Audited Financial Statements with
Other Financial Information

West Virginia Parkways, Economic Development and Tourism Authority
(A Component Unit of the State of West Virginia)

Years Ended June 30, 2009 and 2008

Gibbons & Kawash
Certified Public Accountants

Audited Financial Statements
with Other Financial Information

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT
AND TOURISM AUTHORITY
(A Component Unit of the State of West Virginia)

Years Ended June 30, 2009 and 2008

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INDEPENDENT AUDITORS' REPORT

To the Members of the
West Virginia Parkways, Economic Development
and Tourism Authority

We have audited the accompanying balance sheet of the West Virginia Parkways, Economic Development and Tourism Authority, a component unit of the State of West Virginia, as of June 30, 2009 and 2008, and the related statements of revenues, expenses, and changes in fund net assets and cash flows for the years then ended. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Virginia Parkways, Economic Development and Tourism Authority as of June 30, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2009, on our consideration of the West Virginia Parkways, Economic Development and Tourism Authority'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. 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.

The Management's Discussion and Analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other financial information, listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the West Virginia Parkways, Economic Development and Tourism Authority. Such information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Gibbons & Kawash

October 28, 2009

West Virginia Parkways, Economic Development and Tourism Authority
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2009 and 2008

This section of the West Virginia Parkways, Economic Development and Tourism Authority's (the Authority) annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year that ended June 30, 2009. Please read it in conjunction with the Authority's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Due to the decrease in commercial truck traffic as a result of the national economic slowdown, toll revenues decreased $3.2 million or 5.7%. Commercial truck transactions decreased 11.5%.

- Because of continued cost savings improvements, operating expenses, exclusive of depreciation, declined by 1.0%.

- As a result of decreased toll revenues, capital improvements were $11.3 million less than 2008.

- On July 1, 2009, the Authority adopted a new toll and discount rate schedule that became effective August 1, 2009. Cash toll rates were increased by approximately 60% with discounts added for patrons paying with electronic transponders. As a result of new revenue projections, the Authority has implemented a ten year program to address essential deferred maintenance and capital needs which are estimated to be $335 million over the next ten years. Additional revenue, estimated to be approximately $20 million per year, together with net operating revenues, will be used to fund this program on a pay-as-you-go basis.

CONDENSED BALANCE SHEET INFORMATION (in thousands)

ASSETS	2009	2008	2007	Change '09-'08
Current assets	$ 29,262	$ 18,633	$ 28,141	57.0%
Long-term investments	15,408	27,589	21,396	(44.2)%
Investments in economic development projects, net	-	-	2,000	-%
Capital assets, net	484,038	506,746	517,772	(4.5)%
Total assets	$ 528,708	$ 552,968	$ 569,309	(4.4)%

LIABILITIES AND NET ASSETS	2009	2008	2007	Change '09-'08
Current liabilities	$ 15,753	$ 16,443	$ 15,211	(4.2)%
Long-term revenue bonds, net	73,754	80,763	87,194	(8.7)%
Other long-term liabilities	1,868	1,638	3,478	14.0%
Total liabilities	91,375	98,844	105,883	(7.6)%

CONDENSED BALANCE SHEET INFORMATION (in thousands) (Continued)

	2009	2008	2007	Change '09-'08
Net assets:				
Invested in capital assets, net of related debt	401,735	416,812	422,455	(3.6)%
Restricted	30,175	32,096	39,246	(6.0)%
Unrestricted	5,423	5,216	1,725	4.0%
Total net assets	437,333	454,124	463,426	(3.7)%
Total liabilities and net assets	$ 528,708	$ 552,968	$ 569,309	(4.4)%

ASSETS

Cash and investments decreased by $0.6 million during the fiscal year ended June 30, 2009. As a result of the interest rate environment, and in an effort to have cash available to advance refund the Series 2001A and 2001B bonds, $12.2 million of long-term investments were allowed to liquidate.

Capital assets decreased by $22.7 million as the result of capital improvements of $8.7 million that were offset by $31.4 million of depreciation expense. See Note 5 of the financial statements for more detailed information on the Authority's capital assets.

In early 2009, the Authority engaged its consulting engineer to make a recommendation based on its study of the Turnpike's needs for estimated operating expenses, renewal and replacement requirements and essential deferred maintenance and capital needs. Factors prompting this decision included a combination of increasing costs and declining traffic and toll revenues exacerbated by the global economic recession, a growing backlog of essential deferred maintenance and capital needs and the potential for a technical default on the Turnpike Bonds. The technical default could have occurred if the Authority had adopted a fiscal year 2010 budget based on the old toll rate schedule and the debt service coverage requirement under its bond indentures had not been met.

In April 2009, the consulting engineers recommended the Authority implement a ten-year program to address the backlog of essential deferred maintenance and capital needs estimated to cost $335 million. It was estimated that the Authority would need just over $20 million of additional revenue for fiscal year 2010 increasing each future fiscal year by approximately 4% per year for inflation and escalation. The additional revenue is anticipated to fully fund this program without the issuance of additional debt by the Authority.

Concurrently, the Authority engaged its traffic engineer to study and report on recent transaction and revenue trends and to develop traffic and revenue forecasts under the previous toll rate schedule as well as under various levels of toll rates, and to make a recommendation as to the least increase in toll rates, combined with the largest discount for electronic toll customers, that is estimated to produce enough annual toll revenue to meet the ten year program as outlined by the consulting engineers.

ASSETS (Continued)

On July 1, 2009, the Authority adopted a new toll and discount rate schedule that became effective August 1, 2009. Cash toll rates were increased by approximately 60% from $1.25 to $2.00 per barrier for passenger cars and from $4.25 to $6.75 per barrier for 5-axle tractor-trailers. All other classes were increased proportionately. As required by state code, discounts for all classes of vehicles paying by electronic transponders was also adopted. For passenger cars, the discount for paying with an Authority issued E-ZPass^{sm} transponder is 35%. For commercial trucks, the discount for using any E-ZPass^{sm} is 13%, and for using an Authority issued E-ZPass^{sm} is 20%.

Also, a resolution to advance refund the Series 2001A and 2001B "Tamarack" bonds was adopted. Funds previously designated for future debt service on these bonds would be available for use on the highway as a means to offset additional discounts that were increased from the original Traffic Engineer's reports. The advance refunding was completed on August 20, 2009.

On August 6, 2009, the Authority approved three highway construction contracts totaling approximately $13.5 million. Some of this work will be completed during the fall of 2009 prior to the onset of winter.

LIABILITIES

Total liabilities decreased $7.5 million due to regularly scheduled principal payments and amortization of bond deferrals. As detailed in Note 6 of the financial statements, the Authority's Series 2001 revenue bonds are payable solely from concession, *Tamarack*, and other non-toll revenues. The remaining outstanding Series 1993, 2002 and 2008 bonds are payable from toll revenues.

On July 2, 2008, the Authority issued $54.8 million of Variable Rate Demand Revenue Refunding Bonds for the express purpose of refunding $54.8 million of the Authority's Series 2003 Bonds. The Authority completed the refunding to remove the requirement for bond insurance that was included in the Series 2003 bonds.

Because of downgrades of the bond insurer by the three major rating agencies, the Series 2003 Bonds were not in compliance with SEC Rule 2(a)(7) and as a result, the Authority incurred excess interest expense. Immediately after the refunding, the interest rates improved. However, during late 2008, market conditions again deteriorated and the Authority incurred excess interest costs for approximately two months. Since then, conditions have stabilized.

The Authority's credit ratings are among the best for similar facilities worldwide. The current agency ratings are as follows:

Agency	Rating
Standard & Poor's	AA-
Moody's Investors Service	AA3

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CHANGES IN NET ASSETS INFORMATION (in thousands)

A schedule of results of operations for the years ended June 30, 2009, 2008 and 2007 follows (in thousands):

	2009	2008	2007	Change '09-'08
Revenues:				
Operating revenues:				
Toll revenues	$ 53,341	$ 56,563	$ 58,165	(5.7)%
Other revenues	6,923	7,459	7,657	(7.2)%
Nonoperating revenues:				
Net investment revenue	1,307	2,293	2,710	(43.0)%
On-behalf contribution	-	496	-	(100.0)%
Total revenues	61,571	66,811	68,532	(7.8)%
Expenses:				
Operating expenses:				
Maintenance	17,664	17,448	16,837	1.2%
Toll collection	10,207	10,117	9,195	0.9%
Traffic enforcement	2,973	2,815	2,746	5.6%
General and administrative	9,022	9,896	10,221	(8.8)%
Depreciation	31,406	31,064	30,127	1.1%
Nonoperating expenses:				
Interest expense	7,090	7,330	6,205	(3.3)%
Total expenses	78,362	78,670	75,331	(0.4)%
Net loss	$ (16,791)	$ (11,859)	$ (6,799)	41.6%
Net assets, beginning of year	$ 454,124	$ 463,426	$ 470,225	
Cumulative effect of implementation of GASB Statement 45	-	2,557	-	
Net assets, end of year	$ 437,333	$ 454,124	$ 463,426	

Toll revenues are the primary source of funding for the Authority. After picking up late in the fiscal year, passenger car traffic volume increased by 0.4% for the year. As a result of the national economic slowdown, commercial truck traffic volume decreased by an unprecedented 11.5%.

West Virginia Parkways, Economic Development and Tourism Authority
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CHANGES IN NET ASSETS INFORMATION (in thousands) (Continued)

	2009	2008	2007	Change '09-'08
Traffic volume (transactions in thousands):				
Passenger cars	26,511	26,413	26,960	0.4%
Commercial vehicles	7,098	8,018	8,265	(11.5)%
Total	33,609	34,431	35,225	(2.4)%

Because of the large decrease in commercial vehicle transactions, toll revenues decreased by $3.2 million or 5.7% compared to the prior year.

	2009	2008	2007	Change '09-'08
Toll revenues (dollars in thousands):				
Passenger cars	$ 26,584	$ 26,381	$ 26,908	0.8%
Commercial vehicles	26,757	30,182	31,257	(11.3)%
Total	$ 53,341	$ 56,563	$ 58,165	(5.7)%

As a result of falling short term interest rates, investment earnings dropped by $1.0 million or 43.0% from the prior year.

Despite inflationary pressures including higher costs of construction materials and road salt, total operating expenses, exclusive of depreciation, declined by $0.4 million or 1.0% because of continued cost savings improvements.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the West Virginia Parkways Authority, Director of Finance, P. O. Box 1469, Charleston, WV 25325-1469.

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT AND TOURISM AUTHORITY

BALANCE SHEET

June 30, 2009 and 2008
(In Thousands)

ASSETS	2009	2008
Current assets:		
Cash and cash equivalents	$ 22,133	$ 11,980
Short-term investments	2,614	1,174
Accounts receivable	1,389	1,721
Accrued interest receivable	161	278
Inventory	2,469	2,451
Other	496	1,029
Total current assets	29,262	18,633
Noncurrent assets:		
Investments in securities maturing beyond one year	15,408	27,589
Capital assets	983,288	974,589
Less: accumulated depreciation	499,250	467,843
	484,038	506,746
Total noncurrent assets	499,446	534,335
Total assets	$ 528,708	$ 552,968
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 960	$ 1,014
Accrued interest payable	280	713
Customer deposits	1,135	1,063
Other accrued liabilities	5,435	5,636
Current portion of capital lease payable	538	687
Current portion of long-term revenue bonds	7,405	7,330
Total current liabilities	15,753	16,443
Noncurrent liabilities:		
Long-term revenue bonds, net of unamortized premiums, discounts and issuance costs, less current portion:		
Series 2001 revenue bonds	5,251	6,090
Series 2002 revenue bonds	23,910	25,845
Series 2003 revenue bonds	-	48,828
Series 2008 revenue bonds	44,593	-
	73,754	80,763
Capital lease payable, less current portion	606	1,154
Accrued post-employment benefits other than pensions	1,262	484
Total noncurrent liabilities	75,622	82,401
Total liabilities	91,375	98,844
Net assets:		
Invested in capital assets, net of related debt	401,735	416,812
Restricted by trust indenture	30,175	32,096
Unrestricted	5,423	5,216
Total net assets	437,333	454,124
Total net assets and liabilities	$ 528,708	$ 552,968

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT
AND TOURISM AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

Years Ended June 30, 2009 and 2008
(In Thousands)

	2009	2008
Operating revenues:		
Toll revenues	$ 53,341	$ 56,563
Other revenues	6,923	7,459
Total revenues	60,264	64,022
Operating expenses:		
Maintenance	17,664	17,448
Toll collection	10,207	10,117
Traffic enforcement and communications	2,973	2,815
General and administrative	9,022	9,896
Depreciation	31,406	31,064
	71,272	71,340
Operating loss	(11,008)	(7,318)
Nonoperating revenues (expenses):		
Interest expense	(7,090)	(7,330)
Net investment revenue	1,307	2,293
On-behalf contributions	-	496
Nonoperating revenues (expenses), net	(5,783)	(4,541)
Net loss	(16,791)	(11,859)
Net assets, beginning of year	454,124	465,983
Net assets, end of year	$ 437,333	$ 454,124

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT AND TOURISM AUTHORITY

STATEMENT OF CASH FLOWS

Years Ended June 30, 2009 and 2008
(In Thousands)

	2009	2008
Cash flows from operating activities:		
Cash received from customers and users	$ 60,596	$ 63,895
Cash paid to employees	(22,060)	(21,596)
Cash paid to suppliers	(16,696)	(17,460)
Net cash provided by operating activities	21,840	24,839
Cash flows from capital and related financing activities:		
Acquisition of property and equipment	(8,698)	(18,994)
Debt service for revenue bonds and capital leases:		
Principal	(8,026)	(7,326)
Interest	(6,602)	(6,430)
Proceeds from issuance of revenue bonds	52,602	-
Refunding of revenue bonds	(53,128)	-
Net cash used in capital and related financing activities	(23,852)	(32,750)
Cash flows from investing activities:		
Purchase of investments	(92,795)	(23,320)
Proceeds from sales and maturities of investments	103,175	22,737
Interest from investments	1,785	2,826
Net cash provided by investing activities	12,165	2,243
Increase (decrease) in cash and cash equivalents	10,153	(5,668)
Cash and cash equivalents, beginning of year	11,980	17,648
Cash and cash equivalents, end of year	$ 22,133	$ 11,980
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$ (11,008)	$ (7,318)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	31,406	31,064
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	332	(127)
Increase in inventory	(18)	(91)
(Increase) decrease in other assets	533	(85)
Increase (decrease) in accounts payable and other liabilities	(183)	416
Increase in accrued postemployment benefits	778	980
Net cash provided by operating activities	$ 21,840	$ 24,839
Noncash transactions affecting financial position:		
Amortization of deferred charges related to revenue bonds	$ (921)	$ (899)
Capital assets acquired through capital lease	$ -	$ 1,044
On-behalf of payments transferred from State of West Virginia to the West Virginia Retiree Health Benefit Trust Fund	$ -	$ 496
Unrealized decrease in fair value of investments	$ 361	$ 482

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT
AND TOURISM AUTHORITY

NOTES TO FINANCIAL STATEMENTS

1 - FINANCIAL REPORTING ENTITY

The West Virginia Parkways, Economic Development and Tourism Authority (the Authority) was created as the successor-in-interest to the West Virginia Turnpike Commission (the Turnpike Commission) by an Act (the Act) of the West Virginia Legislature effective June 1, 1989. All the duties, powers, and functions of the Turnpike Commission were transferred to the Authority. Under the Act, the Authority assumed all assets, property, obligations, indebtedness, and other liabilities of the Turnpike Commission and personnel of the Turnpike Commission were transferred to the employment of the Authority. The Authority has the power to enact and amend its operating budget, and receives no appropriations from the State of West Virginia (the State). The State's Governor or his designee serves as chairman of the Authority and the State's Secretary of Transportation serves as a board member. The other five Authority members are appointed by the Governor with the approval of the Senate. As the State is able to impose its will over the Authority, the Authority is considered a component unit of the State and its financial statements are discretely presented in the comprehensive annual financial report of the State.

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in generally accepted accounting principles. Generally accepted accounting principles define component units as those entities which are legally separate governmental organizations for which the appointed members of the Authority are financially accountable, or other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the Authority's financial statements to be misleading. Since no such organizations exist which meet the above criteria, the Authority has no component units.

2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Authority is accounted for as a special purpose government engaged in business type activities. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,* and accounting principles generally accepted in the Untied States of America, the financial statements are prepared on the accrual basis of accounting, using the flow of economic resources measurement focus. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. As permitted by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Authority has elected not to adopt Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, unless the GASB specifically adopts such FASB statements or interpretations.

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

The Authority is included in the State's basic financial statements as a business type activity using the accrual basis of accounting. Because of the Authority's business type activities, there may be differences between the amounts reported in these financial statements and the basic financial statements of the State as a result of major fund determination.

Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investment securities purchased with an original maturity of three months or less to be cash equivalents.

Investments

Investments are reported at fair value as determined by published sources and realized and unrealized gains or losses are reported in the statement of revenues, expenses, and changes in fund net assets as a component of investment income.

Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported at historical cost and include interest on funds borrowed to finance construction. Capital assets are defined by the Authority as assets with an initial, individual cost of more than $30,000 for turnpike activities and $2,500 for economic development activities and an estimated useful life in excess of one year. Contributed infrastructure assets were valued at the Turnpike Commission's (predecessor's) cost basis, adjusted for depreciation occurring from the date the assets were placed in service through the date of transfer of such assets to the Authority. Depreciation is computed using the straight-line method over the following estimated economic useful lives of the assets; buildings (30 years); equipment (5-10 years); and infrastructure (10-50 years).

Compensated Absences

Employees fully vest in all earned but unused vacation and the Authority accrues for obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Authority participates in an other post-employment benefit plan (see Note 9).

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NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Customer Deposits

Customer deposits consist of prepaid deposits made by private and commercial customers into E-ZPass toll collection accounts held by the Authority.

Bond Discounts, Premiums, Issuance Costs and Deferred Loss on Advance Refunding

Bond discounts, premiums, and issuance costs are being accreted and amortized using the effective interest method over the varying terms of the bonds issued. The difference between the reacquisition price and the net carrying amount of refunded debt is reported in the financial statements as a deduction from the refunding bonds, with the related amortization of such deferral being charged to interest expense using the effective interest method.

Net Assets

Net assets are the difference between assets and liabilities. Net assets invested in capital assets consist of all capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net assets are restricted when there are legal limitations imposed on their use by legislation or external restrictions by other governments, creditors, or grantors. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods. It also includes all revenues and expenses not related to capital and related financing, non-capital financing, or investing activities. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Other Revenues

Other revenues primarily consist of concession sales at the travel centers on the West Virginia Turnpike and craft and food sales at the Caperton Center (also known as TAMARACK-*The Best of West Virginia*). The amount of sales reported is net of costs of goods sold. The related general and administrative expenses are included under operating expenses in the statement of revenues, expenses, and changes in fund net assets.

3 - DEPOSITS AND INVESTMENTS

The Authority has adopted investment guidelines that are consistent with those specified in the bond trust indentures for its outstanding bonds. Those guidelines authorize the Authority to invest all bond proceeds and other revenues in obligations of the United States and certain of its agencies, certificates of deposit, direct and general obligations of states, repurchase agreements relating to certain securities, and guaranteed investment contracts. Investments are managed by the financial institution serving as the trustee for the Authority. The Authority has not adopted a formal investment policy beyond the requirements of the bond indentures.

Interest Rate Risk - Investments

As a means of limiting its exposure to fair value losses resulting from rising interest rates, the Authority's bond indentures limit at least half of the Authority's investment portfolio to maturities of less than five years. As of June 30, 2009, the Authority had the following investments and maturities (in thousands):

Investment Type	Fair Value	Less than 1	1-5	6-10	10+
Mutual bond funds	$ 18,509	$ 18,509	$ -	$ -	$ -
Government agency bonds	7,623	1,314	836	1,683	3,790
State government bonds	767	560	-	207	-
Corporate bonds	9,632	740	4,220	4,376	296
	$ 36,531	$ 21,123	$ 5,056	$ 6,266	$ 4,086

Concentration of Credit Risk - Investments

As of June 30, 2009, the Authority had investment balances with the following issuers which were greater than or equal to 5% of the total investment balance:

Type	Issuer	Percentage of Investments
Mutual bond funds	Federated Government Obligations Fund	48%
Government agency bonds	Federal Home Loan Mortgage Corp.	6%
	Federal National Mortgage Association	6%
	Government National Mortgage Association	5%
Corporate bonds	General Electric	5%

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT
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NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk - Cash Deposits

The Authority's cash deposits with financial institutions were $3,625 at June 30, 2009. These deposits, which had a bank balance of $4,097, are either insured by the Federal Deposit Insurance Corporation or collateralized with securities held in the Authority's name by its agent.

Credit Risk - Investments

The following table provides information on the credit ratings of the Authority's investments (in thousands):

Security Type	Fair Value	Rating S&P	Rating Moody's	Rating Fitch
Corporate Bonds	$ 475	AA-	A1	A
Corporate Bonds	505	BBB+	A3	A+
Corporate Bonds	167	BB+	Baa3	BB
Corporate Bonds	98	A+	A1	n/r
Corporate Bonds	595	A+	Aa3	AA-
Corporate Bonds	652	A	A2	A
Corporate Bonds	59	CC	Ca	C
Corporate Bonds	1,863	AA+	Aa2	n/r
Corporate Bonds	118	A	A2	A-
Corporate Bonds	1,049	A	A1	A+
Corporate Bonds	236	n/r	AAA	n/r
Corporate Bonds	95	A	A3	A-
Corporate Bonds	590	A	A3	AA-
Corporate Bonds	348	BBB-	A3	BBB
Corporate Bonds	339	BBB-	n/r	n/r
Corporate Bonds	150	A	A2	A+
Corporate Bonds	237	A	A3	A+
Corporate Bonds	196	A+	Aa3	n/r
Corporate Bonds	91	AA-	A2	A+
Corporate Bonds	122	AA-	A2	n/r
Corporate Bonds	329	A	Baa2	BBB

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT
AND TOURISM AUTHORITY

NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk - Investments (Continued)

		Rating		
Security Type	Fair Value	S&P	Moody's	Fitch
Corporate Bonds	$ 294	AAA	Aaa	n/r
Corporate Bonds	109	AAA	Aaa	AAA
Corporate Bonds	60	A-	n/r	A
Corporate Bonds	569	AA-	A1	AA-
Corporate Bonds	286	Aa3	A1	A+
	9,632			
Government Agency Bonds	1,652	AAA	Aaa	n/r
Government Agency Bonds	611	n/r	Aaa	n/r
Government Agency Bonds	5,049	n/r	AAA	n/r
Government Agency Bonds	311	AAA	Aaa	AAA
	7,623			
Mutual Bond Funds	18,509	AAAm	Aaa	AAA
State government bonds	267	n/r	A3	n/r
State government bonds	500	AAA	A2	n/r
	767			
	$ 36,531			

n/r - not rated by specific rating agency

Credit risk is managed by limiting investments to the following types of debt securities in accordance with the Authority’s bond indentures: direct obligations of or obligations guaranteed by the United States of America, the State of West Virginia or any other state, provided that obligations of other states meet certain requirements, obligations of certain federal agencies, certain types of indebtedness of public agencies or municipalities, and corporate indebtedness meeting certain requirements.

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT
AND TOURISM AUTHORITY

NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk - Investments

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. As of June 30, 2009, the Authority held no securities that were subject to custodial credit risk.

Foreign Currency Credit Risk - All Investments

There are no securities that are subject to foreign currency risk.

Other Information

A reconciliation of the investments disclosed in this Note to the amounts reported in the Balance Sheet is as follows (in thousands):

As disclosed in this Note:	
Total deposits	$ 3,625
Total other investments	36,531
	$ 40,156
As reported on the Balance Sheet:	
Cash and cash equivalents	$ 22,133
Short-term investments	2,614
Investments in securities maturing beyond one year	15,408
	$ 40,156

The cost of investment securities and related accrued interest receivable is allocated at June 30, 2009 and 2008, among the following restricted accounts created under the various Trust Indentures or by the adoption of Authority resolution (in thousands):

	June 30	
	2009	2008
Restricted and designated assets:		
Assets restricted by Trust Indenture:		
Series 1993, 2002, and 2008 Reserves	$ 10,808	$ 10,922
Renewal and Replacement	10,077	9,073
Operating and Maintenance	4,164	4,025

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT
AND TOURISM AUTHORITY

NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - DEPOSITS AND INVESTMENTS (Continued)

Other Information (Continued)

	June 30	
	2009	2008
Series 2001 Debt Service	114	113
Series 2002 Debt Service	618	1,296
Series 2008/2003 Debt Service	936	2,607
Insurance Liability	1,000	1,000
Economic Development and Tourism	8,357	7,489
	36,074	36,525
Reserve Revenue, restricted by Tri-Party Agreement	835	644
Facility Improvement	1,347	1,089
Highway/Bridge Contingency, restricted by Tri-Party Agreement	-	1,000
Total restricted and designated assets	$ 38,256	$ 39,258

The assets restricted by the 1993 Trust Indenture, as supplemented, must be used for construction, turnpike maintenance and operation, and debt service. The Trust Indentures require that the balance in the 1993, 2002, 2003, and 2008 Reserve Account equal maximum annual debt service for such bonds. The balance in the 1993, 2002, 2003, and 2008 Debt Service Accounts are required by the Trust Indentures to have a balance equal to accrued debt service for the current year plus one-twelfth of the debt service which will accrue in the next succeeding fiscal year. The Trust Indentures also require that a reserve be established for Renewal and Replacement that equals the consulting engineer’s recommendations for the year. The Operations and Maintenance Account is required by the Trust Indentures to maintain a balance equal to one-eighth of budgeted operating expenses for the fiscal year.

The Insurance Liability account is a self-insured fund that covers the Authority against risk of loss from natural disaster, among other items, and is designated as the Authority’s percentage of contribution in the event of a disaster.

The Economic Development and Tourism Account is designated to be used for economic development and tourism projects by the Authority. All revenues derived from these projects, including recovery of principal, are pledged as security for the 2001A and 2001B Bonds.

The Reserve Revenue Account, restricted by the Tri-Party Agreement dated December 1988 among the West Virginia Department of Transportation, the Federal Highway Administration, and the Authority, can only be used for maintenance and operation of the Turnpike and for debt service.

3 - DEPOSITS AND INVESTMENTS (Continued)

Other Information (Continued)

The Facility Improvement account was established in March 2004 by dedicating funds from the superload fees that are collected by the Division of Highways on the Authority's behalf. This fund will be used at the Board's discretion for either facility repairs and improvements or as a sinking fund for future facilities rehabilitation.

The Contingency Highway and Bridge Reserve Account, established by the Authority and restricted by the Tri-Party Agreement, was established in February 2002 in the event that the Authority needed additional cash or liquidity for highway and bridge projects for any reason (for example, without limitation, due to unanticipated traffic reductions resulting in toll revenue reductions, unanticipated cost overruns on one or more projects, the need to begin or complete a project before originally planned, terrorist events, or failure to achieve all anticipated savings from the issuance of the Series 2002 and 2003 Refunding Bonds). This reserve is not a requirement by the bondholders and will not be used to pay debt service on any bonds of the Authority, but it will be used at the Board's discretion for costs of highway and/or bridge projects in extraordinary situations.

4 - ECONOMIC DEVELOPMENT PROJECTS

In May 1996, as part of the Authority's mandate on economic development and tourism, the Authority opened the Caperton Center, a 59,000 square-foot arts and crafts center near Beckley, West Virginia. The Caperton Center's main purposes are to stimulate economic growth for small producers of high quality arts, crafts, and food products, and promote tourism. The facility serves as a demonstration area and retail outlet for West Virginia arts, crafts, and food products, and contains a theater for performing arts and presentations of West Virginia attractions. In June 2004, a 22,000 square foot expansion for a conference center was completed. Its operations are funded in part by Authority revenues that are unrestricted under the terms of the Authority's existing 1993 Trust Indentures as supplemented and the Tri-Party Agreement.

The Authority issued revenue bonds to finance the construction of the Caperton Center within the economic development and tourism activities. Both the turnpike operations and the economic development and tourism activities are accounted for in a single fund. However, investors in these revenue bonds rely solely on the revenue generated by the economic development and tourism activities for repayment. Summary financial information for the economic development and tourism segment activities for the years ended June 30, 2009 and 2008, is presented below (in thousands):

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT
AND TOURISM AUTHORITY

NOTES TO FINANCIAL STATEMENTS
(Continued)

4 - ECONOMIC DEVELOPMENT PROJECTS (Continued)

Condensed Balance Sheet

	2009	2008
Assets:		
Cash and cash equivalents	$ 878	$ 820
Accounts receivable	301	322
Inventory	947	1,095
Investments	8,471	7,602
Capital assets, net	19,110	20,069
Total assets	$ 29,707	$ 29,908
Liabilities:		
Accounts payable and accrued liabilities	$ 587	$ 921
Accrued interest payable	29	37
Current portion of long-term obligations	900	845
Long-term obligations, net	5,251	6,090
Total liabilities	6,767	7,893
Net assets:		
Invested in capital assets, net of related debt	12,959	13,134
Restricted	8,471	7,602
Unrestricted	1,510	1,279
Total net assets	22,940	22,015
	$ 29,707	$ 29,908

Condensed Statement of Revenues, Expenses & Changes in Net Assets

	2009	2008
Operating revenue	$ 9,870	$ 10,554
Cost of goods sold	(3,267)	(3,461)
	6,603	7,093
General and administrative expense	5,020	5,590
Depreciation expense	1,057	1,047
	6,077	6,637
Operating income	526	456

4 - ECONOMIC DEVELOPMENT PROJECTS (Continued)

Condensed Statement of Revenues, Expenses & Changes in Net Assets

	2009	2008
Nonoperating revenues (expenses):		
Interest expense	(388)	(446)
Interest earned on investments	787	1,031
	399	585
Net income	925	1,041
Net assets, beginning of year	22,015	20,974
Net assets, end of year	$ 22,940	$ 22,015

Condensed Statement of Cash Flows

	2009	2008
Net cash provided by (used in):		
Operating activities	$ 1,418	$ 1,502
Capital and related financing activities	(1,278)	(1,274)
Investing activities	(82)	(44)
Increase in cash and cash equivalents	58	184
Cash and cash equivalents, beginning of year	820	636
Cash and cash equivalents, end of year	$ 878	$ 820

During April 2007, the Authority, at the request of the Governor, approved a resolution to eliminate economic development projects and transfer the operations of the Caperton Center to the Department of Commerce. As of June 30, 2009, this transfer had not taken place and the Authority was continuing the operations of the Caperton Center.

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT
AND TOURISM AUTHORITY

NOTES TO FINANCIAL STATEMENTS
(Continued)

5 - CAPITAL ASSETS

A summary of capital assets at June 30, 2009 and 2008, follows (in thousands):

2009	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not depreciated:				
Land	$ 53,247	$ -	$ -	$ 53,247
Capital assets, being depreciated:				
Buildings	96,799	50	-	96,849
Equipment	8,644	305	-	8,949
Infrastructure	815,899	8,344	-	824,243
Total capital assets, being depreciated	921,342	8,699	-	930,041
Less accumulated depreciation for:				
Buildings	(48,794)	(3,410)	-	(52,204)
Equipment	(4,785)	(637)	-	(5,422)
Infrastructure	(414,264)	(27,360)	-	(441,624)
Total accumulated depreciation	(467,843)	(31,407)	-	(499,250)
Total capital assets, being depreciated, net	453,499	(22,708)	-	430,791
Total capital assets, net	$ 506,746	$ (22,708)	$ -	$ 484,038

2008	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not depreciated:				
Land	$ 53,247	$ -	$ -	$ 53,247
Capital assets, being depreciated:				
Buildings	96,682	117	-	96,799
Equipment	8,374	270	-	8,644
Infrastructure	796,248	19,651	-	815,899
Total capital assets, being depreciated	901,304	20,038	-	921,342

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT
AND TOURISM AUTHORITY

NOTES TO FINANCIAL STATEMENTS
(Continued)

5 - CAPITAL ASSETS (Continued)

2008	Beginning Balance	Increases	Decreases	Ending Balance
Less accumulated depreciation for:				
Buildings	(45,296)	(3,498)	-	(48,794)
Equipment	(4,269)	(516)	-	(4,785)
Infrastructure	(387,214)	(27,050)	-	(414,264)
Total accumulated depreciation	(436,799)	(31,064)	-	(467,843)
Total capital assets, being depreciated, net	464,525	(11,026)	-	453,499
Total capital assets, net	$ 517,772	$ (11,026)	$ -	$ 506,746

Buildings include the Caperton Center, which has a cost of approximately $27,909,215 and $27,860,518, and accumulated depreciation of $10,200,931 and $9,250,010, at June 30, 2009 and 2008, respectively.

Approximately $136,590 and $198,120 of interest costs were capitalized during the years ended June 30, 2009 and 2008, respectively.

6 - REVENUE BONDS PAYABLE

Revenue bonds payable consisted of the following at June 30 (in thousands):

	2009	2008
Series 2001A Taxable Serial Bonds, issued $5,695 in December 2001 at 4.75% to 7.00%, due in varying installments from June 2002 through June 2011	$ 1,465	$ 2,130
Series 2001B Bonds, issued serial bonds of $1,505 in December 2001, at 3.50% to 5.00%, due in varying installments from June 2003 through 2011	570	570
Series 2001B term bonds, $2,090 at 5.00%, due June 2013	2,090	2,090

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT
AND TOURISM AUTHORITY

NOTES TO FINANCIAL STATEMENTS
(Continued)

6 - REVENUE BONDS PAYABLE (Continued)

	2009	2008
Series 2001B term bonds, $2,305 at 5.125%, due June 2015	2,305	2,305
Series 2002 Serial Bonds, issued $44,205 in February 2002 at 3.50% to 5.25%, due in varying installments from May 2002 through May 2019	28,700	30,885
Series 2003 Variable Rate Demand Revenue Refunding Bonds, $63,900 at variable rates, due in varying installments through May 2019	-	59,100
Series 2008 Variable Rate Demand Revenue Refunding Bonds, $59,100 at variable rates, due in varying installments through May 2019	54,800	-
Total revenue bonds payable	89,750	97,080
Add:		
Unamortized premium	1,441	1,592
Less:		
Unamortized deferred loss on advance refunding	(9,073)	(9,250)
Unamortized discount and issuance costs	(959)	(1,329)
Current portion of revenue bonds payable	(7,405)	(7,330)
	$ 73,754	$ 80,763

The Revenue Bonds under the 1993, 2002, 2003, and 2008 Trust Indentures are secured by a pledge of substantially all Authority operating revenues and all monies deposited into accounts created by the Trust Indentures.

In 2002, $5,695,000 of Raleigh County, West Virginia, Taxable Commercial Development Revenue Refunding Bonds, Series 2001A and $5,900,000 of Commercial Development Revenue Bonds, Series 2001B (the Series 2001 Bonds) were issued pursuant to a bond resolution adopted by the County Commission of Raleigh County, West Virginia (the issuer), and a Trust Indenture, dated December 1, 2001 (the Indenture). The bond proceeds of the Series 2001A were used to advance

6 - REVENUE BONDS PAYABLE (Continued)

refund $1,735,000 of the Series 1994 Bonds and $4,075,000 of the Series 1996 Bonds. The advance refunding resulted in a $491,000 deferred loss arising from the difference between the reacquisition price and the net carrying amount of the refunded debt. Amortization of this deferral, charged annually to interest expense through 2011, approximated $60,000 and $60,000 in 2009 and 2008, respectively. The Series 2001B Bonds were issued to construct and furnish an expansion of the Caperton Center. The Series 2001 Bonds are limited obligations of the Issuer payable solely from loan payments by the Authority pledged under the Indenture, and are also secured equally and ratably by a Trust Agreement among the Authority, the Issuer and a trustee, wherein the Authority has pledged certain non-toll revenues of the Authority including (i) net revenues of the Caperton Center; (ii) certain interest and other investment earnings; and (iii) gross revenues derived from concessionaire or other contracts with third parties relating to operations conducted by such third parties at any of the Authority's service plazas. Toll revenues derived by the Authority in connection with the operation of the Turnpike are not pledged or otherwise available to pay debt service on the Series 2001 Bonds. The Authority completed the advance refunding to remove certain restrictive indenture requirements of the Series 1994 and Series 1996 bonds. The refunding resulted in an economic loss (difference between the present values of the old and new debt service payments) of $582,582.

Principal and interest paid on the Series 2001 and 2002 bonds for the years ended June 30, 2009 and 2008 were $5,037,464 and $4,935,159, respectively and the total pledged net revenues were $22,633,000 and $25,507,000, respectively.

Additionally in 2002, $44,205,000 of Revenue Refunding Bonds were issued for the express purpose of defeasing $36,036,000 of Series 1993 Bonds. The advance refunding resulted in a $6,313,000 deferred loss arising from the difference between the reacquisition price and the net carrying amount of the refunded debt. Amortization of this deferral, charged annually to interest expense through 2019, approximated $270,000 and $269,000 in 2009 and 2008 respectively. The Authority completed the advance refunding to reduce its aggregate debt service payments by almost $3,003,064 over an 18-year period (life of the refunding bonds) and obtain an economic gain (difference between the present values of the old and new debt service payments) of $1,623,705.

In 2003, the Authority issued $63,900,000 of Variable Rate Demand Revenue Refunding Bonds for the express purpose of refunding $61,280,000 of the Authority's Series 1993 Bonds. This refunding resulted in a $7,896,000 deferred loss arising from the difference between the reacquisition price and the net carrying amount of the refunded debt. Amortization of this deferral, charged annually to interest expense through 2019, approximated $0 and $566,000 in 2009 and 2008, respectively. The Authority completed the refunding to reduce its aggregate debt service payment by $7,270,000 over a 17-year period (life of the refunding bonds) and obtain an economic gain (difference between the present values of the old and new debt service payments) of $4,851,000.

6 - REVENUE BONDS PAYABLE (Continued)

The Series 2003 bonds bore interest at the Weekly Interest Rate determined by the remarketing agent on Tuesday of each week.

In July 2008, the Authority issued $54,800,000 of Variable Rate Demand Revenue Refunding Bonds for the express purpose of refunding $54,800,000 of the Authority's Series 2003 Bonds. This refunding resulted in a $5,972,000 deferred loss arising from the difference between the reacquisition price and the net carrying amount of the refunded debt. Amortization of this deferral, charged annually to interest expense through 2019, approximated $543,000 in 2009. The Authority completed the refunding to remove the requirement for bond insurance that was included in the Series 2003 Bonds.

Principal and interest paid on the Series 2003 bonds for the year ended June 30, 2008 was $6,804,276 and the total pledged revenues were $6,603,000. The principal and interest paid on the Series 2008 bonds for the year ended June 30, 2009 was $7,028,462 and the total pledged revenues were $7,093,000.

The Series 2008 bonds bear interest at the Weekly Interest Rate determined by the remarketing agent on Tuesday of each week. The Authority entered into an interest rate swap agreement on the Series 2003 bonds that were transferred to the Series 2008, as follows:

Objective of the Interest Rate Swap

As a means to lower its borrowing costs, when compared against fixed-rate bonds at the time of issuance in February 2003, the Authority entered into an interest rate swap in connection with its 2003 Variable Rate Demand Revenue Refunding Bonds. The intention of the swap was to effectively convert the Authority's variable interest rate to a synthetic fixed rate of 4.387%.

Terms of the Interest Rate Swap

The bonds and the related swap agreement mature on May 1, 2019, and the swap's notional amount of $63,900,000 matched the $63,900,000 variable rate bonds, Series 2003 and exceeds the amount of the Series 2008 bonds. The swap was entered at the same time the bonds were issued (February 14, 2003).

Due to an Alternative Floating Rate Date, which occurred September 3, 2003, under the swap, the Authority pays the counterparty a fixed payment of 4.387 percent and receives a variable payment computed as 67 percent of the London Interbank Offer Rate (LIBOR). Conversely, the bond's variable rate is the Weekly Interest Rate determined by the Remarketing Agent.

6 - REVENUE BONDS PAYABLE (Continued)

Credit Risk

As of June 30, 2009, the Authority was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the Authority would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty was rated AA by Fitch Ratings, AA- by Standards & Poor's and AA2 by Moody's Investor's Service as of June 30, 2009.

Basis Risk

The swap exposes the Authority to basis risk should the relationship between LIBOR and the Bond Market Association Municipal Swap Index (BMA) converge, causing a change in the floating rate on the swap. This Alternative Floating Rate Date occurred September 3, 2003. As a result, the expected cost savings have not been realized.

Termination Risk

The Authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap's fair value.

Fair Value

Because the variable interest rates related to the swap have declined further, the swap had a negative fair value of $4,613,049 as of June 30, 2009. The fair value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swap.

Swap Payments and Associated Debt

Using rates as of June 30, 2009, debt service requirements of the variable rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows (in thousands). As rates vary, variable rate bond interest payments and net swap payments will vary.

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT
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NOTES TO FINANCIAL STATEMENTS
(Continued)

6 - REVENUE BONDS PAYABLE (Continued)

Swap Payments and Associated Debt (Continued)

Year Ending June 30	Variable-Rate Bonds Principal	Variable-Rate Bonds Interest	Interest Rate Swap, Net	Total
2010	$ 4,300	$ 1,507	$ 1,023	$ 6,830
2011	4,700	1,666	663	7,029
2012	4,700	1,511	631	6,842
2013	5,200	1,356	533	7,089
2014	5,200	1,184	470	6,854
2015-2019	30,700	3,127	1,200	35,027
	$ 54,800	$ 10,351	$ 4,520	$ 69,671

Bonds Payable Progression and Maturities

The following schedule summarizes the revenue bonds outstanding as of June 30, 2009 and 2008 (in thousands):

2009	Beginning Balance	Additions	Retired	Amortization	Ending Balance	Due Within One Year
Series 2001	$ 6,935	$ -	$ (845)	$ 61	$ 6,151	$ 900
Series 2002	28,030	-	(2,185)	270	26,115	2,205
Series 2003	53,128	-	(53,128)	-	-	-
Series 2008	-	52,602	(4,300)	591	48,893	4,300
	$ 88,093	$ 52,602	$ (60,458)	$ 922	$ 81,159	$ 7,405

2008	Beginning Balance	Additions	Retired	Amortization	Ending Balance	Due Within One Year
Series 2001	$ 7,670	$ -	$ (795)	$ 60	$ 6,935	$ 845
Series 2002	29,745	-	(1,985)	270	28,030	2,185
Series 2003	56,459	-	(3,900)	569	53,128	4,300
	$ 93,874	$ -	$ (6,680)	$ 899	$ 88,093	$ 7,330

6 - REVENUE BONDS PAYABLE (Continued)

Bonds Payable Progression and Maturities (Continued)

Debt service requirements for the Revenue Bonds subsequent to June 30, 2009, are as follows (in thousands):

Year Ending June 30	Principal Maturities	Interest, Including Accretion	Total
2010	$ 7,405	$ 4,228	$ 11,633
2011	8,090	3,870	11,960
2012	7,120	3,503	10,623
2013	9,985	3,084	13,069
2014	7,910	2,666	10,576
2015-2019	49,240	6,746	55,986
	$ 89,750	$ 24,097	$ 113,847

Principal outstanding June 30, 2009	$ 89,750
Add:	
Unamortized premium	1,441
Less:	
Unamortized deferred loss on advance refunding	(9,073)
Unamortized discount and issuance costs	(959)
Current portion of revenue bonds payable	(7,405)
Long-term portion	$ 73,754

The Revenue Bonds are subject to the arbitrage rebate provisions of the Internal Revenue Code (the Code). The Code requires that 90% of excess investment earnings on the Bond proceeds be paid to the Internal Revenue Service every five years in order for the Bonds to maintain their tax-exempt status. At June 30, 2009 and 2008, the Authority’s estimated arbitrage rebate liability was zero.

7 - CAPITAL LEASING

The Authority entered into four lease agreements during FY 2006 for the financing of roadside maintenance vehicles, police cruisers, miscellaneous maintenance vehicles, and roadway maintenance vehicles. Additionally, the Authority entered into three additional leases during the year ended June 30, 2008 for the purpose of constructing certain infrastructure assets. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

In accordance with the Authority's capitalization guidelines, the Authority expensed $437,031 of the equipment. The remaining assets acquired through capital leases are as follows (in thousands):

Equipment	$ 2,732
Less accumulated depreciation	(784)
Total	$ 1,947

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009, were as follows (in thousands):

Year Ending June 30	
2010	$ 538
2011	363
2012	228
2013	72
Total minimum lease payments	1,201
Less amount representing interest	(57)
Present value of minimum lease payments	1,144
Less current portion	538
Long-term portion	$ 606

8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Authority participates in the West Virginia Other Postemployment Benefit Plan (OPEB Plan) of the West Virginia Retiree Health Benefit Trust Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the West Virginia Public Employee

8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Plan Description (Continued)

Insurance Agency (WVPEIA). The OPEB Plan provides retiree post-employment health care benefits for participating state and local government employers. The provisions of the Code of West Virginia, 1931, as amended (the Code), assigns the authority to establish and amend benefit plans to the WVPEIA Board of Trustees. The WVPEIA issues a publicly available financial report that includes financial statements and required supplementary information for the OPEB Plan. That report may be obtained by writing to Public Employees Insurance Agency, 601 57th Street, S.E., Suite 2, Charleston, West Virginia, 25304-2345, or by calling 1-888-680-7342.

Funding Policy

The Code requires the OPEB Plan to bill the participating employers 100% of the Annual Required Contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. State of West Virginia plan employers are billed per active health policy per month.

The Authority's contributions to the OPEB Plan for the years ended June 30, 2009 and 2008 were $797,190 and $914,944 and the billed ARCs were $1,574,968 and $1,894,496, respectively. During the years ended June 30, 2009 and 2008, the Authority received on-behalf payments from the WVPEIA in the amount of $0 and $495,504. These amounts were transferred to the OPEB Plan which resulted in net liabilities of $1,261,826 and $484,048, respectively, which are included in the Authority's Balance Sheet as of June 30, 2009 and 2008.

9 - PENSION PLAN

All full-time Authority employees are eligible to participate in the State of West Virginia Public Employees' Retirement System (PERS), a cost-sharing multiple-employer public employee retirement system. Employees who retire at or after age 60 with five or more years of credited service, or at least age 55 with age and service equal to 80, are entitled to a retirement benefit established by State statute, payable monthly for life, in the form of a straight-life annuity equal to two percent of the employee's final average salary, multiplied by the number of years of the employee's credited service at the time of retirement. The PERS also provides deferred retirement, early retirement, death and disability benefits. The PERS issues an annual report, a copy of which can be obtained by contacting PERS at 4101 MacCorkle Avenue S.E., Charleston, WV 25304-1636 or by calling 1-800-654-1636.

9 - PENSION PLAN (Continued)

Covered employees are required to contribute 4.5% of their salary to the PERS while the Authority is required to contribute 10.5% of covered employee's salaries to the PERS. The required employee and employer contribution percentages are determined by actuarial advisement within ranges set by statute. A summary of the Authority and employee contributions required and made for the years ended June 30, 2009, 2008, and 2007 are as follows (in thousands):

	2009	2008	2007
Authority contributions	$ 1,541	$ 1,594	$ 1,474
Employee contributions	653	683	632
Total contributions	$ 2,194	$ 2,277	$ 2,106

10 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illnesses of employees; and natural disasters.

The Authority has obtained coverage for job-related injuries of employees and health coverage for its employees through its participation in the former West Virginia State Workers Compensation Fund and effective January 1, 2006, Brickstreet Mutual Insurance Company (Brickstreet), a state government mandated private business entity, and the West Virginia Public Employees Insurance Agency (PEIA). In exchange for the payment of premiums to PEIA and Brickstreet, the Authority has transferred its risks related to health coverage for employees and job-related injuries of employees.

The Authority, for an annual premium, obtains insurance coverage for general liability, property damage, business interruption, errors and omissions, and natural disasters through the West Virginia Board of Risk and Insurance Management, a public risk pool entity insuring the State of West Virginia, its component units, local government entities, and eligible not-for-profit organizations. Liability coverage provided to all insured entities under this policy is limited to $1,000,000 per occurrence, subject to an annual aggregate limit of coverage of $22,000,000. To further reduce its risk of loss, the Authority, for an annual premium paid to a commercial insurer, has obtained an additional liability policy which provides coverage of $10,000,000 over and above the coverage provided by the West Virginia Board of Risk and Insurance Management. In each of the three fiscal years in the period ending June 30, 2009, the Authority's insurance coverage has been sufficient to meet all claims and settlements against the Authority.

11 - COMMITMENTS AND CONTINGENCIES

Litigation

The Authority is a defendant in certain legal proceedings pertaining to matters incidental to routine operations. Based on the current status of these legal proceedings, it is the opinion of Authority management and counsel that the ultimate resolution of these matters will not have a material effect on the Authority's financial position.

Construction Commitments

At June 30, 2009, the Authority had contractual commitments totaling $5,879,821 for various Turnpike System improvement projects.

12 - SUBSEQUENT EVENTS

The Authority approved a toll rate increase with enhanced discounts for E-ZPass customers on July 1, 2009. The increase, effective August 1, 2009, raised cash tolls from $1.25 to $2.00 for passenger cars and $4.25 to $6.75 for 5-axle tractor trailers, and other classes were increased proportionately.

The Authority completed an advance refunding of the Series 2001A and 2001B bonds on August 20, 2009. The Authority deposited $6,776,413 in an irrevocable trust with an escrow agent to provide debt service payments until the bonds mature or are called. The advance refunding meets the requirements of an in-substance defeasance and the defeased bonds will be removed from the Authority's financial statements as of the date of the advanced refunding.

13 - NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets." This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. Management has yet to determine what effect, if any, this statement will have on its financial statements.

The GASB has issued Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments." This statement enhances the financial reporting for derivative instruments whether held as an investment or as a hedge against a specific risk. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. Management has yet to determine what effect, if any, this statement will have on its financial statements.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the West Virginia Parkways, Economic
Development and Tourism Authority

We have audited the financial statements of the West Virginia Parkways, Economic Development and Tourism Authority (the Authority) as of and for the year ended June 30, 2009, and have issued our report thereon dated October 28, 2009. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as described in the Schedule of Findings and Responses, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2009-3 to be a material weakness.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2009-1 and 2009-2 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Authority's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of management, the Members of the Authority, the Members of the West Virginia Legislature, and the West Virginia Department of Administration and is not intended to be and should not be used by anyone other than these specified parties.

Gibbons & Kawash

October 28, 2009

OTHER FINANCIAL INFORMATION

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT
AND TOURISM AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES

2009-1 Journal Entry Review and Approval

Condition:

We noted that general journal entries are posted to the general ledger by the Director of Finance without supervisory review and approval.

Criteria:

All transactions that are posted to the general ledger should be subjected to appropriate supervisory review and approval to ensure that the transaction is properly initiated and recorded in the appropriate accounts and at the appropriate amount.

Context:

The amount of these journal entries were material to the Authority's financial statements.

Effect:

Without appropriate supervisory review, errors or irregularities in the financial statements may not be detected in a timely manner by employees in the normal course of performing their assigned functions.

Cause:

Formal procedures to require supervisory review and approval of general journal entries exist but are not effectively implemented.

Recommendation:

Management should effectively implement the established procedures to ensure that all significant general journal entries posted to the general ledger have been reviewed and approved by supervisory personnel.

Management's Response:

Management concurs with the finding and recommendation. The Authority has reinstated and reemphasized procedures whereby the General Manager, who is knowledgeable of the Authority's operations and appropriate accounting principles, will document his review and approval of all significant general journal entries on a monthly basis. Previously, the General Manager was involved in the supervision and review of the preparation of the financial statements on an informal basis through his review and analysis of the various accounting reports. Consequently, the Authority is confident any anomalies in the financial statements have been detected and corrected on a timely basis. In accordance with this finding, the General Manager's review will be appropriately documented as recommended.

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT
AND TOURISM AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES
(Continued)

2009-2 Cash Reconciliation Review and Approval

Condition:

We noted that monthly bank statements and reconciliations were not subjected to appropriate supervisory review and approval.

Criteria:

The monthly bank statements and reconciliations should be reviewed and approved by appropriate supervisory personnel to ensure that these reconciliations are conducted properly and timely, and that the noted reconciling items appear appropriate.

Effect:

Without appropriate supervisory review of the bank statement reconciliations, errors or irregularities in the financial statements may not be detected in a timely manner by employees in the normal course of performing their assigned functions.

Cause:

Formal procedures to require supervisory review and approval of all bank statements and reconciliations exist but are not effectively implemented.

Recommendation:

Management should effectively implement the established procedures for supervisory review and approval of the monthly bank statements and related reconciliations.

Management's Response:

Management concurs with the finding and recommendation. The Authority has reinstated and reemphasized formal documenting procedures whereby all cash reconciliations will be reviewed by an individual independent of the cash disbursement, cash receipt, and reconciliation process on a monthly basis. The Authority will document this review on the monthly reconciliation form. However, management is confident that any errors or irregularities occurring in the Authority's cash reconciliations have been detected in a timely manner through other methods.

2009-3 Accrued Liabilities Cutoff

Condition:

We noted that accrued liabilities reported in the financial statements prepared by management did not include all material expenditures incurred but unpaid by the Authority as of June 30, 2009.

Criteria:

In accordance with accounting principles generally accepted in the United States of America, accrued liabilities reported in the financial statements should include all expenditures incurred and unpaid by the government as of the balance sheet date.

Context:

Total accrued liabilities were approximately $960,000 at June 30, 2009.

Effect:

The unaudited financial statements prepared by management did not include all material liabilities incurred by the Authority as of June 30, 2009.

Cause:

Management has not established procedures to ensure that a complete and accurate cut-off of accounts payable and accrued liabilities is achieved.

Recommendation:

Management should establish procedures to ensure that all material expenditures that have been incurred but not paid as of the balance sheet date are recorded in the Authority's financial statements as a liability in accordance with accounting principles generally accepted in the United States of America.

Management's Response:

Management concurs with the finding and recommendation. Additional procedures will be established to ensure all material accrued liabilities are recorded in the Authority's financial statements prepared by management.

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION - FINANCE DIVISION
FINANCIAL ACCOUNTING AND REPORTING SECTION

FORM 7

GAAP REPORTING FORM - DEPOSIT DISCLOSURE
(In Thousands)

Audited Agency **West Virginia Parkways, Economic Development and Tourism Authority**

Per GASB Statement 40 the Institution must disclose it's deposit policy. The deposit policy must be formally adopted through legal or contractual provisions. Disclosure of any statutory policies are also required. Please provide in the space below the

See Note 3 to the financial statements.

							2	3A	3B	3C	Foreign Currency Risk		
	Carrying Amount	Restricted Carrying Amount	Total Carrying Amount	Bank Balance	Insured Amount	Collateralized Amount	Amount collaterized with securities held by the pledging financial institution's trust department or agent in the name of the depositor	Amount Uninsured and Uncollateralized	Collateralized with securities held by the pledging financial institution but not in the name of the depositor	Collateralized with securities held by the pledging financial institution trust department or agency but not in the name of the depositor	Currency Type	Maturity	Fair Value
Balances as of June 30, 2009													
Cash with Treasurer													
Per WVFIMS Opening Balance Report	$ -	$ -	$ -										
Cash with Municipal Bond Commission	-	-	-										
Cash on Hand	-	-	-										
Cash in Transit to WVFIMS	-	-	-										
Cash with Board of Trustees	-	-	-										
Cash in Outside Bank Accounts	3,625	-	3,625	$ 4,097	$ 2,179	$ 1,918	$ -	$ -	$ -	$ -	n/a	n/a	$ -
Cash in Escrow	-	-	-	-	-	-	-	-	-	-	n/a	n/a	-
Certificates of Deposits	-	-	-	-	-	-	-	-	-	-	n/a	n/a	-
Other: ___________________	-	-	-	-	-	-	-	-	-	-	n/a	n/a	-
Total	$ 3,625	$ -	$ 3,625	$ 4,097	$ 2,179	$ 1,918	$ -	$ -	$ -	$ -			$ -

See Independent Auditor's Report.

PLEASE SEND COMPLETED FORMS TO:

State of West Virginia
Financial Accounting and Reporting Section
2101 Washington Street East
Building 17, 3rd Floor
Charleston, WV 25305

Telephone Number (304) 558-4083
Fax Number (304) 558-4084

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION - FINANCE DIVISION
FINANCIAL ACCOUNTING AND REPORTING SECTION

FORM 8

GAAP REPORTING FORM - INVESTMENT DISCLOSURE

Audited Agency **West Virginia Parkways, Economic Development and Tourism Authority**

Per GASB Statement 40 the Institution must disclose it's investment policy. The investment policy must be formally adopted through legal or contractual provisions. Disclosure of any statutory policies are also required. Please provide in the space below

See Note 3 to the financial statements

	Reported Amount Unrestricted	Reported Amount Restricted	Custodial Credit Risk: Category 1	Category 2 (Based on reported amounts)	Category 3	Reported Amount**		Fair Value	Credit Ratings: Standard & Poor's	Moody's	Fitch	Interest Rate Risk - Segmented Time Distribution, Investment Maturities (in years): Less than 1	1 - 5	6 -10	More than 10	Foreign Currency Risk: Currency Type	Maturity	Fair Value
Investments with Investment Mgmt Board (IMB) **Per WVFIMS Opening Balance Report**	$ -	$ -				$ -		$ -										
Investment Earnings not Posted to WVFIMS As of 6/30/09	-	-				-		-										
Investments with Board of Treasury Investments (BTI) **Per Opening Balance Report**	-	-				-		-										
Investment Earnings not Posted to WVFIMS As of 6/30/09	-	-				-		-										
Investments Outside IMB:																		
U.S. Treasury Obligations	-	-	-	-	-	-	( )	-				$ -	$ -	$ -	$ -			
U.S. Government Agencies	7,623	-	7,623	-	-	7,623	(F)	7,623	Various (see note 3 to financial statements)			1,314	836	1,683	3,790			
Other Government Bonds	767	-	767	-	-	767	(F)	767	Various (see note 3 to financial statements)			560	-	207	-	n/a	n/a	n/a
Corporate Bonds	9,632	-	9,632	-	-	9,632	(F)	9,632	Various (see note 3 to financial statements)			740	4,220	4,376	296	n/a	n/a	n/a
Corporate Stocks	-	-	-	-	-	-	( )	-				-	-	-	-	-	-	-
Mutual Bond Funds	18,509	-	18,509	-	-	18,509	(F)	18,509	Various (see note 3 to financial statements)			18,509	-	-	-	n/a	n/a	n/a
Mutual Stock Funds	-	-	-	-	-	-		-				-	-	-	-	-	-	-
Mutual Money Market Funds	-	-	-	-	-	-		-				-	-	-	-	-	-	-
Commercial Paper	-	-	-	-	-	-	( )	-				-	-	-	-	-	-	-
Bank Investment Contract	-	-	-	-	-	-		-				-	-	-	-	-	-	-
Guaranteed Investment Contract	-	-	-	-	-	-	( )	-				-	-	-	-	-	-	-
Repurchase Agreements ****	-	-	-	-	-	-	( )	-				-	-	-	-	-	-	-
State/Local Gov't Securities	-	-	-	-	-	-	( )	-				-	-	-	-			
Other Investments (describe):	-	-	-	-	-	-	( )	-				-	-	-	-	-	-	-
	-	-	-	-	-	-	( )	-				-	-	-	-	-	-	-
	-	-	-	-	-	-	( )	-				-	-	-	-	-	-	-
	-	-	-	-	-	-	( )	-				-	-	-	-	-	-	-
Total	$ 36,531	$ -	$ 36,531	$ -	$ -	$ 36,531		$ 36,531				$ 21,123	$ 5,056	$ 6,266	$ 4,086			$ -

****** MUST COMPLETE THE BELOW INFORMATION IF REPURCHASE AGREEMENTS WERE IDENTIFIED ABOVE:**

Collateral Description on the Repurchase Agreements	Fair Market Value of Collateral
n/a	

PLEASE SEND COMPLETED FORMS TO:

State of West Virginia
Financial Accounting and Reporting Section
2101 Washington Street East
Building 17, 3rd Floor
Charleston, WV 25305

Telephone Number (304) 558-4083
Fax Number (304) 558-4084

**NOTE: THE REPORTED AMOUNTS SHOULD BE IDENTIFIED AS EITHER AMORTIZED COST (A) OR FAIR VALUE (F).

See Independent Auditors' Report.

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION - FINANCE DIVISION
FINANCIAL ACCOUNTING AND REPORTING SECTION

FORM 8A

GAAP REPORTING FORM - DEPOSITS AND INVESTMENTS RECONCILIATION

Audited Agency **West Virginia Parkways, Economic Development and Tourism Authority**

Reconciliation of cash, cash equivalents and investments as reported in the financial statements to the amounts disclosed in the footnote:

Deposits:	
Cash and cash equivalents as reported on balance sheet	$ 22,133
Less: cash equivalents disclosed as investments	(18,508)
Add: restricted assets disclosed as deposits	
Other (describe)	
Carrying amount of deposits as disclosed on Form 7	$ 3,625
Investments:	
Investments as reported on balance sheet	$ 18,022
Add: restricted assets disclosed as investments	-
Add: cash equivalents disclosed as investments	18,508
Other (describe)	
Reported amount of investments as disclosed on Form 8	$ 36,530

See Independent Auditor's Report.

WEST VIRGINIA PARKWAYS, ECONOMIC DEVELOPMENT
AND TOURISM AUTHORITY

REVENUE BOND COVERAGE (1)

Form 13-Supplement

Year Ended June 30, 2009
(In Thousands)

	2009		2008		2007	
Revenues:						
Toll revenues	$ 53,341		$ 56,563		$ 58,165	
Adjustments to toll revenues per Trust Indentures	200		127		54	
Total revenues	53,541		56,690		58,219	
Operating expenses	71,272		71,340		69,124	
Adjustments to operating expenses per Trust Indentures:						
Depreciation	(31,406)		(31,064)		(30,127)	
Renewal and replacement provided for by reserves	(2,963)		(2,714)		(1,366)	
Economic development and tourism costs	(5,020)		(5,590)		(6,166)	
Other	(975)		(789)		1,141	
Total operating expenses	30,908		31,183		32,606	
Net revenues available for debt service	$ 22,633		$ 25,507		$ 25,613	
Revenue bond coverage items:						
Total debt service	12,218		11,852		10,876	
Renewal and replacement reserve requirement per recommendation of consulting engineer	10,077		9,073		4,352	
Total debt service and renewal and replacement	$ 22,295		$ 20,925		$ 15,228	
Coverage percentages:						
Total debt service (150% required since 2002, 125% previously required)	185.24	%	215.21	%	235.50	%
Total debt service and renewal and replacement per recommendation of consulting engineer (100% required)	101.52	%	121.90	%	168.20	%

(1) On December 1, 1989, the Turnpike Commission revenue bonds dated March 10, 1952 and March 3, 1954 (Prior Bonds) matured and were repaid with a portion of proceeds of the Series 1989 Revenue Bonds issued under the Trust Indenture dated October 15, 1989. On March 11, 1993, $111,245,000 of the Series 1989 Revenue Bonds were refunded with 1993 Series Revenue Bonds issued under a Trust Indenture dated February 15, 1993. On February 1, 2002, $36,036,000 of the Series 1993 Revenue bonds were refunded with the 2002 Series Revenue Bonds issued under a Trust Indenture dated February 1, 2002. On February 18, 2003, $61,280,000 of the Series 1993 Revenue bonds were refunded with the Series 2003 Variable Rate Demand Refunding Bonds issued under a Trust Indenture dated February 18, 2003. During fiscal year 2009, the Series 2003 were refunded by the Series 2008 Variable Rate Demand Refunding Bonds issued under a Supplemental Trust Indenture dated July 2, 2008. The revenue bond coverage requirements increased to 150% from 125% under the 2003 trust indenture and remained unchanged under the 2008 trust indenture. Accordingly, the above presentation for each of the ten years ended June 30, 2009, related only to debt services requirements under the 1992, 2002, 2003, and 2008 Trust Indentures. Under the terms of these trust indentures, revenues available for debt services are comprised of collected toll revenues less operating expenses, exclusive of depreciation, other costs funded by bond proceeds or designated established reserves and accruals, and further reduced by capital expenditures funded by amounts other than bond proceeds.

See Independent Auditor's Report.

2006	2005	2004	2003	2002	2001	2000
$ 61,858	$ 57,999	$ 56,854	$ 54,757	$ 54,939	$ 53,631	$ 55,156
(52)	153	972	93	(118)	485	(746)
61,806	58,152	57,826	54,850	54,821	54,116	54,410
70,176	68,253	66,016	65,103	63,542	62,171	62,313
(29,877)	(29,779)	(28,675)	(28,265)	(29,167)	(28,525)	(27,767)
(2,700)	(2,098)	(3,672)	(2,577)	(1,839)	(2,068)	(3,065)
(6,004)	(6,051)	(5,420)	(4,406)	(3,919)	(3,842)	(3,933)
(117)	(67)	457	(2,272)	(1,251)	(1,444)	(1,337)
31,478	30,258	28,706	27,583	27,366	26,292	26,211
$ 30,328	$ 27,894	$ 29,120	$ 27,267	$ 27,455	$ 27,824	$ 28,199
10,801	10,505	12,439	12,693	11,240	11,176	11,249
4,331	4,151	3,460	2,442	2,383	2,917	3,942
$ 15,132	$ 14,656	$ 15,899	$ 15,135	$ 13,623	$ 14,093	$ 15,191
280.79 %	265.53 %	234.10 %	214.82 %	244.26 %	248.96 %	250.68 %
200.42 %	190.32 %	183.16 %	180.16 %	201.53 %	197.43 %	185.63 %