

West Haymarket Joint Public Agency

(A Component Unit of the City of Lincoln, Nebraska)
Accountants' Report and Financial Statements

August 31, 2010



West Haymarket Joint Public Agency
(A Component Unit of the City of Lincoln, Nebraska)
August 31, 2010

Contents

Independent Accountants' Report on Financial Statements and Supplementary Information.....	1
Management's Discussion and Analysis	2
Financial Statements	
Governmental Fund Balance Sheet / Statement of Net Assets.....	6
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance / Statement of Activities	7
Notes to Financial Statements	8
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15
Schedule of Findings and Reponses	17

Independent Accountants' Report on Financial Statements and Supplementary Information

Board of Representatives
West Haymarket Joint Public Agency
City of Lincoln, Nebraska

We have audited the accompanying financial statements of the governmental activities and the major fund of the West Haymarket Joint Public Agency (the Agency) (a component unit of the City of Lincoln, Nebraska) as of and for the period from inception through August 31, 2010, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of West Haymarket Joint Public Agency, as of August 31, 2010, and the respective changes in financial position thereof for the period from inception through August 31, 2010, 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 February 23, 2011 on our consideration of the Agency'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 accompanying management's discussion and analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. 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.

BKD, LLP

February 23, 2011

West Haymarket Joint Public Agency
(A Component Unit of the City of Lincoln, Nebraska)
Management's Discussion and Analysis
As of and for the Period from Inception through August 31, 2010

As management of the West Haymarket Joint Public Agency (the Agency), we offer readers of the Agency's basic financial statements this narrative and analysis of the financial activities of the Agency as of and for the period from inception through August 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information provided in the basic financial statements.

The West Haymarket Joint Public Agency was organized as a joint public agency on April 2, 2010, created by a Joint Public Agency Agreement entered into between the City of Lincoln, Nebraska and the Board of Regents of the University of Nebraska. The Agency is a component unit of the City of Lincoln, Nebraska.

Overview of Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The statement of activities presents information showing how the Agency's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flow changes only in future fiscal periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The Agency maintains one governmental fund - the Project Fund.

West Haymarket Joint Public Agency
(A Component Unit of the City of Lincoln, Nebraska)
Management's Discussion and Analysis
As of and for the Period from Inception through August 31, 2010

Fund Financial Statements - Continued

The Agency is not required by the Nebraska State Budget Act to adopt an annual budget, therefore, a budgetary comparison has not been provided in the basic financial statements. The significant expenditures to be made by the Agency will be for capital purposes, which are not appropriated on an annual basis.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the Agency's financial position. In the case of the West Haymarket Joint Public Agency, as of August 31, 2010, net assets were \$1,595,744.

	August 31, 2010
Assets	
Equity in pooled cash and investments	\$ 2,710,908
Interest receivable	1,302
Deferred charges	523,750
Capital assets	3,546,525
Total assets	\$ 6,782,485
Liabilities	
Accounts payable	\$ 2,182,907
Tax anticipation note	2,000,000
Interest payable	1,093
Due to other funds	2,741
Bond security deposit	1,000,000
Total liabilities	\$ 5,186,741
Net Assets	
Invested in capital assets, net of related debt	\$ 1,621,876
Unrestricted	(26,132)
Total net assets	\$ 1,595,744

West Haymarket Joint Public Agency
(A Component Unit of the City of Lincoln, Nebraska)
Management's Discussion and Analysis
As of and for the Period from Inception through August 31, 2010

The tax anticipation note as of August 31, 2010, of \$2,000,000 is the result of short-term borrowings in anticipation of the issuance of long-term bonds. The bond security deposit of \$1,000,000 was a bid requirement of the September 2010 bond issue as disclosed in the notes to the financial statements.

	Period from Inception Through August 31, 2010
Revenues and transfers	
Interest income	\$ 1,824
Transfers in	<u>1,712,581</u>
Total revenues and transfers	<u>1,714,405</u>
Expenses	
General government	65,068
Debt service	<u>53,593</u>
Total expenses	<u>118,661</u>
Change in Net Assets	1,595,744
Net Assets	
Beginning of period	<u>-</u>
End of period	<u><u>\$ 1,595,744</u></u>

The amount of assets related to the West Haymarket project capitalized by the City of Lincoln prior to organization of the Agency totaled \$1,712,581. These assets were subsequently transferred to the Agency upon its creation and are reported as transfers in during the period ended August 31, 2010.

Financial Analysis of the Agency's Funds

The Agency has one governmental fund, the Project Fund. The Project Fund is considered a major fund and is used to account for the Agency's general operations, construction, and debt activities. Activity during the period of operations from inception through August 31, 2010, resulted in a fund deficit of (\$2,474,531), which is the result of financing costs and an initial short-term borrowing.

West Haymarket Joint Public Agency
(A Component Unit of the City of Lincoln, Nebraska)
Management's Discussion and Analysis
As of and for the Period from Inception through August 31, 2010

Debt Administration

At August 31, 2010, the Agency had a tax anticipation note outstanding in the amount of \$2,000,000. Prior to year-end the Agency had sold, but not settled, \$100,000,000 of bonds to be used to repay the short-term borrowing and to fund a portion of the Agency's construction costs. Additional information on the Agency's debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budget

Beginning January 1, 2011, occupation taxes will be imposed within the City of Lincoln at a rate of 2% on bar and restaurant revenues and a rate of 4% on car rental and hotel revenues. This tax revenue is generated to finance the activities of the Agency and is pledged to repayment of any outstanding Agency bonds.

Request for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the Agency. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Lincoln Finance Department, 555 South 10th Street, Lincoln, NE 68508.

West Haymarket Joint Public Agency
(A Component Unit of the City of Lincoln, Nebraska)
Governmental Fund Balance Sheet / Statement of Net Assets
August 31, 2010

	Project Fund	Adjustments (Note 1)	Statement of Net Assets
Assets			
Equity in pooled cash and investments	\$ 2,710,908	\$ -	\$ 2,710,908
Interest receivable	1,302	-	1,302
Deferred charges	-	523,750	523,750
Capital assets	-	3,546,525	3,546,525
	<u>2,712,210</u>	<u>4,070,275</u>	<u>6,782,485</u>
Liabilities			
Accounts payable	2,182,907	-	2,182,907
Tax anticipation note	2,000,000	-	2,000,000
Interest payable	1,093	-	1,093
Due to other funds	2,741	-	2,741
Bond security deposit	1,000,000	-	1,000,000
	<u>5,186,741</u>	<u>-</u>	<u>5,186,741</u>
Fund Deficit/Net Assets			
Unreserved fund deficit	<u>(2,474,531)</u>		
	<u>\$ 2,712,210</u>		
Invested in capital assets, net of related debt			1,621,876
Unrestricted			<u>(26,132)</u>
		<u>\$ 4,070,275</u>	<u>\$ 1,595,744</u>

West Haymarket Joint Public Agency
(A Component Unit of the City of Lincoln, Nebraska)
Statement of Governmental Fund Revenues, Expenditures and
Changes in Fund Balance / Statement of Activities
Period from Inception through August 31, 2010

	Project Fund	Adjustments (Note 1)	Statement of Activities
Expenditures/Expenses			
General government	\$ 65,068	\$ -	\$ 65,068
Debt service	577,343	(523,750)	53,593
Capital outlay	1,833,944	(1,833,944)	-
	<u>2,476,355</u>	<u>(2,357,694)</u>	<u>118,661</u>
Total expenditures/expenses			
General Revenues and Transfers			
Interest income	1,824	-	1,824
Transfers in	-	1,712,581	1,712,581
	<u>1,824</u>	<u>1,712,581</u>	<u>1,714,405</u>
Total general revenues and transfers			
Excess of expenditures over revenues	(2,474,531)		
Change in Net Assets			1,595,744
Fund Deficit/Net Assets			
Beginning of Period	<u>-</u>	<u>-</u>	<u>-</u>
End of Period	<u><u>\$ (2,474,531)</u></u>	<u><u>\$ 4,070,275</u></u>	<u><u>\$ 1,595,744</u></u>

West Haymarket Joint Public Agency
(A Component Unit of the City of Lincoln, Nebraska)
Notes to Financial Statements
August 31, 2010

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The West Haymarket Joint Public Agency (the Agency) was organized as a joint public agency under the Nebraska Joint Public Agency Act on April 2, 2010, to facilitate land acquisition, relocation of existing businesses, environmental remediation, site preparation and the construction, equipping, furnishing and financing of public facilities including, but not limited to, a sports/entertainment arena, roads, streets, sidewalks, a pedestrian overpass, public plaza space, sanitary sewer mains, water mains, electric transmission lines, drainage systems, flood control, parking garages and surface parking lots (collectively considered the West Haymarket Development Project or Project) for the benefit of residents of the City of Lincoln, Nebraska (the City). The Agency was created pursuant to a Joint Public Agency Agreement entered into between the City and the Board of Regents of the University of Nebraska.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these basic financial statements present the financial activities of the Agency. The Agency follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining the governmental activities, organizations, and functions that should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The Agency is not financially accountable for any other organization. Under current GASB pronouncements, the Agency has been determined to be a component unit of the City of Lincoln, Nebraska – the primary government. As such, the Agency's financial results are included in the City of Lincoln, Nebraska's Comprehensive Annual Financial Report.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (*i.e.*, the statement of net assets and the statement of activities) report information on all of the Agency's financial activities. Governmental activities are normally supported by taxes and intergovernmental revenue which are reported as general revenues.

West Haymarket Joint Public Agency
(A Component Unit of the City of Lincoln, Nebraska)
Notes to Financial Statements
August 31, 2010

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the total economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, the operating statement presents increases and decreases in net current assets and unreserved fund balance is a measure of available spendable resources. This means that only current liabilities are generally included on the governmental fund balance sheet.

The statement of net assets does not equal the governmental funds balance sheet at August 31, 2010, due to net capital assets, and debt issuance costs that are not payable from available spendable resources in the statement of net assets.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Measurable means the amount of the transaction can be determined; available means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred and is expected to be paid from available spendable resources.

Fund Accounting

The accounts of the Agency are organized on the basis of funds. The operations of the Project Fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in the Project Fund based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The major fund presented in the accompanying basic financial statements is the Project Fund. The Project Fund is used to account for the Agency's general operational governmental activities.

Private sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The Agency has elected not to follow private-sector guidance issued after November 30, 1989.

West Haymarket Joint Public Agency
(A Component Unit of the City of Lincoln, Nebraska)
Notes to Financial Statements
August 31, 2010

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Fund Accounting - Continued

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Deposits and Investments

The Agency participates in a cash management pool managed by the City. The pool consists of bank deposits and investments. Cash balances in excess of current requirements are invested along with cash from other City funds and interest earned on these investments is allocated monthly to the various funds by the City Treasurer on a pro rata basis of using aggregate quarterly balances. The Agency's interest in the pool is shown as equity in pooled cash and investments in the statement of net assets. Fair value of the equity in the pool is the same as the value of the pool shares determined using the fair value of the pool's underlying investment portfolio.

State statutes require banks either to provide a bond or to pledge government securities to the City Treasurer in the amount of the City's deposits. The Agency has been allocated a portion of the City's pooled cash and investments. One or more of the financial institutions holding the City's cash accounts are participating in the Federal Deposit Insurance Corporation's (FDIC) Transaction Account Guarantee Program. Under the program, through December 31, 2010, all noninterest-bearing transaction accounts at these institutions are fully guaranteed by the FDIC for the entire amount in the account. Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012, at all FDIC institutions. For interest-bearing cash accounts, the City's cash deposits, including certificates of deposit, are insured up to \$250,000 by the FDIC. Any cash deposits or certificates of deposit in excess of FDIC limits, are covered by collateral held in a Federal Reserve pledge account or by an agent for the City and thus no custodial credit risk exists. No legal opinion has been obtained regarding the enforceability of any of the collateral arrangements.

Deferred Charges

Deferred charges are comprised of debt issuance costs.

West Haymarket Joint Public Agency
(A Component Unit of the City of Lincoln, Nebraska)
Notes to Financial Statements
August 31, 2010

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Capital Assets

Arena and infrastructure planning, design and construction costs are capitalized on the government-wide financial statements. At August 31, 2010, all costs incurred are considered construction in progress and are not depreciable.

Net Assets

Net assets are required to be classified into three components - invested in capital assets, net of related debt, restricted and unrestricted. These classifications are defined as follows:

Invested in capital assets, net of related debt - This component of net assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of debt attributable to the unspent proceeds is not included in the calculation of invested capital assets, net of related debt.

Restricted - This component of net assets consists of restrictions placed on net assets use through external constraints imposed by creditors (such as through debt covenants), contributors or law or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Adjustments Column

The adjustments column on the governmental fund balance sheet/statement of net assets represents the recording of capital assets and certain liabilities as required by GASB Statement No. 34.

The adjustments on the governmental fund balance sheet/statement of net assets is comprised of the following as of August 31, 2010:

Amounts reported for the Project Fund are different from the statement of net assets because of:

Deferred charges	\$ 523,750
Capital assets	<u>3,546,525</u>
Total adjustment amount	<u><u>\$ 4,070,275</u></u>

West Haymarket Joint Public Agency
(A Component Unit of the City of Lincoln, Nebraska)
Notes to Financial Statements
August 31, 2010

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Adjustments Column - Continued

The adjustments column on the statement of governmental fund revenues, expenditures and changes in fund balance/statement of activities is comprised of the following for the period from inception through August 31, 2010:

Amounts reported for the Project Fund are different from the statement of activities because of:

Debt issuance costs	\$ 523,750
Capital outlay	1,833,944
Transfers in	<u>1,712,581</u>
Total adjustment amount	<u><u>\$ 4,070,275</u></u>

Note 2: Capital Assets

As of August 31, 2010, the Agency has incurred planning and design costs related to infrastructure and the arena of \$3,546,525. The current estimated project construction costs to be funded by the Agency are \$340,000,000, with a fall of 2013 completion timeline.

Note 3: Tax and Bond Anticipation Notes

As of August 31, 2010, the Agency had outstanding debt issued through the City of Lincoln of \$2,000,000, in the form of a General Obligation Tax Anticipation Note Series 2010A. The Note was due December 6, 2010 with interest at 0.60% plus 70% of LIBOR. The full faith and credit and the taxing powers of the City have been pledged for the payment of principal and interest on the note. The note was paid off with proceeds from a September 2010 bond issue as described in Note 6. The bond security deposit liability of \$1,000,000 reflected on the fund balance sheet and statement of net assets, was a bid deposit requirement of the September 2010 bond issue.

At August 31, 2010, the Agency and City had a commitment from a national financial institution for interim construction financing through the issuance of up to \$50,000,000 in a combination of General Obligation Tax and Bond Anticipation Notes. The commitment expired subsequent to year end and was not renewed.

West Haymarket Joint Public Agency
(A Component Unit of the City of Lincoln, Nebraska)
Notes to Financial Statements
August 31, 2010

Note 4: Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Agency carries commercial insurance for risks of loss, including liability, property, errors and omissions, and workers' compensation.

Note 5: Related Party Transactions

The City provides certain administrative services to the Agency for which the Agency pays fees to the City. These fees amounted to approximately \$13,000 for the period ended August 31, 2010. These charges are recorded as general government expenses in the statement of governmental fund revenues, expenditures and changes in fund balance and statement of activities.

Note 6: Subsequent Events

In September 2010, the Agency issued \$100,000,000 in General Obligation Facility Bonds, Taxable Series 2010A, to provide a portion of the funds necessary to pay the costs of constructing, equipping, furnishing, and financing the development of the West Haymarket facilities. The full faith and credit and the taxing powers of the City are pledged for the payment of the principal of and interest on the bonds. Debt service interest payments begin December 2010. Debt service principal payments are scheduled annually beginning in 2020 at amounts that range from \$2,440,000 to \$5,855,000 with the final maturity December 2045. The bonds are Build America Bonds and, as such, the Agency has elected to receive a federal subsidy of 35 percent from the United States Department of the Treasury for a portion of the interest payable on the bonds. The interest rates on the bonds range from 3.50 to 5.00 percent prior to the federal subsidy. The federal subsidy reduces the true interest cost to 3.20 percent.

In December 2010, the Agency issued an additional \$100,000,000 in General Obligation Facility Bonds, Series 2010B and C to provide a portion of the funds necessary to pay the costs of constructing, equipping, furnishing, and financing the development of the West Haymarket facilities. The full faith and credit and the taxing powers of the City are pledged for the payment of the principal of and interest on the bonds. The first series was \$67,965,000 of taxable Build America Bonds, with the federal government providing a 35 percent subsidy for a portion of the interest payable on the bonds. The second series was \$32,035,000 of taxable Economic Development Bonds, which have a federal subsidy of 45 percent for a portion of the interest payable on the bonds. Debt service interest payments begin June 2011. Debt service principal payments are scheduled annually beginning in 2020 at amounts that range from \$2,440,000 to \$5,855,000 with the final maturity December 2045. The two series have interest rates ranging from 4.00 to 6.75 percent prior to the federal subsidy. The federal subsidy reduces the true interest cost to 3.75 percent.

West Haymarket Joint Public Agency
(A Component Unit of the City of Lincoln, Nebraska)
Notes to Financial Statements
August 31, 2010

Note 6: Subsequent Events - Continued

Through January 31, 2011, the Agency has completed various land acquisitions of \$2.3 million and entered into commitments under major design and construction contracts of approximately \$21.9 million for the West Haymarket Development Project. Approximately \$46 million has been placed by the Agency with an escrow agent for scheduled disbursements to BNSF railroad for relocation and construction activities.

**Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of the Financial Statements Performed
In Accordance with *Government Auditing Standards***

Board of Representatives
West Haymarket Joint Public Agency
City of Lincoln, Nebraska

We have audited the financial statements of the governmental activities and each major fund of the West Haymarket Joint Public Agency (the Agency) (a component unit of the City of Lincoln, Nebraska) as of and for the period from inception through August 31, 2010, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated February 23, 2011. 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 Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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 Agency's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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*.

We noted certain matters that we reported to the Agency's management in a separate letter dated February 23, 2011.

This report is intended solely for the information and use of the Board of Representatives, management and others within the Agency and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

February 23, 2011

West Haymarket Joint Public Agency
(A Component Unit of the City of Lincoln, Nebraska)
Schedule of Findings and Responses
August 31, 2010

Reference Number	Finding	Questioned Costs
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No matters are reportable