

JOINT ANTELOPE VALLEY AUTHORITY
Lincoln, Nebraska

FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2009 AND 2008

Micek & Crouch, P.C.
Certified Public Accountants

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, 2009.

FINANCIAL HIGHLIGHTS

JAVA's equity increased \$22,780,735 during the year ending August 31, 2009. The equity increase is due to \$22,898,507 of equity contributions from members, net of expenses exceeding revenue by \$117,772 for the year.

Prior period adjustments as of August 31, 2008, resulted in increased cost of capital assets and equity interests by \$2,822,981, respectively. The increased cost of capital assets and equity interest were due to additional project costs by the City of Lincoln, Nebraska, park and urban development departments of \$6,174,998 and reduced valuation of donated property of \$3,352,017.

Applied through the year ended August 31, 2009, an attestation review of JAVA and the Antelope Valley Project was conducted by the State of Nebraska Auditor of Public Accounts (APA). Financial highlights from the attestation review by the APA indicate additional costs toward the Antelope Valley Project by the U.S. Army Corps of Engineers (USACE) of \$22,700,983, related costs shared by the City of Lincoln of \$13,208,844, and Lower Platte South Natural Resources District of \$6,966,886, and cumulative operating expenses of \$513,215.

A summary of the equity interests/related costs share/operating costs share for the Antelope Valley Project is shown as supplemental information (Schedule 1, page 21).

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 \$175,038,854 and \$152,258,119 as of August 31, 2009 and 2008, respectively.

	Equity Interests as of August 31,	
	2009	2008
Current Assets	\$ -	\$ 22,383
Capital Assets	<u>175,053,565</u>	<u>152,914,296</u>
Total assets	<u>\$ 175,053,565</u>	<u>\$ 152,936,679</u>
Current Liabilities	\$ 14,711	\$ 678,560
Equity Interests	<u>175,038,854</u>	<u>152,258,119</u>
Total liabilities and equity interests	<u>\$ 175,053,565</u>	<u>\$ 152,936,679</u>

The equity interest of JAVA increased \$22,780,735 primarily due to equity contributions.

Changes in equity interests from expenses exceeding revenues for the years ended August 31, 2009 and 2008, follows:

	2009	2008
Revenues	\$ 720	\$ -
Program:		
Expenses:		
General government	<u>118,492</u>	<u>92,764</u>
Revenue over (under) expenses	(117,772)	(92,764)
Equity Contributions	22,898,507	33,752,400
Equity Distributions	-	-
Equity Interests - Beginning of Year	<u>152,258,119</u>	<u>118,598,483</u>
Equity Interests - End of Year	<u>\$ 175,038,854</u>	<u>\$ 152,258,119</u>

Total expenses do not include capital outlay of \$22,139,269 and \$34,352,952 for the years ended August 31, 2009 and 2008, 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, 2009, JAVA had \$175,053,565 invested in land and construction in progress. This amount represents an increase of \$22,139,269. 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 Fran Mejer, 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, 2009 and 2008, 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, 2009 and 2008, 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 July 16, 2010, 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.

Mieck & Crouch, P.C.

JOINT ANTELOPE VALLEY AUTHORITY
Lincoln, Nebraska

BALANCE SHEETS
August 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ <u> -</u>	\$ <u> 22,383</u>
Capital Assets:		
Completed projects	20,468,246	20,468,246
Projects in progress	<u>154,585,319</u>	<u>132,446,050</u>
Total capital assets	<u>175,053,565</u>	<u>152,914,296</u>
Total assets	<u>\$ 175,053,565</u>	<u>\$ 152,936,679</u>
LIABILITIES AND EQUITY INTERESTS		
Current Liabilities:		
Amount due to City Treasurer	\$ 14,711	\$ -
Retainage and accounts payable	<u> -</u>	<u> 678,560</u>
Total liabilities	14,711	678,560
Equity Interests	<u>175,038,854</u>	<u>152,258,119</u>
Total liabilities and equity interests	<u>\$ 175,053,565</u>	<u>\$ 152,936,679</u>

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, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues	\$ 720	\$ -
Expenses:		
Operating expenses:		
Management services	27,375	18,141
Replating	53,772	36,250
Audit and legal	14,635	13,798
Insurance	21,949	23,280
Office supplies	521	1,051
Postage	240	244
Total operating expenses	<u>118,492</u>	<u>92,764</u>
Revenue over (under) expenses	(117,772)	(92,764)
Equity Contributions	22,898,507	33,752,400
Distributions	-	-
Equity Interests - Beginning of Year	<u>152,258,119</u>	<u>118,598,483</u>
Equity Interests - End of Year	<u>\$ 175,038,854</u>	<u>\$ 152,258,119</u>

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, 2009 and 2008

	City of Lincoln	University of Nebraska - Lincoln	Lower Platte South Natural Resources District	Total
Equity Interests:				
Balance - August 31, 2007	\$ 101,655,005	\$ 686,131	\$ 16,257,347	\$ 118,598,483
Equity contributions	33,262,815	44,996	444,589	33,752,400
Revenue over (under) expenses	-	(46,382)	(46,382)	(92,764)
Distributions	-	-	-	-
Balance - August 31, 2008	134,917,820	684,745	16,655,554	152,258,119
Equity contributions	22,342,700	40,339	515,468	22,898,507
Revenue over (under) expenses	(31,028)	(43,372)	(43,372)	(117,772)
Distributions	-	-	-	-
Balance - August 31, 2009	<u>\$ 157,229,492</u>	<u>\$ 681,712</u>	<u>\$ 17,127,650</u>	<u>\$ 175,038,854</u>

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, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash Flows From Operating Activities:		
Interest income	\$ 720	\$ -
Payments for services and supplies	<u>(103,781)</u>	<u>(92,764)</u>
Net cash provided (used) by operating activities	<u>(103,061)</u>	<u>(92,764)</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(22,979,185)	(33,662,407)
Equity contributions	22,898,507	33,752,400
Equity distributions	<u>-</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(80,678)</u>	<u>89,993</u>
Net increase (decrease) in cash and cash equivalents	(22,383)	(2,771)
Cash and Cash Equivalents - Beginning of Year	<u>22,383</u>	<u>25,154</u>
Cash and Cash Equivalents - End of Year	<u>\$ -</u>	<u>\$ 22,383</u>
Reconciliation of Revenues Over (Under) Expenses to Net Cash Provided by Operating Activities:		
Revenues over (under) expenses	\$ (117,772)	\$ (92,764)
Increase in amount due to City Treasurer	<u>14,711</u>	<u>-</u>
	<u>\$ (103,061)</u>	<u>\$ (92,764)</u>

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 possess.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended August 31, 2009 and 2008

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 – Capital assets are recorded at historical cost and estimated value. Costs of capital assets include construction costs, design and engineering fees, land acquisition costs, easement and right-of-way costs. Donated capital assets are recorded at estimated appraisal values as of the date of donation.
- 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 \$22,383 at August 31, 2009 and 2008, 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.

JOINT ANTELOPE VALLEY AUTHORITY
Lincoln, Nebraska

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended August 31, 2009 and 2008

Note 2 - Deposits and Investments (Continued):

GASB 31 requires investments to be carried at fair value. At August 31, 2009 and 2008, 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:

	<u>2009</u>	<u>2008</u>
Land acquisition/easements	\$ 40,485,632	\$ 36,668,388
Design and construction services	38,308,459	33,941,976
Site construction	<u>96,259,474</u>	<u>82,303,932</u>
	<u>\$ 175,053,565</u>	<u>\$ 152,914,296</u>

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.

Note 5 - Prior Period Adjustments:

During the year ended August 31, 2009, JAVA discovered an error in recognizing the scope of expenditures by the City of Lincoln, Nebraska, related to JAVA. This concerns expenditures for JAVA projects amounting to \$7,161,059 in the City of Lincoln's parks and urban development departments, and adjustments from City of Lincoln public works projects amounting to decreases of \$986,061, prior to September 1, 2008. Total assets and equity interest increased \$6,174,998 as a result of these corrections.

Another error was discovered during the year ended August 31, 2009, in the valuation of donated property to JAVA by the City of Lincoln, Nebraska, prior to September 1, 2007. Total assets and equity interest decreased \$3,352,017 as a result of the revised property valuation.

JOINT ANTELOPE VALLEY AUTHORITY
Lincoln, Nebraska

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended August 31, 2009 and 2008

Note 5 - Prior Period Adjustments (Continued):

The effect of these adjustments and restatements are:

As of August 31, 2007, increase in project costs and equity interests of \$1,965,939.

During the year ended August 31, 2008, increase in project costs and equity contributions of \$857,042.

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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, 2009 and 2008, and have issued our report thereon dated July 16, 2010. 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 a matter involving the internal control over financial reporting and its operation that we considered to be a material weakness. Until August 31, 2009, the entire scope of JAVA related project costs were not included as JAVA expenditures.

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
July 16, 2010

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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, 2009. 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, 2009.

INTERNAL CONTROL OVER COMPLIANCE

The management of Joint Antelope Valley Authority is responsible for establishing and maintaining effective 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.

Michal Croub, P.C.

JOINT ANTELOPE VALLEY AUTHORITY
Lincoln, Nebraska

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2009

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:			
East Leg	20-205	STPC-5257(1)	\$ 6,526,216
N/S Road "Q" to "Y" Streets		CM-55(143)	904,204
N/S Road "K" to "Q" Streets		CM-55 (142)	1,512,138
"J" Street Bridge		STPC-5226(1)	288,247
"N" Street Bridge		STPC-5234(1)	<u>786,600</u>
Total expenditures of federal awards			<u>\$ 10,017,405</u>

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.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2009

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: X Unqualified Qualified
 Adverse Disclaimer

Internal Control over financial reporting:

- Material weakness(es) identified? X Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses: Yes X None Reported

Noncompliance material to financial statements noted: Yes X No

Federal Awards

Type of auditor's report issued on compliance for Major programs: X Unqualified Qualified
 Adverse Disclaimer

Internal Control over major program(s):

- Material weakness(es) identified? Yes X No
- Reportable condition(s) identified that are not considered to be material weaknesses? Yes X None Reported

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Subpart E, Section 510? Yes X No

Identification of Major Program(s):

<u>Grant Number/CFDA Number</u>	<u>Program Title</u>
STPC-5257(1)/20-205	U.S. Department of Transportation – Federal
CM-55(143)/20-205	Pass through Program to State of Nebraska
CM-55(142)/20-205	Department of Roads
STPC-5234(1)/20-205	

Dollars threshold used to distinguish between Type A and type B programs: \$300,000

Auditee qualified as a low-risk auditee? X Yes No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended August 31, 2009

B. FINDINGS – FINANCIAL STATEMENT AUDIT

Until August 31, 2009, the entire scope of JAVA related project costs were not included as JAVA expenditures.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None required to be reported.

SUPPLEMENTARY INFORMATION

Micek & Crouch, P.C.

Certified Public Accountants

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.

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Partners
Joint Antelope Valley Authority
Lincoln, Nebraska

Our report on our audit of the basic financial statements of Joint Antelope Valley Authority, for the years ended August 31, 2009 and 2008, appear on page 3. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Information on pages 22 to 29 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited," has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Micek & Crouch, P.C.

Lincoln, Nebraska
July 16, 2010

JOINT ANTELOPE VALLEY AUTHORITY/ANTELOPE VALLEY PROJECT
 Lincoln, Nebraska

EQUITY INTERESTS/RELATED COSTS SHARE/OPERATING COSTS SHARE
 From Inception to August 31, 2009

SCHEDULE 1

	<u>City of Lincoln</u>	<u>UNL</u>	<u>LPSNRD</u>	<u>USACE</u>	<u>Total</u>
Equity Interests	\$ 157,229,492	\$ 681,712	\$ 17,127,650	\$ -	\$ 175,038,854
Related Costs Share	13,208,844	-	6,966,886	22,700,983	42,876,713
Operating Expenses	<u>31,028</u>	<u>221,733</u>	<u>260,454</u>	<u>-</u>	<u>513,215</u>
	<u>\$ 170,469,364</u>	<u>\$ 903,445</u>	<u>\$ 24,354,990</u>	<u>\$ 22,700,983</u>	<u>\$ 218,428,782</u>

UNAUDITED

JOINT ANTELOPE VALLEY AUTHORITY
Lincoln, Nebraska

EQUITY INTERESTS
August 31, 2009

SCHEDULE 2

	<u>City of Lincoln</u>	<u>University of Nebraska</u>	<u>Lower Platte South Natural Resources District</u>	<u>Total</u>
Project Costs	\$ 157,260,519.30	\$ 675,000.00	\$ 17,118,045.71	\$ 175,053,565.01
Amount with (Due to) City Treasurer	<u>(31,027.08)</u>	<u>6,712.51</u>	<u>9,603.82</u>	<u>(14,710.75)</u>
	<u>\$ 157,229,492.22</u>	<u>\$ 681,712.51</u>	<u>\$ 17,127,649.53</u>	<u>\$ 175,038,854.26</u>

JOINT ANTELOPE VALLEY AUTHORITY/ANTELOPE VALLEY PROJECT
 Lincoln, Nebraska

CITY OF LINCOLN—EQUITY INTEREST/RELATED COSTS SHARE/OPERATING
 COSTS SHARE
 August 31, 2009

SCHEDULE 3

Project Costs:	<u>Total</u>
Public Works:	
880000	\$ 337,631.43
880100	6,207,380.53
880101	7,285,440.27
880102	6,076,276.43
880103	7,105,025.51
880104	4,628,331.66
880105	7,473,584.23
880106	27,600,576.81
880107	30,013,938.85
880108	6,417,624.80
880109	4,285,894.23
880110	2,970,524.88
880111	703,076.31
880112	3,626,405.06
880113	1,161,180.02
880114	35,728.00
880200	4,144,451.00
880201	89,056.21
880202	2,310,618.65
880203	2,894,129.90
880204	1,526,994.44
880205	359,290.56
880301	4,360,825.42
880302	5,964,206.17
880303	586,224.70
880304	622,425.43
880305	1,744,311.14
880306	6,955.00
880307	628,989.66
701544	95,445.50
701545	8,515,153.09
802178	119,833.00
702179	21,086.41
Parks Department:	
Trago Park	356,105.00
Antelope Valley	12,528.00
Fleming Fields	4,962.00
Lewis Ballfield	16,615.00
Malone	6,443.00
Municipal Building	17,207.00
Union Plaza	35,000.00

UNAUDITED

JOINT ANTELOPE VALLEY AUTHORITY/ANTELOPE VALLEY PROJECT
Lincoln, Nebraska

CITY OF LINCOLN—EQUITY INTEREST/RELATED COSTS SHARE/OPERATING
COSTS SHARE (CONTINUED)
August 31, 2009

SCHEDULE 3

Project Costs (Continued):	<u>Total</u>
Urban Development Department:	
Closer to Home Projects	247,621.00
Northbridge Community Center	2,474,590.00
People's Health Center	421,612.00
CHED Housing Program	396,667.00
EDI Grant Administration	53,670.00
Neighborhood Clean Up/Tool Program/Alley Rock	12,067.00
Planning/Redevelopment Consultants	172,832.00
Hawley Neighborhood Signs	430.00
Malone Center HVAC	12,725.00
Property Acquisition - 2240 Q St	211,744.00
O Street Streetscape, 16th - 17th	74,410.00
Vine Street Streetscape	395,524.00
Antelope Village	754,678.00
Relocation/Renovation of the Triplets	626,446.00
North Bottoms Lighting, Row, Landscaping, Signs, Hayward	248,045.00
Liberty Village Housing Project	607,921.00
Turbine Flats	71,270.00
Assurity	64.00
Property Acquisition - 1414 N 14th	56,782.00
Trago Park	24,959.00
DuTeau's Alltel/LES Utility Relocation	28,987.00
Amount due City Treasurer	<u>(31,027.08)</u>
Equity Interest	<u>\$ 157,229,492.22</u>
Related Costs Share:	
542320 AV Major Investment Studies	\$ 10,631,215.95
542321 AV NE Radial Property Rent	10,583.37
Bond Costs	<u>2,567,045.00</u>
	<u>\$ 13,208,844.32</u>
Operating Costs Share:	
Cumulative	<u>\$ 31,028.00</u>

UNAUDITED

JOINT ANTELOPE VALLEY AUTHORITY/ANTELOPE VALLEY PROJECT
Lincoln, Nebraska

UNL-EQUITY INTEREST/OPERATING COSTS SHARE
August 31, 2009

SCHEDULE 4

<u>Project Number</u>	<u>Project Name</u>	<u>Cumulative Total</u>
880301	NE Community Park	\$ 675,000.00
	Amount With City Treasurer	<u>6,712.51</u>
	Total	<u>\$ 681,712.51</u>

Operating Costs Share:

Cumulative \$ 221,733.00

JOINT ANTELOPE VALLEY AUTHORITY/ANTELOPE VALLEY PROJECT
Lincoln, Nebraska

LPSNRD-EQUITY INTEREST/RELATED COSTS SHARE/OPERATING
COSTS SHARE
August 31, 2009

SCHEDULE 5

Project Number	Project Name	Cumulative Total
880200	AV Storm Waste Management	\$ 13,723.33
880201	Channel Phase I	1,002,778.88
880202	Channel Phase II	2,915,058.38
880203	Channel Phase III	10,678,539.77
880204	BNSF RR Bridge	1,818,389.54
880205	Channel Landscaping	211,291.81
880301	NE Community Park	478,264.00
	Amount with City Treasurer	9,603.82
	Total	<u>\$ 17,127,649.53</u>

Related Costs Share:

Feasibility Study and Reports	\$ 485,452.62
U.S. Army Corps of Engineer Major Investment Studies	5,153,645.50
Interest and Loan Fee Expenses	1,778,472.19
Fees, Permits, Taxes, Other	99,539.28
Less Reimbursements	<u>(550,224.00)</u>
	<u>\$ 6,966,885.59</u>

Operating Costs Share:

Cumulative	<u>\$ 260,454.00</u>
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UNAUDITED

JOINT ANTELOPE VALLEY AUTHORITY/ANTELOPE VALLEY PROJECT
Lincoln, Nebraska

U.S. ARMY CORPS OF ENGINEERS (USACE) COSTS SHARE
August 31, 2009

SCHEDULE 6

Federal-3122	Antelope Creek				Total
	Cost Share 9 Feasibility Phase Costs	Cost Share 331 Preconstruction Engineering and Design Phase Costs	Cost Share 341 Construction Phase Costs	Cost Share 343 Sponsor Betterments (100% Sponsor)	
Prior to FY 05	\$ 644,916.64	\$ 353,341.59	\$ 4,592,060.25	\$ -	\$ 5,590,318.48
FY05	-	-	444,873.71	-	444,873.71
FY06	-	-	2,193,095.22	-	2,193,095.22
FY07	-	-	3,569,433.55	-	3,569,433.55
FY08	-	12.48	5,626,407.24	-	5,626,419.72
FY09	-	-	5,276,842.13	-	5,276,842.13
Total Thru FY09	\$ <u>644,916.64</u>	\$ <u>353,354.07</u>	\$ <u>21,702,712.10</u>	\$ <u>-</u>	\$ <u>22,700,982.81</u>

Per USACE Cost Detail Ledgers

UNAUDITED

JOINT ANTELOPE VALLEY AUTHORITY/ANTELOPE VALLEY PROJECT
Lincoln, Nebraska

OPERATING EXPENSES – CUMULATIVE
August 31, 2009

SCHEDULE 7

Office Supplies	\$	170.48
Operating Supplies		6,688.96
Postage		1,684.94
Contract Service		30,000.00
Auditing Service		79,447.00
Replatting Expense		90,022.65
General Support		4,885.66
Audit Support		333.71
Management Services - Support and Management		110,705.10
Printing		141.20
Insurance		189,135.09
	\$	<u>513,214.79</u>

