Financial Statements
August 31, 2026

School District No. 66, Westside Community Schools, Douglas County, Nebraska

School District No. 66, Westside Community Schools, Douglas County, Nebraska

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Independent Auditor's Report

To the Board of Education
School District No. 66, Westside Community Schools,
Douglas County, Nebraska
Omaha, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of School District No. 66, Westside Community Schools, Douglas County, Nebraska (the District), as of and for the year ended August 31, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2026, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting as described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedules, and the schedule of activities fund by school are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion the budgetary comparison schedules and schedule of activities fund by school are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Omaha, Nebraska
November 4, 2026

The purpose of management's discussion and analysis (MD&A) is to help District residents and other readers understand what the financial statements and notes in this financial report say about the District's financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of the District's finances.

If you have questions about this report or require further information, contact Mr. Brian Gabrial, District Officer of Business and Finance, 909 South 76th Street, Omaha, Nebraska, 68114. The telephone number is (402) 390-2100, the fax number is (402) 390-2149, and our website is located at www.westside66.org.

Overview of the Financial Statements

The District's financial report contains basic financial statements. Those financial statements present the District's finances at both an overall and a detailed level. The first two—the government-wide financial statements—cover the District's governmental activities and business-type activities.

The accompanying basic financial statements have been prepared on the modified cash basis of accounting, in that County Treasurer cash balances are reported and certain accounts payable and accrued expenses (primarily payroll-related) have been reported. Accordingly, the financial statements and supplementary schedules are not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The use of the modified cash basis of accounting is permissible under Rule 1 of the Nebraska Department of Education for school districts such as School District No. 66, Westside Community Schools, Douglas County.

The government-wide financial statements report information on all of the non-fiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities – modified cash basis demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as general receipts.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

Proprietary funds are used to account for the District's business-type activities. Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements. The Food Service Fund is considered a proprietary fund.

Fiduciary funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs. The District does not hold any fiduciary funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data about the financial statements and District commitments, contingencies, and long-term debt obligations that are not reported in the modified cash basis financial statements. The financial statements are followed by a section of supplementary information that further explains and supports the information in the financial statements.

FINANCIAL SUMMARY AND ANALYSIS OF THE DISTRICT'S FINANCES

Net Position

Statement of Net Position - Modified Cash Basis
August 31, 2026 and 2025

	Governmental Activities		Business-Type Activities		Total		Percent
	2026	2025	2026	2025	2026	2025	Change
Assets							
Cash on deposit	$ 72,602,037	$ 83,557,618	$ -	$ 42,870	$ 72,602,037	$ 83,600,488	-13.16%
Funds held by County Treasurer	2,010,607	2,266,759	-	-	2,010,607	2,266,759	-11.30%
Total assets	74,612,644	85,824,377	-	42,870	74,612,644	85,867,247	-13.11%
Liabilities							
Accrued payroll	578,457	670,885	-	-	578,457	670,885	-13.78%
Net Position							
Restricted	40,442,504	50,231,455	-	-	40,442,504	50,231,455	-19.49%
Unrestricted	33,591,683	34,922,037	-	42,870	33,591,683	34,964,907	-3.93%
Total net position	$ 74,034,187	$ 85,153,492	$ -	$ 42,870	$ 74,034,187	$ 85,196,362	-13.10%

As of August 31, 2026, the District's total net position was $74,034,187, a decrease of $11.2 million or 13.10 percent compared with 2025. This decrease was the result of the financial performance of the governmental activities. The following section of MD&A analyzes the finances of the governmental activities.

Governmental Activities

The table below shows that disbursements exceeded receipts in the current year, resulting in a decrease in net position. Various events contributed to this decrease in net position; however, the primary factors affecting the change in net position are as follows:

- A decrease in receipts from issuance of bonds despite construction expense remaining relatively high as receipts from bond issuance in prior years continue to be disbursed.
- An increase in transfers out to the Food Services Fund due to increased food and supply costs coupled with receipt underperformance in that fund.
- An overall increase in supply costs due to inflation as well as additional needs as new facilities are opened.
- A budgeted slight decrease in fund balance to provide property tax relief to Westside taxpayers rather than grow or maintain a fund balance already at a more than sufficient level.

Statement of Activities - Modified Cash Basis
Years Ended August 31, 2026 and 2025

	Governmental Activities		Business-Type Activities		Total		Percent
	2026	2025	2026	2025	2026	2025	Change
Receipts							
Program receipts							
Charges for services	$ 399,531	$ 302,849	$ 5,681,827	$ 5,418,856	$ 6,081,358	$ 5,721,705	6.29%
Operating grants and contributions	26,996,958	20,008,687	1,939,718	1,952,085	28,936,676	21,960,772	31.77%
General							
Taxes	64,496,885	62,677,496	-	-	64,496,885	62,677,496	2.90%
Fines and licenses	275,053	242,872	-	-	275,053	242,872	13.25%
State aid	29,201,514	30,312,825	-	-	29,201,514	30,312,825	-3.67%
Interest income	1,923,320	2,635,810	-	-	1,923,320	2,635,810	-27.03%
Other	2,081,314	20,576,346	-	-	2,081,314	20,576,346	-89.88%
Total receipts	125,374,575	136,756,885	7,621,545	7,370,941	132,996,120	144,127,826	-7.72%
Disbursements							
Instructional services	52,283,997	50,549,177	-	-	52,283,997	50,549,177	3.43%
Support services							
Pupils	6,831,684	6,485,312	-	-	6,831,684	6,485,312	5.34%
Instructional staff	4,171,481	3,885,779	-	-	4,171,481	3,885,779	7.35%
General administration	1,948,960	1,926,668	-	-	1,948,960	1,926,668	1.16%
Building administration	7,608,816	7,195,410	-	-	7,608,816	7,195,410	5.75%
Business services	6,400,103	7,367,526	-	-	6,400,103	7,367,526	-13.13%
Maintenance and operation of plant	13,775,332	12,504,372	-	-	13,775,332	12,504,372	10.16%
Pupil transportation	2,433,384	2,291,577	-	-	2,433,384	2,291,577	6.19%
State categorical programs	468,318	478,676	-	-	468,318	478,676	-2.16%
Other categorical programs	792,688	433,515	-	-	792,688	433,515	82.85%
Federal programs	3,271,904	3,204,724	-	-	3,271,904	3,204,724	2.10%
Summer school	189,272	274,917	-	-	189,272	274,917	-31.15%
Activities supplies and materials	1,286,660	1,761,843	-	-	1,286,660	1,761,843	-26.97%
Debt service	14,287,516	48,973,747	-	-	14,287,516	48,973,747	-70.83%
Construction	49,265,950	69,659,550	-	-	49,265,950	69,659,550	-29.28%
Food service	-	-	8,402,726	8,112,231	8,402,726	8,112,231	3.58%
Total disbursements	165,016,065	216,992,793	8,402,726	8,112,231	173,418,791	225,105,024	-22.96%
Other Financing Sources (Uses)							
Insurance proceeds	8,800	186,363	-	-	8,800	186,363	-95.28%
Sale of property	42,954	3,505	-	-	42,954	3,505	1125.51%
Back-dated tax settlements	1,883,013	988,055	-	-	1,883,013	988,055	90.58%
Bond issuance	25,080,000	76,310,000	-	-	25,080,000	76,310,000	-67.13%
Premium on bonds	2,245,729	1,357,552	-	-	2,245,729	1,357,552	65.42%
Transfers out	(738,311)	-	-	-	(738,311)	-	100.00%
Transfer in	-	-	738,311		738,311	-	100.00%
Total other financing sources (uses)	28,522,185	78,845,475	738,311	-	29,260,496	78,845,475	-62.89%
Change in Net Position	(11,119,305)	(1,390,433)	(42,870)	(741,290)	(11,162,175)	(2,131,723)	423.62%
Net Position, Beginning of Year	85,153,492	86,543,925	42,870	784,160	85,196,362	87,328,085	-2.44%
Net Position, End of Year	$ 74,034,187	$ 85,153,492	$ -	$ 42,870	$ 74,034,187	$ 85,196,362	-13.10%

Governmental Funds

The District reports three major funds individually in the governmental fund financial statements. Those funds are the general fund, the bond interest and retirement fund, and the special building fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the District's current financial health are more apparent in the fund financial statements than in the government-wide financial statements.

	General Fund		Bond Interest and Retirement Fund		Special Building Fund	
	2026	2025	2026	2025	2026	2025
Total Receipts	$ 98,032,138	$ 99,073,872	$ 12,691,147	$ 12,068,474	$ 13,164,181	$ 23,786,611
Total Disbursements	100,155,020	96,642,125	13,908,280	47,731,985	49,564,015	70,813,481
Excess (Deficiency) of Receipts over (under) Disbursements	(2,122,882)	2,431,747	(1,217,133)	(35,663,511)	(36,399,834)	(47,026,870)
Other Financing Sources (Uses)						
Insurance proceeds	-	10,400	-	-	8,800	175,963
Sale of property	42,954	3,505	-	-	-	-
Back-dated tax settlements	1,389,526	717,304	383,852	197,510	109,635	73,241
Bond issuance	-	-	-	37,310,000	25,080,000	39,000,000
Premium on bonds	-	-	-	-	2,245,729	1,357,552
Transfers out	(738,311)	-	-	-	-	-
Total other financing sources (uses)	694,169	731,209	383,852	37,507,510	27,444,164	40,606,756
Net Change in Fund Balance	(1,428,713)	3,162,956	(833,281)	1,843,999	(8,955,670)	(6,420,114)
Fund Balance, Beginning of Year	34,426,770	31,263,814	12,548,960	10,704,961	37,682,495	44,103,609
Fund Balance, End of Year	$ 32,998,057	$ 34,426,770	$ 11,715,679	$ 12,548,960	$ 28,726,825	$ 37,683,495

General Fund

The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12, including pupil transportation activities, buildings and grounds, and capital outlay projects.

The following schedule presents a summary of General Fund receipts.

	Year Ended August 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2026	2025		
Taxes	$ 48,508,264	$ 46,526,941	$ 1,981,323	4.26%
Fines and licenses	275,053	242,872	32,181	13.25%
Tuition and fees	277,866	186,733	91,133	48.80%
State aid and state receipts	43,928,123	45,548,544	(1,620,421)	-3.56%
Federal aid	3,615,796	4,772,968	(1,157,172)	-24.24%
Interest Income	711,166	887,304	(176,138)	-19.85%
Other	715,870	908,510	(192,640)	-21.20%
Total General Fund receipts	$ 98,032,138	$ 99,073,872	$ (1,041,734)	-1.05%

Total General Fund receipts decreased by $1,041,734 from the previous year. Property tax rates are set in reaction to expectations of receipts from other sources like state aid and grants. For the year ended August 31, 2026, the expectation was that General Fund receipts needed to be lowered by $1,000,000. At this level, the combination of receipts and fund reserves would be sufficient to meet the disbursements needs of the District.

The following schedule presents a summary of General Fund disbursements.

	Year Ended August 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2026	2025		
Instructional services	$ 52,283,997	$ 50,549,177	$ 1,734,820	3.43%
Support services				
Pupils	6,751,837	6,445,118	306,719	4.76%
Instructional staff	4,171,481	3,885,779	285,702	7.35%
General administration	1,948,960	1,926,668	22,292	1.16%
Building administration	7,608,816	7,195,410	413,406	5.75%
Business services	6,400,103	7,367,526	(967,423)	-13.13%
Maintenance and operation of plant	13,716,580	12,450,120	1,266,460	10.17%
Pupil transportation	2,433,384	2,291,577	141,807	6.19%
State categorical programs	468,318	478,676	(10,358)	-2.16%
Other categorical programs	792,688	433,515	359,173	82.85%
Federal programs	3,271,904	3,204,724	67,180	2.10%
Summer school	167,029	271,752	(104,723)	-38.54%
Debt service	139,923	142,083	(2,160)	-1.52%
Total General Fund disbursements	$ 100,155,020	$ 96,642,125	$ 3,512,895	3.63%

Total General Fund disbursements increased by $3,512,895 from the previous year. Salaries and benefits increased due to increased employee negotiated contracts for wages and benefits. Supplies and materials increased due to inflationary pressure on all costs as well as increased supply costs due to opening of new facilities.

Bond Interest and Retirement Fund

The District's inflows from property taxes may be used only to repay outstanding general obligation bonds. The inflows from property taxes mentioned earlier and existing fund balance was more than sufficient to cover the fund's disbursements for principal and interest. The total receipts were $12,691,147 while the total disbursements were $13,908,280. These, along with other financing sources of $383,852, decreased the fund balance by $833,281. This resulted in an ending fund balance of $11,715,679 in the fund.

Special Building Fund

The Special Building Fund is used to account for taxes levied and other receipts specifically maintained for future building and equipment purchases. During the current year, the District issued bonds at a premium to finance ongoing construction projects. The total receipts were $13,164,181 while the total disbursements were $49,564,015. These, along with other financing sources of $27,444,164, decreased the fund balance by $8,955,670. This resulted in an ending fund balance of $28,726,825 in the fund.

Business-Type Activity and Proprietary Fund

The total net position of the District's business-type activities (which also are reported as a major enterprise fund) decreased by $42,870 in 2026. The District's governmental activities subsidized food service operations with a transfer of $738,311. Absent the transfer, total net position would have declined by $781,181.

	Food Service Fund	
	2026	2025
Operating Receipts	$ 5,681,827	$ 5,418,856
Operating Disbursements	8,402,726	8,112,231
Operating Loss	(2,720,899)	(2,693,375)
Noncapital subsidies		
Federal subsidy	1,919,108	1,921,390
State subsidy	20,610	30,695
Transfers in	738,311	-
Total noncapital subsidies	2,678,029	1,952,085
Change in Net Position	(42,870)	(741,290)
Net Position, Beginning of Year	42,870	784,160
Net Position, End of Year	$ -	$ 42,870

Food Service Fund

The Food Service Fund incurred a decrease in net position of $42,870. The decrease was due to inflationary pressure on food and supply costs as well as underperformance of local receipt collection.

LONG-TERM FINANCING ACTIVITY

At year-end the District had $166,982,500 of long-term debt consisting of bonds payable of $160,890,000, bond premium of $5,957,500, and lease-purchase agreement payable of $135,000. These liabilities are not recognized in the accompanying modified cash basis financial statements. See Note 5 for additional information on long-term debt.

The District has a net pension asset of $27,712,510 at June 30, 2025. This asset is not recognized in the accompanying modified cash basis financial statements. See Note 3 for additional information.

CURRENTLY KNOWN FACTS, DECISIONS, AND CONDITIONS

- Enrollment continues to be an area weighing on the District's financial future and will continue to be monitored closely by the District's administration. The District's student enrollment, which determines the pupil units for the purpose of funding, looks to remain consistent over the next five years. Open enrolled students in grades K-12 continues to be approximately one hundred students and is monitored each year by administration.
- Labor costs account for over 80% of the District expenses. As the cost of benefits continue to increase, it becomes more important during the negotiations of labor contracts that the District be cognizant to this potential unknown long-term liability. The District must continue to follow enrollment trends and maintain a responsible balance between staffing and student enrollment. In addition, the District must be aware of future legislative action as it relates to public school funding, and consider efforts to increase local operating receipts. These actions directly correlate to labor negotiations and hiring practices.

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash on deposit	$ 72,602,037	$ -	$ 72,602,037
Funds held by County Treasurer	2,010,607	-	2,010,607
Total assets	74,612,644	-	74,612,644
Liabilities			
Accrued payroll	578,457	-	578,457
Net Position			
Restricted			
Debt service	11,715,679	-	11,715,679
Capital projects	28,726,825	-	28,726,825
Unrestricted	33,591,683	-	33,591,683
Total net position	$ 74,034,187	$ -	$ 74,034,187

School District No. 66, Westside Community Schools, Douglas County, Nebraska

Statement of Activities – Modified Cash Basis

Year Ended August 31, 2026

Functions/Programs	Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Position		
				Primary Government		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental activities						
Instructional services	$ 52,283,997	$ 231,876	$ 14,726,609	$ (37,325,512)	$ -	$ (37,325,512)
Support services						
Pupils	6,831,684	-	-	(6,831,684)	-	(6,831,684)
Instructional staff	4,171,481	-	-	(4,171,481)	-	(4,171,481)
General administration	1,948,960	-	-	(1,948,960)	-	(1,948,960)
Building administration	7,608,816	-	-	(7,608,816)	-	(7,608,816)
Business services	6,400,103	-	-	(6,400,103)	-	(6,400,103)
Maintenance and operation of plant	13,775,332	-	-	(13,775,332)	-	(13,775,332)
Pupil transportation	2,433,384	45,990	-	(2,387,394)	-	(2,387,394)
State categorical programs	468,318	-	-	(468,318)	-	(468,318)
Other categorical programs	792,688	-	-	(792,688)	-	(792,688)
Federal programs	3,271,904	-	3,615,796	343,892	-	343,892
Summer school	189,272	121,665	-	(67,607)	-	(67,607)
Activities supplies and materials	1,286,660	-	-	(1,286,660)	-	(1,286,660)
Debt service	14,287,516	-	-	(14,287,516)	-	(14,287,516)
Construction	49,265,950	-	8,654,553	(40,611,397)	-	(40,611,397)
Total governmental activities	165,016,065	399,531	26,996,958	(137,619,576)	-	(137,619,576)
Business-type activities						
Food service	8,402,726	5,681,827	1,939,718	-	(781,181)	(781,181)
Total business-type activities	8,402,726	5,681,827	1,939,718	-	(781,181)	(781,181)
Total primary government	$ 173,418,791	$ 6,081,358	$ 28,936,676	(137,619,576)	(781,181)	(138,400,757)
General Receipts						
Taxes						
Property				55,607,675	-	55,607,675
Motor vehicle				3,605,455	-	3,605,455
Public power district sales				5,283,755	-	5,283,755
Fines and licenses				275,053	-	275,053
State aid				29,201,514	-	29,201,514
Interest income				1,923,320	-	1,923,320
Other				2,081,314	-	2,081,314
Total general receipts				97,978,086	-	97,978,086
Other Financing Sources (Uses)						
Insurance proceeds				8,800	-	8,800
Sale of property				42,954	-	42,954
Back-dated tax settlements				1,883,013	-	1,883,013
Bond issuance				25,080,000	-	25,080,000
Premium on bonds				2,245,729	-	2,245,729
Transfers in				-	738,311	738,311
Transfers out				(738,311)	-	(738,311)
Total other financing sources (uses)				28,522,185	738,311	29,260,496
Change in Net Position				(11,119,305)	(42,870)	(11,162,175)
Net Position, Beginning of Year				85,153,492	42,870	85,196,362
Net Position, End of Year				$ 74,034,187	$ -	$ 74,034,187

School District No. 66, Westside Community Schools, Douglas County, Nebraska

Balance Sheet – Modified Cash Basis –
Governmental Funds
August 31, 2026

	General Fund	Bond Interest and Retirement Fund	Special Building Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash on deposit	$ 32,101,675	$ 11,268,104	$ 28,638,632	$ 593,626	$ 72,602,037
Funds held by County Treasurer	1,474,839	447,575	88,193	-	2,010,607
Total assets	$ 33,576,514	$ 11,715,679	$ 28,726,825	$ 593,626	$ 74,612,644
Liabilities					
Accrued payroll	$ 578,457	$ -	$ -	$ -	$ 578,457
Fund Balances					
Restricted	-	11,715,679	28,726,825	-	40,442,504
Committed				593,626	593,626
Assigned	3,677,009	-	-	-	3,677,009
Unassigned	29,321,048	-	-	-	29,321,048
Total fund balances	32,998,057	11,715,679	28,726,825	593,626	74,034,187
Total liabilities and fund balances	$ 33,576,514	$ 11,715,679	$ 28,726,825	$ 593,626	$ 74,612,644

School District No. 66, Westside Community Schools, Douglas County, Nebraska

Statement of Receipts, Disbursements, and Changes in Fund Balances – Modified Cash Basis – Governmental Funds

Year Ended August 31, 2026

	General Fund	Bond Interest and Retirement Fund	Special Building Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Taxes					
Property	$ 41,032,529	$ 11,320,402	$ 3,254,744	$ -	$ 55,607,675
Motor vehicle	3,576,698	21,075	7,682	-	3,605,455
Public power district sales	3,899,037	1,077,089	307,629	-	5,283,755
Fines and licenses	275,053	-	-	-	275,053
Tuition and fees	277,866	-	-	121,665	399,531
State aid and state receipts	43,928,123	-	-	-	43,928,123
Federal aid	3,615,796	-	-	-	3,615,796
Interest income	711,166	272,581	939,573	-	1,923,320
Other	715,870	-	8,654,553	1,365,444	10,735,867
Total receipts	98,032,138	12,691,147	13,164,181	1,487,109	125,374,575
Disbursements					
Instructional services	52,283,997	-	-	-	52,283,997
Support services					
Pupils	6,751,837	-	-	79,847	6,831,684
Instructional staff	4,171,481	-	-	-	4,171,481
General administration	1,948,960	-	-	-	1,948,960
Building administration	7,608,816	-	-	-	7,608,816
Business services	6,400,103	-	-	-	6,400,103
Maintenance and operation of plant	13,716,580	-	58,752	-	13,775,332
Pupil transportation	2,433,384	-	-	-	2,433,384
State categorical programs	468,318	-	-	-	468,318
Other categorical programs	792,688	-	-	-	792,688
Federal programs	3,271,904	-	-	-	3,271,904
Summer school	167,029	-	-	22,243	189,272
Activities supplies and materials	-	-	-	1,286,660	1,286,660
Debt service	139,923	13,908,280	239,313	-	14,287,516
Construction	-	-	49,265,950	-	49,265,950
Total disbursements	100,155,020	13,908,280	49,564,015	1,388,750	165,016,065
Excess (Deficiency) of Receipts Over (Under) Disbursements	(2,122,882)	(1,217,133)	(36,399,834)	98,359	(39,641,490)
Other Financing Sources (Uses)					
Insurance proceeds	-	-	8,800	-	8,800
Sale of property	42,954	-	-	-	42,954
Back-dated tax settlements	1,389,526	383,852	109,635	-	1,883,013
Bond issuance	-	-	25,080,000	-	25,080,000
Premium on bonds	-	-	2,245,729	-	2,245,729
Transfers out	(738,311)	-	-	-	(738,311)
Total other financing sources (uses)	694,169	383,852	27,444,164	-	28,522,185
Change in Fund Balances	(1,428,713)	(833,281)	(8,955,670)	98,359	(11,119,305)
Fund Balances, Beginning of Year	34,426,770	12,548,960	37,682,495	495,267	85,153,492
Fund Balances, End of Year	$ 32,998,057	$ 11,715,679	$ 28,726,825	$ 593,626	$ 74,034,187

	Food Service Fund
Assets	
Cash on deposit	$ -
Net Position	
Restricted	$ -
Unrestricted	-
Total net position	$ -

	Food Service Fund
Operating Receipts	
Charges for sales and services - food sales	$ 5,681,827
Operating Disbursements	
Cost of sales and services	8,402,726
Operating Loss	(2,720,899)
Noncapital subsidies	
Federal subsidy	1,919,108
State subsidy	20,610
Transfers in	738,311
Total noncapital subsidies	2,678,029
Change in Net Position	(42,870)
Net Position, Beginning of Year	42,870
Net Position, End of Year	$ -

Note 1 - Description of Reporting Entity and Summary of Significant Accounting Policies

The following describes the reporting entity and provides a summary of significant accounting policies of School District No. 66, Westside Community Schools, Douglas County, Nebraska.

Organization

School District No. 66, Westside Community Schools, Douglas County, Nebraska (the District) is a tax-exempt political subdivision and a Class III school district of the State of Nebraska.

Reporting Entity

The financial statements of the District include all significant separately administered organizations for which the District is financially accountable with the exception of the Westside Community Schools Foundation, which is reported separately, as it is not considered a significant component unit under Governmental Accounting Standards Board criteria for determining financial accountability. These criteria include the basis of selection of governing authority, imposition of will, a financial benefit/burden relationship and/or fiscal dependency.

Basis of Accounting

The financial statements are presented in accordance with a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves modifications to the cash basis of accounting to report in the statement of net position or balance sheet cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include funds held by the County Treasurer which have arisen from cash collected by the County on behalf of the District and accounts payable for employee payroll withholdings for federal and state taxes and pension contributions. The required employer match for employee pension withholdings is also included in accrued payroll.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected, and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows of resources that do not arise from a cash transaction or event that would be reported in GAAP basis financial statements (such as donated assets and pension or postemployment benefit liabilities) are not reported in this modified cash basis presentation, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

Basis of Presentation

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the District's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in the following categories:

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included as program receipts are reported instead as general receipts.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

Proprietary funds are used to account for the District's business-type activities. Proprietary funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements.

The District reports the following major governmental funds:

General Fund – This fund is the operating fund of the District.

Bond Interest and Retirement Fund – This fund accounts for taxes levied and other receipts specifically earmarked for the retirement of bond indebtedness.

Special Building Fund – This fund accounts for taxes levied and other receipts specifically maintained for future building and equipment purchases.

The District reports the following other nonmajor governmental funds:

Employee Benefits Fund – This fund accounts for retirees' separation payments and health insurance benefits.

Student Fees Fund – This fund accounts for all monies collected from students pursuant to certain provisions of State of Nebraska Legislative Bill 1172. The money expended from this fund must be for purposes for which it was collected from students.

Activities Fund – This fund accounts for monies used for special board-designated projects and at District schools for miscellaneous student activities.

The District reports the following major proprietary fund:

Food Service Fund – This fund accounts for the operations of the District's food service program and rental and catering activities.

Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – This component of fund balance consists of amounts that are not in a spendable form or are required to be maintained intact. At August 31, 2026, the District had no nonspendable fund balances.

Restricted – This component of fund balance consists of amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers. At August 31, 2026, the District had restricted fund balances of $40,442,504.

Committed – This component of fund balance consists of amounts that can be used only for the specific purposes determined by a formal action by the Board of Education. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally. At August 31, 2026, the District had committed fund balances of $593,626.

Assigned – This component of fund balance consists of amounts intended to be used by the District for specific purposes as designated by the Board of Education. At August 31, 2026, the District had assigned fund balances of $3,677,009.

Unassigned – This component of fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. At August 31, 2026, the District had unassigned fund balances of $29,321,048.

When both restricted and unrestricted resources are available, the District uses restricted, then committed, and then assigned amounts before unassigned amounts are used.

Budgetary Data

Prior to August 31, the Board of Education prepares and legally adopts an operating budget prepared essentially on the cash receipts and disbursements basis for the fiscal year commencing the following September 1. Once approved by the Board, total disbursements cannot legally exceed total appropriations at the fund level without holding a public budget hearing and obtaining approval from the Board of Education.

Capital Assets

Capital assets are recognized as disbursements when paid for by the District and are not capitalized in the government-wide or fund financial statements.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting, which is a comprehensive basis of accounting other than 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 receipts and disbursements during the reporting period. Actual results could differ from those estimates.

Group Health Insurance Costs

The District is self-insured under its employee group health program, up to certain limits. Included in the accompanying statement of activities are disbursements for premiums for excess coverage and payments for claims.

Major Receipt Source

Property taxes are a major source of receipts for the District. The first half of the property taxes is due to the County prior to April 1, and the second half of the property taxes is due prior to August 1 of a given year. The District receives property tax receipts on the 15th of each month. All levy information for property taxes must be submitted to the County by September 30th of each year.

Risk Management

The District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; employee injuries and illnesses; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Note 2 - Deposits and Investments and Funds Held by County Treasurer

Nebraska Revised Statute §79-1043 provides that the District may, by and with the consent of the Board of Education of the District, invest the funds of the District in securities, including repurchase agreements, the nature of which individuals of prudence, discretion and intelligence acquire or retain in dealing with the property of another.

The District's bank accounts and investments are held by the District's agents in the District's name in accordance with State statutes. The accounts and investments are fully insured or collateralized through joint custody security arrangements or, in the case of U.S. government instruments, are registered in the District's name.

The funds held by the County Treasurer for the General Fund, Bond Interest and Retirement Fund, and Special Building Fund represent amounts collected for the District during August 2026 and remitted to the District during September 2026.

As of August 31, 2026, the carrying amount of the District's deposits was $72,602,037 and the bank balances were $68,297,775. The District's deposits were secured by FDIC coverage of approximately $590,000 and pledged collateral of approximately $68,000,000.

Note 3 - Nebraska School Employees Retirement System

Plan Description

The District contributes to the Nebraska School Employees Retirement System, a cost–sharing multiple–employer defined benefit pension plan (Plan) administered by the Nebraska Public Employees Retirement System (NPERS). NPERS provides retirement and disability benefits to plan members and beneficiaries. The School Employees Retirement Act establishes benefit provisions.

In 1945, the Nebraska Legislature enacted the law establishing a retirement plan for school employees of the State. During the NPERS fiscal year ended June 30, 2025, there were 265 participating school districts. These were the districts that had contributions during the fiscal year. All regular public school employees in Nebraska, other than those who have their own retirement plans (Class V school districts, Nebraska State Colleges, University of Nebraska, Community Colleges), are members of the Plan.

Normal retirement is at age 65. For an employee who became a member before July 1, 2013, the monthly benefit is equal to the greater of: 1) the sum of a savings annuity, which is the actuarial equivalent of the member's accumulated contributions and a service annuity equal to $3.50 per year of service; or 2) the monthly average of the three 12-month periods of service as a school employee in which such compensation was the greatest, multiplied by total years of creditable service, multiplied by a formula factor of 2.0%, and an actuarial factor based on age.

For an employee who became a member on or after July 1, 2013, the monthly benefit is equal to the greater of the following: 1) the sum of a savings annuity, which is the actuarial equivalent of the member's accumulated contributions and a service annuity equal to $3.50 per year of service; or 2) the average of the five 12-month periods of service as a school employee in which such compensation was the greatest, multiplied by total years of creditable service, multiplied by a formula factor of 2.0%, and an actuarial factor based on age.

Employees' benefits are vested after five years of plan participation or when termination occurs at age 65 or later. Vested members are eligible to receive an unreduced retirement benefit at age 65.

A member's age will determine eligibility to begin receiving a monthly benefit and if those benefits are reduced or unreduced. Benefit calculations vary with early retirement. At ages 55 to 64, members who are in tier one, two, or three may qualify to receive unreduced benefits under the "Rule of 85" if the member's attained age plus creditable service equals 85 or greater. At ages 60 to 64, members may qualify to receive unreduced benefits under the tier four "Rule of 85" if the member's attained age plus creditable service equals 85 or greater.

For school employees who became members prior to July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost-of-living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or 2.5%. The current benefit paid to a retired member or beneficiary is adjusted so that the purchasing power of the benefit being paid is not less than 75% of the purchasing power of the initial benefit.

For school employees who became members on or after July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost-of-living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or 1.0%. There is no purchasing power floor for employees who fall under this tier.

For the District's year ended August 31, 2026, the District's total payroll for all employees was $60,747,061. Total covered payroll was $58,646,883. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan.

Contributions

On May 6, 2025, LB645 was signed into law. LB645 changes contribution rates for the School Employees Retirement System ("the Plan"). The contribution rate for members, employers, and the State of Nebraska will now be dependent on the funded status of the Plan as determined by the independent, third-party actuarial valuation report.

LB645 states the contribution rates shall be calculated as of July 1 each year and will be based on the actuarial value of assets in the Plan as of the most recent actuarial valuation report presented to the Public Employees Retirement Board. The funded status in the report will determine the contribution rate to be implemented on July 1 of the next year.

Funded Status	Employee	Employer	State
100% or above	7.25%	7.32%	0.00%
Between 98% and less than 100%	8.00%	8.08%	0.70%
Between 96% and less than 98%	8.75%	8.84%	0.70%
Less than 96%	9.75%	9.85%	2.00%

The employee contribution was equal to 8.00 percent from July 1, 2025, to June 30, 2026. The employee contribution was 7.25 percent from July 1, 2026, to August 31, 2026. The school district (employer) contribution is 101 percent of the employee contribution. The District's contribution to the Plan for its year ended August 31, 2026 was $5,456,496.

The State contributed an amount equal to 0.70 percent of the compensation of all members through June 30, 2026 and 0.0 percent July 1, 2026 to August 31, 2026 (per NPERS website). This contribution is considered a nonemployer contribution since school employees are not employees of the State.

Pension Liabilities (Assets)

At June 30, 2025, the District had an asset of $27,712,510 for its proportionate share of the net pension liability (asset) (this asset is not recognized in the accompanying modified cash basis financial statements). The net pension liability (asset) was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability (asset) was determined using an actuarial valuation as of that date. The Plan was 107.17% funded as of June 30, 2025, based on actuarial calculations comparing total pension liability to the plan fiduciary net position. The District's proportion of the net pension liability (asset) was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2025, the District's proportion was 2.230939%, which was an increase of 0.3517% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2026, the District's allocated pension income was $8,287,352.

Actuarial Assumptions

The total pension liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.35%
- Investment rate of return, net of investment expense and including inflation: 6.95%
- Projected salary increases, including inflation: 2.95%
- Cost-of-living adjustments (COLA): 2.00% for members hired before January 1, 2013. 1.00% for members hired on or after January 1, 2013

The Plan's pre-retirement mortality rates were based on the Pub-2010 General Members (Above Median) Employee Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

The Plan's post-retirement mortality rates were based on the Pub-2010 General Members (Above Median) Retiree Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

The Plan's beneficiary mortality rates were based on the Pub-2010 General Members (Above Median) Contingent Survivor Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

The Plan's disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree Mortality Table (static table).

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study which covered the four-year period ending June 30, 2023. The experience study report is dated February 19, 2025.

The long-term expected real rate of return on pension plan investments was based upon the expected long-term investment returns provided by a consultant of the Nebraska Investment Council, who is responsible for investing the pension plan assets. The return assumptions were developed using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	24.00%	4.50%
Global Equity	22.00%	4.80%
Non-U.S. Equity	11.50%	4.60%
Fixed Income	30.00%	3.00%
Private Equity	5.00%	7.10%
Real Estate	7.50%	4.00%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2025, was 6.95%. The discount rate is reviewed as part of the actuarial experience study, which was last performed for the period July 1, 2019, through June 30, 2023. The actuarial experience study is reviewed by the NPERS Board, which must vote to change the discount rate.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and contributions from employers and nonemployees will be made at the contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projected future benefit payments for all current plan members were projected through 2124.

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.95%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.95%) or one-percentage-point higher (7.95%) than the current rate:

	Discount Rate	District's Proportionate Share of Net Pension Liability (Asset)
1% decrease	5.95%	$ 26,271,911
Current discount rate	6.95%	$ (27,712,510)
1% increase	7.95%	$ (71,966,955)

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Nebraska Public Employees Retirement Systems Plan financial report. NPERS issues a publicly available financial report that includes financial statements and required supplementary information for NPERS. That report can be obtained from https://npers.ne.gov under Related Links-Retirement Plan Audits, by writing to Public Employees Retirement Systems, PO Box 94816, Lincoln, NE 68509-4816, or by calling 402-471-2053.

Note 4 - Postemployment Benefits Other than Pensions (OPEB)

Plan Description

The District administers a single-employer benefit plan that provides medical benefits for employees, their families and retirees. Group insurance benefits are established in accordance with District policy. No assets are accumulated in a trust.

OPEB Benefits

Individuals who are employed by the District and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65, who had reached age 55 by August 31, 2013, and had been employed by the District in an eligible position for 20 years, may be reimbursed for the cost of a single medical insurance premium. Reimbursement will not exceed the premium contribution paid by the District each year for current full-time employees. Upon reaching age 65, the retirees previously described may also be reimbursed for Medicare supplemental insurance premiums until age 70 at an amount not to exceed the premium contribution paid each year by the District for a single medical insurance premium for current full-time employees.

At August 31, 2026, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving reimbursement	20
Active employees	747
Total	767

Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses for OPEB plans. Actuaries estimate such liabilities using assumptions that include:

- Termination rates
- Mortality rates
- Retirement rates
- Discount rates
- Healthcare cost increases
- Premiums
- Inflation rates
- Post-retirement participation rates

The accuracy of these assumptions is critical in establishing an appropriate OPEB liability for the District. The liability would not be recognized under the modified cash basis, but disclosure would be similar to the net pension liability in Note 3. The District has not yet gathered the necessary historical data to provide to an actuary to determine exposure of the OPEB liability as of August 31, 2026. The OPEB liability exposure will continue to decline as participation was limited to individuals meeting the qualifications as of August 31, 2013, and these individuals age out of the benefit upon reaching age 70.

Note 5 - Long-Term Debt

Details of the District's long-term debt obligations as of August 31, 2026, are as follows:

General Obligation Bonds – Series 2017

On December 20, 2017, the District authorized issuance of general obligation bonds in the amount of $9,985,000 to fund the cost of certain property acquisition, capital improvement, construction, and equipment projects. Principal and interest payments are made from the Bond Interest and Retirement Fund annually and semi-annually, respectively, with the interest rate ranging from 2.00% to 3.12%. Final payment is due June 1, 2037. As of August 31, 2026, the outstanding balance was $6,315,000.

Limited Tax Obligation Refunding Bonds – Series 2019

On May 23, 2019, the District authorized issuance of limited tax obligation refunding bonds in the amount of $7,755,000. Principal and interest payments are made from the Bond Interest and Retirement Fund annually and semi-annually, respectively, with the interest rate ranging from 1.80% to 2.40%. Final payment is due December 1, 2029. As of August 31, 2026, the outstanding balance was $3,455,000.

General Obligation Bonds – Series 2019

On December 5, 2019, the District authorized issuance of general obligation bonds in the amount of $3,345,000, including a $359,207 original issue premium, to fund the cost of certain property acquisition, capital improvement, construction, and equipment projects. Principal and interest payments are made from the Bond Interest and Retirement Fund annually and semi-annually, respectively, with the interest rate ranging from 3.00% to 5.00%. During the year ended August 31, 2026, these bonds were fully redeemed.

Lease-Purchase Agreement Payable – BOKF

On May 22, 2020, the District executed a lease-purchase agreement that secured funding for $915,000 to purchase certain capital improvements and equipment. Funding was provided through the issuance of certificates of participation that are repaid by BOKF, the lessor, based on rental payments made by the District in accordance with the terms and conditions of the lease-purchase agreement. Title to the leased property is vested with the District and a security interest is granted to the lessor during the term of the lease. Principal and interest payments are made from the General Fund annually and semi-annually, respectively, with an imputed interest rate of 1.67%. Final payment is due June 15, 2027. As of August 31, 2026, the outstanding balance was $135,000.

General Obligation Refunding Bonds – Series 2021

On February 1, 2021, the District authorized issuance of general obligation refunding bonds in the amount of $10,340,000 to advance refund the Series 2018 bonds. Principal and interest payments are made from the Bond Interest and Retirement Fund annually and semi-annually, respectively, with the interest rate ranging from 0.55% to 2.41%. Final payment is due June 1, 2038. As of August 31, 2026, the outstanding balance was $7,235,000.

General Obligation Bonds – Series 2023

On May 9, 2023, the District authorized issuance of general obligation bonds in the amount of $121,000,000 to fund the cost of capital improvements as related to Phase II of the District's Facilities Master Plan. On September 20, 2023, the first bond issuance of $47,690,000 was made, with an associated bond premium of $2,691,219. Principal and interest payments are made from the Bond Interest and Retirement Fund annually and semi-annually, respectively, with the interest rate ranging from 4.375% to 5.00%. Final payment is due December 1, 2043. As of August 31, 2026, the outstanding balance was $44,500,000.

General Obligation Bonds – Series 2024

On December 4, 2024, the District authorized issuance of general obligation bonds in the amount of $9,995,000 to fund the cost of capital improvements as related to Phase II of the District's Facilities Master Plan. Principal and interest payments are made from the Bond Interest and Retirement Fund annually and semi-annually, respectively, with the interest rate of 4.00%. Final payment is due December 1, 2044. As of August 31, 2026, the outstanding balance was $9,995,000.

General Obligation Refunding Bonds – Series 2025A

On June 1, 2025, the District authorized issuance of general obligation refunding bonds in the amount of $37,310,000 to advance refund the Series 2015 bonds. Principal and interest payments are made from the Bond Interest and Retirement Fund annually and semi-annually, respectively, with the interest rate of 2.71% to 2.87%. Final payment is due December 1, 2035. As of August 31, 2026, the outstanding balance was $35,305,000.

General Obligation Bonds – Series 2025B

On July 15, 2025, the District authorized issuance of general obligation bonds in the amount of $29,005,000 at a premium of $1,357,552 to fund the cost of capital improvements as related to Phase II of the District's Facilities Master Plan. Principal and interest payments are made from the Bond Interest and Retirement Fund annually and semi-annually, respectively, with the interest rate ranging from 3.90% to 4.65%. Final payment is due June 1, 2045. As of August 31, 2026, the outstanding balance was $29,005,000.

General Obligation Bonds – Series 2026

On June 10, 2026, the District authorized issuance of general obligation bonds in the amount of $25,080,000 at a premium of $2,245,729 to fund the cost of capital improvements as related to Phase II of the District's Facilities Master Plan. Principal and interest payments are made from the Special Building Fund annually and semi-annually, respectively, with the interest rate ranging from 2.75% to 4.33%. Final payment is due December 1, 2046. As of August 31, 2026, the outstanding balance was $25,080,000.

The changes in outstanding indebtedness for the year ended August 31, 2026, were:

Debt Issuance Date	Interest Rate(s)	Outstanding Balance 8/31/2025	Issued During Year	Retired During Year	Outstanding Balance 8/31/2026	Due Within One Year
12/20/2017	2.00% - 3.12%	$ 6,805,000	$ -	$ 490,000	$ 6,315,000	$ 500,000
05/23/2019	1.80% - 2.40%	4,230,000	-	775,000	3,455,000	810,000
12/05/2019	3.00% - 5.00%	2,725,000	-	2,725,000	-	-
05/22/2020	1.67%	270,000	-	135,000	135,000	135,000
02/01/2021	0.55% - 2.41%	7,775,000	-	540,000	7,235,000	550,000
9/20/2023	4.375% - 5.000%	46,465,000	-	1,965,000	44,500,000	1,135,000
9/20/2023	Bond Premium	2,556,658	-	134,561	2,422,097	134,561
12/4/2024	4.00%	9,995,000	-	-	9,995,000	-
6/1/2025	2.71% - 2.87%	37,310,000	-	2,005,000	35,305,000	2,285,000
7/15/2025	3.90% - 4.65%	29,005,000	-	-	29,005,000	-
7/15/2025	Bond Premium	1,357,552	-	67,878	1,289,674	67,878
6/10/2026	2.75% - 4.33%	-	25,080,000	-	25,080,000	-
6/10/2026	Bond Premium	-	2,245,729	-	2,245,729	112,286
		$ 148,494,210	$ 27,325,729	$ 8,837,439	$ 166,982,500	$ 5,729,725

Bond principal and interest requirements for bond issues outstanding as of August 31, 2026, are as follows:

Years Ending August 31	Bond	Interest	Total
2027	$ 5,280,000	$ 6,543,739	$ 11,823,739
2028	4,885,000	6,431,053	11,316,053
2029	5,130,000	6,292,454	11,422,454
2030	5,360,000	6,143,442	11,503,442
2031	5,895,000	5,981,357	11,876,357
2032-2036	35,360,000	26,886,733	62,246,733
2037-2041	50,505,000	18,507,189	69,012,189
2042-2046	47,650,000	4,808,706	52,458,706
2047	825,000	20,625	845,625
Total	$ 160,890,000	$ 81,615,298	$ 242,505,298

A summary of the annual lease-purchase agreement payable principal and interest requirements to maturity by year is as follows:

Years Ending August 31	Lease-Purchase Agreement Payable	
	Principal	Interest
2027	$ 135,000	$ 1,727
Total	$ 135,000	$ 1,727

Note 6 - Commitments and Contingencies

Commitments

As of the date of this report, the District had approximately $36,000,000 of construction commitments for ongoing construction projects. The projects are expected to be completed during the year ended August 31, 2028.

Contingencies

The District is involved in litigation arising in the normal course of business. After consultation with legal counsel, management estimates these matters will be resolved without material adverse effect on the District's future financial position or results from operations.

In 2022, the District was notified of an underpayment error by the Douglas County Treasurer that diverted payments in lieu of property taxes allocated to the District and other political subdivisions within Douglas County. The Douglas County Treasurer is in the process of receiving the diverted funds from the affected political subdivisions and upon receipt, will distribute the appropriate funds to the District, which are expected to total approximately $5,500,000 across six years (for the years ending August 31, 2025 and 2031). During the year ended August 31, 2026, $1,883,013 was received. The back-dated tax settlements are reported within the financial statements as "Other Financing Sources". No additional provisions for balances outstanding have been made in the financial statements in accordance with the reporting framework used by the District described in Note 1.

Federal Awards

The District receives funds under various federal grant programs to be expended in accordance with the provisions of the grant. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material impact on the District's financial statements.

Note 7 - Related Party Transactions

The Westside Community Schools Foundation (the Foundation) is a legally separate entity and is not a significant component unit under Governmental Accounting Standards Board criteria. During the year ended August 31, 2026, the District received approximately $8,800,000 from the Foundation. Approximately $317,000 consisted of grants to the District and payments for management fees and printing and postage services. Approximately $9,000 represented payments for catering services provided by the District. The remaining amount of approximately $8,474,000 was for capital improvements for the District.

Note 8 - Interfund Activity

During the year ended August 31, 2026, the District transferred $738,311 from the General Fund to the Food Service Fund. Per rules set by the Nebraska Department of Education, deficits in the Food Service Fund shall be covered by funds from the General Fund. These are reported as transfers out of the General Fund and transfers into the Food Service Fund.

Supplementary Information
August 31, 2026

School District No. 66, Westside Community Schools, Douglas County, Nebraska

School District No. 66, Westside Community Schools, Douglas County, Nebraska

Budgetary Comparison Schedule - General Fund

Year Ended August 31, 2026

	Function Code	Budgeted (Original and Final)	Actual	Variance
Receipts				
County Treasurer - taxes	1100-1140; 3130; 3131; 3134	$ 47,956,272	$ 48,433,026	$ 476,754
County Treasurer - other state receipts	3180	70,000	75,238	5,238
County Treasurer - fines and licenses	1911; 2110	240,000	275,053	35,053
		48,266,272	48,783,317	517,045
State aid	3110	29,201,514	29,201,514	-
State aid - appropriations	3120-3125; 3155; 3400; 3535-3990	15,879,733	14,726,609	(1,153,124)
Tuition and fees	1311-1370; 1410-1440	155,000	277,866	122,866
Interest income	1510	800,000	711,166	(88,834)
Other	1910; 1920-1995	1,015,000	715,870	(299,130)
		47,051,247	45,633,025	(1,418,222)
Categorical receipts				
IDEA	4416-4418; 4516-4522	1,723,451	1,771,896	48,445
ESSA - Title I	4212; 4505	781,345	759,876	(21,469)
Universal service	4105	120,000	110,909	(9,091)
Medical assistance	4708-4709	450,000	706,487	256,487
ESSA - Title II	4509	173,017	148,578	(24,439)
ESSA - Title III	4527-4528	58,463	38,287	(20,176)
ESSA - Title IV	4969	-	38,624	38,624
Vocational education	4525	51,499	39,047	(12,452)
Homeless assistance	4991	2,092	2,092	-
		3,359,867	3,615,796	255,929
Total receipts		$ 98,677,386	$ 98,032,138	$ (645,248)

School District No. 66, Westside Community Schools, Douglas County, Nebraska

Budgetary Comparison Schedule - General Fund

Year Ended August 31, 2026

	Function Code	Budgeted (Original and Final)	Actual	Variance
Disbursements				
Instructional services	1100-1190; 1200; 2900	$ 51,707,137	$ 52,283,997	$ (576,860)
Support services -				
Pupils	2110-2190	6,722,742	6,751,837	(29,095)
Instructional staff	2210-2290	4,108,128	4,171,481	(63,353)
General administration	2310-2330	2,046,473	1,948,960	97,513
Building administration	2410-2490	7,346,521	7,608,816	(262,295)
Business services	2510-2590	7,938,108	6,400,103	1,538,005
Maintenance and operation of plant	2610-2670	12,087,932	13,716,580	(1,628,648)
Pupil transportation	2700	2,375,452	2,433,384	(57,932)
State categorical programs	3535-3599	504,563	468,318	36,245
Operation of non-instructional services	3300	1,050	-	1,050
Other categorical programs	3400	406,750	792,688	(385,938)
Summer school	1300	308,424	167,029	141,395
Debt service	5000	139,923	139,923	-
Discretionary		7,456,670	-	7,456,670
		103,149,873	96,883,116	6,266,757
Categorical disbursements				
IDEA	6402-6412; 6421-6423	2,041,717	1,947,338	94,379
ESSA - Title I	6200s	923,163	924,344	(1,181)
ESSA - Title II	6310	200,297	174,084	26,213
ESSA - Title III	6926	39,480	51,864	(12,384)
Vocational education	6700	44,860	44,904	(44)
Homeless assistance	6991	12,000	648	11,352
Innovation	6414-6418	126,263	128,722	(2,459)
		3,387,780	3,271,904	115,876
Total disbursements		106,537,653	100,155,020	6,382,633
Excess (Deficiency) of Receipts Over (Under) Disbursements		(7,860,267)	(2,122,882)	5,737,385
Other Financing Sources (Uses)				
Sale of property	5300	-	42,954	42,954
Back-dated tax settlements	6400	720,000	1,389,526	669,526
Transfers out	8000	-	(738,311)	(738,311)
Total other financing sources (uses)		720,000	694,169	(25,831)
Change in Fund Balance		$ (7,140,267)	(1,428,713)	$ 5,711,554
Fund Balance, Beginning of Year			34,426,770	
Fund Balance, End of Year			32,998,057	

School District No. 66, Westside Community Schools, Douglas County, Nebraska

Budgetary Comparison Schedule - Bond Interest and Retirement Fund

Year Ended August 31, 2026

	Function Code	Budgeted (Original)	Budgeted (Final)	Actual	Variance
Receipts					
County Treasurer - taxes	1100-1140	$ 11,487,945	$ 11,487,945	$ 11,465,470	$ (22,475)
County Treasurer - other state receipts	3130-3180	934,367	934,367	953,096	18,729
Interest income	1510	277,786	277,786	272,581	(5,205)
Total receipts		12,700,098	12,700,098	12,691,147	(8,951)
Disbursements					
Principal and interest payments	5000	11,351,843	14,051,843	13,908,280	143,563
Excess (Deficiency) of Receipts Over (Under) Disbursements		1,348,255	(1,351,745)	(1,217,133)	134,612
Other Financing Sources					
Back-dated tax settlements	6400	-	-	383,852	383,852
Change in Fund Balance		$ 1,348,255	$ (1,351,745)	(833,281)	$ 518,464
Fund Balance, Beginning of Year				12,548,960	
Fund Balance, End of Year				$ 11,715,679	

School District No. 66, Westside Community Schools, Douglas County, Nebraska

Budgetary Comparison Schedule - Special Building Fund

Year Ended August 31, 2026

	Function Code	Budgeted (Original and Final)	Actual	Variance
Receipts				
County Treasurer - taxes	1100-1140	$ 2,465,746	$ 2,462,310	$ (3,436)
County Treasurer - other state receipts	3130-3180	1,049,364	1,107,745	58,381
Interest income	1510	1,050,000	939,573	(110,427)
Other	1990	9,008,372	8,654,553	(353,819)
Total receipts		13,573,482	13,164,181	(409,301)
Disbursements				
Capital expenditures, remodeling, renovation and maintenance of buildings	4700	85,535,392	49,265,950	36,269,442
Principal and interest payments	5000	-	239,313	(239,313)
Maintenance and operation of plant	2610-2670	55,000	58,752	(3,752)
Total disbursements		85,590,392	49,564,015	36,026,377
Deficiency of Receipts Under Disbursements		(72,016,910)	(36,399,834)	35,617,076
Other Financing Sources				
Bond issuance	5100	34,310,000	25,080,000	(9,230,000)
Premium on bonds	5120	-	2,245,729	2,245,729
Insurance proceeds	5301	-	8,800	8,800
Back-dated tax settlements	6400	54,930	109,635	54,705
Total other financing sources		34,364,930	27,444,164	(6,920,766)
Change in Fund Balance		$ (37,651,980)	(8,955,670)	$ 28,696,310
Fund Balance, Beginning of Year			37,682,495	
Fund Balance, End of Year			$ 28,726,825	

	Function Code	Budgeted (Original and Final)	Actual	Variance
Disbursements				
Special Pay Deferral	2900	$ 54,071	$ 31,350	$ 22,721
Deficiency of Receipts Under Disbursements		$ (54,071)	(31,350)	$ 22,721
Change in Fund Balance			(31,350)	
Fund Balance, Beginning of Year			52,478	
Fund Balance, End of Year			$ 21,128	

School District No. 66, Westside Community Schools, Douglas County, Nebraska

Budgetary Comparison Schedule - Student Fees Fund

Year Ended August 31, 2026

	Function Code	Budgeted (Original and Final)	Actual	Variance
Receipts				
Student Fees	1741-1743	$ 300,000	$ 121,665	$ (178,335)
Disbursements				
Salaries	1300; 2190	90,000	102,090	(12,090)
Supplies	2900	210,000	19,575	190,425
Total disbursements		300,000	121,665	178,335
Excess of Receipts Over Disbursements		$ -	-	$ -
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			$ -	

School District No. 66, Westside Community Schools, Douglas County, Nebraska

Budgetary Comparison Schedule - Food Service Fund

Year Ended August 31, 2026

	Function Code	Budgeted (Original)	Budgeted (Final)	Actual	Variance
Receipts					
Charges for services - food sales	1611; 1630	$ 6,027,462	$ 6,027,462	$ 5,681,827	$ (345,635)
Federal subsidy	4210	2,075,643	2,075,643	1,919,108	(156,535)
State subsidy	3150	31,770	31,770	20,610	(11,160)
Total receipts		8,134,875	8,134,875	7,621,545	(513,330)
Disbursements					
Food purchases	3100	3,795,219	4,395,219	3,763,950	631,269
Salaries	3100	2,627,091	2,627,091	2,798,927	(171,836)
Equipment & real property maintenance	3100	-	-	116,025	(116,025)
Group insurance and retirement	3100	585,260	585,260	622,261	(37,001)
Supplies	3100	483,000	483,000	417,257	65,743
Payroll taxes	3100	198,665	198,665	211,791	(13,126)
Other sundry	3100	484,000	484,000	472,515	11,485
Total disbursements		8,173,235	8,773,235	8,402,726	370,509
Deficiency of Receipts Under Disbursements		$ (38,360)	$ (638,360)	(781,181)	$ (142,821)
Other Financing Sources (Uses)					
Transfers in	8000	-	723,822	738,311	14,489
Change in Net Position		$ (38,360)	$ 85,462	(42,870)	$ (128,332)
Net Position, Beginning of Year				42,870	
Net Position, End of Year				$ -	

School District No. 66, Westside Community Schools, Douglas County, Nebraska

Budgetary Comparison Schedule - Activities Fund

Year Ended August 31, 2026

	Function Code	Budgeted (Original and Final)	Actual	Variance
Receipts				
Activities	1790; 5200	$ 2,000,000	$ 1,365,444	$ (634,556)
Disbursements				
Supplies and materials	2900	2,000,000	1,235,735	764,265
Excess (Deficiency) of Receipts Over (Under) Disbursements		$ -	129,709	$ 129,709
Change in Fund Balance			129,709	
Fund Balance, Beginning of Year			442,789	
Fund Balance, End of Year			$ 572,498	

School District No. 66, Westside Community Schools, Douglas County, Nebraska

Schedule of Activities Fund by School

Year Ended August 31, 2026

	Beginning Fund Balance	Receipts	Disbursements	Ending Fund Balance
Westside High Fund	$ 202,503	$ 1,168,388	$ 1,078,138	$ 292,753
Westside Middle Fund	170,261	101,734	67,039	204,956
Prairie Lane Elementary Fund	23,246	12,734	14,631	21,349
Hillside Elementary Fund	10,717	5,366	6,074	10,009
Loveland Elementary Fund	2,167	19,986	14,353	7,800
Westgate Elementary Fund	1,544	6,724	6,464	1,804
Rockbrook Elementary Fund	3,140	17,622	19,213	1,549
Paddock Road Elementary Fund	2,152	4,751	5,118	1,785
Sunset Hills Elementary Fund	1,729	1,232	1,700	1,261
Oakdale Elementary Fund	6,666	9,245	6,412	9,499
Westbrook Elementary Fund	18,325	9,464	10,665	17,124
Swanson Elementary Fund	339	8,198	5,928	2,609
Total	$ 442,789	$ 1,365,444	$ 1,235,735	$ 572,498

Independent Auditor's 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 Board of Education
School District No. 66, Westside Community Schools,
Douglas County, Nebraska
Omaha, Nebraska

We have audited, in accordance with the 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 (*Government Auditing Standards*), the modified cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of School District No. 66, Westside Community Schools, Douglas County, Nebraska (the District) as of and for the year ended August 31, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 4, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Omaha, Nebraska
November 4, 2026