

**RESOURCE RECOVERY ROAD PROJECTS OF THE
TURNPIKE AUTHORITY OF KENTUCKY**

**REPORT ON AUDIT OF SPECIAL-PURPOSE
FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION- -
TRUST INDENTURE BASIS**

For the fiscal year ended June 30, 2009

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INDEPENDENT AUDITORS' REPORT

To the Turnpike Authority of Kentucky
Frankfort, Kentucky

We have audited the accompanying special-purpose financial statements of the Resource Recovery Road Projects of the Turnpike Authority of Kentucky as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Turnpike Authority of Kentucky's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Notes 1 and 2, the Resource Recovery Road Projects of the Turnpike Authority of Kentucky prepares its special-purpose financial statements using accounting practices prescribed or permitted by the 1981 Trust Indenture as supplemented by the First Supplemental Trust Indenture dated as of June 1, 1985, the Second Supplemental Trust Indenture dated as of May 1, 1987, the Third Supplemental Trust Indenture dated as of June 1, 1988 and the Fourth Supplemental Trust Indenture dated May 1, 1995 which was amended December 1, 1995 securing the Authority's bonds, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of all of the funds of the Resource Recovery Road Projects of the Turnpike Authority of Kentucky at June 30, 2009, and the revenues earned, expenditures incurred and monies transferred by the Construction Fund, Revenue Fund, Debt Service Reserve Fund, Repair and Replacement Fund, Bond Fund and the Escrow Deposit Trust Fund for the year then ended on the basis of accounting described in Notes 1 and 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2009, on our consideration of the Turnpike Authority of Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters as applicable to the Resource Recovery Road Projects. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the special-purpose financial statements of the Resource Recovery Road Projects of the Turnpike Authority of Kentucky, taken as a whole. The accompanying supplemental information on pages 19 and 20, is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements, and in our opinion, are fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Authority's governing body, management, bondholders and bond trustee and is not intended to be and should not be used by anyone other than these specified parties.

McElroy, Mitchell & Associates, LLP

October 5, 2009
Morganfield, Kentucky

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LIABILITIES AND NET ASSETS

<i>Construction Fund</i>		
Resource Recovery Road Projects Revenue Refunding Bonds	\$ 56,485,000	
Net assets	<u>765,372,569</u>	
Total liabilities and net assets - Construction Fund		\$ 821,857,569
<i>Revenue Fund</i>		
Unearned Lease revenues	9,000	
Due to Bond Service Account	7,059,771	
Net assets	<u>1,190</u>	
Total liabilities and net assets - Revenue Fund		7,069,961
<i>Repair and Replacement Fund</i>		
Net assets	<u>359,380</u>	
Total liabilities and net assets - Repair and Replacement Fund		359,380
<i>Bond Fund</i>		
Capitalized Interest Account	-	
<i>Bond Service Account:</i>		
Accrued interest payable	1,694,550	
Net assets (reserved for bond principal payment, July 1, 2009, \$56,485,000)	56,485,076	
Redemption Account	-	
<i>Rebate Account</i>		
Net assets	<u>408,649</u>	
Total liabilities and net assets - Bond Fund		58,588,275
<i>Escrow Deposit Trust Fund</i>		
Net assets	<u>-</u>	
Total liabilities and net assets - Escrow Deposit Trust Fund		-
<i>Debt Service Reserve Fund</i>		
Due to Bond Service Account	50,921,026	
Net assets	<u>283,782</u>	
Total liabilities and net assets - Debt Service Reserve Fund		<u>51,204,808</u>
Total liabilities and net assets - All Funds		<u>\$ 939,079,993</u>

The accompanying notes are an integral
part of the financial statements

RESOURCE RECOVERY ROAD PROJECTS OF THE
TURNPIKE AUTHORITY OF KENTUCKY

CONSTRUCTION FUND

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS -- TRUST INDENTURE BASIS

for the year ended June 30, 2009

Revenues	<u>\$ -</u>
Expenses:	
Amortization of issuance costs	<u>278,793</u>
Total expenses	<u>278,793</u>
Deficiency of revenues over expenses	<u>(278,793)</u>
Other financing sources (uses):	
Bonds redeemed in Bonds Service Account	-
Operating transfers in	-
Operating transfers out	<u>-</u>
Total other financing sources (uses)	<u>-</u>
Deficiency of revenues and other financing sources over expenses and other financing uses	<u>(278,793)</u>
Net assets, beginning of year	<u>765,651,362</u>
Net assets, end of year	<u>\$ 765,372,569</u>

The accompanying notes are an integral
part of the financial statements

**RESOURCE RECOVERY ROAD PROJECTS OF THE
TURNPIKE AUTHORITY OF KENTUCKY**

REVENUE FUND

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS -- TRUST INDENTURE BASIS**

for the year ended June 30, 2009

Revenues:		
Lease income	\$	7,059,771
Supplemental lease income		<u>100,000</u>
Total revenues		<u>7,159,771</u>
Expenses:		
Trustee and paying agent fees		56,213
Administrative and miscellaneous expenses		<u>43,783</u>
Total expenses		<u>99,996</u>
Excess of revenues over expenses		<u>7,059,775</u>
Other financing uses:		
Operating transfers in		-
Operating transfers out		<u>(7,059,771)</u>
Total other financing uses		<u>(7,059,771)</u>
Excess of revenues over expenses and other financing uses		4
Net assets, beginning of year		<u>1,186</u>
Net assets, end of year	\$	<u><u>1,190</u></u>

The accompanying notes are an integral
part of the financial statements

**RESOURCE RECOVERY ROAD PROJECTS OF THE
 TURNPIKE AUTHORITY OF KENTUCKY**

REPAIR AND REPLACEMENT FUND

**STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET ASSETS -- TRUST INDENTURE BASIS**

for the year ended June 30, 2009

Revenues:		
Investment income	\$	3,885
Total revenues		3,885
Expenses		-
Excess of revenues over expenses		3,885
Other financing sources (uses):		
Operating transfers in		-
Operating transfers out		-
Total other financing sources (uses)		-
Excess of revenues and other financing sources over expenses and other financing uses		3,885
Net assets, beginning of year		355,495
Net assets, end of year	\$	359,380

The accompanying notes are an integral
part of the financial statements

RESOURCE RECOVERY ROAD PROJECTS OF THE
TURNPIKE AUTHORITY OF KENTUCKY

BOND FUND

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS -- TRUST INDENTURE BASIS

for the year ended June 30, 2009

Revenues:	
Investment income	\$ 24,517
Contributions from Escrow accounts	<u>1,500</u>
Total revenues	<u>26,017</u>
Expenses:	
Interest expense	<u>3,389,100</u>
Total expenses	<u>3,389,100</u>
Deficiency of revenues over expenses	<u>(3,363,083)</u>
Other financing sources:	
Operating transfers in	58,259,107
Operating transfers out	<u>-</u>
Total other financing sources	<u>58,259,107</u>
Excess of revenues and other financing sources over expenses	54,896,024
Net assets, beginning of year	<u>1,997,701</u>
Net assets, end of year	<u>\$ 56,893,725</u>

The accompanying notes are an integral
part of the financial statements

RESOURCE RECOVERY ROAD PROJECTS OF THE
TURNPIKE AUTHORITY OF KENTUCKY

ESCROW DEPOSIT TRUST FUND

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS -- TRUST INDENTURE BASIS

for the year ended June 30, 2009

Revenues	\$ -
Expenses	-
Excess of revenues over expenses	-
Other financing sources (uses):	
Operating transfers in	-
Operating transfers out	-
Excess of revenues and other sources over expenses and other uses	-
Net assets, beginning of year	-
Net assets, end of year	\$ -

The accompanying notes are an integral
part of the financial statements

RESOURCE RECOVERY ROAD PROJECTS OF THE
TURNPIKE AUTHORITY OF KENTUCKY

DEBT SERVICE RESERVE FUND

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS -- TRUST INDENTURE BASIS

for the year ended June 30, 2009

Revenues:	
Investment income	\$ 4,858,118
	<u>4,858,118</u>
Total revenues	<u>4,858,118</u>
Expenses	<u>-</u>
	<u>4,858,118</u>
Excess of revenues over expenses	<u>4,858,118</u>
Other financing uses:	
Operating transfers in	-
Operating transfers out	<u>(51,199,336)</u>
Total other financing uses	<u>(51,199,336)</u>
Deficiency of revenues over expenses and other financing uses	(46,341,218)
Net assets, beginning of year	<u>46,625,000</u>
Net assets, end of year	<u>\$ 283,782</u>

The accompanying notes are an integral
part of the financial statements

**RESOURCE RECOVERY ROAD PROJECTS OF THE
TURNPIKE AUTHORITY OF KENTUCKY**

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Basis of Presentation

As provided by authorizing legislation, the Authority has issued bonds to construct various resource recovery roads to facilitate the transportation of coal severed and produced from mines located in various parts of Kentucky and for general public use. To set forth obligations and agreements of the Authority with regard to these bonds, the Authority adopted the 1981 Trust Indenture Agreement, as amended by the First Supplemental Trust Indenture dated June 1, 1985, the Second Supplemental Trust Indenture dated May 1, 1987, the Third Supplemental Trust Indenture dated June 1, 1988 and the Fourth Supplemental Trust Indenture dated May 1, 1995 which was amended December 1, 1995.

Among other requirements, the Trust Indenture sets forth various accounting principles which are to be followed by the Authority and which differ in certain respects from generally accepted accounting principles, principally in that the Authority does not capitalize purchases of furniture, fixtures and office equipment in its financial statements and that interest income during construction is treated as a reduction in construction costs. The Authority's financial statements are reported in a format which differs from accounting principles generally accepted in the United States of America. Therefore, the accompanying financial statements, which are prepared in accordance with the aforementioned accounting principles are not intended to, and do not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America.

B. Deposits and Investments

The Authority's cash and cash equivalents include all demand deposits and all highly liquid investments with a maturity of three months or less from the date of acquisition.

All investments of the Authority are accounted for by fair value based on quoted market price.

C. Debt Issuance Costs

Debt issuance costs are being amortized over the life of the issue using the bonds-outstanding method. Discounts on debt are amortized by the "interest" method using the effective interest rate.

Continued

**RESOURCE RECOVERY ROAD PROJECTS OF THE
TURNPIKE AUTHORITY OF KENTUCKY**

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies, Continued

D. Supplemental Lease Income

The Trust Indenture Agreement provides for the Authority, at six month intervals, to request sufficient additional funds from the Transportation Cabinet to pay administrative expenses for the succeeding six months. This supplemental lease income is recorded as income in the period for which it is to be expended.

E. Other Revenue Sources

The Authority occasionally receives income from the sale of excess or surplus property acquired for construction of roads. Also, the Authority receives excess earnings from funds previously escrowed for bond defeasance. These revenues from other sources are recognized when received.

F. Cash and Short-Term Investments

The carrying amount approximates fair value because of the short maturity of those items.

G. Long-Term Investments

The fair value of the Authority's long-term investments is based on the quoted market prices as of June 30, 2009.

2. General Information

Purpose

Resource Recovery Road Revenue Bonds (the "Bonds") were issued by The Turnpike Authority of Kentucky (the "Authority") to refund and defease previously issued and outstanding Resource Recovery Road Revenue Bonds. These original Bonds were issued upon direction of the Transportation Cabinet of the Commonwealth of Kentucky (the "Cabinet") to finance the cost of design, engineering and construction of various resource recovery roads throughout the Commonwealth, which are intended to facilitate the transportation of coal severed and produced from mines located in various parts of Kentucky and for general public use.

The Authority

The Authority constitutes a de jure municipal corporation and political subdivision of the Commonwealth of Kentucky. The Authority is a blended component unit of the Commonwealth of Kentucky. It is authorized and empowered, under the terms of written

Continued

**RESOURCE RECOVERY ROAD PROJECTS OF THE
TURNPIKE AUTHORITY OF KENTUCKY**

NOTES TO FINANCIAL STATEMENTS

2. General Information, Continued

The Authority, Continued

agreements with the Cabinet, to initiate, plan, implement, acquire, construct and finance Toll Road Projects, Resource Recovery Road Projects and Economic Development Road Projects, to lease such projects to the Cabinet, to issue revenue bonds to finance such projects and to refund such revenue bonds.

These financial statements include only the activities of the Resource Recovery Road Projects bond issues and are not intended to present the activities of the Turnpike Authority of the Commonwealth of Kentucky, as a whole.

Security

The Bonds are special obligations of the Authority secured by and payable solely from monies pledged for the payment thereof under the 1981 Trust Indenture, (the "Indenture"), as amended by The First Supplemental Trust Indenture on June 1, 1985, the Second Supplemental Trust Indenture dated as of May 1, 1987, the Third Supplemental Trust Indenture dated as of June 1, 1988 and the Fourth Supplemental Trust Indenture dated May 1, 1995 which was amended December 1, 1995. Subject only to the provisions of the Indenture permitting the application of such monies for or to the purposes and on the terms and conditions set forth therein, they are pledged for the payment of principal and premium, if any, and interest on the Bonds of all the funds (and all accounts thereof) established pursuant to the Indenture and monies and securities therein. There are to be deposited in such funds and accounts (i) proceeds derived from the sale of the Bonds, (ii) monies received by the Authority as rental payments from the Cabinet under the lease, the First Supplemental Lease dated as of June 1, 1985, the Second Supplemental Lease dated as of May 1, 1987, the Third Supplemental Lease dated as of June 1, 1988, and the Fourth Supplemental Lease dated as of May 1, 1995 and (iii) during such times as the lease shall not be in effect, tolls which may be collected from the system, and motor fuel taxes derived from consumption of motor fuels on the system not required by law or by previous binding contract to be - otherwise applied, as collected by the Commonwealth and paid to the Authority.

The Authority does not expect that it will have a source of revenues sufficient to pay the Bonds if required rentals are not received under the lease. There is no indication that the required rentals will not be received.

The Authority does not have any taxing power. The Bonds do not constitute a debt of the Commonwealth, and neither the faith and credit nor the taxing authority of the Commonwealth is pledged to the payment of the principal of or interest on the Bonds.

Continued

RESOURCE RECOVERY ROAD PROJECTS OF THE
TURNPIKE AUTHORITY OF KENTUCKY

NOTES TO FINANCIAL STATEMENTS

2. **General Information, Continued**

Trust Indenture

In connection with the issuance of the Bonds, the Authority entered into the Indenture with Citizens Fidelity Bank and Trust Company, Louisville, Kentucky (the "Trustee"). The Indenture (dated as of September 1, 1981 and amended by The First, Second, Third and Fourth Supplemental Trust Indenture on June 1, 1985, May 1, 1987, June 1, 1988 and May 1, 1995, which was amended December 1, 1995, respectively) contains provisions establishing funds and accounts for segregation of assets and restricting the use of the proceeds of Bonds as well as other funds received. Cash and marketable securities of the various funds and accounts are restricted for the following purposes:

Construction Fund - Construction costs include preliminary studies, land acquisition, construction costs, engineering, legal, administrative expenses, paying agent and trustee fees and interest expense (less interest earned on unexpended construction funds) during construction and other financing costs. Construction costs are not being amortized;

Bond Fund:

Capitalized Interest Account - payment of Bond interest as may be provided in a Series Resolution;

Bond Service Account - payment of Bond principal and interest;

Redemption Account - retirement of Term Bonds;

Rebate Account - established January 2, 1996 to hold and remit arbitrage payments to the Internal Revenue Service on 1987A Revenue Refunding Bonds;

Revenue Fund - a depository for collections of monies received under lease agreements with the Cabinet. Transfers are made from this account according to funding requirements of the Indenture. The Revenue Fund also has an operating account for payment of administration costs;

Repair and Replacement Fund - this fund was established May 21, 1985 from excess monies from reinvestment of previously escrowed funds for refunded Bonds. Monies in this fund may be used for (i) repair of any resource recovery road, (ii) fees and expenses of the escrow trustee and (iii) other fees in connection with

Continued

**RESOURCE RECOVERY ROAD PROJECTS OF THE
TURNPIKE AUTHORITY OF KENTUCKY**

NOTES TO FINANCIAL STATEMENTS

2. General Information, Continued

Trust Indenture, Continued

Repair and Replacement Fund, Continued

the purchase, carrying, sale or redemption of any obligation held under the Escrow Agreement;

Escrow Deposit Trust Fund - established May 1, 1995 to manage monies transferred for the purchase of securities under a Forward Delivery Agreement for defeasance of Bonds;

Debt Service Reserve Fund - assets held as a reserve for payment of Bond principal and interest if monies in the Bond Service Account are insufficient to make required payments.

3. Investments

Investments are included in the Statement of Assets, Liabilities and Net Assets in the captions "Marketable Securities" and "Cash Equivalents". As of June 30, 2009, the Resource Recovery Projects of the Turnpike Authority had the following investments and maturities:

<u>Investment Type</u>	Investment Maturities (in Years)			
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>
U. S. Government money markets	\$ 3,119,337	\$ 3,119,337	\$ -	\$ -
U. S. Government state and local government T-Bond	46,625,000	46,625,000	-	-
	<u>\$ 49,744,337</u>	<u>\$ 49,744,337</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy requires, at a minimum, an annual review of the investment maturities. The Authority had no investments during the year ended June 30, 2009 that were subject to interest rate risk.

Credit Risk

State law and the Trust Indenture limits investments to U. S. Government backed securities, any corporation of the U. S. Government, Certificates of Deposit and Bankers Acceptances issued by highly rated banks commercial paper in the highest rating category,

Continued

**RESOURCE RECOVERY ROAD PROJECTS OF THE
TURNPIKE AUTHORITY OF KENTUCKY**

NOTES TO FINANCIAL STATEMENTS

3. Investments, Continued

Credit Risk, Continued

and securities issued by a state or local government rated in one of the three categories. As of June 30, 2009 all of the Authority's investments were in U.S. Treasury securities or money market accounts backed by U.S. Government securities.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments, or collateral securities that are in the possession of an outside party. All of the Resource Recovery Road Project's investments are held by the Trustee counterparty, not in the name of the Turnpike Authority.

4. Resource Recovery Road Revenue Refunding Bonds

At June 30, 2009, Resource Recovery Road Revenue Refunding Bonds outstanding were as follows:

1985 Series A

Current Interest Serial Bonds, 6.00%, due July 1, 2009	\$ 56,485,000
Total	<u>\$ 56,485,000</u>

The debt principal and interest requirements during the years ending June 30 are:

	Principal	Interest	Total
2010	\$ 56,485,000	\$ -	\$ 56,485,000
	\$ 56,485,000	\$ -	\$ 56,485,000

A summary of changes in long-term debt for the year ended June 30, 2009 were as follows:

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009	Due Within One Year
1985 Series A	\$ 56,485,000	\$ -	\$ -	\$ 56,485,000	\$ 56,485,000
	\$ 56,485,000	\$ -	\$ -	\$ 56,485,000	

Continued

**RESOURCE RECOVERY ROAD PROJECTS OF THE
TURNPIKE AUTHORITY OF KENTUCKY**

NOTES TO FINANCIAL STATEMENTS

4. Resource Recovery Road Revenue Refunding Bonds, Continued

Redemption Provisions

1985 Bonds

The Bonds, with the exception of the Capital Appreciation Bonds and the Bond Income Growth Securities, were redeemable, at the election of the Authority, on or after July 1, 1991 or not less than 30 days published notice in whole at any time and in part on an interest payment date in the inverse order of their maturities.

Set forth below are the respective redemption prices, expressed as percentages of principal amount, which are payable together with accrued interest to the redemption date:

1985 Bonds Redemption Period (Both Dates Inclusive)	Redemption Price
July 1, 1995-June 30, 1996	103%
July 1, 1996-June 30, 1997	102%
July 1, 1997-June 30, 1998	101%
July 1, 1998 and thereafter	100%

5. Prior-year Defeasance of Debt

In prior years, the Authority defeased certain bonds by placing monies in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's financial statements. As of June 30, 2009 approximately \$11.3 million of bonds outstanding are considered defeased.

Continued

SUPPLEMENTAL INFORMATION

SUPPLEMENTAL INFORMATION

RESOURCE RECOVERY ROAD PROJECTS OF THE
TURNPIKE AUTHORITY OF KENTUCKY

BOND FUND-COMBINING SCHEDULE OF ACCOUNTS

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS -- TRUST INDENTURE BASIS

for the year ended June 30, 2009

	Bond Service Account	Capitalized Interest Account	Redemption Account	Rebate Account	Total Bond Fund
Revenues:					
Investment income	\$ 17,332	\$ -	\$ -	\$ 7,185	\$ 24,517
Contributions form Escrow Funds	1,500	-	-	-	1,500
Total revenues	18,832	-	-	7,185	26,017
Expenses:					
Arbitrage Tax	-	-	-	-	-
Interest expense	3,389,100	-	-	-	3,389,100
Total expenses	3,389,100	-	-	-	3,389,100
Excess (deficiency) of revenues over expenses	(3,370,268)	-	-	7,185	(3,363,083)
Other financing sources:					
Operating transfers in	57,980,797	-	-	278,310	58,259,107
Operating transfers out	-	-	-	-	-
Total other financing sources	57,980,797	-	-	278,310	58,259,107
Excess of revenues and other sources over expenses	54,610,529	-	-	285,495	54,896,024
Net assets, beginning of year	1,874,547	-	-	123,154	1,997,701
Net assets, end of year	\$ 56,485,076	\$ -	\$ -	\$ 408,649	\$ 56,893,725

SUPPLEMENTAL INFORMATION

RESOURCE RECOVERY ROAD PROJECTS
OF THE TURNPIKE AUTHORITY OF KENTUCKY

SCHEDULE OF PROJECT COSTS

January 24, 1985 to June 30, 2009

	<u>Balance</u> <u>June 30, 2009</u>
Construction	
Grade and drain	\$ 451,001,844
Structures	84,647,376
Surfacing	107,089,100
Lighting and signing	1,198,030
Appurenances	7,778,996
Right-of-way acquisition	72,449,314
Utlilty adjustments	22,710,981
Engineering	79,338,847
Administrative and legal	3,498,918
Access road	17,782
Cost billable to State of Ohio	(3,661,591)
TPI Systems, Inc. participation	(268,668)
Mt. Sterling Water and Sewer participation	(335,256)
L&N Railroad participation	(125,800)
Corp of Engineers participaton	(115,190)
Dixie Fuel participation	(16,456)
	825,208,227
Capitalized interest expense during construction	23,809,278
Interest income on Construction Fund investments during construction	(27,534,960)
Capitalized debt issuance costs during construction	375,024
Total all projects	\$ 821,857,569