORT
SCHEDULED DEPARTURES
FISCAL YEARS 2012 to 2016

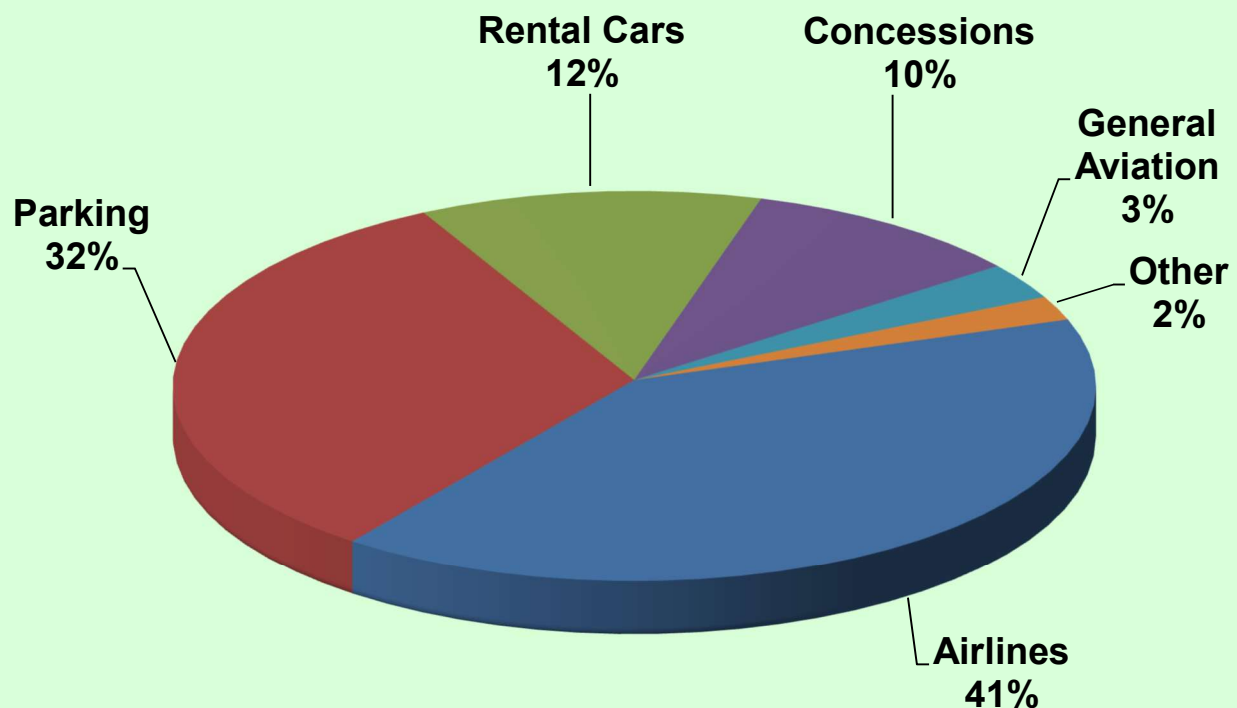
Type of Aircraft	2012	2013	2014	2015	2016
Class A (1)	28,267	28,237	28,820	29,505	29,413
Class E (2)	12,884	14,045	12,166	11,237	15,372
Total	<u>41,151</u>	<u>42,282</u>	<u>40,986</u>	<u>40,742</u>	<u>44,785</u>

NOTES:

(1) The 2003 Amendment to the 1985 Settlement Agreement combined all regulated Class A and Class AA flights into a single class operating at maximum permitted Class A noise levels.

(2) Class E includes Class PE & E air carrier and commuter.

**TABLE 14
JOHN WAYNE AIRPORT
REVENUE SOURCES
FISCAL YEAR 2016**



- Airline revenues include payments received from commercial, commuter and cargo carriers.
- Concessions include food and beverage, gift and sundries, special services, advertising and miscellaneous services and lease rentals.
- Other includes ground transportation, ATM, WIFI and other miscellaneous sources.

TABLE 15
COUNTY OF ORANGE
JOHN WAYNE AIRPORT ENTERPRISE FUND
STATEMENTS OF REVENUES AND EXPENSES
(Prepared on an accrual basis)
(In Thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
REVENUES:					
Airline Terminal Rent (1)	24,269	21,816	24,869	25,790	28,319
Airline Landing Fees	12,561	14,536	13,633	13,714	15,058
Airline Apron Fees	2,817	2,555	2,666	2,575	2,728
Utility & Janitorial					
Reimbursement	4,816	5,211	5,119	5,285	5,562
Parking	35,694	37,728	38,650	40,203	40,665
Rental Cars	13,101	13,464	14,056	14,705	15,913
Food & Beverage	6,053	7,363	7,506	7,822	6,442
Other Concessions	5,770	4,584	5,583	6,318	8,802
Aircraft Tiedown Fees	1,478	1,464	1,481	1,558	1,636
FBO Fees	3,065	3,860	2,655	2,726	2,819
Ramp Equipment Storage	1,044	999	999	955	969
Interest Revenue	759	615	618	645	1,842
Miscellaneous Revenue (2)	1,784	1,577	2,258	2,002	1,708
Total Operating Revenues	<u>113,211</u>	<u>115,771</u>	<u>120,091</u>	<u>124,298</u>	<u>132,463</u>
OPERATING EXPENSES					
Professional and Specialized					
Services	34,426	36,156	38,255	37,391	38,225
Salaries and Employee					
Benefits	18,494	18,645	18,746	19,142	19,711
Other Services and Supplies	24,708	24,938	27,706	26,024	24,896
Total Operating Expenses	<u>77,628</u>	<u>79,740</u>	<u>84,708</u>	<u>82,557</u>	<u>82,832</u>
NET REVENUES (3)	35,583	36,031	35,384	41,741	49,631
DEBT SERVICE:					
Series 1997 Refunding					
Bonds (4)	-	-	-	-	-
Series 2003 Refunding					
Bonds (5)	(4,657)	(4,661)	-	-	-
Series 2009 Revenue					
Bonds (6)	(5,184)	(6,508)	(6,510)	(6,510)	(6,512)
NET REVENUE AFTER					
DEBT SERVICE PAYMENTS	<u>\$ 25,742</u>	<u>\$ 24,862</u>	<u>\$ 28,874</u>	<u>\$ 35,231</u>	<u>\$ 43,119</u>
Coverage Calculation (7)	3.62	3.23	5.44	6.41	7.62

NOTES:

- (1) Airline Terminal Rent included airlines' share of post September 11, 2001 security costs.
- (2) Includes penalties & forfeitures, ground transportation fees, gate card fees, badge fees, safety classes, and commercial filming net of Reserve Retention required under the indenture.
- (3) Conforms to Series 1987 Bond Indenture definition, net of depreciation expense.
- (4) On May 5, 2009, moneys were placed in an escrow fund to defease the Series 1997 Bonds. The County redeemed all of its outstanding series 1997 Bonds on July 1, 2009.
- (5) The Series 2003 Bonds were issued in May 2003 to refund \$65,250,000 of the Series 1993 Bonds. On July 1, 2013, the County redeemed all the of its outstanding Series 2003 Bonds.
- (6) The 2009 General Airport Revenue Bonds were issued in July 2009 to provide funding for the Airport Improvement Program. Series 2009 Bonds' debt service amounts for fiscal Years 2010 through 2012 were net of capitalized interest.
- (7) 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.

ITEM 3.A BOND RELATED ITEMS
JOHN WAYNE AIRPORT
PRINCIPAL AMOUNT OF SERIES BOND OUTSTANDING (1)

2009 A Bond Series Principal Amount Outstanding as of June 30, 2016 (2)	\$ 59,155,000
2009 B Bond Series Principal Amount Outstanding as of June 30, 2016 (2)	<u>\$ 130,385,000</u>
Total Principal Outstanding - All Series	<u><u>\$ 189,540,000</u></u>

NOTES:

- (1) Scheduled payments are made to the trustee during the fiscal year ending June 30. The trustee pays principal and interest to the bondholders on July 1 of the subsequent fiscal year.
- (2) On July 9, 2009, the Airport issued the Airport Revenue Bonds, Series 2009A and 2009B (2009 Bonds) in the aggregate principal amount of \$233,115,000 with an original issue net premium of \$287,000. The 2009 Bonds were issued to finance a portion of the Airport Improvement Program (AIP), fund the debt service requirement for the bonds, fund capitalized interest on a portion of the bonds and pay costs relating to the issuance of the bonds. The AIP consist of numerous direct improvements to the Airport facilities such as the construction of the new Terminal C, Parking Structure C and two new commuter hold rooms.

ITEM 3.B
JOHN WAYNE AIRPORT
REVENUE BOND RESERVE ACCOUNTS
RESERVE BALANCES AS OF JUNE 30, 2016

Bond Series	Reserve Balance		Required Reserve	
2009 A	\$ 4,408,390.00	Note 1	\$ 4,364,636.46	Note 2
2009 B	<u>\$ 9,462,463.95</u>	Note 1	<u>\$ 8,662,677.60</u>	Note 2
TOTAL	<u><u>\$ 13,870,853.95</u></u>		<u><u>\$ 13,027,314.06</u></u>	

NOTES:

1. Bond reserve account balances for the Series 2009 A & B bonds represent total deposit balances and market value of short-term government securities held by the Trustee as of June 30, 2016 (per Trustee's statement).
2. The Series 2009 A & B bonds Average Annual Long Term Debt Service Requirement was calculated by the Trustee on May 26, 2016.

ITEM 3.C

Capital Improvement Program

The new Terminal C, Parking Structure C and other ancillary projects were completed and became fully operational in November 2011. The completion of Terminal C increased the total Riley Terminal square footage by roughly 280,000 square feet. Included in the project were two new commuter terminals, six new loading bridges/gates, new baggage handling system, South Remain-Over-Night aircraft parking apron, a Federal Inspection Services (FIS) area for processing international passengers and flights, additional security checkpoints, and dozens of new dining and shopping concessions. The new Central Utility Plant (CUP) and Cogeneration Facility, opened in March 2011, currently provides approximately 95% of the Airport's power and chilled water needs to heat and cool the terminal complex and power the parking structures.

Other capital expenditures included a state-of-the art Common Use Passenger Processing System (CUPPS) in Terminals A, B and C. CUPPS allows passengers to use any self-serve kiosk to check-in and print boarding passes regardless of which airline they are flying. Airlines can utilize any gate at the terminal, providing them with flexibility and efficiency. A new Parking Access Revenue Control System (PARCS) was installed at all Airport parking structures. The PARCS system gives the Airport the capability to track both parking usage and revenue by electronically managing parking spaces and availability and allows passengers to find parking spaces by knowing how many spaces are available and at which locations.

The credit card industry established October 1, 2015, as the deadline to implement a new global credit card standard equipped with chip technology (known as EMV-Europay, MasterCard and Visa or Chip and Pin). After this date, the credit card issuers are shifting the liability to the merchants for any fraud resulting from the merchants' inability to process EMV transactions. The Airport began upgrading the Common Use Passenger Processing System (CUPPS) to allow airlines to comply with the new credit card standard by replacing and upgrading all CUPPS equipment and kiosks to accept the new chip-enabled credit card transactions. The upgrade also added baggage self-tagging capability to the CUPPS equipment as requested by the airlines. The CUPPS upgrade is expected to be completed in the year ending June 30, 2017.

The major capital projects that were completed in the fiscal year ended June 30, 2016 were the Campus Dr./Bristol St. Right Turn Lane and the Terminal A & B Baggage Handling System Enhancement projects. Significant capital projects slated for the next three years are the multiple components of Terminal Improvements, Taxiway Bravo Rehabilitation, Station 18 Improvement, Central Plant Improvement, and Parking Structure C Phase II. The construction of Paularino Street Gate Improvement is scheduled to start in 2017.

The construction phase of the multi-year \$118 million Terminal Improvements Project began in January 2016. The project covers numerous safety, code compliance, comfort, convenience and aesthetic improvements primarily in Terminals A and B. Also included are architectural improvements; structural and non-structural seismic upgrade of Terminals A and B; electrical infrastructure; heating, ventilation and air-conditioning (HVAC); mechanical systems; plumbing systems; lighting systems; Americans with Disabilities Act (ADA) compliance; Information Technology (IT) systems; security and closed circuit television (CCTV) systems; and fire sprinkler and alarm systems. These improvements not only extend the useful lives of the terminal components, but will enhance the existing facilities' aesthetics and infrastructure, allowing guests of JWA and visitors to Orange County to experience a uniform level of quality

throughout the Riley Terminal complex. Construction is expected to continue through 2019.

The capital costs are funded from Airport revenues and Federal Aviation Administration (FAA) Airport Improvement Program grants. As is the case with any substantial capital improvement program, the Airport anticipates encountering many challenges in balancing the current level of operation and high standards for customer service with the substantial construction activity.

In February 2016, the Airport filed an amendment to the original PFC application with the Federal Aviation Administration (FAA) to reduce the approved PFC Bond Capital and Bond Financing Interest amounts, reallocate these amounts to PFC Pay-As-You-Go (PAYGO) on approved PFC projects, and request update to the costs of the approved PFC projects based on actual eligible costs of the completed projects. The amendment was approved by the FAA in March 2016, which allows the Airport to reallocate \$65.5 million of restricted PFC funds to unrestricted PAYGO funds for the completed projects.

ITEM 3.D

Status of Significant Legislative, Administrative, and Judicial Challenges to the Airport.

No significant legislative, administrative and judicial challenges to report.

ITEM 3.E

Material Information

No material information to report.

SECTION B

John Wayne Airport Financial Statements For Fiscal Year Ended June 30, 2016