



FINANCIAL STATEMENTS AND ACTIVITY REPORTS

For the five months ending February 28, 2010



*Prepared by Tucson Airport Authority
Finance Department*

Finance Department

STATUS OF AIRPORT SYSTEM INCOME REQUIREMENTS

TUCSON AIRPORT AUTHORITY

STATUS OF AIRPORT SYSTEM INCOME REQUIREMENTS

For the five months ended February 28, 2010

	CURRENT YEAR			PRIOR YEAR	
	BUDGET	ACTUAL	% FAV (UNFAV)	ACTUAL	% FAV (UNFAV)
OPERATING REVENUES					
Landing Fees	\$ 1,407,065	\$ 1,506,018	7.0%	\$ 1,685,891	(10.7%)
Space Rentals	5,602,083	5,964,119	6.5%	6,177,078	(3.4%)
Land Rent	1,042,179	1,071,679	2.8%	1,055,344	1.5%
Concession Revenue	4,020,383	4,281,182	6.5%	3,991,183	7.3%
Reimbursed Services	1,595,150	1,439,055	(9.8%)	1,333,987	7.9%
Other Operating Revenues	1,556,674	1,741,546	11.9%	1,947,656	(10.6%)
Total Operating Revenues	\$ 15,223,534	\$ 16,003,599	5.1%	\$ 16,191,139	(1.2%)
OPERATING EXPENSES					
Personnel Expenses	7,839,816	7,141,538	8.9%	7,899,737	9.6%
Contractual Services	2,575,266	2,139,044	16.9%	2,063,114	(3.7%)
Materials and Supplies	738,744	455,120	38.4%	474,402	4.1%
Other Operating Expenses	574,856	521,628	9.3%	626,948	16.8%
Total Operating Expenses	\$ 11,728,682	\$ 10,257,329	12.5%	\$ 11,064,201	7.3%
FLIGHTLINE OPERATIONS					
Product Sales	1,565,190	1,304,583	(16.7%)	1,532,949	(14.9%)
Less Cost of Goods Sold	1,212,746	949,278	21.7%	1,147,601	17.3%
Gross Margin on Sales	\$ 352,444	\$ 355,305	0.8%	\$ 385,347	(7.8%)
PARKING LOT OPERATIONS					
Parking Lot Revenues	2,078,693	2,394,292	15.2%	2,584,333	(7.4%)
Less Parking Lot Expenses	492,270	489,161	0.6%	498,482	1.9%
Net Parking Lot Fees	\$ 1,586,423	\$ 1,905,131	20.1%	\$ 2,085,851	(8.7%)
INTEREST					
Interest Income	210,434	191,012	(9.2%)	1,506,974	(87.3%)
Less Interest Expense	(754,325)	(717,479)	4.9%	(811,069)	11.5%
Net Interest Income (Expense)	\$ (543,891)	\$ (526,467)	3.2%	\$ 695,904	175.7%
NET INCOME (LOSS) - OPERATIONS **	\$ 4,889,829	\$ 7,480,239	53.0%	\$ 8,294,040	(9.8%)

**Equal to "Net Income (Loss)" net of Depreciation, Amortization, Construction Interest, and Other Expenses

THE NET INCOME (LOSS) FROM OPERATIONS, ALONG WITH ANY BEGINNING OF THE YEAR TRANSFER FROM THE AIRLINE RESERVE FUND, IS USED TO FUND THE FOLLOWING REQUIREMENTS AS SET FORTH IN THE AIRPORT USE AGREEMENT.

	CURRENT YEAR			PRIOR YEAR	
	BUDGET	ACTUAL	% FAV (UNFAV)	ACTUAL	% FAV (UNFAV)
NET INCOME (LOSS) - OPERATIONS	\$ 4,889,829	\$ 7,480,239	53.0%	\$ 8,294,040	(9.8%)
Net Income (Loss) - Estimate vs. Budget for the Remainder of the Year	-	(2,590,410)		(3,059,801)	
Transfer from Airline Reserve Fund Beginning of the Year	1,444,708	1,444,710	0.0%	859,763	68.0%
Transfer from Reserve Funds for Approved Budget Expenditures	173,317	173,317	0.0%	2,760,000	(93.7%)
TOTAL FUNDS AVAILABLE	6,507,853	6,507,856	0.0%	8,854,002	(26.5%)
DEDUCT TRANSFERS REQUIRED BY OPERATING BUDGET:					
- Principal Payments on Revenue Bonds and Short-Term Debt	2,073,488	2,073,488	0.0%	2,023,506	(2.5%)
- 25% Additional Debt Service Coverage (1)	653,063	653,063	0.0%	651,430	(0.3%)
- To Maintain Required Level in Operations and Maintenance Reserve Fund	(255,719)	(255,719)	0.0%	243,830	204.9%
CAPITAL EXPENDITURES:					
- To Fund Capital Improvement Fund	331,663	331,663	0.0%	238,046	(39.3%)
- Capital Outlays and Capital Improvement Projects	1,918,667	1,918,667	0.0%	3,486,146	45.0%
TRANSFERS TO INSURANCE RESERVE FUND:					
- Payments on RAC Advances	772,912	772,912	0.0%	772,911	(0.0%)
TRANSFERS TO SPECIAL RESERVE FUND:					
- Principal Payments on Interfund Financing	251,789	251,789	0.0%	140,035	(79.8%)
- 52% of Net Industrial Area Revenues	762,713	762,713	0.0%	957,385	20.3%
- Interest Income	299,149	299,149	0.0%	514,504	41.9%
- Wings Restaurant Revenue	4,167	6,429	(54.3%)	3,125	(105.7%)
Total Transfers to Other Funds	6,811,891	6,814,154	(0.0%)	9,030,918	24.5%
BALANCE AVAILABLE FROM OPERATIONS FOR TRANSFER TO AIRLINE RESERVE FUND AT SEPTEMBER 30 (in addition to debt service coverage - see note (1) below)					
	\$ (304,038)	\$ (306,298)	0.7%	\$ (176,916)	73.1%

(1) Additional debt service coverage required by the Airport Use Agreement. If unused at year-end, this amount will be transferred to the Airline Reserve Fund.

RECONCILIATION OF "NET INCOME (LOSS)" FROM OPERATIONS TO "NET INCREASE (DECREASE)
IN NET ASSETS " ON THE INCOME STATEMENT

	CURRENT YEAR			PRIOR YEAR	
	BUDGET	ACTUAL	% FAV (UNFAV)	ACTUAL	% FAV (UNFAV)
NET INCOME (LOSS) - OPERATIONS	\$ 4,889,829	\$ 7,480,239	53.0%	\$ 8,294,040	(9.8%)
Depreciation and Amortization	(7,825,302)	(6,950,249)	11.2%	(6,341,296)	(9.6%)
Interest Income					
FAA Land Fund (Note 1)	5,582	8,446	51.3%	24,950	(66.2%)
Insurance Reserve Fund (Note 2)	64,733	105,539	63.0%	287,788	(63.3%)
PFC Fund (Note 3)	40,078	69,975	74.6%	175,867	(60.2%)
Bond Premium Amortization (Note 5)	125,589	125,589	0.0%	143,664	(12.6%)
Interest Expense					
2001 Subordinate Lien Bonds (Note 6)	(804,224)	(808,737)	(0.6%)	(829,130)	(2.5%)
2006 Subordinate Lien Bonds (Note 6)	(467,207)	(475,742)	(1.8%)	(489,704)	N/A
Passenger Facility Charge (Note 3)	3,097,503	2,984,743	(3.6%)	3,036,420	(1.7%)
Narcotics Investigation Income	-	-	N/A	7,185	(100.0%)
Narcotics Investigation (Expenses)	-	-	N/A	(7,185)	(100.0%)
Bad Debt Recovery (Expense)	-	-	N/A	-	N/A
Gain (Loss) on Sale of Fixed Assets	-	1,840	N/A	1,104	N/A
Other Income and (Expense)	-	58	N/A	(9,112)	100.6%
Interest (Expense) - Bond Loss (Note 4)	<u>(76,308)</u>	<u>(76,309)</u>	<u>(0.0%)</u>	<u>(91,390)</u>	<u>16.5%</u>
	\$ (949,729)	\$ 2,465,393	(359.6%)	\$ 4,203,202	(41.3%)
Capital Contributions	4,657,065	6,407,137	37.6%	1,898,473	(237.5%)
NET INCREASE (DECREASE) IN NET ASSETS	\$ 3,707,336	\$ 8,872,530	139.3%	\$ 6,101,675	45.4%

NOTES TO RECONCILIATION:

Note 1 Interest earned by FAA Land fund continues to accumulate for future land purchases.

Note 2 Insurance Reserve Fund interest is not part of the Airport System Requirements.

Note 3 Passenger Facility Charge funds are restricted and can only be used for FAA approved PFC projects. The interest that is earned on the receipt of these funds is also restricted to the approved projects. PFC revenue collected by the airlines from the sale of airline tickets and remitted to the Authority are therefore Restricted Funds and are not part of the Airport System Requirements.

Note 4 Consists of write off (or amortization) of non-cash expense of deferred costs related to prior Revenue Bond Issuances.

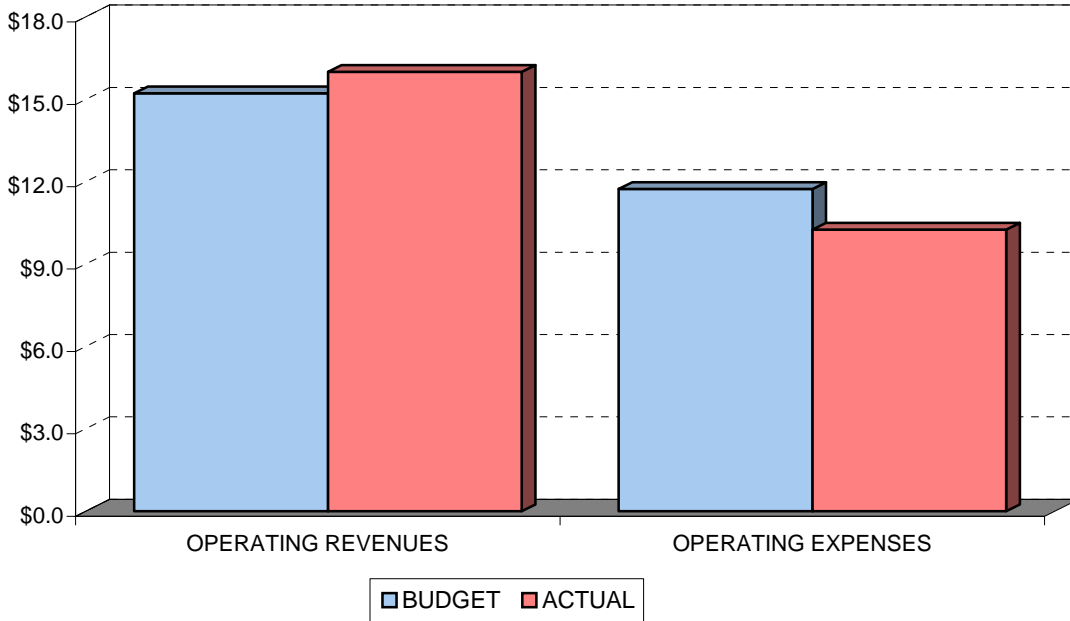
Note 5 Consists of write off (or amortization) of premium income related to the issuance of the Refunding Series 2003 Revenue Bonds and Series 2006 Subordinate Lien Revenue Bonds over the remaining lives of the bond series'.

Note 6 Interest paid on the 2001 subordinate lien bonds and a portion of the 2006 subordinate lien bonds is funded with PFC revenue and is therefore not part of the Airport System Requirements.

YTD Revenues & Expenses

Budget to Actual

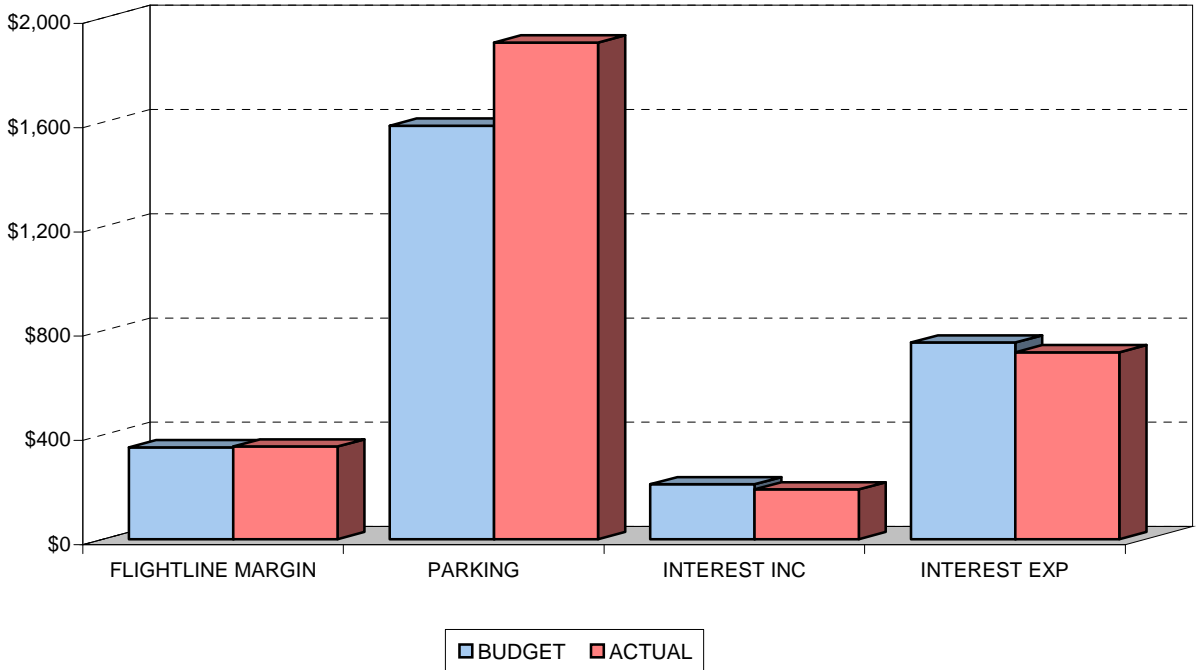
Millions



YTD Flightline/Parking/Interest

Budget to Actual

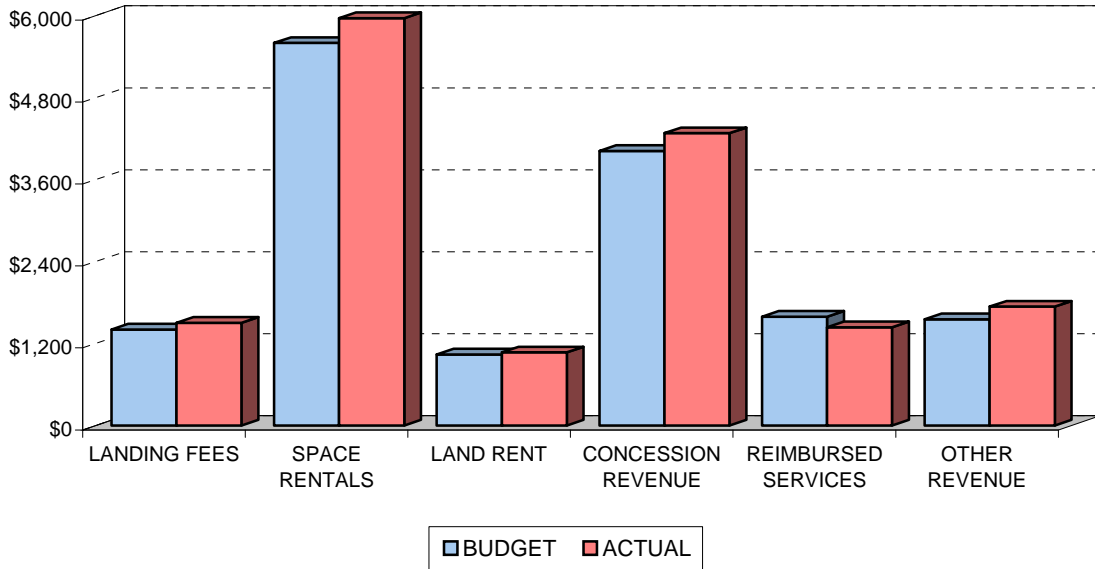
Thousands



YTD Operating Revenues

Budget to Actual

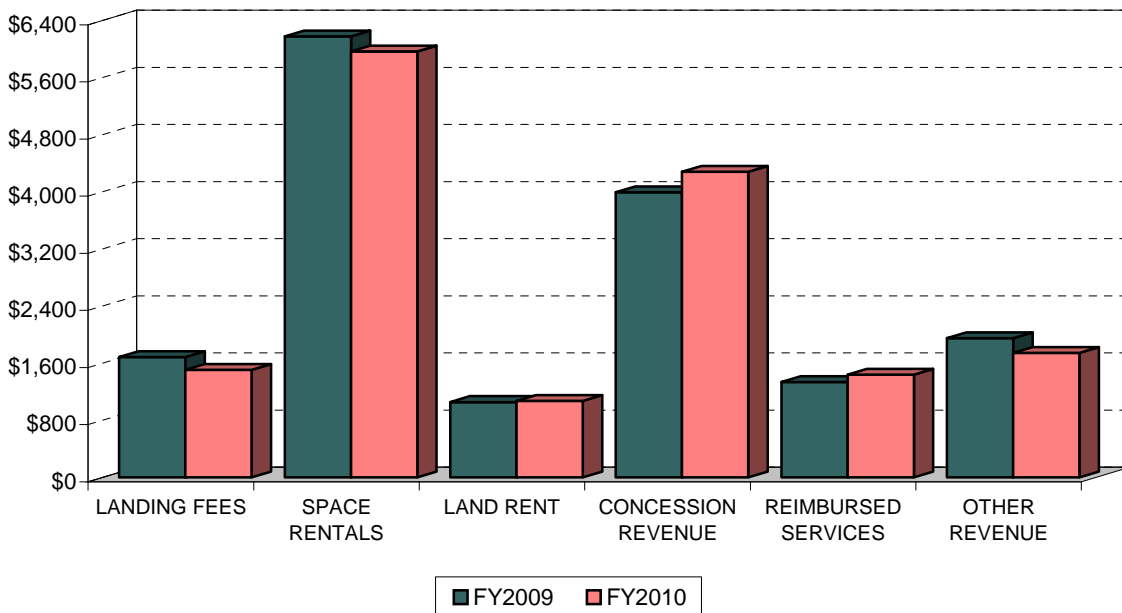
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YTD Operating Revenues

Current to Prior Year Actuals

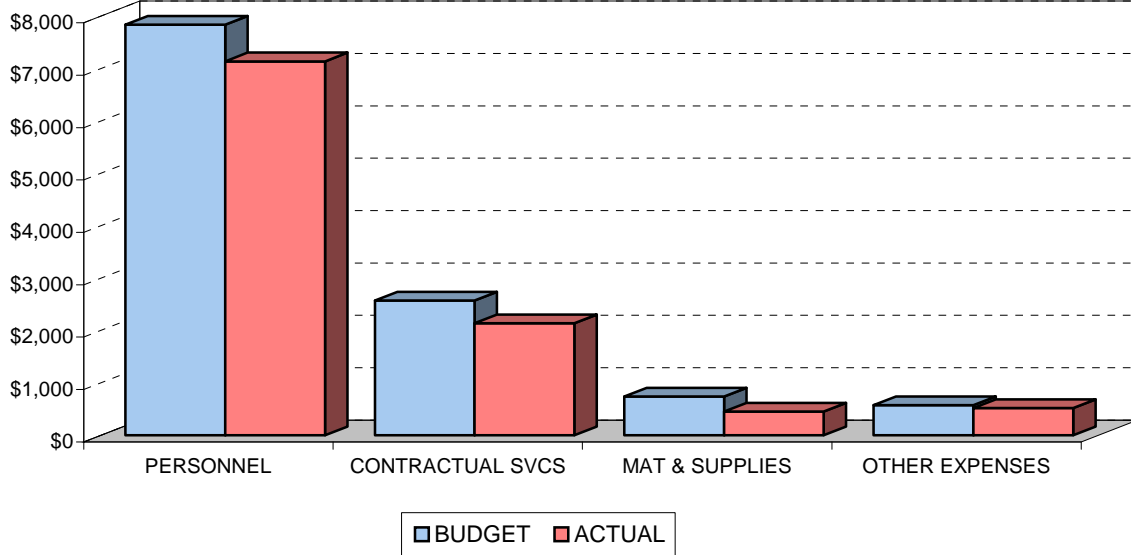
Thousands



YTD Operating Expenses

Budget to Actual

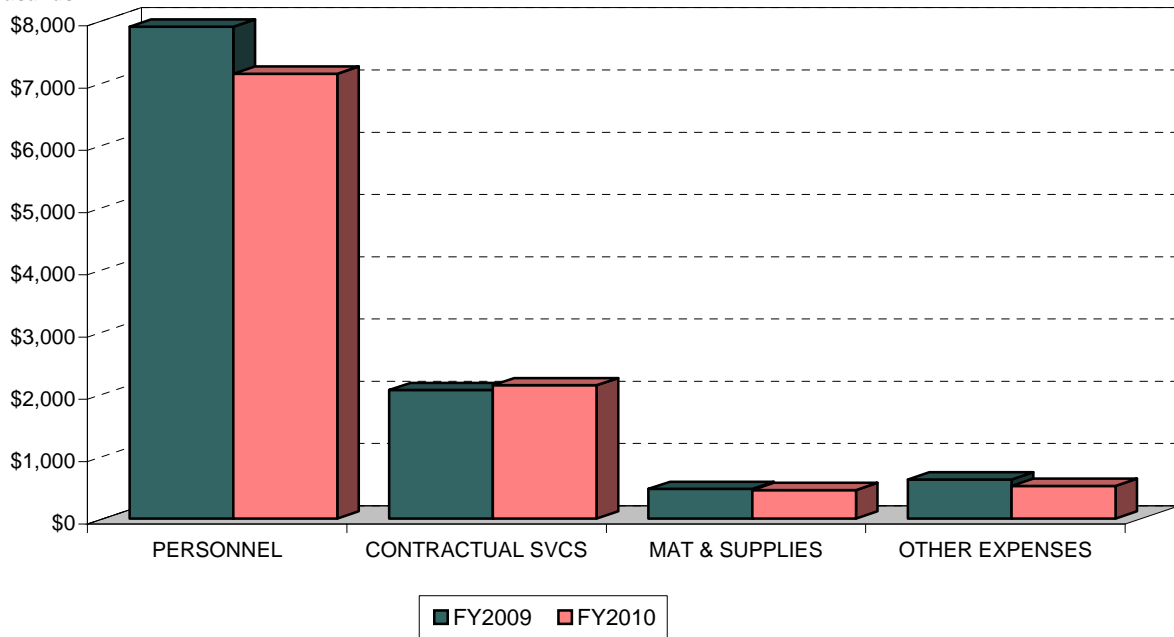
Thousands



YTD Operating Expenses

Current to Prior Year Actuals

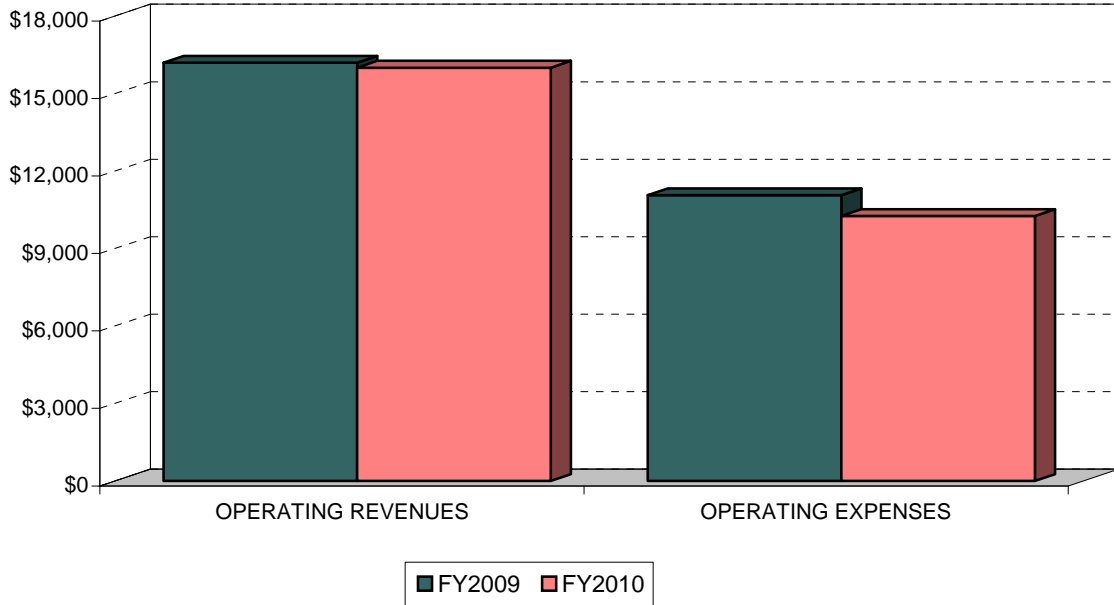
Thousands



YTD Revenues & Expenses

Current to Prior Year Actuals

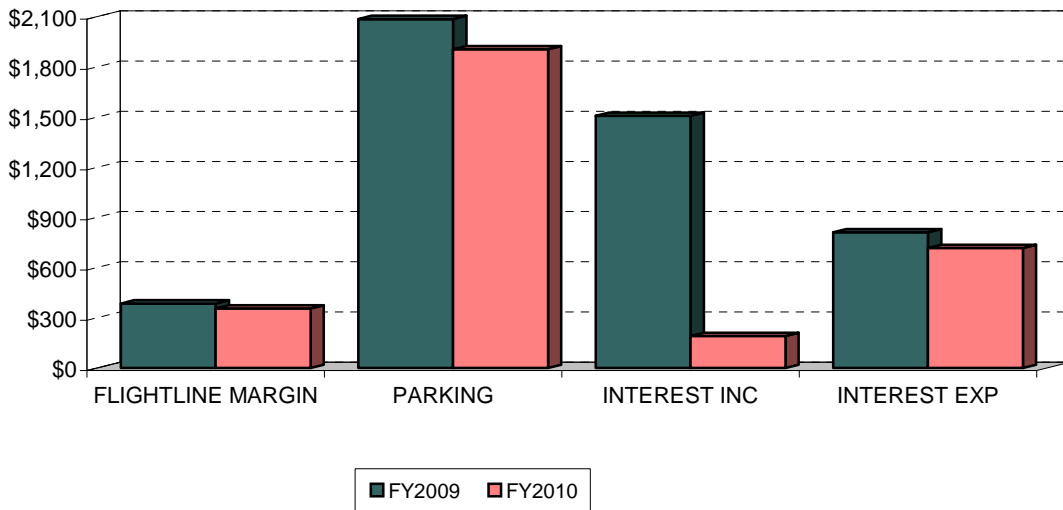
Thousands



YTD Flightline/Parking/Interest

Current to Prior Year Actuals

Thousands



BALANCE SHEET AND INCOME STATEMENTS

TUCSON AIRPORT AUTHORITY
STATEMENT OF NET ASSETS

ASSETS

	February-10	February-09
CURRENT ASSETS		
Cash and cash equivalents (Note 1)	\$ 15,174,009	\$ 20,544,940
Investments (Note 1)	73,059,476	67,571,804
Accts. rec. trade, net of \$514,902 allow. for doubtful accts. current and \$589,608 prior year	1,400,061	1,321,043
Accounts receivable Pima County Attorney (Note 3)	23,394	37,229
Accrued interest receivable	228,423	758,966
Grants receivable	5,314,803	1,336,928
Notes receivable (Current)	7,512	6,953
Inventories	566,758	491,424
Prepaid expenses and other assets	278,747	409,324
Total current assets	96,053,184	92,478,611
NONCURRENT ASSETS		
Restricted assets:		
Revenue Bonds, Senior Lien Series 2001A, B & C:		
Cash and cash equivalents	86,131	110,423
Investments	599,301	553,335
Accrued interest receivable	-	-
	<u>685,432</u>	<u>663,758</u>
Revenue Bonds, Sub Lien Series 2006 Construction Fund:		
Cash and cash equivalents	298,618	390,688
Investments	2,076,437	1,958,138
Accrued interest receivable	6,072	20,452
	<u>2,381,127</u>	<u>2,369,278</u>
Revenue Bonds, Sub Lien Series 2006 Debt Service Fund:		
Cash and cash equivalents	80,822	106,934
Investments	562,359	535,850
Accrued interest receivable	-	-
	<u>643,182</u>	<u>642,784</u>
Revenue Bonds, Sub Lien Series 2006 Debt Service Reserve Fund:		
Cash and cash equivalents	323,979	428,915
Investments	2,254,246	2,149,310
Accrued interest receivable	-	-
	<u>2,578,225</u>	<u>2,578,225</u>
Revenue Bonds, Senior Lien Series 2003:		
Cash and cash equivalents	397,992	517,355
Investments	2,769,224	2,592,486
Accrued interest receivable	-	-
	<u>3,167,216</u>	<u>3,109,841</u>
Revenue Bonds, Subordinate Lien Series 2001:		
Cash and cash equivalents	148,754	192,722
Investments	1,035,031	965,736
Accrued interest receivable	-	-
	<u>1,183,785</u>	<u>1,158,458</u>
Deferred Bond Issuance Costs:		
Senior Lien Series 2001A, B & C	161,170	188,926
Subordinate Lien Series 2001	733,591	791,471
Senior Lien Series 2003	304,537	479,587
Subordinate Lien Series 2006	593,666	655,224
Letter of Credit 2001	-	-
	<u>1,792,964</u>	<u>2,115,208</u>

**TUCSON AIRPORT AUTHORITY
STATEMENT OF NET ASSETS**

ASSETS (Con't)

	February-10	February-09
Passenger Facility Charge Fund:		
Cash and cash equivalents	1,881,825	2,074,314
Investments	13,085,752	10,396,558
Accrued interest receivable	37,754	105,925
Accounts receivable (Note 2):	1,232,949	1,233,301
	<u>16,238,280</u>	<u>13,810,098</u>
Land Acquisition Fund:		
Cash and cash equivalents	228,660	295,972
Investments	1,589,989	1,483,419
Accrued interest receivable	4,649	15,005
	<u>1,823,298</u>	<u>1,794,396</u>
Environmental Trust (Note 4):		
Cash and cash equivalents	2,526,001	2,129,693
Investments	8,993,147	12,129,265
Accrued interest receivable	25,886	30,783
	<u>11,545,035</u>	<u>14,289,741</u>
Total restricted assets	<u>42,038,543</u>	<u>42,531,788</u>
Notes receivable (noncurrent portion)	122,494	118,227
PROPERTY, PLANT AND EQUIPMENT	452,032,616	437,807,957
Less accumulated depreciation	<u>175,035,322</u>	<u>166,057,294</u>
Net property, plant and equipment	<u>276,997,294</u>	<u>271,750,663</u>
TOTAL ASSETS	<u>\$ 415,211,515</u>	<u>\$ 406,879,289</u>

TUCSON AIRPORT AUTHORITY
STATEMENT OF NET ASSETS

LIABILITIES & NET ASSETS

	February-10	February-09
CURRENT LIABILITIES		
Payable from unrestricted assets		
Accounts payable	\$ 772,166	\$ 722,157
Accrued expenses	849,646	863,789
Deferred revenue (Note 5)	342,275	209,518
Construction contracts payable	-	-
Current portion of notes payable (Note 6)	-	44,490
Total payable from unrestricted assets	1,964,087	1,839,955
Payable from restricted assets		
Revenue Bonds, Subordinate Lien Series 2006:		
Current portion of bonds	1,085,000	1,085,000
Accrued interest payable	360,680	371,534
	<u>1,445,680</u>	<u>1,456,534</u>
Revenue Bonds, Senior Lien Series 2001A, B & C:		
Current portion of bonds	715,000	675,000
Accrued interest payable	149,182	157,509
	<u>864,182</u>	<u>832,509</u>
Revenue Bonds, Subordinate Lien Series 2001:		
Current portion of bonds	935,000	885,000
Accrued interest payable	482,535	494,704
	<u>1,417,535</u>	<u>1,379,704</u>
Revenue Bonds, Senior Lien Series 2003:		
Current portion of bonds	3,965,000	3,850,000
Accrued interest payable	193,466	222,341
	<u>4,158,466</u>	<u>4,072,341</u>
Current portion of environmental payable (Note 4)	4,335,221	2,964,405
Total payable from restricted assets	12,221,084	10,705,493
Total current liabilities	14,185,171	12,545,448
NONCURRENT LIABILITIES, net of current portion		
Payable from unrestricted assets		
Notes payable (Note 6)	3,635,000	3,615,061
Revenue Bonds, Subordinate Lien Series 2006	28,140,000	29,225,000
Original Issue Premium, Subordinate Lien Series 2006	1,477,710	1,630,935
Revenue Bonds, Senior Lien Series 2001A, B & C	10,050,000	10,765,000
Original Issue Discount, Senior Lien Series 2001A, B & C	(63,967)	(74,983)
Revenue Bonds, Subordinate Lien Series 2001	35,850,000	36,785,000
Original Issue Discount, Subordinate Lien Series 2001	(139,231)	(150,217)
Revenue Bonds, Senior Lien Series 2003	12,900,000	16,865,000
Original Issue Premium, Senior Lien Series 2003	301,830	475,324
Deferred Loss on Bond Refunding, Senior Lien series 2003	(575,152)	(779,406)
Environmental Remediation Payable (Note 4)	18,258,984	12,131,164
Total payable from unrestricted assets	109,835,174	110,487,877
Payable from restricted assets		
Environmental Remediation Payable (Note 4)	7,206,754	11,315,565
Total noncurrent liabilities	117,041,929	121,803,442
TOTAL LIABILITIES	\$ 131,227,100	\$ 134,348,890

**TUCSON AIRPORT AUTHORITY
STATEMENT OF NET ASSETS**

LIABILITIES & NET ASSETS (Con't)

	<u>February-10</u>	<u>February-09</u>
NET ASSETS		
Invested in capital assets, net of related debt	180,514,068	168,969,668
Restricted for:		
Debt service	7,071,977	6,906,978
Capital projects	16,238,280	13,810,098
Land acquisition	1,823,298	1,794,396
Unrestricted	<u>78,336,793</u>	<u>81,049,259</u>
TOTAL NET ASSETS	<u>\$ 283,984,415</u>	<u>\$ 272,530,399</u>

TUCSON AIRPORT AUTHORITY
NOTES TO THE BALANCE SHEETS

¹ CASH AND CASH EQUIVALENTS / INVESTMENTS

Investments are categorized as cash equivalents if their original maturity date is ninety days or less from the date of purchase. Those investments having a maturity of more than ninety days are classified as investments for balance sheet presentation.

² PASSENGER FACILITY CHARGE (PFC) RECEIVABLE

Passenger Facility Charge receivables are estimated by calculating estimated PFC revenue based on actual enplaned passenger data and comparing to actual PFCs reported and collected from the airlines through the current month. The airlines remit passenger facility charges at the end of the month following the month of collection in accordance with FAA regulations.

³ ACCOUNTS RECEIVABLE PIMA COUNTY ATTORNEY

Confiscated property that is awarded to TAA by the courts is held by the Pima County Attorney in a trust account. These funds are available for TAA Public Safety purchases approved by the Pima County Attorney's Office.

⁴ ENVIRONMENTAL TRUST

These amounts represent a trust fund established to fund the Authority's share of future environmental costs. The funds on deposit with the trustee are restricted to payment of the environmental expenses covered by settlement agreements.

Current remediation expenses accrued amounts to \$4,335,221. This current accrual represents amounts determined to be payable for environmental expenses over the next 12 months. The current amount accrued during the same period last year was \$2,964,405.

⁵ DEFERRED REVENUE

Deferred revenue is primarily tenant rent and minimum annual guarantee payments received in advance.

⁶ NOTES PAYABLE

A line of credit has been established to fund land acquisition and construction projects. During fiscal year 2003, a second line of credit was established to fund an additional land acquisition. A note payable was also recorded for the acquisition of a telephone switch, which was paid off in FY2009.

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TUCSON AIRPORT AUTHORITY
STATEMENT OF REVENUES , EXPENSES AND CHANGES IN NET ASSETS

	CURRENT MONTH - February			PRIOR YEAR - February
	BUDGET	ACTUAL	FAV (UNFAV)	ACTUAL
OPERATING REVENUES				
Landing Fees	\$ 263,496	\$ 295,321	\$ 31,825	\$ 316,368
Space Rentals	1,120,390	1,179,631	59,241	1,205,696
Land Rent	208,430	212,736	4,306	200,149
Concession Revenue	1,180,373	1,329,469	149,097	1,299,032
Product Sales	314,479	287,543	(26,935)	221,612
Reimbursed Services	316,762	387,450	70,689	282,569
Other Operating Revenues	305,711	378,113	72,402	357,431
Total Operating Revenues	\$ 3,709,641	\$ 4,070,264	\$ 360,624	\$ 3,882,858
OPERATING EXPENSES				
Personnel Expenses	1,509,117	1,367,143	141,974	1,443,299
Contractual Services	546,371	402,549	143,823	467,467
Materials and Supplies	136,785	88,487	48,299	88,060
Purchases for Resale	241,088	202,404	38,684	141,865
Other Operating Expenses	116,092	124,578	(8,486)	129,407
Total Operating Expenses	\$ 2,549,453	\$ 2,185,159	\$ 364,294	\$ 2,270,097
Depreciation and Amortization	1,565,024	1,388,597	176,428	1,267,708
OPERATING INCOME (LOSS)	\$ (404,837)	\$ 496,509	\$ 901,346	\$ 345,053
NONOPERATING INCOME (EXPENSES)				
Interest Income	64,164	(29,814)	(93,977)	572,065
FMV Increase (decrease)	-	16,990	16,990	(598,483)
Passenger Facility Charge	619,486	610,113	(9,373)	596,724
Interest Expense	(378,372)	(370,747)	7,625	(383,443)
Interest Expense - Bond Loss	(10,923)	(10,923)	-	(13,656)
Loss on Bond Redemption	(4,339)	(4,339)	(0)	(4,622)
Bad Debt Recovery (Expense)	-	-	-	-
Gain (Loss) on Disposition of Fixed Assets	-	-	-	-
Other Nonoperating Income(Expenses)	-	24	24	(9,189)
Total Nonoperating Income (Expenses)	\$ 290,015	\$ 211,304	\$ (78,711)	\$ 159,396
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ (114,822)	\$ 707,813	\$ 822,634	\$ 504,449
CAPITAL CONTRIBUTIONS	931,391	2,836,495	1,905,104	1,079,298
NET INCREASE (DECREASE) IN NET ASSETS	\$ 816,569	\$ 3,544,308	\$ 2,727,739	\$ 1,583,747

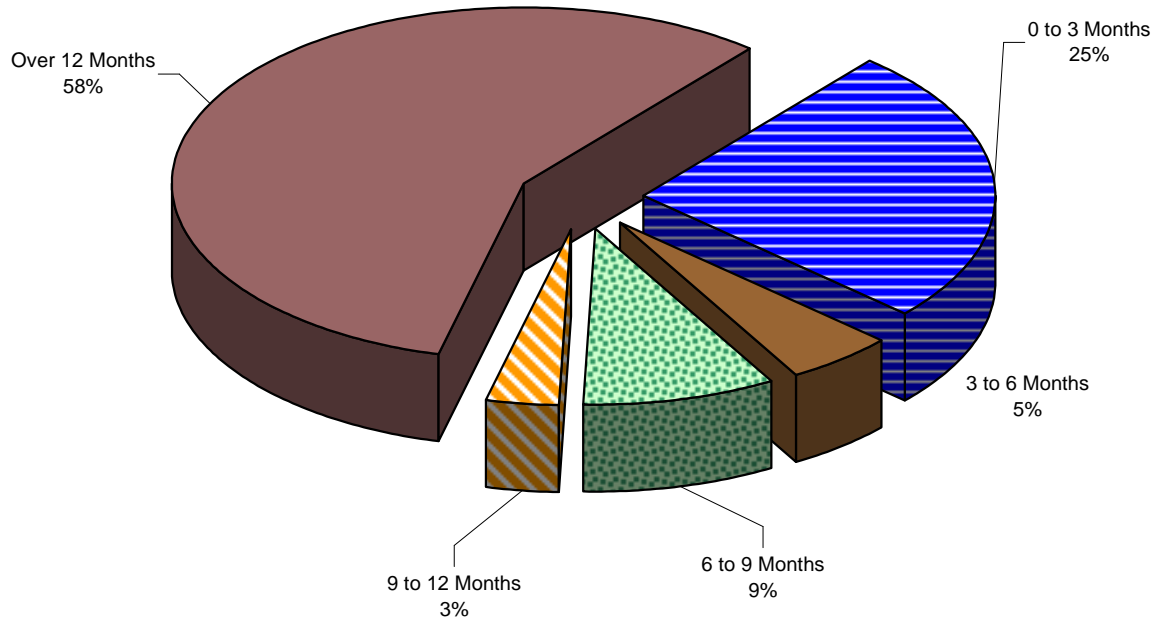
TUCSON AIRPORT AUTHORITY
STATEMENT OF REVENUES , EXPENSES AND CHANGES IN NET ASSETS

For the five months ended February 28, 2010

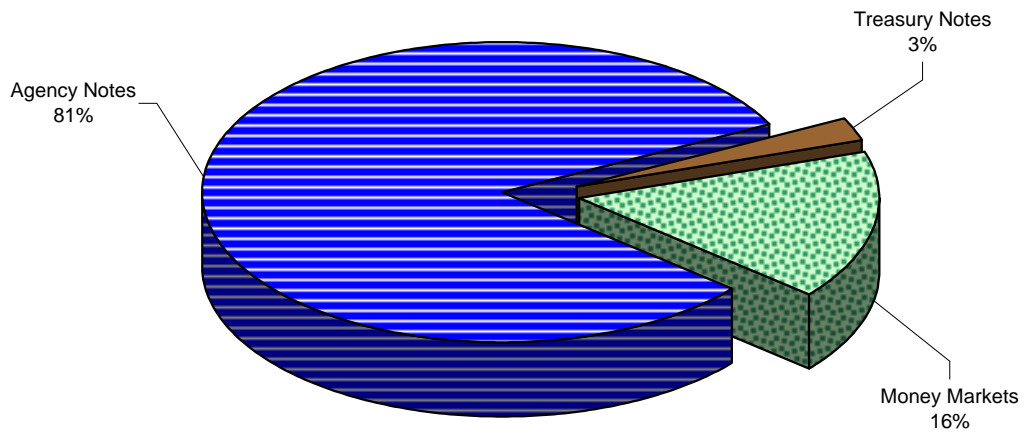
	CURRENT YEAR TO DATE			PRIOR YEAR
	BUDGET	ACTUAL	FAV (UNFAV)	ACTUAL
OPERATING REVENUES				
Landing Fees	\$ 1,407,065	\$ 1,506,018	\$ 98,953	\$ 1,685,891
Space Rentals	5,602,083	5,964,119	362,036	6,177,078
Land Rent	1,042,179	1,071,679	29,500	1,055,344
Concession Revenue	6,099,076	6,675,475	576,399	6,575,516
Product Sales	1,565,190	1,304,583	(260,607)	1,532,949
Reimbursed Services	1,595,150	1,439,055	(156,095)	1,333,987
Other Operating Revenues	1,556,674	1,741,546	184,872	1,947,656
Total Operating Revenues	\$ 18,867,418	\$ 19,702,475	\$ 835,057	\$ 20,308,421
OPERATING EXPENSES				
Personnel Expenses	7,839,816	7,141,538	698,278	7,899,737
Contractual Services	3,067,536	2,628,205	439,331	2,561,596
Materials and Supplies	738,744	455,120	283,624	474,402
Purchases for Resale	1,212,746	949,278	263,468	1,147,601
Other Operating Expenses	574,856	521,628	53,228	626,948
Total Operating Expenses	\$ 13,433,698	\$ 11,695,769	\$ 1,737,929	\$ 12,710,285
Depreciation and Amortization	7,825,302	6,950,249	875,053	6,341,296
OPERATING INCOME (LOSS)	\$ (2,391,582)	\$ 1,056,458	\$ 3,448,039	\$ 1,256,840
NONOPERATING INCOME (EXPENSES)				
Interest Income	320,826	496,054	175,228	1,518,932
FMV Increase (decrease)	-	(121,081)	(121,081)	476,647
Passenger Facility Charge	3,097,503	2,984,743	(112,760)	3,036,420
Interest Expense	(1,900,168)	(1,876,370)	23,798	(1,986,239)
Interest Expenses - Bond Loss	(54,616)	(54,616)	-	(68,279)
Loss on Bond Redemption	(21,693)	(21,693)	(0)	(23,111)
Bad Debt Recovery (Expense)	-	-	-	-
Gain (Loss) on Sale of Fixed Assets	-	1,840	1,840	1,104
Other Nonoperating Income(Expenses)	-	58	58	(9,112)
Total Nonoperating Income (Expenses)	\$ 1,441,853	\$ 1,408,936	\$ (32,917)	\$ 2,946,362
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ (949,729)	\$ 2,465,393	\$ 3,415,123	\$ 4,203,202
CAPITAL CONTRIBUTIONS	4,657,065	6,407,137	1,750,072	1,898,473
TRANSFERS IN TRANSFERS OUT				
NET INCREASE (DECREASE) IN NET ASSETS	\$ 3,707,336	\$ 8,872,530	\$ 5,165,194	\$ 6,101,675
TOTAL NET ASSETS (BEGINNING)	(unaudited)	\$ 275,111,885		\$ 266,428,724
TOTAL NET ASSETS (ENDING)		\$ 283,984,415		\$ 272,530,399

INVESTMENT SUMMARY

Investment Summary (remaining months to maturity)



Investment Holdings (Month End)

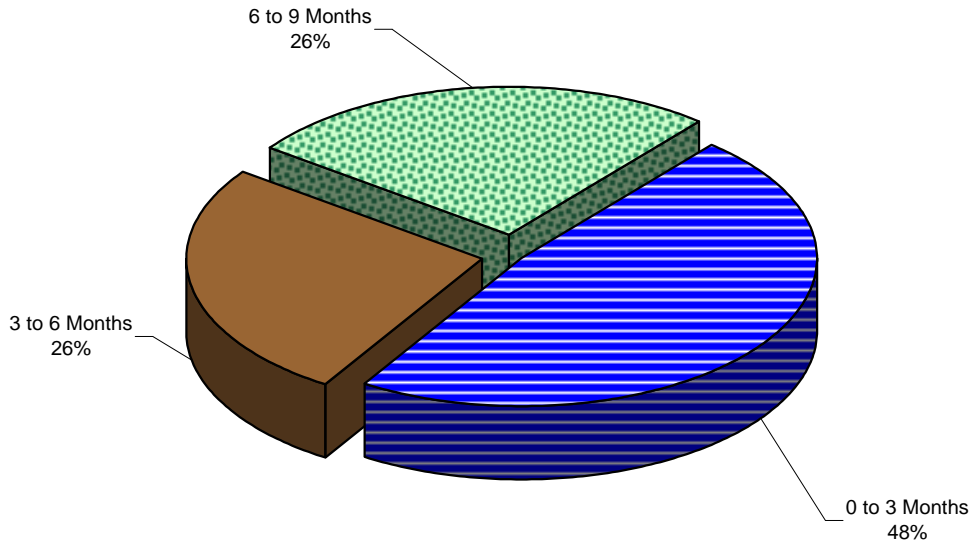


TUCSON AIRPORT AUTHORITY

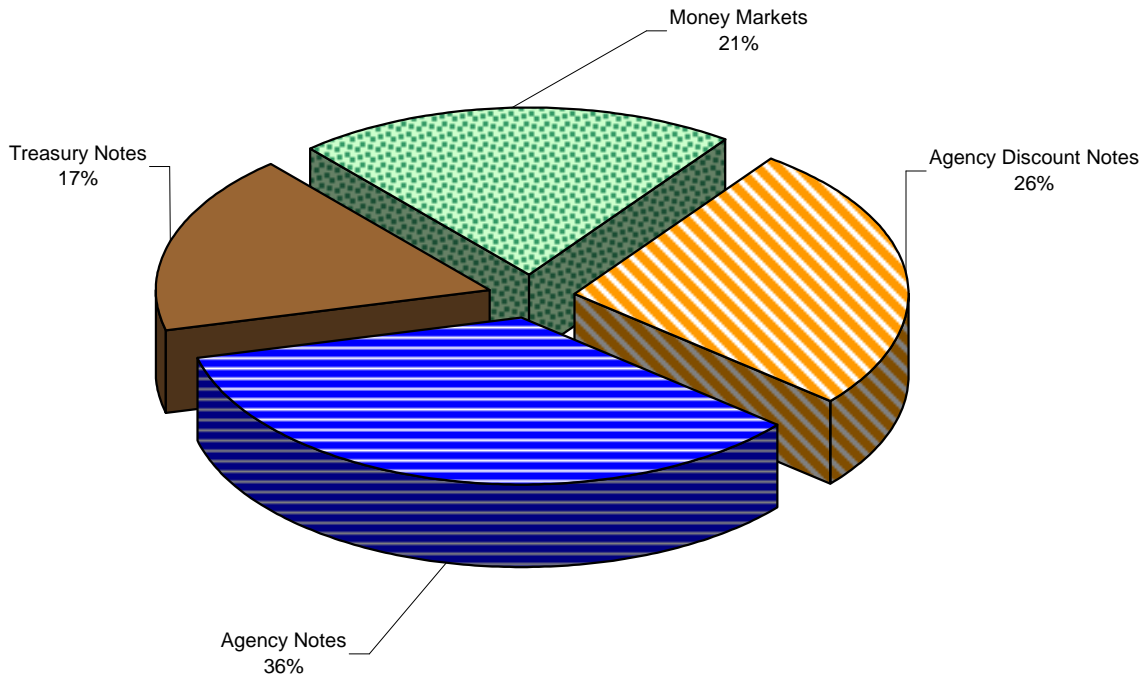
February 28, 2010

INSTITUTION / DEALER	TYPE	PAR VALUE	COST	YIELD TO MATURITY	MATURITY DATE
JPMorgan Chase Bank Operating Account	MM	\$ 4,675,279	\$ 4,675,279	0.00%	Daily
J.P. Morgan Securities Services Custody Account	MM	4,408,602	4,408,602	0.00%	Daily
Goldman Finl Sq Trsy Oblig Custody Account	MM	\$ 9,506,222	9,506,222	0.00%	Daily
G.X. Clarke & Co.	FHLB	2,000,000	1,998,766	1.05%	03/03/10
Mutual Securities	FHLB	5,000,000	5,003,450	0.47%	05/11/10
Mutual Securities	FNMA	3,755,000	3,811,888	2.36%	05/20/10
Mutual Securities	FNMA	2,000,000	2,000,000	3.22%	06/09/10
Mizuho Securities	FHLB	2,000,000	2,000,000	0.54%	07/28/10
Mizuho Securities	USTBILLS	2,000,000	1,996,282	0.27%	08/26/10
Mizuho Securities	FHLB	2,000,000	2,001,220	3.32%	09/10/10
Mutual Securities	FHLB	2,000,000	1,999,700	0.37%	10/08/10
Mizuho Securities	FHLB	5,000,000	5,000,000	1.09%	11/08/10
Mizuho Securities	USTBILLS	1,000,000	996,546	0.38%	11/18/10
G.X. Clarke & Co.	FHLB	2,000,000	1,996,354	0.74%	12/29/10
Mutual Securities	FHLB	2,000,000	2,000,000	1.04%	02/28/11
RBC Capital Markets	FHLMC	2,000,000	2,013,340	2.12%	03/16/11
Stifel-Nicolaus & Co.	FNMA	2,000,000	2,000,000	1.09%	04/29/11
Mizuho Securities	FHLB	11,000,000	11,006,600	0.49%	05/10/11
Mizuho Securities	FHLB	2,000,000	2,000,000	1.19%	06/22/11
Mutual Securities	FHLB	2,000,000	2,000,000	0.70%	07/26/11
Mutual Securities	FHLB	2,000,000	2,000,000	0.98%	08/10/11
Mutual Securities	FHLB	2,000,000	1,987,000	1.34%	09/29/11
Stifel-Nicolaus & Co.	FHLMC	2,000,000	2,000,000	1.69%	10/07/11
Mizuho Securities	FNMA	6,000,000	5,989,500	1.54%	11/17/11
Wells Fargo	FHLMC	1,000,000	1,009,890	2.01%	12/29/11
Mutual Securities	FFCB	2,000,000	2,000,000	1.24%	01/19/12
Mizuho Securities	FHLB	2,000,000	2,005,500	1.74%	02/06/12
G.X. Clarke & Co.	FHLB	2,000,000	2,000,000	0.49%	03/21/12
G.X. Clarke & Co.	FNMA	2,000,000	2,004,780	1.62%	04/30/12
Mutual Securities	FHLB	4,000,000	4,000,000	1.24%	05/11/12
Mutual Securities	FFCB	2,000,000	2,000,000	1.40%	05/22/12
Mutual Securities	FHLB	2,000,000	1,999,688	1.37%	06/11/12
Dain Rauscher	FHLB	6,000,000	6,000,000	1.64%	07/26/12
Mutual Securities	FHLB	4,000,000	4,004,700	1.54%	05/24/12
Mizuho Securities	FHLB	2,000,000	2,000,000	1.54%	08/24/12
Mutual Securities	FFCB	6,000,000	5,994,000	1.66%	11/19/12
		\$ 115,345,103	\$ 115,409,307		
US Treasury		\$ 3,000,000		2.60%	
Agency Note		93,755,000		81.28%	
Agency Disc				0.00%	
Money Mkt		18,590,103		16.12%	
Total		\$ 115,345,103		100.00%	

Investment Summary (Environmental Trust) (Months to Maturity)



Investment Holdings (Environmental Trust) Current Month



**TUCSON AIRPORT AUTHORITY
RESTRICTED ENVIRONMENTAL TRUST INVESTMENT SUMMARY**

February 28, 2010

INSTITUTION / DEALER	TYPE	PAR VALUE	COST	YIELD TO MATURITY	MATURITY DATE
J.P. Morgan Securities Services	MM	\$ 2,450,776	\$ 2,450,776	0.00%	Daily
Stifel-Nicolaus & Co.	FHLB	1,000,000	1,004,120	1.04%	03/09/10
Mizuho Securities	FMCDN	1,000,000	998,317	0.25%	04/16/10
G.X. Clarke	FNMA	1,009,000	1,037,323	4.09%	05/15/10
Mizuho Securities	FHLB	1,000,000	1,005,300	1.11%	06/30/10
Mizuho Securities	FHLB	1,000,000	1,000,000	0.54%	07/28/10
Bank of America	IADN	1,000,000	996,162	0.00%	08/02/10
Bank of America	USTBILLS	1,000,000	996,161	0.38%	09/23/10
Mizuho Securities	USTBILLS	1,000,000	996,968	0.36%	10/21/10
Bank of America	FMCDN	1,000,000	997,656	0.28%	11/16/10

\$ 11,459,776 \$ 11,482,783

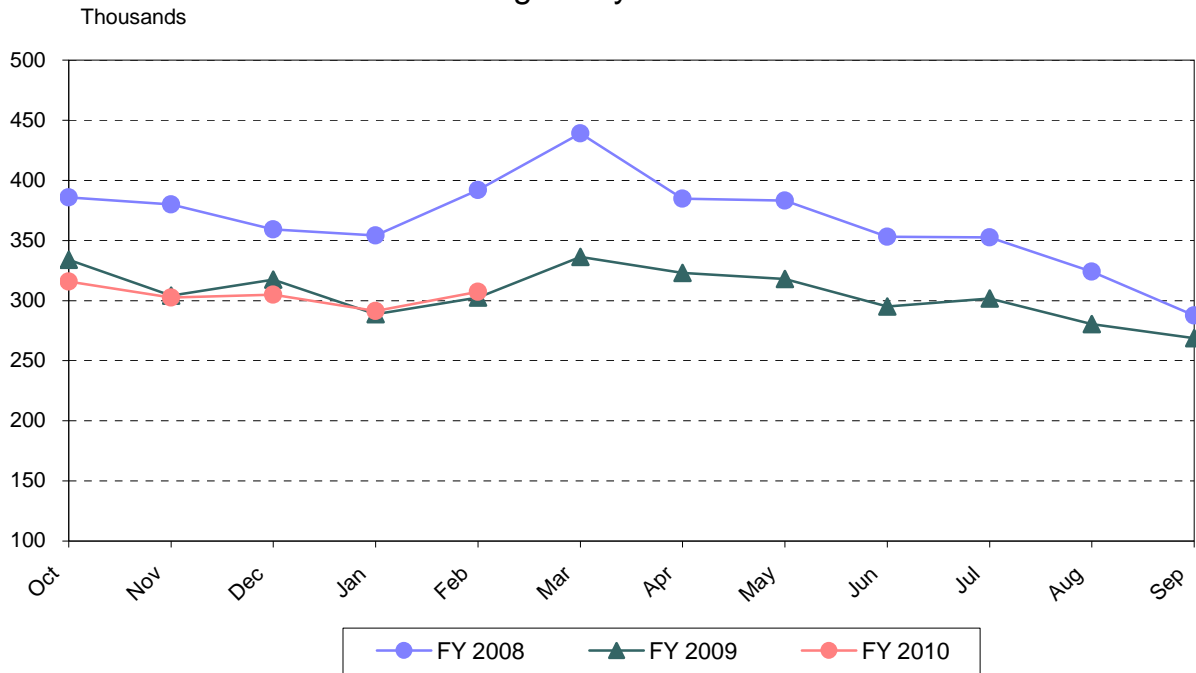
US Treasury	\$ 2,000,000	17.45%
Agency Note	4,009,000	34.98%
Agency Disc	3,000,000	26.18%
Money Mkt	2,450,776	21.39%
Total	\$ 11,459,776	100.00%

TUCSON AIRPORT AUTHORITY
Special Reserve Fund - Tenants (P&I)

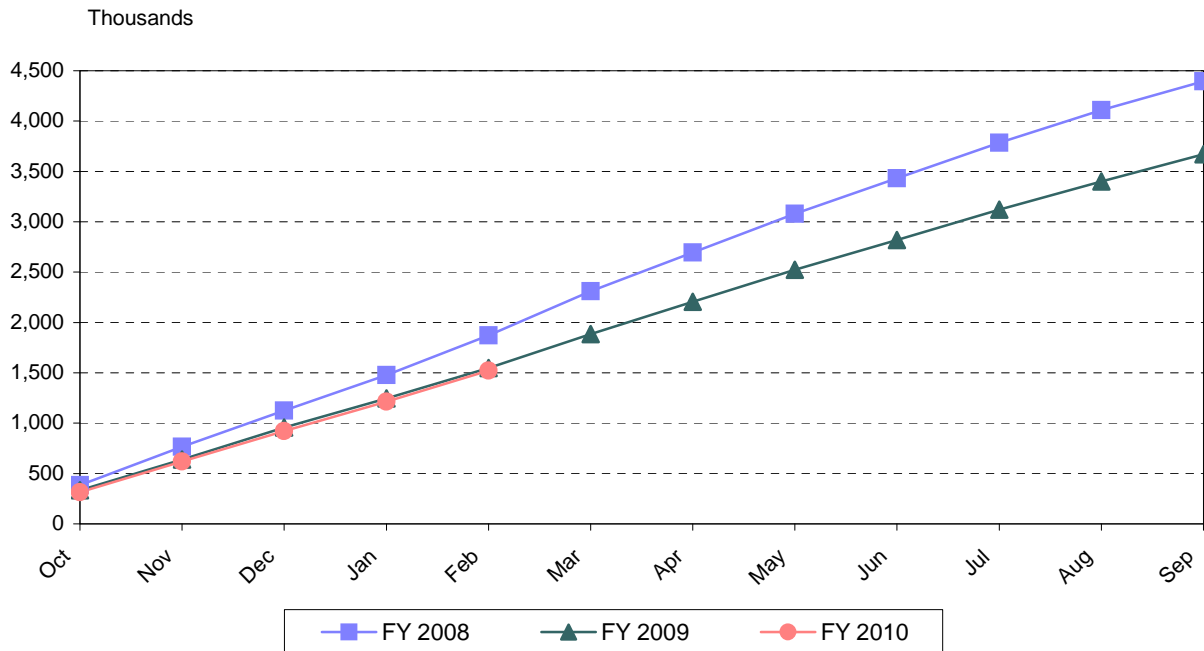
Description	Total Advance	Monthly Installments	Interest Rate
Active Items			
Universal Hangar Begin August, 2000, due July, 2030	876,309	6,278	7.75%
ARDCO Begin September, 2002, due August, 2032	444,416	3,261	8.00%
HIDTA Building Improvements Begin September, 2002, due August, 2012	340,189	4,173	8.25%
HIDTA Hangar Begin September, 2002, due August, 2032	858,400	6,449	8.25%
Ratliff Aviation Begin July, 2005, due June, 2020	147,235	1,386	7.75%
Total Active Items	<u><u>2,666,549</u></u>	<u><u>21,547</u></u>	

STATISTICAL SECTION

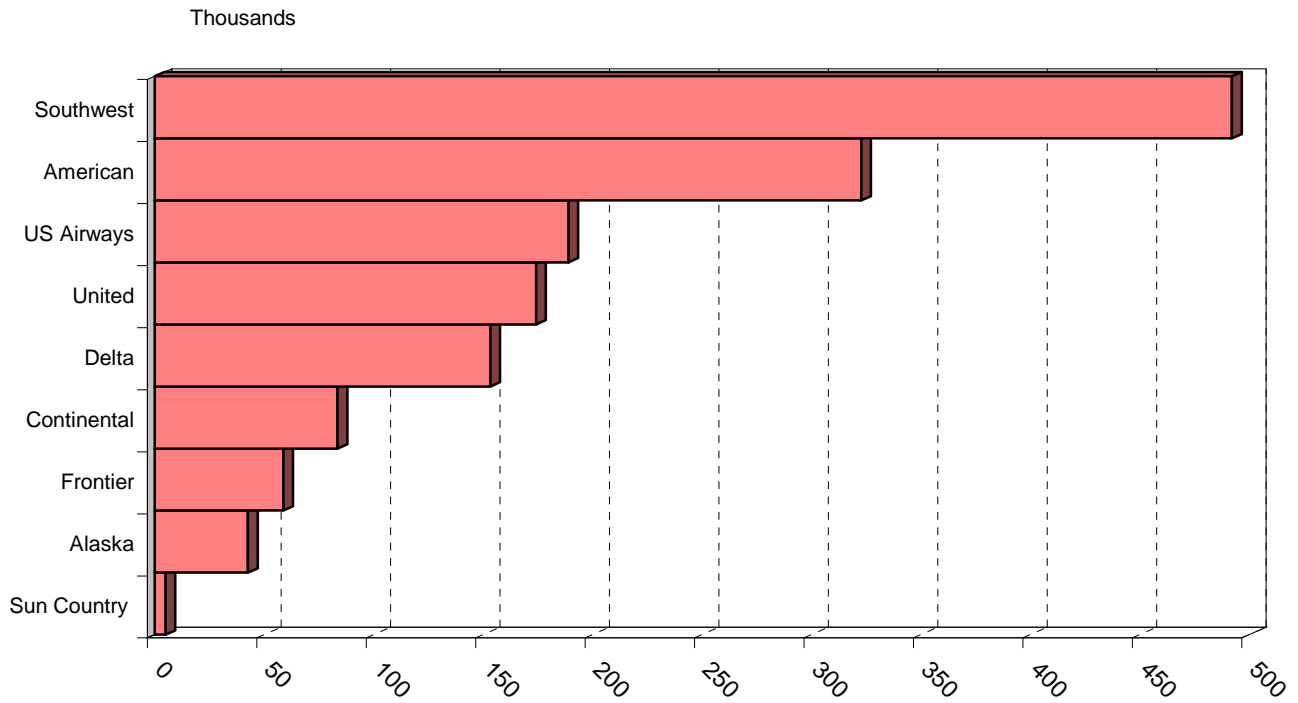
Tucson International Airport Total Passengers By Month



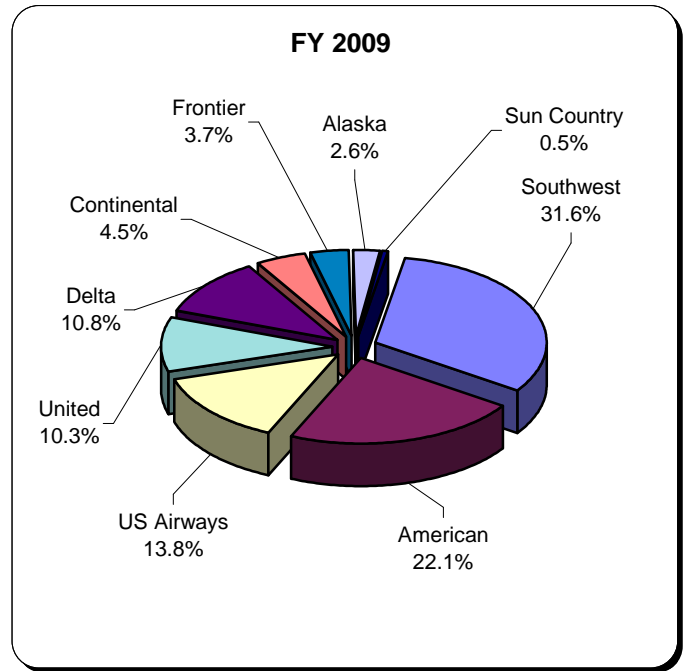
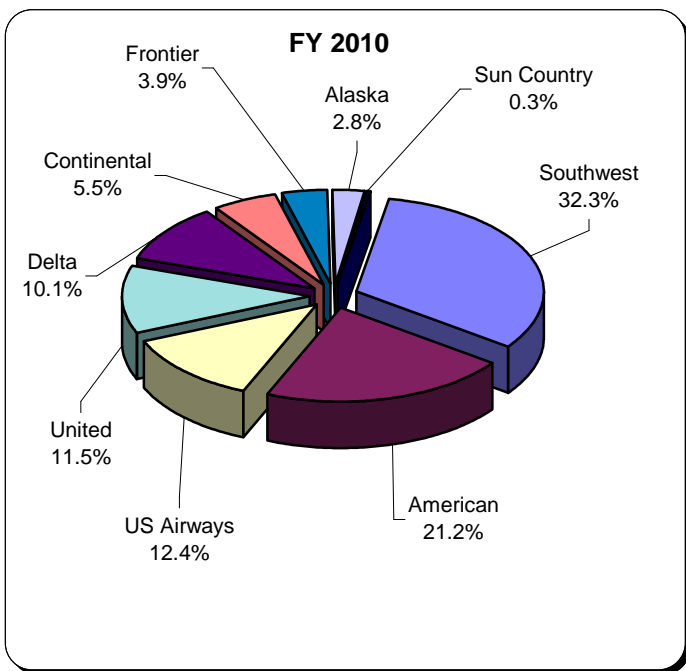
Tucson International Airport Cumulative Total Passengers



Tucson International Airport FY 2010 - Total Passengers By Airline

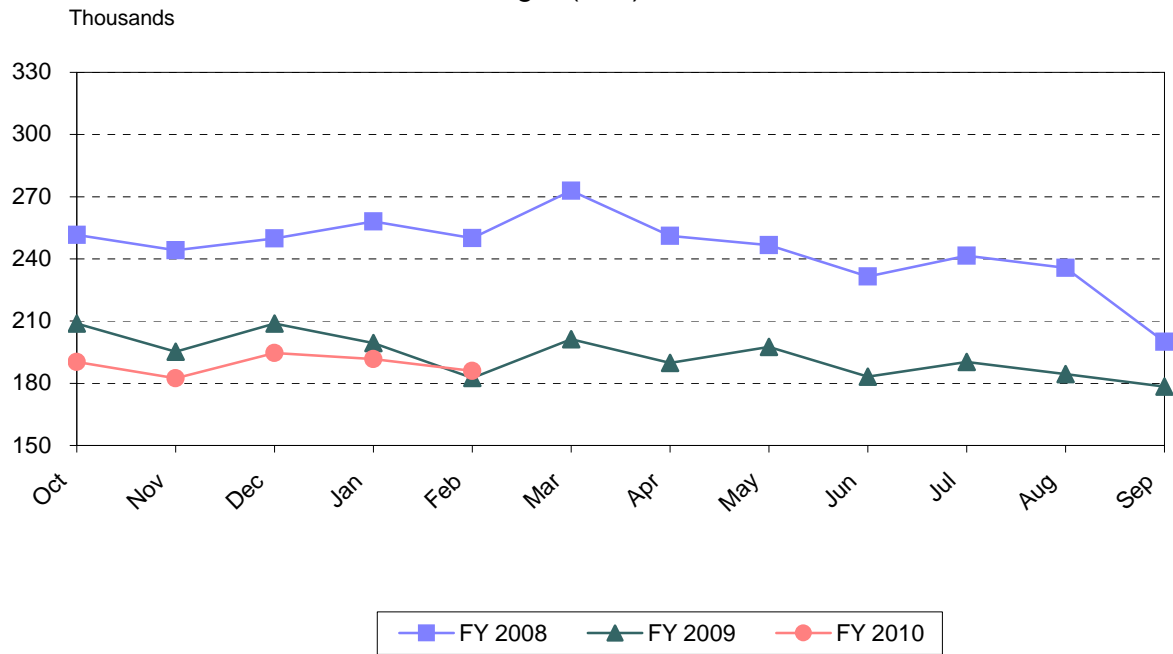


Tucson International Airport YTD Airline Passenger Share Percentage



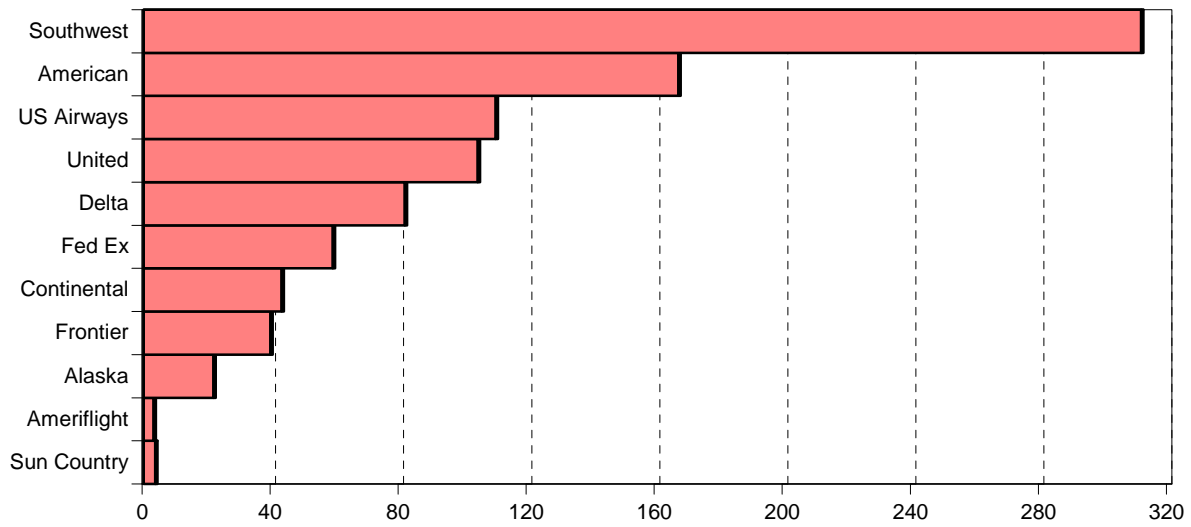
Tucson International Airport

Landed Weight (000) lbs



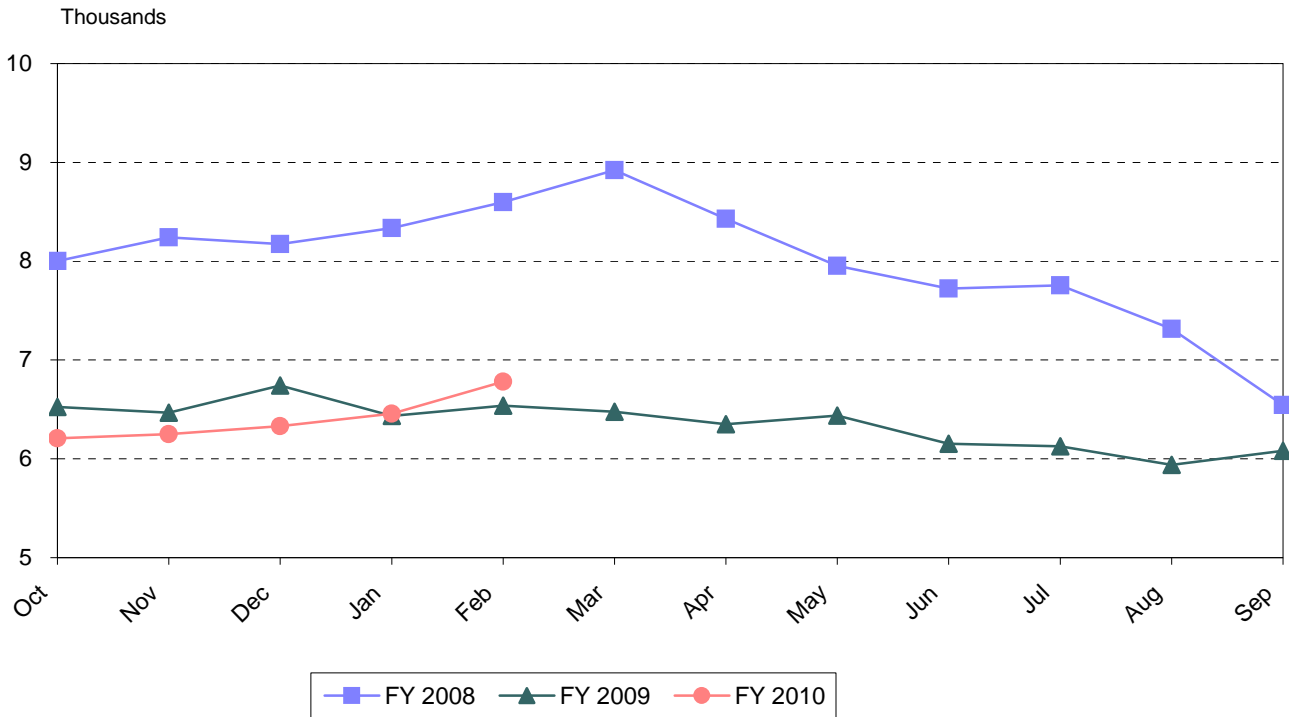
Tucson International Airport

FY 2010 - Landed Weight By Airline

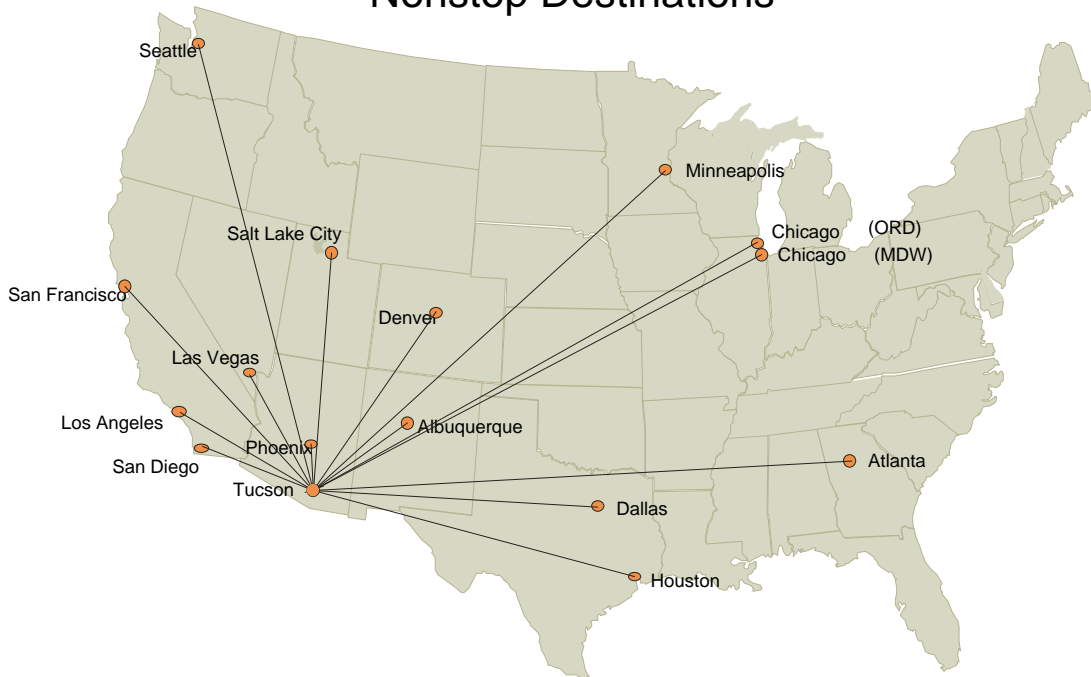


(000) Pound Units

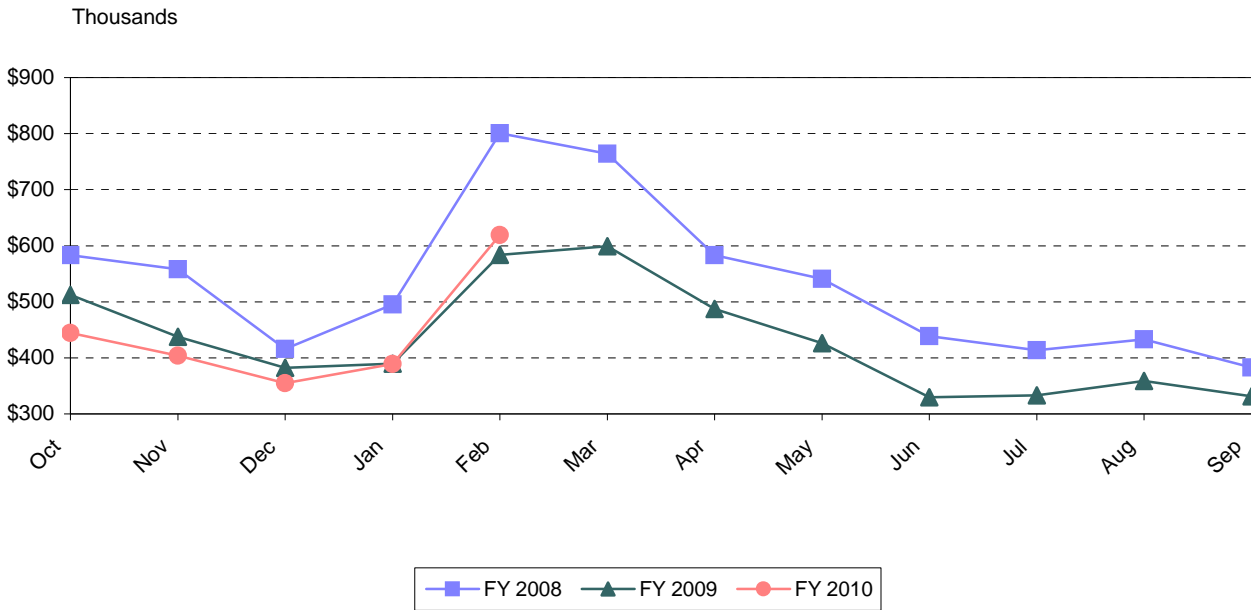
Tucson International Airport Available Daily Seats



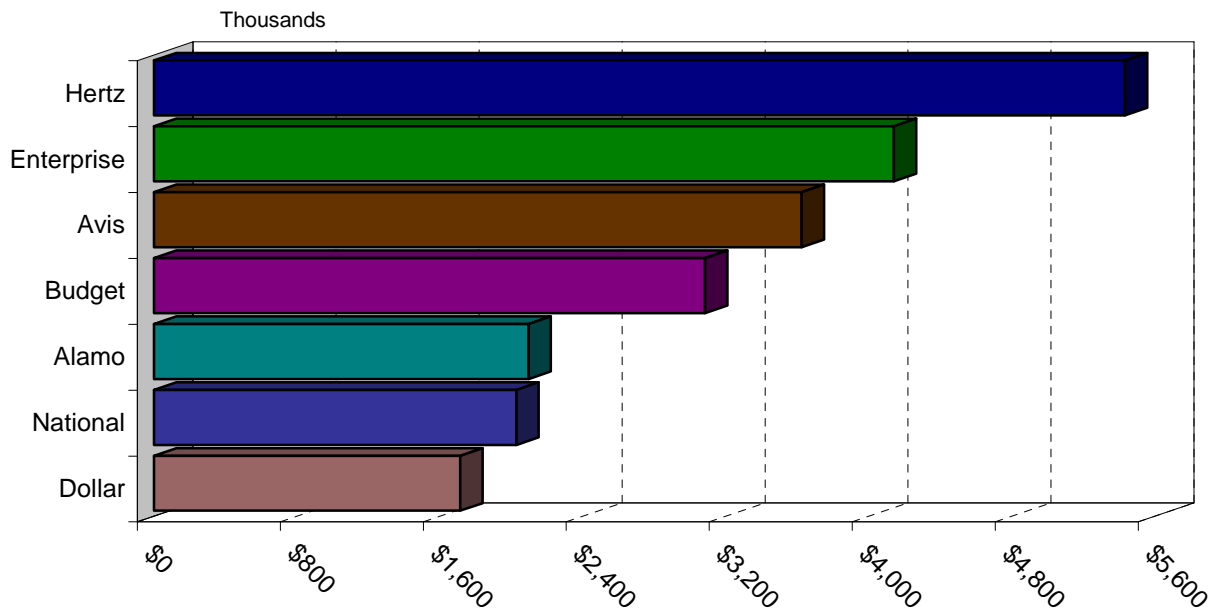
TUCSON INTERNATIONAL AIRPORT Nonstop Destinations



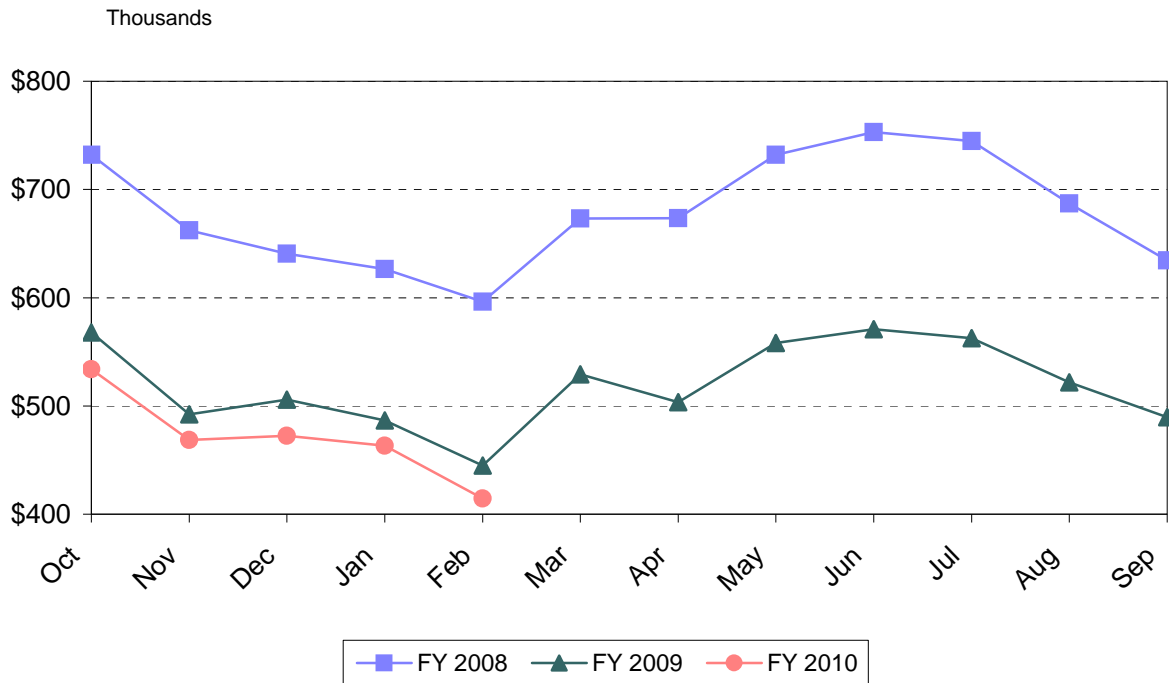
Tucson International Airport On Airport Rental Car Revenue (10% Gross Receipts)



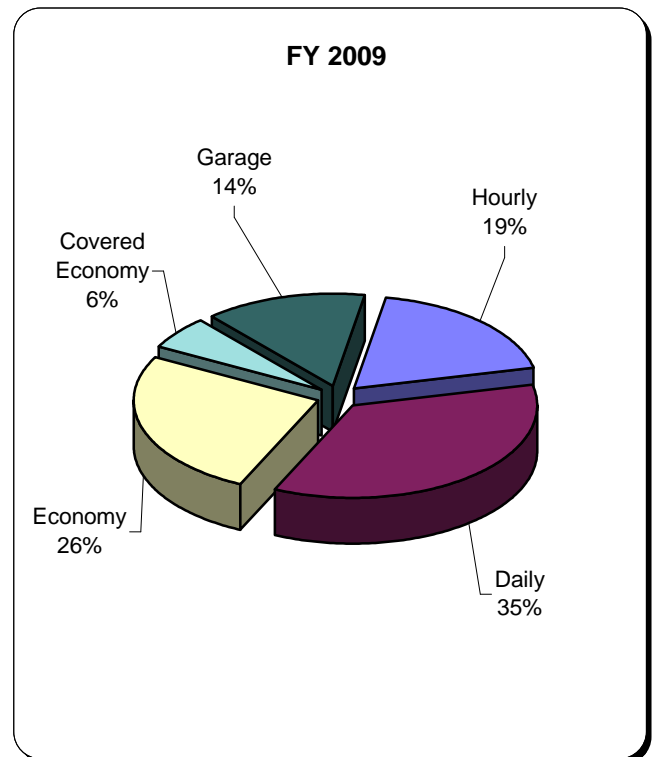
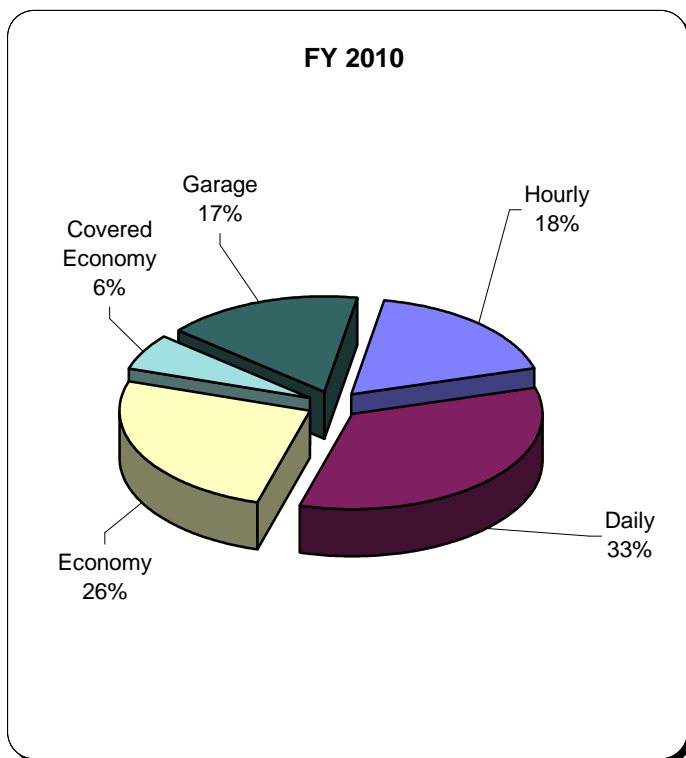
Tucson International Airport FY 2010 - On Airport Rental Car Revenue by Company (Gross Receipts)



Tucson International Airport Parking Revenue

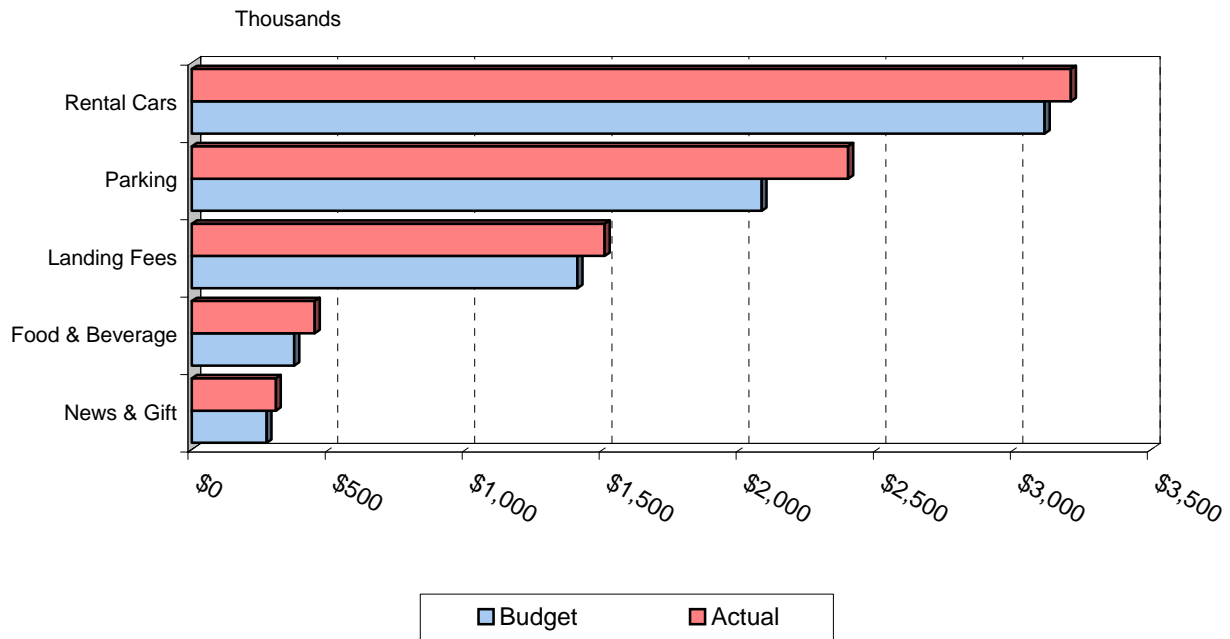


Tucson International Airport Parking Revenue by Lot



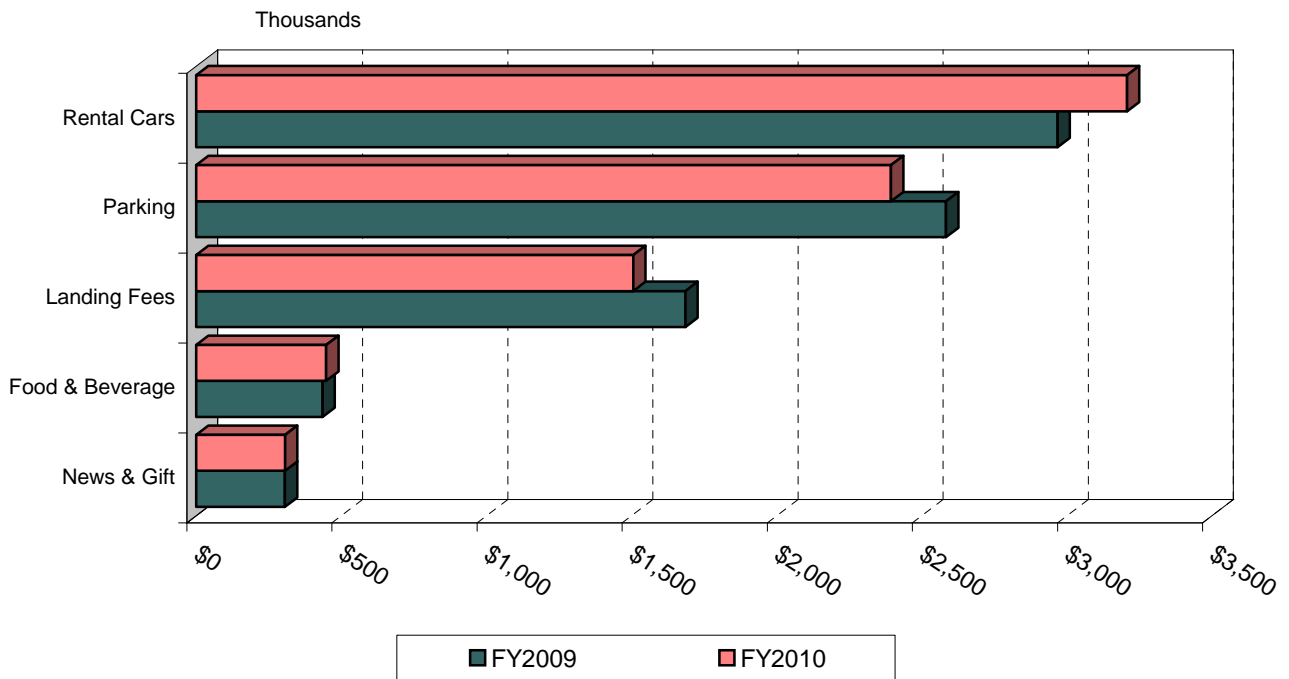
Tucson International Airport

FY 2010 Major Concession/Landing Fee



Tucson International Airport

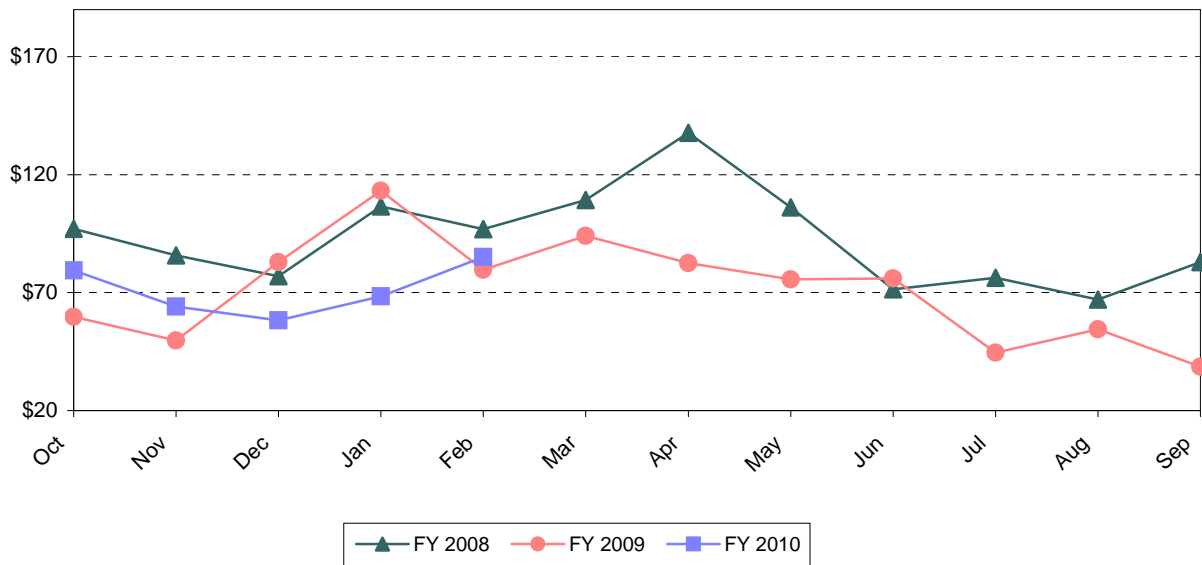
Annual Concession/Landing Fee Comparison



Tucson International Airport

Flightline Gross Margin

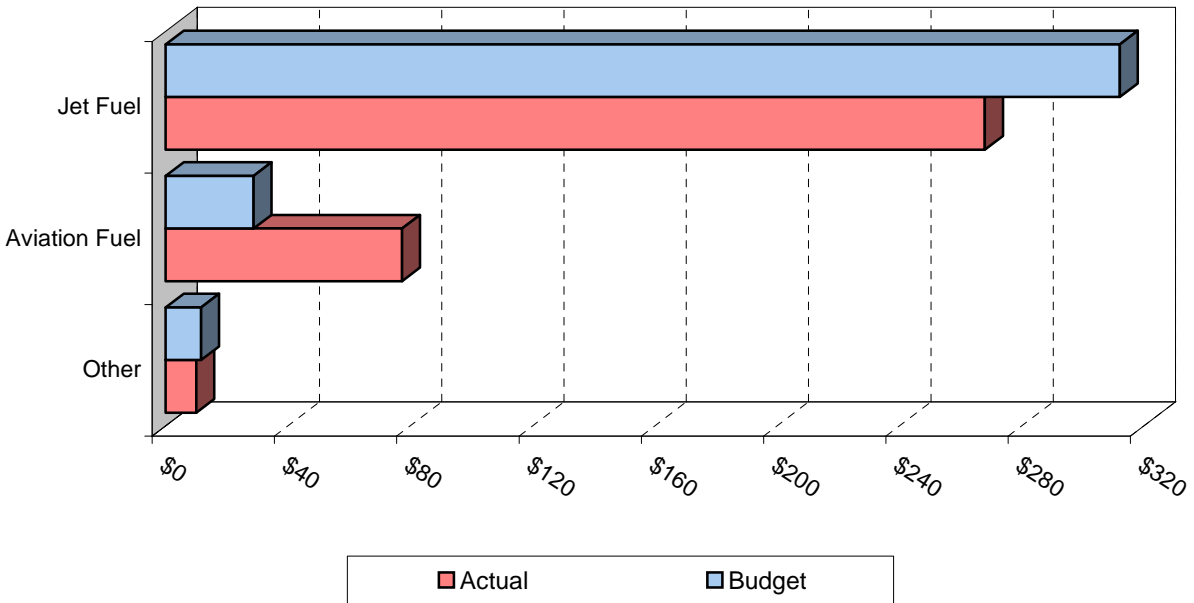
Thousands



Tucson International Airport

FY 2010 - Flightline Gross Margin

Thousands



TUCSON INTERNATIONAL AIRPORT

Operations Data Current Month and Fiscal Year-to-Date

PASSENGERS*	Feb-10	Feb-09	% CHANGE	2010	2009	% CHANGE
				F.Y.T.D.	F.Y.T.D.	
ENPLANED	154,420	151,031	2.2%	754,524	767,760	-1.7%
DEPLANED	152,850	151,486	0.9%	767,202	779,062	-1.5%
TOTAL	307,270	302,517	1.6%	1,521,726	1,546,822	-1.6%

*Passenger figures include non-revenue passengers.

FREIGHT (in pounds)

ENPLANED	1,963,719	2,072,775	-5.3%	11,903,857	11,074,581	7.5%
DEPLANED	2,910,018	2,631,296	10.6%	15,907,202	16,470,361	-3.4%
TOTAL	4,873,737	4,704,071	3.6%	27,811,059	27,544,942	1.0%

MAIL (in pounds)

ENPLANED	0	0		0	170	-100.0%
DEPLANED	473	1,047	-54.8%	2,629	4,095	-35.8%
TOTAL	473	1,047	-54.8%	2,629	4,265	-38.4%

AIRCRAFT OPERATIONS

AIR CARRIER	2,873	2,890	-0.6%	14,564	15,550	-6.3%
AIR TAXI	1,896	1,629	16.4%	9,411	8,115	16.0%
MILITARY	2,418	2,457	-1.6%	12,110	11,836	2.3%
GEN AVIATION	6,404	8,285	-22.7%	34,241	43,157	-20.7%
TOTAL	13,591	15,261	-10.9%	70,326	78,658	-10.6%

2010 FLIGHT SCHEDULE SUMMARY

NONSTOP DESTINATIONS and Airline	Code	Daily Departures			Daily Seats		
		Current Year	Prior Year	Difference	Current Year	Prior Year	Difference
ALBUQUERQUE <i>Southwest (2)</i>	ABQ	2	2	0	274	274	0
ATLANTA <i>Delta (2)</i>	ATL	2	2	0	307	277	30
DENVER <i>United (5), Frontier (2) Southwest (1)</i>	DEN	8	6	2	801	555	246
DALLAS/FT WORTH <i>American (7)</i>	DFW	7	8	(1)	1,020	1,100	(80)
HOUSTON BUSH <i>Continental (4)</i>	IAH	4	4	0	251	246	5
LAS VEGAS <i>Southwest (5)</i>	LAS	5	5	0	646	646	0
LOS ANGELES <i>Southwest (5), United (5)</i>	LAX	10	11	(1)	950	1,049	(99)
CHICAGO MIDWAY <i>Southwest (2)</i>	MDW	2	1	1	254	157	97
MINNEAPOLIS <i>Delta (1) Sun Country (2 weekly)</i>	MSP	1	2	(1)	214	295	(81)
CHICAGO O'HARE <i>American (2)</i>	ORD	2	2	0	280	280	0
PHOENIX <i>USAir (10)</i>	PHX	10	9	1	848	788	60
SAN DIEGO <i>Southwest (4)</i>	SAN	4	4	0	509	509	0
SEATTLE/TACOMA <i>Alaska (1)</i>	SEA	1	1	0	157	159	(2)
SAN FRANCISCO <i>United (2)</i>	SFO	2	1	1	100	52	48
SALT LAKE CITY <i>Delta (3)</i>	SLC	3	3	0	171	150	21
TOTAL		63	61	2	6,782	6,537	245

SUMMARY	Current Year	Prior Year	Difference	Current Year	Prior Year	Difference
DOMESTIC	63	61	3.3%	6,782	6,537	3.7%
DESTINATIONS	15	15	0.0%			