Micek & Crouch, P.C.
Certified Public Accountants

One Executive Center East
130 Cherry Hill Boulevard
Lincoln, Nebraska 68510
Phone: (402) 488-4900
Fax: (402) 488-5525

Kurt L. Micek, C.P.A.
Janalee Crouch, C.P.A.

December 15, 2006

To the Partners
Joint Antelope Valley Authority
Lincoln, Nebraska

We have audited the financial statements of the Joint Antelope Valley Authority for the year ended August 31, 2006, and have issued our report thereon dated December 15, 2006. Professional standards require that we provide you with the following information related to our audit.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

As stated in our engagement letter dated April 27, 2006, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the Joint Antelope Valley Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

SIGNIFICANT ACCOUNTING POLICIES

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Joint Antelope Valley Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended August 31, 2006. We noted no transactions entered into by the Joint Antelope Valley Authority during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

SIGNIFICANT AUDIT ADJUSTMENTS

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Joint Antelope Valley Authority that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements. We proposed no audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on the Joint Antelope Valley Authority's financial reporting process.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the general purpose financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principal to the financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

ISSUES DISCUSSED PRIOR TO RETENTION OF INDEPENDENT AUDITORS

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Joint Antelope Valley Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing our audit.

This information is intended solely for the use of the Partners and management of the Joint Antelope Valley Authority and should not be used for any other purpose.

Sincerely yours,

Micek & Crouch, P.C.

Micek & Crouch, P.C.

JOINT ANTELOPE VALLEY AUTHORITY
Lincoln, Nebraska

FINANCIAL STATEMENTS

FOR THE YEARS ENDED AUGUST 31, 2006 AND 2005

JOINT ANTELOPE VALLEY AUTHORITY
Lincoln, Nebraska

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JOINT ANTELOPE VALLEY AUTHORITY
Lincoln, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Joint Antelope Valley Authority's (JAVA) financial performance provides an overview of JAVA's financial activities for the fiscal year ended August 31, 2006.

FINANCIAL HIGHLIGHTS

JAVA's fund balance increased $16,063,485, as a result of expenses exceeding revenue for the year by $54,489, equity contributions of $16,620,645, and equity distributions of $502,671.

OVERVIEW OF THE FINANCIAL STATEMENTS

The sole purpose of JAVA is to account for the acquisition and construction of capital assets related to the Antelope Valley Project, with only minor expenses being used for administrative costs. JAVA consists of three partners per an interlocal agreement; the University of Nebraska – Lincoln, the Lower Platte South Natural Resources District, and the City of Lincoln. Since the partners retain an equity interest in all the assets of JAVA, these financial statements are presented in a format that resembles that of a partnership.

FINANCIAL ANALYSIS

The equity interests of JAVA reflect assets over liabilities and were $103,515,139 and $87,451,654 as of August 31, 2006 and 2005, respectively.

	Equity Interests as of August 31,	
	2006	2005
Current Assets	$ 10,515	$ 43,479
Capital Assets	103,526,149	87,788,239
Total assets	$ 103,536,664	$ 87,831,718
Current Liabilities	$ 21,525	$ 380,064
Equity Interests	103,515,139	87,451,654
Total liablities and equity interests	$ 103,536,664	$ 87,831,718

The equity interest of JAVA increased $16,063,485 primarily due to equity contributions.

Changes in equity interests from expenses exceeding revenues for the years ended August 31, 2006 and 2005, follows:

	2006	2005
Revenues	$ -	$ -
Program:		
Expenses:		
General government	54,489	79,946
Revenue over (under) expenses	(54,489)	(79,946)
Equity Contributions	16,620,645	30,498,422
Equity Distributions	(502,671)	(590,551)
Equity Interests - Beginning of Year	87,451,654	57,623,729
Equity Interests - End of Year	$ 103,515,139	$ 87,451,654

Total expenses do not include capital outlay of $15,737,910 and $29,867,371 for the years ended August 31, 2006 and 2005, respectively.

BUDGETARY HIGHLIGHTS

JAVA does not prepare a budget because it does not levy property taxes.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of August 31, 2006, JAVA had $103,526,149 invested in land and construction in progress. This amount represents an increase of $15,737,910. All assets, including capital assets, of JAVA will be distributed to the Partners upon the completion of the project.

JAVA has no debt outstanding.

ECONOMIC FACTORS

Since JAVA has not issued debt or levied taxes, it is dependent upon the capital contributions of its Partners.

CONTACTING JAVA'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of JAVA's finances and to show JAVA's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Margaret Remmenga, Business Manager, Public Works and Utilities, City of Lincoln, Lincoln, Nebraska, 68508.

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Janalee Crouch, C.P.A.

INDEPENDENT AUDITORS' REPORT

To the Partners
Joint Antelope Valley Authority
Lincoln, Nebraska

We have audited the balance sheets of the Joint Antelope Valley Authority, a joint administrative entity, as of August 31, 2006 and 2005, and the related statements of revenues, expenses and changes in equity interests, statements of equity interests, and cash flows for the years then ended. These financial statements are the responsibility of the Authority's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *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 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 Joint Antelope Valley Authority as of August 31, 2006 and 2005, and the respective changes in financial position and cash flows for the year 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 a report dated December 15, 2006, on our consideration of the Joint Antelope Valley Authority's internal control over financial reporting and 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 1 through 2, are not a required part of the basic financial statements but are 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 audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Mick & Crouch, P.C.

Lincoln, Nebraska
December 15, 2006

JOINT ANTELOPE VALLEY AUTHORITY
Lincoln, Nebraska

BALANCE SHEETS
August 31, 2006 and 2005

	2006	2005
ASSETS		
Current Assets:		
Cash and cash equivalents	$ -	$ 31,108
Prepaid insurance	10,515	12,371
Total current assets	10,515	43,479
Capital Assets:		
Land acquisition	33,997,569	32,478,277
Construction in progress	69,528,580	55,309,962
Total capital assets	103,526,149	87,788,239
Total assets	$ 103,536,664	$ 87,831,718

LIABILITIES AND EQUITY INTERESTS		
Current Liabilities:		
Retainage and accounts payable	$ 21,525	$ 380,064
Equity Interests	103,515,139	87,451,654
Total liabilities and equity interests	$ 103,536,664	$ 87,831,718

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

JOINT ANTELOPE VALLEY AUTHORITY
Lincoln, Nebraska

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN EQUITY INTERESTS
For the Years Ended August 31, 2006 and 2005

	2006	2005
Revenues	$ -	$ -
Expenses:		
Operating expenses:		
Management services	10,633	23,107
Audit and legal	12,109	13,400
Insurance	30,979	42,893
Office supplies	577	307
Postage	191	239
Total operating expenses	54,489	79,946
Revenue over (under) expenses	(54,489)	(79,946)
Equity Contributions	16,620,645	30,498,422
Distributions	(502,671)	(590,551)
Equity Interests - Beginning of Year	87,451,654	57,623,729
Equity Interests - End of Year	$ 103,515,139	$ 87,451,654

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

JOINT ANTELOPE VALLEY AUTHORITY
Lincoln, Nebraska

STATEMENTS OF EQUITY INTERESTS
For the Years Ended August 31, 2006 and 2005

	City of Lincoln	University of Nebraska - Lincoln	Lower Platte South Natural Resources District	Total
Equity Interests:				
Balance - August 31, 2004	$ 47,842,172	$ 776,050	$ 9,005,507	$ 57,623,729
Equity contributions	24,653,165	554,795	5,290,462	30,498,422
Revenue over (under) expenses	-	(36,509)	(43,437)	(79,946)
Distributions	-	(590,551)	-	(590,551)
Balance - August 31, 2005	72,495,337	703,785	14,252,532	87,451,654
Equity contributions	14,646,419	502,671	1,471,555	16,620,645
Revenue over (under) expenses	-	(27,244)	(27,245)	(54,489)
Distributions	-	(502,671)	-	(502,671)
Balance - August 31, 2006	$ 87,141,756	$ 676,541	$ 15,696,842	$ 103,515,139

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

JOINT ANTELOPE VALLEY AUTHORITY
Lincoln, Nebraska

STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2006 and 2005

	2006	2005
Cash Flows From Operating Activities:		
Payments for services and supplies	$ (52,633)	$ (67,724)
Cash Flows From Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(16,096,449)	(29,867,371)
Cash contributions	16,620,645	30,498,422
Cash distributions	(502,671)	(590,551)
Net cash provided by capital and related financing activities	21,525	40,500
Net increase (decrease) in cash and cash equivalents	(31,108)	(27,224)
Cash and Cash Equivalents - Beginning of Year	31,108	58,332
Cash and Cash Equivalents - End of Year	$ -	$ 31,108

Reconciliation of Revenues Over (Under) Expenses to Net Cash Provided by Operating Activities:		
Revenues over (under) expenses	$ (54,489)	$ (79,946)
Decrease in prepaid insurance	1,856	12,222
Increase in operating expenses accrual	21,525	-
	$ (31,108)	$ (67,724)

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

Note 1 - General Statement and Summary of Significant Accounting Policies:

a) General Statement and Reporting Entity – Joint Antelope Valley Authority is a joint administrative entity created April 15, 2000, in accordance with Article XV, Section 18 of the Constitution of the State of Nebraska and Nebraska Revenue Statutes Section 13.801 through 13.827 (1997) authorizing the creation of a joint entity by public agencies. Per an interlocal cooperative agreement by and between the Board of Regents of the University of Nebraska, a public body corporate, the City of Lincoln, Nebraska, a municipal corporation, and the Lower Platte South Natural Resources District, a political subdivision of the State of Nebraska, this joint administrative entity was created to be known as Joint Antelope Valley Authority (JAVA). JAVA constitutes a separate administrative entity, exercising the public power granted by the interlocal cooperation agreement on behalf of the three aforementioned "Partners" to coordinate planning and implementation of a public project described in the Antelope Valley Study and the U.S. Army Corps of Engineers Antelope Creek Feasibility Study (the "Project"). The Project generally includes community revitalization, transportation, and drainage/flood control improvements.

JAVA is delegated powers by the "Partners" to carry out activities as follows:

During its "Preparation Period":
- public information and review;
- project design;
- receive gifts, grants, bequests, devises, exchanges, and appropriations; and
- contracting or purchasing authority that Each Partner may posses.

During its "Implementation Period":
- the right to acquire property including by condemnation if necessary;
- relocation of residences, business and structures;
- demolition;
- material and equipment leasing and purchasing;
- pre-construction activities;
- construction and construction management;
- mitigate adverse impacts and conditions;
- utility relocation and installation;
- acquisition, development, and construction of the Northeast Park; and
- any other power necessary or convenient to implement the Phase One Components.

After the completion of a specific component of the Project, JAVA will transfer all real estate and improvements thereon to the appropriate individual Partner, subject to the necessary and agreed upon easements which will be conveyed to such Partner or other appropriate public or private entity, or reserved by such a Partner, for the operation, maintenance, repair and inspection of each specific component.

During the Implementation Period of this Agreement, JAVA shall have the power and authority to acquire and condemn property rights, borrow, mortgage, pledge, or secure loans and bond its appropriated revenues and assets; provided however, that JAVA shall have no power and authority to bond the credit or revenues of The Three Partners or Each Partner, or levy taxes.

Note 1 - General Statement and Organization and Summary of Significant Accounting Policies (Continued):

b) Basis of Accounting/Presentation – JAVA prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.

JAVA applies all Governments Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements unless those pronouncements conflict with or contradict GASB pronouncements.

c) Risk Management – JAVA or one of the Partners shall provide general liability and property insurance coverage. In connection with the employment of its own employees, each Partner at its own expense, shall provide workers' compensation coverage.

d) Cash and Investments – JAVA's cash and investments are maintained and controlled through pooled cash and investments with the City of Lincoln. JAVA considers highly liquid investment with an original maturity of three months or less when purchased to be cash equivalents.

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount which reasonably estimates fair value.

e) Capital Assets – All capital assets are recorded at historical cost. Costs of capital assets include construction costs, design and engineering fees, land acquisition costs, easement and right-of-way costs.

f) Retainage Payable – Retainage payable represents amounts billed to JAVA by contractors for which payment is not due pursuant to retained percentage provisions in construction contracts until substantial completion of performance by contractor and acceptance by JAVA.

g) Equity Interests – Equity interests represent contributions from JAVA partners net of their respective share of revenues over (under) expenses and reduced by any distributions.

h) Estimates – The use of estimates are required to present the financial statements in conformity with accounting principles generally accepted in the United States of America.

Note 2 - Deposits and Investments:

Deposits and investments, categorized for level of risk, cannot be reasonably apportioned by the City of Lincoln, controller of JAVA's cash and investments. JAVA's share of the City of Lincoln's pool is $-0- and $31,108 at August 31, 2006 and 2005, respectively, which is cash on deposit carried at cost, which approximates fair market value. The cash on deposit with the City of Lincoln is secured by the City through their financial institutions' agents in the City's name.

Note 2 - Deposits and Investments (Continued):

GASB 31 requires investments to be carried at fair value. At August 31, 2006 and 2005, there were no investments for JAVA in the City's investment pool. Investment pools under the custody of the City are maintained in accordance with investment policies complying with State Statutes and the City Charter. Pooled funds may be invested in: (1) direct obligations of the United States government pledged by its full faith and credit, (2) certificates of deposit at savings and loan associations and federally insured banks when secured by acceptable collateral, (3) savings accounts at savings and loan associations and banks, to the extent fully insured, and (4) any bond, note, or other indebtedness issued by agencies, authorities, or public entities whose governing boards are appointed by the City Council.

Note 3 - Capital Assets:

Capital assets are summarized as follows:

	2006	2005
Land acquisition	$ 33,997,569	$ 32,478,277
Construction in progress:		
Design and construction services	24,139,327	19,649,261
Site construction	45,389,253	35,660,701
	$ 103,526,149	$ 87,788,239

Upon completion of the projects, ownership will revert to the Partners based upon their responsibility of operation and maintenance of the project.

Note 4 - Administrative Agreements;

Agreements between JAVA and the City of Lincoln have been entered to provide:

Administrative, clerical and accounting support
Right-of-way acquisition and relocation assistance

JAVA is to reimburse the City of Lincoln on an "actual cost" basis including 100% of salary and fringe benefits for actual hours worked on JAVA business plus costs of supplies and related expenses required in the performance of these services.

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Lincoln, Nebraska 68510
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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 Partners
Joint Antelope Valley Authority
Lincoln, Nebraska

We have audited the financial statements of the Joint Antelope Valley Authority, as of and for the years ended August 31, 2006 and 2005, and have issued our report thereon dated December 15, 2006. 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 Joint Antelope Valley Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether Joint Antelope Valley 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 statements 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*.

This report is intended for the information and use of the audit committee, management, the State of Nebraska Department of Roads, and United States Department of Transportation – Federal Highway Administration, and is not intended to be and should not be used by anyone other than these specified parties.

Micek & Crouch, P.C.

Lincoln, Nebraska
December 15, 2006

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Partners
Joint Antelope Valley Authority
Lincoln, Nebraska

COMPLIANCE

We have audited the compliance of Joint Antelope Valley Authority with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2006. Joint Antelope Valley Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Joint Antelope Valley Authority's management. Our responsibility is to express an opinion on Joint Antelope Valley Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the statements applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Joint Antelope Valley Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Joint Antelope Valley Authority's compliance with those requirements.

In our opinion, Joint Antelope Valley Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2006.

INTERNAL CONTROL OVER COMPLIANCE

The management of Joint Antelope Valley Authority is responsible for establishing and maintaining effect internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Joint Antelope Valley Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, State of Nebraska Department of Roads, and United States Department of Transportation – Federal Highway Administration and is not intended to be and should not be used by anyone other than these specified parties.

Mick & Crouch, P.C.

Lincoln, Nebraska
December 15, 2006

JOINT ANTELOPE VALLEY AUTHORITY
Lincoln, Nebraska

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2006

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Identifying Number	Federal Expenditures
U.S. Department of Transportation - Federal Highway Administration			
Pass-Through Programs to:			
State of Nebraska Department of Roads:			
Big T	20-205	CM-55(144)	$ 2,186,827
East Leg		STPC-5257(1)	319,166
N/S Road "Q" to "Y" Streets		CM-55(143)	344,173
N/S Road "K" to "Q" Streets		CN-55(142)	61,499
"J" Street Bridge		STPC-5226(1)	23,628
South Street Bridge		STPC-5212(5)	187,403
"N" Street Bridge		STPC-5234(1)	58,637
Total expenditures of fund awards			$ 3,181,333

Note to Schedule of Expenditures of Federal Awards Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Joint Antelope Valley Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.