

MCCOOK CITY COUNCIL

REGULAR MEETING

**Monday, January 19, 2026
5:30 PM - City Council Chambers**

Roll Call.

Excuse Absences.

Open Meetings Act Announcement.

Invocation - McCook Ministerial Association - Jeff Donelan, McCook Evangelical Free Church.

Pledge of Allegiance.

Call to Order.

Individuals who have appropriate items for City Council consideration should complete the "Topic for Consideration for City Council Agenda" form located at the information table by the entrance to the Council Chambers. If the issue can be handled administratively without Council action, notification will be provided. If the item is scheduled for a meeting, notification of the date will be given.

Items.

1. Announcements & Recognitions.
2. Presentation.
 - A. Accept the Financial Statements and Supplemental Information for Fiscal Year ending September 30, 2025 prepared by AMGL CPAs and Advisors.
3. Public Hearings.
 - A. Public Hearing - Regarding the City of McCook's/McCook Community Development Agency's application for an EPA Brownfields Program Grant.
 1. Adjourn Public Hearing.
 - B. Approve Resolution No. 2026-02 authorize the City of McCook/McCook Community Development Agency to submit an EPA Brownfields Grant to assist with the remediation of hazardous materials located at the former St. Catherine's Hospital and Convent at 1200 and 1201 West 4th Street and 1207 West 5th Street.
4. Consent Agenda.

**The Consent Agenda is approved on one motion. Any item listed on the Consent Agenda may, by the request of any single Council member or public in attendance, be considered as a separate item under the Regular Agenda.*

 - A. Approve the minutes of the January 5, 2026 regular City Council meeting.

- B. Forward to the City's insurance carrier for review and appropriate action a property damage incident form from Alisa Hall.
 - C. Approve Change Order No. 1 for PFC Gerald L. Walters Youth Sports Complex Infrastructure to Paulsen Inc. for \$45,190.00 to extend water and sewer into Michelle Way cul-de-sac.
 - D. Receive and file the claims for the month of December 2025, published January 13, 2025.
 - E. Approve the bid specifications for one (1) New Refuse Transport Trailer for the City of McCook Transfer Station and set the date to receive bids as February 3, 2026 at 2:30 P.M.
 - F. Select Section #14 for the 2026 West Central Nebraska Nuisance Abatement Program.
5. Regular Agenda.
- A. Update regarding the youth sports complex project.
 - B. Ordinance No. 2025-3113 vacating East "A" Street, between the South Half (S1/2) of Lot Five (5), and all of Lot Six (6), Block Five (5), and Lot One (1), Block Twelve (12), Willow Grove Addition to the City of McCook, Red Willow County, Nebraska.
 - 1. Chairperson asks Clerk to read Ordinance by title.
 - 2. Consider approval of Ordinance No. 2025-3113 upon its first of three readings.
 - C. Council Comments.
 - D. An Executive Session may be held upon a majority vote of the Council for the protection of public interest for a strategy session with respect to pending litigation - property located at 1111 East "H" Street, Cindy and Ron Sabin.
 - 1. Nebraska Open Meetings Act statement, if the motion to close passes.
 - 2. Close Executive Session.

Adjournment.

CITY OF MCCOOK, NEBRASKA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

September 30, 2025

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INDEPENDENT AUDITOR’S REPORT

To the Honorable Mayor and Members of the City Council
City of McCook, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities - modified cash basis, the business-type activities - accrual basis, the aggregate discretely presented component units - accrual basis, each major fund - modified cash basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information - modified cash basis for the governmental and fiduciary funds of the City of McCook, Nebraska, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City’s financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities - modified cash basis, the business-type activities - accrual basis, the aggregate discretely presented component units - accrual basis, each major fund - modified cash basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information - modified cash basis for the governmental and fiduciary funds of the City of McCook, Nebraska as of September 30, 2025, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with the basis of accounting described in Note A.

Basis for Opinions

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. 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 City of McCook, Nebraska 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 A of the financial statements, which describes the basis of accounting for the governmental activities and governmental and fiduciary funds. The governmental and fiduciary 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.

SHAREHOLDERS:

- Marcy J. Luth
- Heidi A. Ashby
- Christine R. Shenk
- Michael E. Hoback
- Joseph P. Stump
- Kyle R. Overturf
- Tracy A. Cannon
- Jamie L. Clemans
- Travis L. Arnold

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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 and accrual basis of accounting described in Note A, and for determining that the modified cash and accrual basis of accounting are 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of McCook, Nebraska's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted auditing standards 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 generally accepted auditing standards 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 City of McCook, Nebraska'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 City of McCook, Nebraska'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 City of McCook, Nebraska's financial statements. The combining fiduciary fund statements, the statement of general fund departmental revenue and expenditures, and the combining component unit financial statements are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information described in the second sentence of this paragraph is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the management's discussion and analysis and budgetary comparison schedules, but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 January 7, 2026, on our consideration of the City of McCook, Nebraska'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 City of McCook'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 City of McCook, Nebraska's internal control over financial reporting and compliance.

AMGL, PC

Grand Island, Nebraska
January 7, 2026

CITY OF MCCOOK, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
For The Year Ended September 30, 2025

This discussion and analysis of the City of McCook's financial performance provides an overall review of the City's financial activities for the fiscal year ended September 30, 2025. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

For FY 2024/2025 the City increased the General Fund levy to .440000 which would generate approximately \$696,000 in additional ad valorem tax revenue. This was the first significant increase since 2002 and was driven by the need to achieve compliance with Nebraska's Wage and Labor Act. The City does not have a levy for bonded debt.

Pursuant to a 2015 sales tax ballot question, McCook's residents approved a 1.5% local option sales tax. 1/6 of the total sales tax receipts are utilized to fund economic development through a voter approved LB 840 Program administered by the McCook Economic Development Corporation. The remaining 5/6 of the total sales tax receipts generated are utilized for the following purposes: property tax relief, capital improvement projects, capital outlay purchases, and debt reduction.

At the November 2022 General Election, voters approved an additional .50% local option sales tax with all revenues generated to be used for public infrastructure projects, which includes a swimming pool and ballpark/sports complex facilities. The effective date of the tax was April 1, 2023 and said local options sales tax will remain until all debt associated with the development of McCook's new swimming pool and sports complex is satisfied.

McCook's total sales tax receipts were \$4,416,940, of which \$404,230 were from motor vehicle sales restricted to Street Department use. This marks the highest sales tax receipts recognized by the City of McCook since the inception of McCook's local option sales tax in 2001. Sales Tax receipts for the Recreation Bonds totaled \$1,104,235.

For Capital Improvement Projects the Council committed \$350,000 for One & Longer Street Plan Improvements; \$150,000 for annual street maintenance, \$40,000 for drainage maintenance; \$25,000 for Jaycee Complex parking lot improvements; and \$75,000 uncommitted to be designated for future projects. Payments totaling \$101,257 were made for completion of an asphalt paving project; \$135,623 for street and drainage maintenance, and \$628,000 for the purchase of property for construction on a Youth Sports Complex.

The 1/6th sales tax receipts generated \$551,896 for funding of the LB 840 Program, which included \$67,344 from motor vehicle sales restricted to Street Department use. The McCook Economic Development Corporation (MEDC) focused on the development of housing on land it owns in the North Pointe subdivision and in the Seminole Drive/Pawnee Drive area, as well as expansion of the McCook Business Industrial Park. Additional LB840 funds were utilized for retail development, infant childcare incentives, an Early Childhood/Youth Development Center donation to the McCook YMCA project, and for McCook Airport Fuel and Fixed Base Operator and Operation assets. A growth fund loan was issued to the City of McCook in the amount of \$250,000 for assistance in the purchase of the Walters property to be utilized in the development of a City of McCook Youth Sports Complex.

In 2023 the City elected to use the Construction Manager at Risk process for construction of the municipal swimming pool. Municipal Improvement Bonds, Series 2023, were issued in August 2023 in the amount of \$5,680,000. In July 2024, the McCook Aquatic Park opened to the public.

In September 2024 the City issued Municipal Improvement Bond Anticipation Notes, Series 2024 in the amount of \$4,070,000 to pay for construction costs, planning costs, and to assist with the purchase of real property to serve as the location for the Sports Complex project.

In December 2024 the City selected and entered into an agreement with Mammoth Sports Construction, LLC for design, development and pre-construction services for the Sports Complex project for a fee of \$680,000. Mammoth proposed to complete the project in three phases. In April 2025 an agreement for Phase "A" in the amount of

CITY OF MCCOOK, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
For The Year Ended September 30, 2025

\$895,600 for earthwork and mass excavation and/or grading was executed. In May 2025 the scope of the project was approved and an agreement for Phase “B” was executed in the amount of \$13,341,491. In June 2025 the final agreement for Phase “C” - concessions and maintenance structures was executed in the amount of \$2,660,930. Mammoth Sports Construction, LLC was selected to serve as general contractor for the construction phase, utilizing the cooperative purchasing selection method.

In April 2025 the City entered into a contract amount of \$361,000 with Miller & Associates for platting, design and preparation of bidding documents for infrastructure improvements for the sports complex, surrounding subdivision, and extension of sewer services to the west across Highway 83. Award of bid was made in September 2025 to Paulsen Inc. in the amount of \$4,779,068 for completion of the infrastructure improvements.

In July 2025 the City issued Municipal Improvement Bond Anticipation Notes, Series 2025 in the amount of \$15,640,000 to pay for construction costs of the project. Bond payments will be made from the .50% local option sales tax approved for the construction of the swimming pool and ballpark.

In March 2021, the Council extended for another five-year term the agreement with McCook Keno, LLC for the operation of Keno within the City of McCook. Kiosks are located at three locations. The annual revenue for FY24/25 was \$58,000, a decrease of 18% from last year. Revenues derived from the keno operation are to be used for "community betterment purposes." A transfer of \$50,000 was made to offset General Fund expenses.

In FY20/21 the City received \$684,600 from the Coronavirus Relief Fund for presumptive payroll reimbursement for our Police, Firefighters, Paramedics, and E911 Dispatchers. The City designated these funds for an E911 console, radios, and equipment; equipped police vehicle; Public Works Bucket Truck; Fire/Ambulance Extrication equipment; and a transfer to the City of McCook Self Insurance Fund. The balance of these funds on September 30, 2025 was \$120,000.

The City received \$1,338,000 from the American Rescue Plan Act. These funds were used for E911 console, radios, and equipment; fan press for the Wastewater Treatment Plant; and a drainage project along North Highway 83- \$300,000. After completion of these projects the remaining \$164,900 was designated to the Mammoth Sports Construction agreement for design, development and construction services for the McCook Youth Sports Complex at the December 23, 2024 city council meeting.

In October 2018, the City renewed the Professional Retail Operations Agreement with Nebraska Public Power District (NPPD) for the lease of its electric system. The term was extended from fifteen years to twenty-five years, commencing on January 1, 2019, with the City being paid 12.5% of the retail revenues. The agreement allows for the City to implement additional one-half percent incremental increases to an overall cap of 14%. Any one-half percent increase, if opted in the future, must be done annually. In July 2024 the Council opted to increase the rate to 13%, effective October 1, 2024. The current year’s lease generated \$1,368,700. Of this amount, the City transferred \$375,000 to the Self Insured Health Insurance Fund and \$993,700 to the General Fund.

The natural gas franchise agreement with Black Hills Energy is for a term of 10 years with the franchise fee paid to the City quarterly. The franchise fee is \$0.018 per therm delivered. The annual revenue received was \$53,900.

The 4% Hotel Occupation tax established by the Council in April 2018 generated \$146,800 for the General Fund.

The City provides medical and dental insurance for eligible employees using a self-insurance fund. The fund is financed by operating transfers from the Governmental and Proprietary Funds of an average amount per employee, which is based on management’s previous experience. Employee premiums per two-week period are \$20.00 for a single member, \$47.00 for an employee and spouse, \$40.00 for an employee and children, and \$80.00 for an employee and family. The City self insures each employee up to \$45,000/per employee. If a claim exceeds the per employee limit, the City's stop-loss insurance carrier covers the additional expenses. For the current fiscal year the City budgeted \$25,838 per employee for insurance. The actual cost per employee averaged \$38,200. The City continues to work with Brown & Brown to monitor these costs and assist in developing options to help contain these costs and uses a claims service to handle the insurance claims.

CITY OF MCCOOK, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
For The Year Ended September 30, 2025

In March 2015 the City approved a disability pension annuity distribution for a former police officer. The City will pay the former employee \$1,573 per month for the remainder of the individual’s life, per the disability annuity agreement.

The City was awarded a Department of Economic Development Rural Communities Recovery Program (RCRP) grant in the amount of \$1,500,000. These funds are to be used on three different recreational projects in McCook. The Inclusive Playground received \$500,000, Barnett Park \$200,000, and the Youth Sports Complex \$800,000.

In addition to the RCRP funds, the City was awarded an Advancing Nebraska Communities (ANC) grant through the Walter Scott Foundation in the amount of \$100,000 to go towards the Inclusive Playground.

In addition to the RCRP funds, the City was awarded a Nebraska Department of Economic Development Civic and Community Center Financing (CCCCF) grant in the amount of \$498,993.15, a Sherwood Foundation grant for \$500,000, a BNSF Railway Foundation grant for \$10,000, and a Red Willow County Improvement Grant through the Tourism Board for \$50,000, to be used for the construction of a Youth Sports Complex.

During FY24/25, the Community Development Agency approved the Wagner Auto Redevelopment Project. The developer plans to construct a commercial building for an automotive dealership business.

In November 2016 the City issued Series 2016 Combined Utilities Revenue Refunding Bonds in the aggregate principal amount of \$8,825,000 for purpose of prepaying promissory notes of the City made payable to the Nebraska Department of Environmental Quality (NDEQ). The original NDEQ Notes were issued to pay the costs of improvements to the City’s water and wastewater systems.

In April 2021, the Council called for the early redemption of the Series 2016 Combined Utilities Revenue Refunding Bonds and authorized the issuance of the Series 2021 Combined Utilities Revenue Refunding Bonds, in an amount not to exceed \$6,600,000. The proposed savings was an estimated \$545,000 over the course of the 15 year bond. The final bond issued was \$6,555,000.

In June 2015, the Water Department received a Nebraska Department of Environmental Quality Safe Water State Revolving Loan for \$1,320,072 for 16" transmission main replacement, East “H” Street water main replacement, and East “C” Street water main improvements. Total disbursements were \$1,650,090, with loan forgiveness of \$330,018. This loan is to be repaid over twenty years and was not included in the refinance because of loan terms that allow for no prepayment within five years of the Loan Date for those receiving loan forgiveness.

In May 2022, the Water Department received a Nebraska Department of Environment and Energy Safe Drinking Water State Revolving Loan for \$2,490,000 to replace the East 14th water main, the West 5th 16" Water Main, the 12" water main from South Street north to “A” Street, and a portion of the South Street water main. This loan includes Loan Forgiveness of up to 15% of eligible Project Costs (maximum \$373,500) plus an additional \$79,601 for Loan Forgiveness and is to be repaid over thirty years. In January 2025 the 12" water main from South Street north to “A” Street was removed from the scope. Abandonment of a portion of the West 5th and Kelley Park water mains and looping of the East 7th Street and Country Club Drive and West 2nd and West 3rd Streets water mains were added to the scope.

In June 2024 the Council approved Ordinance No. 2024-3082 authorizing the issuance of combined Utilities Revenue bonds in a principal amount not to exceed \$9 million and Ordinance No. 2024-3083 authorizing the issuance of Combined Utilities Revenue Bond Anticipation Notes in the principal amount not to exceed \$8 million to pay the costs of improvements to the City’s combined utilities, including the sewer system improvement project. USDA funding will be utilized with an interest rate of 2.125%. Due to the USDA's regulations, it was determined that the best option for funding the project was to issue bonds, some of which will be public and some of which will be private. Two separate ordinances were approved by the City Council. The Anticipation Notes are necessary for the short-term financing and will serve as a bridge to the larger, future issue. Design of the project continued in FY24/25.

CITY OF MCCOOK, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
For The Year Ended September 30, 2025

Ordinance No. 2024-3089 provided for a 7.5% per month rate increase to the base fee and the usage rates charged for both residential and commercial Sewer Use. Ordinance No. 2024-3088 provided for a 8.5% per month rate increase for the base and 100 cubic feet charge, for both residential and commercial Water Use Charges. These rates are monitored and adjusted annually, if necessary, to ensure funds are available for payment of the State Revolving Loans for the sewer and water improvements, Combined Utilities Bond, and to offset any increases in operating costs.

Ordinance No. 2024-3087 provided for increases in Solid Waste Collection. Residential Trash Collection increased from \$27.25 to \$28.25 per month and Household/Commercial increased from \$83.00 to \$86.00 per ton. The last rate increase for Solid Waste Collection occurred in October 2023.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of McCook’s financial statements. The City’s financial statements comprise:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements
- Supplementary and other information that further explains and supports the information in the financial statements

Government-wide Financial Statements. The *government-wide financial statements* report information about the City as a whole using accounting methods similar to those used by a private-sector business.

The government-wide financial statements distinguish the following functions of the City:

- *Governmental activities* are primarily supported by taxes and intergovernmental revenues. The governmental activities of the City include general government, economic development, public safety, public works, parks, cultural activities, and human service.
- *Business-type activities* are supported by user fees and charges that are intended to recover all or a significant portion of their costs. The City’s electric, water, wastewater, and solid waste collection services are all included as business-type activities.

Fund Financial Statements. The fund financial statements provide detailed information about the City’s most significant funds, not the City as a whole. Funds are groupings of activities that enable the City to maintain control over resources that have been segregated for particular purposes or objectives. All of the funds of the City of McCook can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental Funds.* The governmental funds are used to account for the financial activity of the City’s basic services, similar to that described for the governmental activities in the government-wide financial statements. However, unlike the government-wide statements, which provide a long-term focus of the City, the fund financial statements focus on a short-term view of the inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year.

CITY OF MCCOOK, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
For The Year Ended September 30, 2025

- *Proprietary Funds.* The proprietary funds are used to account for the financial activity of the City’s operations for which customers are charged a user fee; they provide both a long- and short-term view of financial information. The City maintains four enterprise funds that are a type of proprietary fund - the electric, water, wastewater, and solid waste operations. These enterprise funds are the same as the business-type activities in the government-wide financial statements.
- *Fiduciary Funds.* The City maintains fiduciary funds, which are used to account for resources held by the City in a trustee capacity or as a custodian for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City’s own programs.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements. The notes can be found immediately following the financial statements.

Government-wide Financial Analysis

Summary Statements of Net Position

	Year Ended September 30, 2025			Year Ended September 30, 2024		
	Governmental Activities (Modified Cash Basis)	Business-type Activities (Accrual Basis)	Total	Governmental Activities (Modified Cash Basis)	Business-type Activities (Accrual Basis)	Total
Current and Other Assets	\$ 24,288,643	\$ 12,772,828	\$ 37,061,471	\$ 16,070,803	\$ 11,029,030	\$ 27,099,833
Capital Assets	39,645,663	16,701,781	56,347,444	30,083,579	17,080,306	47,163,885
Total Assets	63,934,306	29,474,609	93,408,915	46,154,382	28,109,336	74,263,718
Long-term Liabilities	20,677,784	6,924,022	27,601,806	9,420,000	6,496,814	15,916,814
Other Liabilities	4,704,579	1,370,091	6,074,670	424,743	1,139,664	1,564,407
Total Liabilities	25,382,363	8,294,113	33,676,476	9,844,743	7,636,478	17,481,221
Net Position:						
Net Investment in						
Capital Assets	14,664,800	9,750,314	24,415,114	20,403,836	10,698,974	31,102,810
Restricted	18,522,639	1,071,073	19,593,712	10,346,842	1,023,841	11,370,683
Unrestricted	5,364,504	10,359,109	15,723,613	5,558,961	8,750,043	14,309,004
Total Net Position	\$ 38,551,943	\$ 21,180,496	\$ 59,732,439	\$ 36,309,639	\$ 20,472,858	\$ 56,782,497

Net position may serve over time as a useful indicator of a government’s financial position. At the close of the current fiscal year, the City of McCook’s assets exceeded its liabilities by \$59,732,439.

Capital assets (land, infrastructure, buildings, streets, improvements, and equipment), net of any debt issued to acquire these assets, comprise 40.9 percent of the City’s net position. Although these capital assets assist the City in providing services to its citizens, they are generally not available to fund the operations of future periods.

An additional 32.8 percent of the City’s net position is subject to external restrictions as to how it may be used. The remaining component of net position (\$15,723,613) is the unrestricted net position.

CITY OF MCCOOK, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
For The Year Ended September 30, 2025

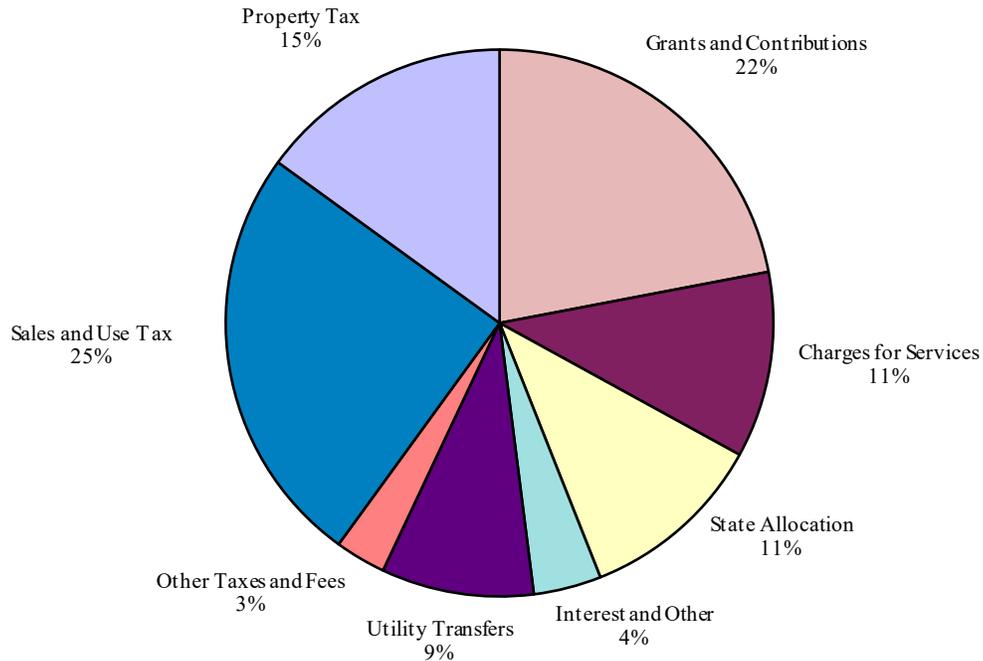
Changes in Net Position

The following table presents a summary of revenues and expenses of the governmental and business-type activities:

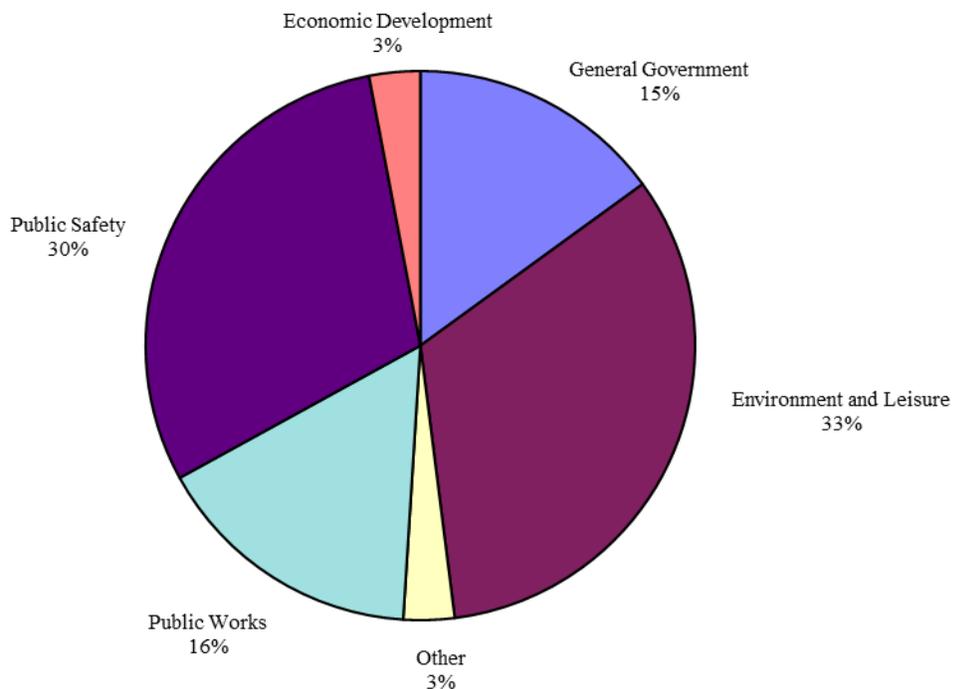
	<u>September 30, 2025</u>			<u>September 30, 2024</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 1,933,911	\$ 9,418,554	\$ 11,352,465	\$ 795,863	\$ 8,576,485	\$ 9,372,348
Operating Grants and Contributions	523,121	-	523,121	436,325	-	436,325
Capital Grants and Contributions	3,239,994	152,881	3,392,875	1,548,802	633,438	2,182,240
General Revenues:						
Property Taxes	2,559,780	-	2,559,780	1,903,467	-	1,903,467
Sales and Use Taxes	4,416,936	-	4,416,936	4,379,488	-	4,379,488
Other Taxes and Fees	584,291	-	584,291	587,673	-	587,673
State Allocation	1,990,652	-	1,990,652	1,880,932	-	1,880,932
Interest Income	605,576	460,701	1,066,277	627,637	463,304	1,090,941
Other	117,617	(393)	117,224	206,501	-	206,501
Total Revenues	<u>15,971,878</u>	<u>10,031,743</u>	<u>26,003,621</u>	<u>12,366,688</u>	<u>9,673,227</u>	<u>22,039,915</u>
Expenses						
General Government	2,315,844	-	2,315,844	2,076,225	-	2,076,225
Economic Development	475,701	-	475,701	239,770	-	239,770
Public Safety	4,617,798	-	4,617,798	4,060,535	-	4,060,535
Public Works	2,459,157	-	2,459,157	2,170,028	-	2,170,028
Environmental and Leisure	4,946,590	-	4,946,590	2,263,490	-	2,263,490
Interest Expense	477,986	-	477,986	384,401	-	384,401
Electric Utility	-	3,540	3,540	-	3,540	3,540
Water	-	3,152,354	3,152,354	-	3,002,739	3,002,739
Sewer	-	1,839,409	1,839,409	-	1,534,853	1,534,853
Solid Waste	-	2,765,300	2,765,300	-	2,641,947	2,641,947
Total Expenses	<u>15,293,076</u>	<u>7,760,603</u>	<u>23,053,679</u>	<u>11,194,449</u>	<u>7,183,079</u>	<u>18,377,528</u>
Increase in Net Position Before Transfers	678,802	2,271,140	2,949,942	1,172,239	2,490,148	3,662,387
Net Transfers	1,563,502	(1,563,502)	-	1,437,828	(1,437,828)	-
Increase in Net Position	<u>\$ 2,242,304</u>	<u>\$ 707,638</u>	<u>\$ 2,949,942</u>	<u>\$ 2,610,067</u>	<u>\$ 1,052,320</u>	<u>\$ 3,662,387</u>

CITY OF MCCOOK, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
For The Year Ended September 30, 2025

2025 Revenues by Source - Governmental Activities

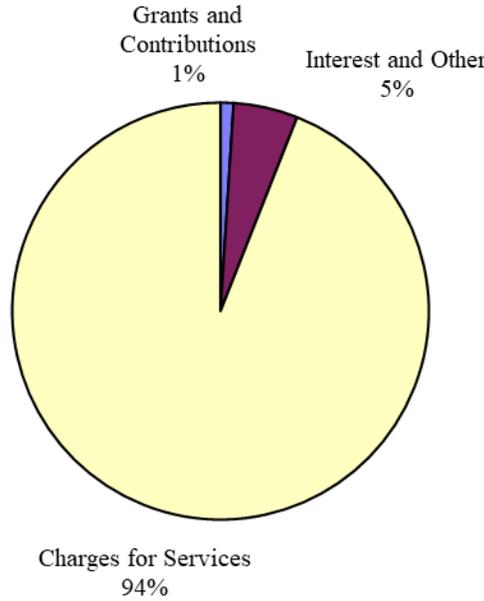


2025 Expenses - Governmental Activities

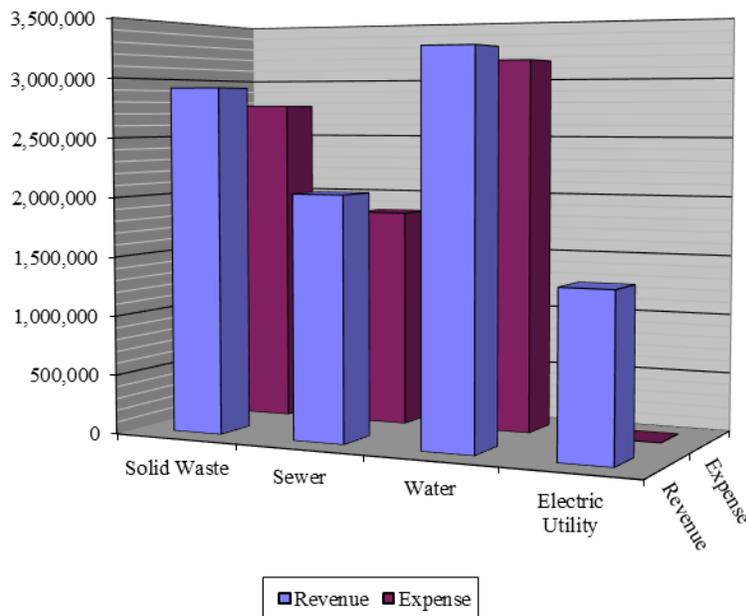


CITY OF MCCOOK, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
For The Year Ended September 30, 2025

2025 Revenues by Source - Business-type Activities



2025 Expenses and Program Revenues - Business-type Activities



CITY OF MCCOOK, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
For The Year Ended September 30, 2025

Financial Analysis of the Government's Funds

As noted earlier, the City of McCook used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of McCook's *governmental* funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of McCook's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of McCook's governmental funds reported combined ending fund balances of \$22,252,197. Approximately 4.5 percent of this total amount (\$1,001,083) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balances is not available for new spending because it has already been 1) restricted to pay debt service (\$191,173), 2) restricted to fund capital projects (\$2,462,924), 3) endowed as nonspendable to fund perpetual care (\$149,087), 4) restricted for community betterment (\$18,901), 5) restricted to fund economic development projects (\$1,251,820), 6) restricted for federal projects (\$113,825), 7) restricted for street projects (\$1,139,560), 8) restricted for the sports complex project (\$12,784,857), 9) restricted for playground equipment (\$410,492), 10) committed for capital projects (\$630,281), or 11) assigned for budgetary stabilization (\$2,098,194).

The General Fund is the chief operating fund of the City of McCook. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,001,083, while total fund balance reached \$3,878,645. As a measure of the General Fund's liquidity, it may be useful to compare unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 10.8 percent of General Fund total expenditures, while total fund balance represents 41.9 percent of General Fund total expenditures.

The fund balance of the City of McCook's General Fund increased by \$482,395 during the current fiscal year.

Proprietary funds. The City of McCook's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary funds at the end of the year was as follows: Electric and Emergency Fund - \$0, Water Fund - \$6,629,529, Sewer Fund - \$3,612,917, and Solid Waste Fund - \$116,663. The growth (decrease) in net position for the proprietary funds was as follows: Electric and Emergency Fund - decrease of \$(3,540), Water Fund - increase of \$288,488, Sewer Fund - increase of \$286,957, and Solid Waste Fund - increase of \$135,733. Other factors concerning the finances of these four funds have already been addressed in the discussion of the City of McCook's business-type activities.

CITY OF MCCOOK, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
For The Year Ended September 30, 2025

Budgetary Highlights

No amendments to the 2024-2025 budget were made.

Capital Asset and Debt Administration

Capital Assets. The City of McCook’s investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounts to \$56,347,444 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, distribution systems, buildings and improvements, machinery and equipment, office furniture and equipment, and vehicles.

Major capital asset events during the current fiscal year included the following:

- Business Park phase II - \$54,225
- 2024 Asphalt paving project - \$674,521
- Land for sports complex - \$3,192,615
- Construction in progress on sports complex - \$6,115,431
- Aquatic park parking lot - \$59,600
- 2025 Ford Explorer - \$60,167
- 2025 Ford 550 ambulance - \$350,880
- 2015 Ford F750 bucket truck - \$55,000
- 2024 Ford transit vehicle - \$86,367
- WWTP upgrade design - \$144,963
- South Street water main - \$188,164
- 2025 Water distribution improvements - \$544,783
- Deep injection well improvements - \$52,471
- Two 2020 Freightliners for solid waste – \$104,000
- Two 53’ Peerless live floor trailers - \$200,080
- 2025 F250 ¾ ton pickup - \$50,836

CITY OF MCCOOK, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
For The Year Ended September 30, 2025

City of McCook's Capital Assets
(net of depreciation)

	<u>Year Ended September 30, 2025</u>			<u>Year Ended September 30, 2024</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Land	\$ 3,969,508	\$ 485,735	\$ 4,455,243	\$ 776,893	\$ 485,735	\$ 1,262,628
Construction in Progress	6,160,921	-	6,160,921	7,551,745	-	7,551,745
Infrastructure	13,819,039	-	13,819,039	12,653,459	-	12,653,459
Buildings and Improvements	13,518,526	2,672,051	16,190,577	7,068,998	2,669,225	9,738,223
Machinery and Equipment	270,955	1,257,670	1,528,625	342,154	1,141,119	1,483,273
Distribution Systems	-	12,286,325	12,286,325	-	12,784,227	12,784,227
Office Furniture and Equipment	706,360	-	706,360	942,582	-	942,582
Vehicles	1,200,354	-	1,200,354	747,748	-	747,748
Total	<u>\$ 39,645,663</u>	<u>\$ 16,701,781</u>	<u>\$ 56,347,444</u>	<u>\$ 30,083,579</u>	<u>\$ 17,080,306</u>	<u>\$ 47,163,885</u>

Additional information on the City of McCook’s capital assets can be found in Note C4 on pages 52-54 of this report.

Long-term Debt

Outstanding Long-term Debt

	<u>Year Ended September 30, 2025</u>			<u>Year Ended September 30, 2024</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Notes Payable	\$ 525,863	\$ -	\$ 525,863	\$ 79,743	\$ -	\$ 79,743
Revenue Bonds	-	4,955,000	4,955,000	-	4,895,000	4,895,000
Municipal Imp Bonds	24,455,000	-	24,455,000	9,600,000	-	9,600,000
Financing Agreements	-	218,107	218,107	-	278,000	278,000
Water SRF Loan	-	1,778,360	1,778,360	-	1,208,332	1,208,332
Total Long-term Outstanding Debt	<u>\$ 24,980,863</u>	<u>\$ 6,951,467</u>	<u>\$ 31,932,330</u>	<u>\$ 9,679,743</u>	<u>\$ 6,381,332</u>	<u>\$ 16,061,075</u>

The City’s long-term debt increased \$15,871,255 (98.8 percent) during the year ended September 30, 2025, due primarily to the issuance of \$15,035,000 of Series 2025 Bond Anticipation Notes for the sports complex project, \$605,000 of Series 2025 Sewer Bond Anticipation Notes, and \$647,698 of water project notes payable.

Additional information on the City of McCook’s long-term debt can be found in Note C5 on pages 54-61 of this report.

CITY OF MCCOOK, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
For The Year Ended September 30, 2025

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of McCook compares favorably to the State's average unemployment and the national average rate.
- Inflationary trends in the region compare favorably to national indices.
- Property tax asking for the year ending September 30, 2026, is \$2,742,409, a \$148,816 (5.7 percent) increase over the prior year.
- The City had contractual commitments totaling \$1,352,567 on the airport self-service fuel facility. As of September 30, 2025, \$45,491 had been paid on these contracts, leaving remaining commitments totaling \$1,307,076 expected to be completed by October 2026.
- The City had contractual commitments totaling \$22,357,089 on the Gerald L Walters Youth Sports Complex. As of September 30, 2025, \$5,856,717 had been paid on these contracts, leaving remaining commitments totaling of \$16,500,372 expected to be completed by June 2026.
- The City had a contractual commitment of \$939,919 for the inclusive playground. As of September 30, 2025, nothing had been paid on this contract. The project is expected to be completed by November 2025.

All of these factors were considered in preparing the City of McCook's budget for the 2026 fiscal year.

Financial Contact

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors with a general overview of the City of McCook's finances and to demonstrate the City's accountability for the money with which the City is entrusted. If you have questions concerning any of the information presented in this report or requests for additional information, contact the City of McCook, 505 West C Street, P.O. Box 1059, McCook, NE 69001-1059, or call (308) 345-2022.

CITY OF MCCOOK, NEBRASKA

STATEMENT OF NET POSITION

September 30, 2025

	Primary Government			Component Units (Accrual Basis)
	Governmental Activities (Modified Cash Basis)	Business-type Activities (Accrual Basis)	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 5,428,386	\$ 9,574,122	\$ 15,002,508	\$ 57,306
County treasurer cash	122,736	-	122,736	-
Current portion of notes receivable	37,968	-	37,968	553,064
Accounts receivable	-	114,092	114,092	-
Unbilled revenue	-	885,423	885,423	-
Reinsurance receivable	176,200	-	176,200	-
Due from (to) other funds	(603,622)	603,622	-	-
Inventory	-	344,808	344,808	-
Total current assets	<u>5,161,668</u>	<u>11,522,067</u>	<u>16,683,735</u>	<u>610,370</u>
Noncurrent assets:				
Restricted cash and cash equivalents	18,522,639	1,250,761	19,773,400	-
Noncurrent portion of notes receivable	604,336	-	604,336	3,495,734
Capital assets:				
Land	3,969,508	485,735	4,455,243	-
Construction in progress	6,160,921	-	6,160,921	-
Other capital assets, net of depreciation	29,515,234	16,216,046	45,731,280	-
Net capital assets	<u>39,645,663</u>	<u>16,701,781</u>	<u>56,347,444</u>	<u>-</u>
Total noncurrent assets	<u>58,772,638</u>	<u>17,952,542</u>	<u>76,725,180</u>	<u>3,495,734</u>
Total assets	<u>63,934,306</u>	<u>29,474,609</u>	<u>93,408,915</u>	<u>4,106,104</u>
LIABILITIES				
Current liabilities:				
Accounts payable	-	112,226	112,226	-
Accrued expenses	-	301,118	301,118	-
Customer deposits	-	103,764	103,764	-
Accrued interest	-	34,614	34,614	-
Claims incurred not paid	401,500	-	401,500	-
Current portion of long-term obligations	4,303,079	818,369	5,121,448	553,064
Total current liabilities	<u>4,704,579</u>	<u>1,370,091</u>	<u>6,074,670</u>	<u>553,064</u>
Noncurrent liabilities:				
Accrued landfill closure costs	-	715,000	715,000	-
Accrued deep well abandonment costs	-	75,924	75,924	-
Noncurrent portion of long-term obligations	20,677,784	6,133,098	26,810,882	3,495,734
Total noncurrent liabilities	<u>20,677,784</u>	<u>6,924,022</u>	<u>27,601,806</u>	<u>3,495,734</u>
Total liabilities	<u>25,382,363</u>	<u>8,294,113</u>	<u>33,676,476</u>	<u>4,048,798</u>
NET POSITION				
Net investment in capital assets	14,664,800	9,750,314	24,415,114	-
Restricted for:				
Street improvements	1,139,560	-	1,139,560	-
Landfill postclosure	-	102,072	102,072	-
Deep injection well closure	-	22,635	22,635	-
Debt service	191,173	946,366	1,137,539	-
Economic development	1,251,820	-	1,251,820	-
Perpetual care	149,087	-	149,087	-
Capital projects	2,462,924	-	2,462,924	-
Federal projects	113,825	-	113,825	-
Sports complex	12,784,857	-	12,784,857	-
Playground equipment	410,492	-	410,492	-
Community betterment	18,901	-	18,901	-
Unrestricted	5,364,504	10,359,109	15,723,613	57,306
Total net position	<u>\$ 38,551,943</u>	<u>\$ 21,180,496</u>	<u>\$ 59,732,439</u>	<u>\$ 57,306</u>

See notes to financial statements.

CITY OF MCCOOK, NEBRASKA
STATEMENT OF ACTIVITIES
For the year ended September 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
Primary government:			
Governmental activities			
(modified cash basis):			
General government	\$ 2,257,676	\$ 101,080	\$ 50,391
Economic development	475,701	-	-
Public safety	4,047,199	473,122	23,466
Public works	1,988,078	494,028	-
Environment and leisure	4,535,594	865,681	449,264
Depreciation - unallocated	1,510,842	-	-
Interest and fees on long-term debt	477,986	-	-
Total governmental activities	15,293,076	1,933,911	523,121
Business-type activities			
(accrual basis):			
Electric and emergency	3,540	1,368,693	-
Water	3,152,354	3,088,630	-
Sewer	1,839,409	2,044,306	-
Solid waste	2,765,300	2,916,925	-
Total business-type activities	7,760,603	9,418,554	-
Total primary government	\$ 23,053,679	\$ 11,352,465	\$ 523,121
Component units:			
Community Development Agency	\$ 3,471,082	\$ -	\$ 2,844,205
McCook Leasing Corporation	-	-	-
Total component units	\$ 3,471,082	\$ -	\$ 2,844,205

See notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position				
Primary Government				
Capital Grants and Contributions	Governmental Activities (Modified Cash Basis)	Business-type Activities (Accrual Basis)	Total	Component Units (Accrual Basis)
\$ -	\$ (2,106,205)		\$ (2,106,205)	
-	(475,701)		(475,701)	
75,000	(3,475,611)		(3,475,611)	
184,610	(1,309,440)		(1,309,440)	
2,980,384	(240,265)		(240,265)	
-	(1,510,842)		(1,510,842)	
-	(477,986)		(477,986)	
<u>3,239,994</u>	<u>(9,596,050)</u>	\$ -	<u>(9,596,050)</u>	
-	-	1,365,153	1,365,153	
152,881	-	89,157	89,157	
-	-	204,897	204,897	
-	-	151,625	151,625	
<u>152,881</u>	<u>-</u>	<u>1,810,832</u>	<u>1,810,832</u>	
<u>\$ 3,392,875</u>	<u>(9,596,050)</u>	<u>1,810,832</u>	<u>(7,785,218)</u>	
\$ -				\$ (626,877)
-				-
<u>\$ -</u>				<u>(626,877)</u>
General revenues:				
Taxes:				
Property	2,559,780	-	2,559,780	-
Motor vehicle	195,807	-	195,807	-
Payments in lieu of taxes	143,179	-	143,179	3,670
Occupation	168,154	-	168,154	-
Sales tax	4,416,936	-	4,416,936	-
Franchise	77,151	-	77,151	-
State allocation	1,990,652	-	1,990,652	-
TIF proceeds	-	-	-	552,203
Keno proceeds	57,925	-	57,925	-
Gain (loss) on disposal of capital assets	8,301	(393)	7,908	-
Miscellaneous	51,391	-	51,391	-
Interest income	605,576	460,701	1,066,277	2,493
Net transfers	1,563,502	(1,563,502)	-	-
Total general revenues	<u>11,838,354</u>	<u>(1,103,194)</u>	<u>10,735,160</u>	<u>558,366</u>
Change in net position	2,242,304	707,638	2,949,942	(68,511)
Net position - September 30, 2024	<u>36,309,639</u>	<u>20,472,858</u>	<u>56,782,497</u>	<u>125,817</u>
Net position - September 30, 2025	<u>\$ 38,551,943</u>	<u>\$ 21,180,496</u>	<u>\$ 59,732,439</u>	<u>\$ 57,306</u>

CITY OF MCCOOK, NEBRASKA
BALANCE SHEET - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS

September 30, 2025

	<u>General</u> <u>Fund</u>	<u>Street</u> <u>Fund</u>	Economic Development <u>Fund</u>
ASSETS			
Cash and cash equivalents	\$ 3,755,909	\$ 1,139,560	\$ 1,251,820
County treasurer cash	122,736	-	-
	<u>3,878,645</u>	<u>1,139,560</u>	<u>1,251,820</u>
Total assets	<u>\$ 3,878,645</u>	<u>\$ 1,139,560</u>	<u>\$ 1,251,820</u>
LIABILITIES AND			
FUND BALANCES			
Liabilities:			
Due to other funds	\$ -	\$ -	\$ -
Fund balances:			
Nonspendable:			
Perpetual care	149,087	-	-
Restricted for:			
Capital projects	-	-	-
Street improvements	-	1,139,560	-
Economic development	-	-	1,251,820
Debt service	-	-	-
Federal projects	-	-	-
Sports complex	-	-	-
Playground equipment	-	-	-
Community betterment	-	-	-
Committed for:			
Capital projects	630,281	-	-
Assigned for:			
Budgetary stabilization	2,098,194	-	-
Unassigned	1,001,083	-	-
	<u>3,878,645</u>	<u>1,139,560</u>	<u>1,251,820</u>
Total fund balances	<u>3,878,645</u>	<u>1,139,560</u>	<u>1,251,820</u>
Total liabilities and fund balances	<u>\$ 3,878,645</u>	<u>\$ 1,139,560</u>	<u>\$ 1,251,820</u>

See notes to financial statements.

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Grant Fund</u>	<u>Other Governmental Fund (Keno)</u>	<u>Total Governmental Funds</u>
\$ 191,173	\$ 2,462,924	\$ 13,912,796	\$ 18,901	\$ 22,733,083
-	-	-	-	122,736
<u>\$ 191,173</u>	<u>\$ 2,462,924</u>	<u>\$ 13,912,796</u>	<u>\$ 18,901</u>	<u>\$ 22,855,819</u>
\$ -	\$ -	\$ 603,622	\$ -	\$ 603,622
-	-	-	-	149,087
-	2,462,924	-	-	2,462,924
-	-	-	-	1,139,560
-	-	-	-	1,251,820
191,173	-	-	-	191,173
-	-	113,825	-	113,825
-	-	12,784,857	-	12,784,857
-	-	410,492	-	410,492
-	-	-	18,901	18,901
-	-	-	-	630,281
-	-	-	-	2,098,194
-	-	-	-	1,001,083
<u>191,173</u>	<u>2,462,924</u>	<u>13,309,174</u>	<u>18,901</u>	<u>22,252,197</u>
<u>\$ 191,173</u>	<u>\$ 2,462,924</u>	<u>\$ 13,912,796</u>	<u>\$ 18,901</u>	<u>\$ 22,855,819</u>

CITY OF MCCOOK, NEBRASKA

**RECONCILIATION OF THE BALANCE SHEET - MODIFIED
CASH BASIS - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

September 30, 2025

Total fund balances - governmental funds	\$ 22,252,197
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
The Internal Service Fund is included as a governmental activity in the statement of changes in net position.	992,642
LB840 notes receivable are not due in the current period and therefore are not reported as assets in the governmental funds.	642,304
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$65,760,443 and the accumulated depreciation is \$26,114,780.	39,645,663
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
Bonds payable	\$ (24,455,000)
Notes payable (\$250,000 was from the LB840 purchase of land for the sports complex)	<u>(525,863)</u>
	<u>(24,980,863)</u>
Total net position - governmental activities	<u><u>\$ 38,551,943</u></u>

See notes to financial statements.

CITY OF MCCOOK, NEBRASKA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**

For the year ended September 30, 2025

	<u>General Fund</u>	<u>Street Fund</u>	Economic Development <u>Fund</u>
REVENUES			
Taxes:			
Property	\$ 2,559,780	\$ -	\$ -
Motor vehicle	195,807	-	-
Payments in lieu of taxes	143,179	-	-
Occupation	168,154	-	-
Sales tax	1,783,923	336,883	551,896
Franchise	77,151	-	-
Intergovernmental	749,916	1,240,735	-
Grants	423,059	173,910	-
Keno proceeds	-	-	-
Charges for services	1,827,003	22,386	-
Contributions	129,681	-	-
Interest income	170,201	17,010	22,571
Loan collections	-	-	124,165
Sale of assets	8,301	-	-
Insurance proceeds	-	-	-
Bond/loan proceeds	275,863	-	-
Other revenue	30,458	-	-
Total revenues	<u>8,542,476</u>	<u>1,790,924</u>	<u>698,632</u>
EXPENDITURES			
General government	2,030,031	-	-
Economic development	-	-	410,110
Public safety	3,570,986	-	-
Public works	321,757	1,577,982	-
Environment and leisure	2,735,623	-	-
Capital outlay	541,163	851,851	503,308
Principal payments on debt	46,991	32,752	-
Interest on long-term debt	2,032	1,503	-
Bond fees	-	-	-
Total expenditures	<u>9,248,583</u>	<u>2,464,088</u>	<u>913,418</u>
Excess (deficiency) of revenues over expenditures	(706,107)	(673,164)	(214,786)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,250,193	236,880	-
Transfers out	<u>(61,691)</u>	<u>-</u>	<u>-</u>
Net transfers	<u>1,188,502</u>	<u>236,880</u>	<u>-</u>
Net change in fund balances	482,395	(436,284)	(214,786)
Fund balances - September 30, 2024	<u>3,396,250</u>	<u>1,575,844</u>	<u>1,466,606</u>
Fund balances - September 30, 2025	<u>\$ 3,878,645</u>	<u>\$ 1,139,560</u>	<u>\$ 1,251,820</u>

See notes to financial statements.

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Grant Fund</u>	<u>Other Governmental Funds (Keno)</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,559,780
-	-	-	-	195,807
-	-	-	-	143,179
-	-	-	-	168,154
-	1,744,234	-	-	4,416,936
-	-	-	-	77,151
-	-	58,708	-	2,049,359
-	-	667,079	-	1,264,048
-	-	-	57,925	57,925
-	-	25,814	-	1,875,203
-	-	2,114,734	-	2,244,415
8,227	87,287	232,474	961	538,731
-	-	-	-	124,165
-	-	-	-	8,301
-	-	50,391	-	50,391
-	-	15,035,000	-	15,310,863
-	-	20,932	-	51,390
<u>8,227</u>	<u>1,831,521</u>	<u>18,205,132</u>	<u>58,886</u>	<u>31,135,798</u>
-	-	41,047	17,952	2,089,030
-	-	-	-	410,110
-	-	83,006	-	3,653,992
-	-	-	-	1,899,739
-	-	1,647,387	-	4,383,010
250,000	628,000	8,094,043	-	10,868,365
-	180,000	-	-	259,743
-	440,345	-	-	443,880
-	639	33,467	-	34,106
<u>250,000</u>	<u>1,248,984</u>	<u>9,898,950</u>	<u>17,952</u>	<u>24,041,975</u>
(241,773)	582,537	8,306,182	40,934	7,093,823
-	-	50,000	-	1,537,073
-	(236,880)	-	(50,000)	(348,571)
-	(236,880)	50,000	(50,000)	1,188,502
(241,773)	345,657	8,356,182	(9,066)	8,282,325
432,946	2,117,267	4,952,992	27,967	13,969,872
<u>\$ 191,173</u>	<u>\$ 2,462,924</u>	<u>\$ 13,309,174</u>	<u>\$ 18,901</u>	<u>\$ 22,252,197</u>

CITY OF MCCOOK, NEBRASKA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the year ended September 30, 2025

Total net change in fund balances - governmental funds \$ 8,282,325

Amounts reported for *governmental activities* in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay (\$11,072,926) exceeded depreciation expense (\$1,510,842) and financed land purchase (\$250,000). Asset additions of \$204,561 were funded directly by donations.

9,312,084

Principal payments received on LB840 loans are reported as revenue in the governmental fund statements, but these payments decrease the note receivable balance in the statement of activities.

(109,582)

Uncollectible LB840 notes receivable do not impact the governmental fund financial statements, but recording an allowance for potentially uncollectible LB840 loans increases bad debts expense on the statement of activities.

(65,590)

Principal advances on LB840 loans are reported as expenses in the governmental fund statements, but these advances increase the note receivable balance in the statement of activities.

250,000

The increase in net position of the Internal Service Fund is included as a governmental activity in the government wide statements.

(375,813)

The issuance of bonds is reported as revenue in the governmental funds, but the issuance of bonds increases long-term liabilities in the statement of net position.

(15,310,863)

Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

259,743

Change in net position of governmental activities

\$ 2,242,304

See notes to financial statements.

CITY OF MCCOOK, NEBRASKA
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
September 30, 2025

	Electric and Emergency Fund	Water Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ -	\$ 6,021,348
Accounts receivable	-	(44,464)
Unbilled revenue	-	487,403
Reinsurance receivable	-	-
Due from other funds	-	-
Inventory	-	344,808
Total current assets	-	6,809,095
Noncurrent assets:		
Restricted cash and cash equivalents	-	879,634
Capital assets:		
Land	-	295,625
Distribution systems	170,000	25,458,491
Buildings and improvements	-	492,412
Tools and equipment	-	593,619
Accumulated depreciation	(162,036)	(18,068,224)
Net capital assets	7,964	8,771,923
Total noncurrent assets	7,964	9,651,557
Total assets	7,964	16,460,652
LIABILITIES		
Current liabilities:		
Accounts payable	-	23,433
Sales tax payable	-	2,783
Claims incurred not paid	-	-
Accrued payroll	-	31,617
Accrued vacation	-	55,271
Accrued sick leave	-	48,713
Customer deposits	-	103,764
Accrued interest	-	17,749
Current portion of long-term obligations	-	418,182
Total current liabilities	-	701,512
Noncurrent liabilities:		
Accrued landfill postclosure costs	-	-
Accrued deep well abandonment costs	-	75,924
Noncurrent portion of long-term obligations	-	5,360,178
Total noncurrent liabilities	-	5,436,102
Total liabilities	-	6,137,614
NET POSITION		
Net investment in capital assets	7,964	2,993,563
Restricted for:		
Landfill postclosure	-	-
Deep injection well closure	-	22,635
Debt service	-	677,311
Unrestricted	-	6,629,529
Total net position	\$ 7,964	\$ 10,323,038

See notes to financial statements.

<u>Business-type Activities - Enterprise Funds</u>			Governmental
<u>Sewer</u>	<u>Solid Waste</u>	<u>Total</u>	<u>Activities -</u>
<u>Fund</u>	<u>Fund</u>		<u>Internal Service</u>
			<u>Fund</u>
\$ 2,742,221	\$ 810,553	\$ 9,574,122	\$ 1,217,942
54,160	104,396	114,092	-
267,629	130,391	885,423	-
-	-	-	176,200
603,622	-	603,622	-
-	-	344,808	-
<u>3,667,632</u>	<u>1,045,340</u>	<u>11,522,067</u>	<u>1,394,142</u>
269,055	102,072	1,250,761	-
-	190,110	485,735	-
11,574,221	-	37,202,712	-
4,258,843	933,425	5,684,680	-
817,018	2,836,685	4,247,322	-
(10,086,871)	(2,601,537)	(30,918,668)	-
<u>6,563,211</u>	<u>1,358,683</u>	<u>16,701,781</u>	<u>-</u>
<u>6,832,266</u>	<u>1,460,755</u>	<u>17,952,542</u>	<u>-</u>
10,499,898	2,506,095	29,474,609	1,394,142
8,656	80,137	112,226	-
11,498	-	14,281	-
-	-	-	401,500
9,310	30,486	71,413	-
10,311	50,923	116,505	-
9,688	40,518	98,919	-
-	-	103,764	-
5,252	11,613	34,614	-
350,000	50,187	818,369	-
<u>404,715</u>	<u>263,864</u>	<u>1,370,091</u>	<u>401,500</u>
-	715,000	715,000	-
-	-	75,924	-
605,000	167,920	6,133,098	-
<u>605,000</u>	<u>882,920</u>	<u>6,924,022</u>	<u>-</u>
<u>1,009,715</u>	<u>1,146,784</u>	<u>8,294,113</u>	<u>401,500</u>
5,608,211	1,140,576	9,750,314	-
-	102,072	102,072	-
-	-	22,635	-
269,055	-	946,366	-
3,612,917	116,663	10,359,109	992,642
<u>\$ 9,490,183</u>	<u>\$ 1,359,311</u>	<u>\$ 21,180,496</u>	<u>\$ 992,642</u>

CITY OF MCCOOK, NEBRASKA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS**

For the year ended September 30, 2025

	<u>Electric and Emergency Fund</u>	<u>Water Fund</u>
Operating revenues:		
Charges for services	\$ 1,368,693	\$ 2,920,670
Insurance proceeds	-	-
Miscellaneous revenues	-	167,960
Total operating revenues	<u>1,368,693</u>	<u>3,088,630</u>
Operating expenses:		
Salaries and benefits	-	834,231
Insurance and bonds	-	183,452
Utilities and telephone	-	147,698
Repairs and maintenance	-	282,991
Equipment rent	-	3,605
Contracted services	-	47,590
Supplies	-	29,173
Plant chemicals	-	281,178
Transportation	-	17,684
Professional fees	-	23,879
Sales tax	-	25,069
Miscellaneous	-	83,597
Depreciation	3,540	1,126,803
Insurance claims and health premiums	-	-
Total operating expenses	<u>3,540</u>	<u>3,086,950</u>
Operating income (loss)	1,365,153	1,680
Nonoperating revenues (expenses):		
Interest income	-	300,856
Grant revenue	-	152,881
Loss on disposal of assets	-	(393)
Interest expense	-	(62,601)
Loan fees	-	(2,803)
Total nonoperating revenues (expenses)	<u>-</u>	<u>387,940</u>
Income (loss) before transfers	1,365,153	389,620
Interfund transfers:		
Transfers in	-	11,691
Transfers out	<u>(1,368,693)</u>	<u>(112,823)</u>
Net transfers	<u>(1,368,693)</u>	<u>(101,132)</u>
Change in net position	(3,540)	288,488
Net position - September 30, 2024	<u>11,504</u>	<u>10,034,550</u>
Net position - September 30, 2025	<u>\$ 7,964</u>	<u>\$ 10,323,038</u>

See notes to financial statements.

Business-type Activities - Enterprise Funds

<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 2,033,841	\$ 2,753,372	\$ 9,076,576	\$ 3,402,704
-	149,545	149,545	-
10,465	14,008	192,433	-
<u>2,044,306</u>	<u>2,916,925</u>	<u>9,418,554</u>	<u>3,402,704</u>
522,933	1,038,032	2,395,196	-
123,602	78,127	385,181	-
107,755	6,809	262,262	-
301,286	151,643	735,920	-
12,067	1,459	17,131	-
12,531	1,021,859	1,081,980	-
13,717	12,795	55,685	-
-	-	281,178	-
8,078	156,635	182,397	-
9,994	7,720	41,593	-
123,172	-	148,241	-
22,253	27,036	132,886	-
572,336	250,968	1,953,647	-
-	-	-	4,205,779
<u>1,829,724</u>	<u>2,753,083</u>	<u>7,673,297</u>	<u>4,205,779</u>
214,582	163,842	1,745,257	(803,075)
125,213	34,632	460,701	52,262
-	-	152,881	-
-	-	(393)	-
(9,685)	(12,217)	(84,503)	-
-	-	(2,803)	-
<u>115,528</u>	<u>22,415</u>	<u>525,883</u>	<u>52,262</u>
330,110	186,257	2,271,140	(750,813)
22,847	-	34,538	375,000
(66,000)	(50,524)	(1,598,040)	-
<u>(43,153)</u>	<u>(50,524)</u>	<u>(1,563,502)</u>	<u>375,000</u>
286,957	135,733	707,638	(375,813)
<u>9,203,226</u>	<u>1,223,578</u>	<u>20,472,858</u>	<u>1,368,455</u>
<u>\$ 9,490,183</u>	<u>\$ 1,359,311</u>	<u>\$ 21,180,496</u>	<u>\$ 992,642</u>

CITY OF MCCOOK, NEBRASKA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS

For the year ended September 30, 2025

	Electric and Emergency Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 1,368,693
Receipts from other funds	-
Payments to suppliers	-
Payments to employees	-
Net cash provided (used) by operating activities	1,368,693
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers from other funds	-
Transfers to other funds	(1,368,693)
Increase in due from other funds	-
Net cash provided (used) by noncapital financing activities	(1,368,693)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of property and equipment	-
Grant proceeds	-
Increase in accrued deep well abandonment costs	-
Proceeds from issuance of capital debt	-
Principal payments on capital debt	-
Interest paid on capital debt	-
Loan fees paid	-
Net cash provided (used) by capital and related financing activities	-
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	-
Increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents - beginning of the year	-
Cash and cash equivalents - end of the year	\$ -
Composition of cash and cash equivalents:	
Cash and cash equivalents	\$ -
Restricted cash and cash equivalents	-
Total cash and cash equivalents	\$ -

See notes to financial statements.

<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>	
\$ 3,101,773	\$ 1,992,384	\$ 2,893,631	\$ 9,356,481	\$ -
-	-	-	-	3,302,804
(1,161,300)	(734,872)	(1,448,802)	(3,344,974)	(3,969,279)
(784,502)	(513,205)	(1,043,592)	(2,341,299)	-
<u>1,155,971</u>	<u>744,307</u>	<u>401,237</u>	<u>3,670,208</u>	<u>(666,475)</u>
11,691	22,847	-	34,538	375,000
(112,823)	(66,000)	(50,524)	(1,598,040)	-
-	(603,622)	-	(603,622)	-
<u>(101,132)</u>	<u>(646,775)</u>	<u>(50,524)</u>	<u>(2,167,124)</u>	<u>375,000</u>
(936,927)	(299,185)	(339,404)	(1,575,516)	-
152,881	-	-	152,881	-
5,689	-	-	5,689	-
647,698	605,000	-	1,252,698	-
(412,668)	(210,000)	(59,893)	(682,561)	-
(63,394)	(5,515)	(2,413)	(71,322)	-
(2,803)	-	-	(2,803)	-
<u>(609,524)</u>	<u>90,300</u>	<u>(401,710)</u>	<u>(920,934)</u>	<u>-</u>
300,856	125,213	34,632	460,701	52,262
746,171	313,045	(16,365)	1,042,851	(239,213)
<u>6,154,811</u>	<u>2,698,231</u>	<u>928,990</u>	<u>9,782,032</u>	<u>1,457,155</u>
<u>\$ 6,900,982</u>	<u>\$ 3,011,276</u>	<u>\$ 912,625</u>	<u>\$ 10,824,883</u>	<u>\$ 1,217,942</u>
\$ 6,021,348	\$ 2,742,221	\$ 810,553	\$ 9,574,122	\$ 1,217,942
879,634	269,055	102,072	1,250,761	-
<u>\$ 6,900,982</u>	<u>\$ 3,011,276</u>	<u>\$ 912,625</u>	<u>\$ 10,824,883</u>	<u>\$ 1,217,942</u>

CITY OF MCCOOK, NEBRASKA

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS, Continued**

For the year ended September 30, 2025

	<u>Electric and Emergency Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 1,365,153
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	3,540
Change in assets and liabilities:	
Accounts receivable	-
Reinsurance receivable	-
Inventories	-
Customer deposits	-
Accounts payable	-
Claims incurred not paid	-
Sales tax payable	-
Accrued expenses	-
Net cash provided (used) by operating activities	<u>\$ 1,368,693</u>

See notes to financial statements.

<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>	
\$ 1,680	\$ 214,582	\$ 163,842	\$ 1,745,257	\$ (803,075)
1,126,803	572,336	250,968	1,953,647	-
7,325	(53,572)	(23,294)	(69,541)	-
-	-	-	-	(99,900)
(27,784)	-	-	(27,784)	-
5,200	-	-	5,200	-
(7,600)	(417)	15,281	7,264	-
-	-	-	-	236,500
618	1,650	-	2,268	-
49,729	9,728	(5,560)	53,897	-
<u>\$ 1,155,971</u>	<u>\$ 744,307</u>	<u>\$ 401,237</u>	<u>\$ 3,670,208</u>	<u>\$ (666,475)</u>

CITY OF MCCOOK, NEBRASKA

**STATEMENT OF ASSETS AND FUND BALANCE - MODIFIED CASH BASIS -
FIDUCIARY FUNDS**

September 30, 2025

	Custodial Funds
ASSETS	
Cash	<u>\$ 214,154</u>
FUND BALANCE	
Custodial Funds	<u>\$ 214,154</u>

See notes to financial statements.

CITY OF MCCOOK, NEBRASKA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - FIDUCIARY FUNDS**

September 30, 2025

	<u>Custodial Funds</u>
REVENUES	
Custodial cash receipts	\$ 76,918
EXPENSES	
Custodial cash disbursements	<u>80,394</u>
Net change in fund balance	(3,476)
Fund balance - September 30, 2024	<u>217,730</u>
Fund balance - September 30, 2025	<u><u>\$ 214,254</u></u>

See notes to financial statements.

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

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CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of McCook, Nebraska (City) are prepared in accordance with the modified cash basis of accounting for governmental and fiduciary funds and the accrual basis for the proprietary funds and discretely presented component unit. The City’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note.

1. Financial Reporting Entity

The City of McCook, Nebraska, was incorporated as a City of the first class in 1933. The City operates under a City Manager form of government. The Mayor is elected by the Council. All members of the City Council are elected on four-year terms. The administration of the City government is performed under the direction of the Council by the City Manager. Services provided to residents include public safety, highways and streets, parks, recreation, water and sanitary sewer systems, garbage collection, and general administrative services.

The City’s financial reporting entity comprises the following:

Primary Government:	City of McCook
Discretely Presented Component Units:	Community Development Authority McCook Leasing Corporation

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, and has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable, and, as such, should be included within the City’s financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization’s governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading.

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City by appropriate activity type to compose the primary government presentation. Currently, the City has no blended component units.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The following are the discretely presented component units:

**Brief Description of Activities
and Relationship to the City**

McCook Community

Development Agency

On February 20, 2006, the City Council passed an ordinance repealing the CRA and creating a CDA for the City of McCook. The Mayor and the members of the City Council shall constitute the Agency and the City Manager shall serve as the director of the CDA.

McCook Leasing Corporation

Created in 2011 to provide for the construction and issuance of bonds for the construction of the combined Administration and Public Safety building. This entity had no activity during the year ended September 30, 2025.

2. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Projects Funds

Capital Projects Funds are used to account for resources restricted for the acquisition or construction of specific capital projects.

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Governmental Funds, continued

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City other than debt-service payments made by enterprise funds. Ad valorem taxes are used for the payment of principal and interest on the City's general obligation bonds.

Proprietary Funds

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Internal Service Fund

The Internal Service Fund accounts for activities that provide goods and services to other funds, departments or agencies of the primary government and its component units on a cost-reimbursement basis.

Fiduciary Funds (Not included in government-wide statements)

Custodial Funds

Custodial funds account for assets held by the City in a purely custodial capacity. The reporting entity includes ten custodial funds. Since these funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations.

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds

The funds are further classified as major or nonmajor as follows:

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i>	
Governmental:	
General Fund	See page 33 for description.
Street Fund	The Street Fund is a Special Revenue Fund that accounts for the City’s share of highway allocation from the State of Nebraska.
Debt Service Fund	See page 34 for description.
Capital Projects Fund	See page 33 for description.
Grant Fund	The Grant Fund is a Special Revenue Fund that accounts for grant revenue and expenditures.
Economic Development Fund	The Economic Development Fund is a Special Revenue Fund that accounts for sales tax proceeds to be used for LB840 economic development.
Proprietary:	
Enterprise:	
Electric and Emergency, Water, Sewer, and Solid Waste	See page 34 for description.
<i>Nonmajor:</i>	
Governmental:	
Keno Fund	The Keno Fund is a Special Revenue Fund that accounts for Keno proceeds and community betterment expenditures.

3. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b, below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. Fiduciary funds are not involved in the measurement of results of operations; therefore, the measurement focus is not applied to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenses when they result from cash transactions with a provision for depreciation. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Under the modified cash basis of accounting, proceeds from the issuance of long-term debt increase liabilities and payment of long-term debt reduces liabilities. Capital assets are capitalized and depreciation is recognized over the estimated lives of the related assets. Right of use assets and related lease liabilities, as defined by GASB 87 and 96, are not reflected in the accompanying modified cash basis financial statements.

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Basis of Accounting, continued

Business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified cash basis of accounting using a flow of current financial resources measurement focus. Proceeds from issuance of long-term debt are recognized as revenue when received and payment of long-term debt principal is reported as an expenditure when paid. Capital asset purchases are recorded as expenditures and depreciation is not recognized.

All proprietary funds and the discretely presented component units utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used.

4. Assets, Liabilities, and Equity

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and the modified cash basis of accounting 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 and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Investments

For the purpose of the Statement of Net Position, “cash and cash equivalents” include all demand accounts and savings accounts. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all cash on hand, demand accounts, savings accounts, and equity in pooled cash which has an original maturity of three months or less. The County Treasurer’s cash represents revenues collected not yet remitted to the City.

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Cash and Investments, continued

Investments are carried at fair value. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes B2, C1, and D2.

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Business-type activities report utility billings as their major receivables.

In the fund financial statements, proprietary fund receivables consist of all revenues earned at year end and not yet received. Utility accounts receivable compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method.

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. The primary restricted assets are related to debt service and proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets, continued

Government-wide Statements

In the government-wide financial statements, property and equipment are accounted for as capital assets. The City has a \$5,000 capitalization threshold. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. The City has elected the depreciation approach for reporting infrastructure.

Depreciation for capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The ranges of estimated useful lives by type of asset are as follows:

Buildings	25-50 years
Improvements	10-50 years
Machinery and Equipment	3-20 years
Utility System	25-50 years

Beginning October 1, 2003, governmental funds' infrastructure assets were capitalized under the retroactive capitalization method. These assets have been valued at cost. The cost of normal maintenance, preservation, and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Compensated Absences

During the year ended September 30, 2025, the City adopted GASB No. 101, *Compensated Absences*. The City's policies regarding vacation time and sick leave permit employees to accumulate earned but unused leave. In the event of termination, an employee is paid for all unused accumulated vacation time, accumulated compensatory time, and one-fourth of accumulated sick leave. Accumulated leave is accrued in the accompanying proprietary funds financial statement but not in the governmental funds.

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable.

Fund Financial Statements

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

Effective October 1, 2010, the City adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Nonspendable—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws or externally imposed conditions by grantors or creditors.

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Fund Financial Statements, continued

Committed—Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution.

Assigned—Amounts that are designated by the Mayor for a specific purpose but are not spendable until a budget ordinance is passed by the City Council.

Unassigned—All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 20). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the City Council or the Assignment has been changed by the Mayor. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

5. Revenues, Expenditures, and Expenses

Sales and Use Tax

The City presently levies a 2.0 cent sales tax on taxable sales within the City. The sales tax is collected by the Nebraska Department of Revenue and remitted to the City in the month following receipt. The Nebraska Department of Revenue receives the sales tax approximately one month after collection by vendors. As of October 1, 2006, sales tax collected on the sale of motor vehicles is recorded in the Street Fund as required by LB904. During November 2022, voters approved 0.5 percent for payment of the recreational bonds. The LB840 Fund receives 16.67 percent of the non-motor vehicle sales tax collections for economic development. The balance of the sales tax may be used for budgeted General Fund appropriations and capital projects; purchase of capital equipment; improving, repairing or replacing the City's infrastructure, including but not limited to water quality improvements, City streets, parks, and other public facilities; and repaying or redeeming water, sewer and other City debt.

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Property Taxes

The City has the power to levy taxes each year sufficient to pay any judgment existing against the City, the interest on bonded debt, and the principal on bonded debt maturing during the fiscal year or within six months thereafter, as well as taxes authorized by state law.

The tax levies for all political subdivisions in Red Willow County are certified by the County Board on or before October 20. Real estate taxes are due on December 31 and attach as an enforceable lien and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14 percent interest.

Property taxes levied for 2024-2025 are recorded as revenue when received by the County.

Electrical Distribution System Lease and Wholesale Power Contract

The City of McCook, Nebraska, recognizes revenue under a net lease of the electric distribution system. Rental payments are equal to 12.5 percent of retail revenues from the distribution system, adjusted to eliminate revenues from tax-supported agencies and fuel cost and similar adjustments. The lessee will maintain the electric distribution system pursuant to prudent utility practice and provide insurance thereon.

The lease, entered into on January 1, 2019, is for a 25-year period. The lease is annually renewable thereafter, unless terminated by a minimum of five years prior written notice.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – by Character and Function

Proprietary Funds – by Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity is classified as transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component units are subject to various federal, state, and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources follows:

1. Fund Accounting Requirements

The City complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include Special Revenue, Debt Service, Capital Projects, and Agency Funds.

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

2. Deposit Laws and Regulations

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance or with U.S. Treasury and U.S. agency securities having an aggregate value at least equal to the amount of the deposits. The City's demand deposits are insured up to \$250,000 and certificates of deposit/savings accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits or certificates of deposit in excess of the FDIC limits are insured by collateral held by the pledging institution in the City's name.

3. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources are described in Note A2 for the various funds.

4. Debt Restrictions and Covenants

Bonds Payable

The various bond ordinances relating to the bonds payable contain some restrictions or covenants that are financial-related. These include covenants such as debt-service coverage requirements and required reserve account balances. The City is in compliance with the bond restrictions and covenants.

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

4. Debt Restrictions and Covenants, continued

Sewer Loans

The City has established the following accounts to comply with the covenants listed in the sewer loan agreements.

1. Dedicated Source of Revenue for Repayment of the Loans – The City pledges the sewer user charge as the dedicated source of revenue for repayment of the loans.
2. Loan Principal and Interest Redemption Account - Out of the McCook Sewer Fund there shall be credited monthly, on or before the 15th day of each month to the Loan Principal and Interest Redemption Account, the following amounts:
 - a) A monthly amount equal to 1/6th of the next maturing semi-annual interest payments. The loan interest reserve was \$715 at September 30, 2025.
 - b) A monthly amount equal to 1/12th of the next maturing annual principal payments. The loan principal reserve was \$102,083 at September 30, 2025.
3. Debt Service Reserve – The debt service reserve was \$166,257 at September 30, 2025.

Water Loans

The City has established the following accounts to comply with the covenants listed in the water loan agreements.

1. Dedicated Source of Revenue for Repayment of the Loans – The City pledges the water user charge as the dedicated source of revenue for repayment of the loans.
2. Loan Principal and Interest Redemption Account - Out of the McCook Water Fund there shall be credited monthly, on or before the 15th day of each month to the Loan Principal and Interest Redemption Account, the following amounts:
 - a) A monthly amount equal to 1/6th of the next maturing semi-annual interest payments. The loan interest reserve was \$18,759 at September 30, 2025.
 - b) A monthly amount equal to 1/6th of the next maturing semi-annual principal payments. The loan principal reserve was \$124,484 at September 30, 2025.
3. Debt Service Reserve – The debt service reserve was \$534,068 at September 30, 2025.

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data

The City is required by state laws to adopt annual budgets for all fund types. Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act.

The Nebraska Budget Act provides the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditure and/or tax levy limitations.

The City follows these procedures in establishing the budgetary data reflected in the accompanying financial statements.

- a. On or before August 1, the City prepares a budget for the fiscal year commencing October 1. The budget includes proposed expenditures and resources available.
- b. The budget is published with subsequent public hearings to obtain taxpayer comments.
- c. Prior to September 30, the City Council adopts the budget, which is then filed with the appropriate state and county officials.
- d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.
- e. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.
- f. The County Clerk certifies a preliminary property tax levy for each fund of the City which levied property taxes in the county the previous year based on the combined valuation and amount required for the City the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data, continued

- g. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before October 20. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- h. The City of McCook adopts a budget by ordinance for all funds.

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the financial statements for the City's various assets, liabilities, equity, revenues, and expenditures/expenses.

1. Cash

Deposits

The City's policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2025. The categories of collateral are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the City (or public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the City's name; or collateralized with no written or approved collateral agreement.

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

1. Cash, continued

Deposits, continued

<u>Types of Deposits</u>	<u>Total Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Carrying Value</u>
Demand deposits	\$ 36,430,408	\$ 13,758,843	\$ 22,671,565	\$ -	\$ <u>35,047,368</u>
Reconciliation to Government-wide Statement of Net Position:					
Primary Government –					
Unrestricted cash and cash equivalents					\$ 15,002,508
Restricted cash and cash equivalents					19,773,400
Fiduciary Funds –					
Custodial Funds cash					214,154
Component Unit –					
Unrestricted cash and cash equivalents					<u>57,306</u>
					<u>\$ 35,047,368</u>

2. Restricted Assets

The restricted assets as of September 30, 2025, are as follows:

Type of Restricted Assets:	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ <u>18,522,639</u>	\$ <u>1,250,761</u>	\$ <u>19,773,400</u>

The General Fund has \$149,087 of cash restricted for cemetery perpetual care. The Street Fund has \$1,139,560 of cash restricted for street improvements. The Economic Development Fund has \$1,251,820 of cash restricted for economic development. The Debt Service Fund has \$191,173 of cash restricted for debt service. The Capital Projects Fund has \$2,462,924 of cash restricted for Capital Projects. The Grant Fund has \$113,825 of cash restricted for Federal programs, \$12,784,857 of cash restricted for the sports complex project, and \$410,492 of cash restricted for playground equipment. The Keno Fund has \$18,901 of cash restricted for community betterment.

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

2. Restricted Assets, continued

The Water Fund has \$98,559 restricted for future closure costs on the deep injection well, \$103,764 restricted for customer deposits, and \$677,311 restricted for debt service. Funds of \$269,055 are restricted in the Sewer Fund for debt service. The Solid Waste Fund has funds of \$102,072 that are restricted for the future landfill postclosure costs. See Note B4 for additional disclosures.

3. Accounts and Notes Receivable

Accounts receivable of the business-type activities consist of utilities receivables. Receivables detail at September 30, 2025, is as follows:

	<u>Business-type Activities</u>
Accounts receivable	\$ 114,092
Unbilled revenue	<u>885,423</u>
Total accounts receivable	<u>\$ 999,515</u>

As of September 30, 2025, the City had the following LB840 notes receivable:

	<u>Balance</u>	<u>Terms</u>
Clary Village	\$ 116,315	4%; due as TIF proceeds are collected; final maturity 3/31/31
City of McCook	250,000	0%; due as lots are sold from the sports complex land purchase
McCook Economic Development Corporation	63,178	0%; due as TIF proceeds are collected over 15 years
HOKYL LLC	87,558	4%; 60 monthly payments of \$1,014 due 4/1/24 – 2/1/29 with final balloon payment due 3/1/29

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

3. Accounts and Notes Receivable, continued

Hot Tub Brokers	65,590	2%; 120 monthly payments of \$919.56 due 1/1/21 – 12/1/31
Early Morning Cackle	27,541	3%; 120 monthly payments of \$538.42 due 5/1/20 – 4/1/30
McCook Economic Development Corporation	203,140	0%; due with TIF proceeds after bank is paid off over 15 years
American Agricultural Laboratory	10,887	2%; 120 monthly payments of \$690.10 due 2/5/17 – 1/5/27
Allowance for uncollectible notes	<u>(181,905)</u>	
	<u>\$ 642,304</u>	

The Community Development Agency had the following TIF receivables and payables as of September 30, 2025:

	<u>TIF Receivable</u>	<u>TIF Payable</u>
North Pointe	\$ 509,362	\$ 509,362
Clary Village	50,779	50,779
Cobblestone	337,987	337,987
Quillan Courts	52,500	52,500
N-Stant Convenience	53,993	53,993
Blackwood Enterprises	165,618	165,618
Infill Housing	37,192	37,192
Restored Homes	53,351	53,351
Elevate Wellness	85,148	85,148
McCook Business Park II	694,615	694,615
R Perry Workforce Housing	154,658	154,658
Holiday Inn	760,064	760,064
Next Generation	<u>1,093,531</u>	<u>1,093,531</u>
	<u>\$ 4,048,798</u>	<u>\$ 4,048,798</u>
Current portion	\$ 553,064	\$ 553,064
Long-term portion	<u>3,495,734</u>	<u>3,495,734</u>
	<u>\$ 4,048,798</u>	<u>\$ 4,048,798</u>

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

4. Capital Assets

Capital asset activity for the year ended September 30, 2025, was as follows:

	Balance at October 1, <u>2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2025</u>
<u>Governmental Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 776,893	\$ 3,192,615	\$ -	\$ -	\$ 3,969,508
Construction in progress	<u>7,551,745</u>	<u>6,160,921</u>	<u>-</u>	<u>(7,551,745)</u>	<u>6,160,921</u>
Total capital assets not being depreciated	8,328,638	9,353,536	-	(7,551,745)	10,130,429
Other capital assets being depreciated:					
Infrastructure	18,685,034	794,046	-	797,715	20,276,795
Buildings and improvements	19,018,736	179,558	-	6,754,030	25,952,324
Machinery and equipment	1,294,926	8,195	-	-	1,303,121
Furniture and equipment	3,628,996	71,042	(1,450)	-	3,698,588
Vehicles	<u>3,732,637</u>	<u>666,549</u>	<u>-</u>	<u>-</u>	<u>4,399,186</u>
Total other capital assets at historical cost	46,360,329	1,719,390	(1,450)	7,551,745	55,630,014
Less accumulated depreciation for:					
Infrastructure	(6,031,575)	(426,181)	-	-	(6,457,756)
Buildings and improvements	(11,949,738)	(484,060)	-	-	(12,433,798)
Machinery and equipment	(952,772)	(79,394)	-	-	(1,032,166)
Furniture and equipment	(2,686,414)	(307,264)	1,450	-	(2,992,228)
Vehicles	<u>(2,984,889)</u>	<u>(213,943)</u>	<u>-</u>	<u>-</u>	<u>(3,198,832)</u>
Total accumulated depreciation	<u>(24,605,388)</u>	<u>(1,510,842)</u> *	<u>1,450</u>	<u>-</u>	<u>(26,114,780)</u>
Other capital assets, net	<u>21,754,941</u>	<u>208,548</u>	<u>-</u>	<u>7,551,745</u>	<u>29,515,234</u>
Governmental activities capital assets, net	<u>\$ 30,083,579</u>	<u>\$ 9,562,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,645,663</u>

* Depreciation expense was incurred by the following governmental activities:

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

4. Capital Assets, continued

General Fund:

General government:

Administration	\$ 58,168
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Public safety:

Fire	122,341
Civil defense	9,382
Ambulance	82,046
Municipal Center	131,569
Public safety	505
Police	<u>224,756</u>
Total public safety	570,599

Public works:

Public works	14,835
Cemetery	<u>16,079</u>
Total public works	30,914

Environment and leisure:

Airport	176,708
Library	54,304
Parks	81,446
Ball park	14,493
Pool	21,359
Auditorium	19,335
Public transportation	5,181
Senior Center	<u>38,171</u>
Total environment and leisure	<u>410,997</u>

Total General Fund	1,070,678
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Special Revenue Funds:

Street	<u>440,164</u>
Total Governmental Activities depreciation expense	\$ <u>1,510,842</u>

Construction in progress at September 30, 2025 consists of \$45,491 of costs incurred on the self-service airport fuel project and \$6,115,430 of costs incurred on the sports complex project. See note D3 for additional details regarding commitments remaining on these projects.

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

4. Capital Assets, continued

	Balance at October 1, <u>2024</u>	<u>Additions</u>	<u>Disposals</u>	Balance at September 30, <u>2025</u>
<u>Business-type Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 485,735	\$ -	\$ -	\$ 485,735
Other capital assets being depreciated:				
Distribution systems	37,034,326	1,009,585	(841,199)	37,202,712
Buildings and improvements	5,721,161	144,963	(181,444)	5,684,680
Machinery and equipment	4,508,247	420,968	(681,893)	4,247,322
Total other capital assets at historical cost	<u>47,263,734</u>	<u>1,575,516</u>	<u>(1,704,536)</u>	<u>47,134,714</u>
Less accumulated depreciation for:				
Distribution systems	(24,250,099)	(1,507,093)	840,805	(24,916,387)
Buildings and improvements	(3,051,936)	(142,137)	181,444	(3,012,629)
Machinery and equipment	(3,367,128)	(304,417)	681,893	(2,989,652)
Total accumulated depreciation	<u>(30,669,163)</u>	<u>(1,953,647) *</u>	<u>1,704,142</u>	<u>(30,918,668)</u>
Other capital assets, net	<u>16,594,571</u>	<u>(378,131)</u>	<u>(394)</u>	<u>16,216,046</u>
Business-type capital assets, net	<u>\$ 17,080,306</u>	<u>\$ (378,131)</u>	<u>\$ (394)</u>	<u>\$ 16,701,781</u>

* Depreciation expense was charged to functions as follows:

Electric and Emergency	\$ 3,540
Water	1,126,803
Sewer	572,336
Solid Waste	<u>250,968</u>
Total Business-type Activities depreciation expense	<u>\$ 1,953,647</u>

5. Long-term Debt

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

5. Long-term Debt, continued

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2025:

<u>Type of Debt</u>	Balance October 1, 2024	<u>Additions</u>	<u>Deductions</u>	Balance September 30, 2025	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Bonds payable	\$ 9,600,000	\$ 15,035,000	\$ (180,000)	\$ 24,455,000	\$ 4,260,000
Notes payable	79,743	525,863	(79,743)	525,863	43,079
Total Governmental-type Activities	<u>\$ 9,679,743</u>	<u>\$ 15,560,863</u>	<u>\$ (259,743)</u>	<u>\$ 24,980,863</u>	<u>\$ 4,303,079</u>
Business-type Activities:					
Bonds payable	\$ 4,895,000	\$ 605,000	\$ (545,000)	\$ 4,955,000	\$ 680,000
Notes payable	1,208,332	647,698	(77,670)	1,778,360	88,182
Financing agreements	278,000	-	(59,893)	218,107	50,187
Deep well abandonment costs	70,235	5,689	-	75,924	-
Landfill closure costs	715,000	-	-	715,000	-
Total Business-type Activities	<u>\$ 7,166,567</u>	<u>\$ 1,258,387</u>	<u>\$ (682,563)</u>	<u>\$ 7,742,391</u>	<u>\$ 818,369</u>
Component Units:					
CDA notes payable	<u>\$ 3,230,573</u>	<u>\$ 934,421</u>	<u>\$ (116,196)</u>	<u>\$ 4,048,798</u>	<u>\$ 553,064</u>

Governmental Activities

The General and Street Funds are making the principal and interest payments on the governmental notes payable and the Capital Projects Fund is making the principal and interest payments on the bonds payable. As of September 30, 2025, the governmental long-term liabilities consisted of the following:

Bonds payable:

On August 15, 2023, the City issued \$5,680,000 of Series 2023 Municipal Improvement Bonds to finance the swimming pool project. The bonds are due in annual principal payments commencing September 15, 2024 through September 15, 2043. Interest of 5.0 percent is due in semi-annual payments on March 15 and September 15.

\$ 5,350,000

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

5. Long-term Debt, continued

Governmental Activities, continued

Bonds payable, continued:

On September 20, 2024, the City issued \$4,070,000 of Series 2024 Bond Anticipation Notes to finance the sports complex project. The bonds are due September 1, 2026. Interest of 4.25 percent is due in semi-annual payments on March 1 and September 1. 4,070,000

On August 1, 2025, the City issued \$15,035,000 of Series 2025 Bond Anticipation Notes to finance the sports complex project. The bonds are due September 1, 2027. Interest of 4.50 percent is due in semi-annual payments on March 1 and September 1. 15,035,000

Notes payable:

Note payable of \$275,863 due to McCook National Bank, bearing interest of 5.20 percent. Annual principal and interest payments of \$46,306 are due commencing October 10, 2025, through October 10, 2031. The note is secured by a 2025 Ford F550 ambulance. 275,863

Note payable of \$250,000 due to the LB840 Fund. The non-interest bearing loan was issued to finance the purchase of a portion of the sports complex land and is due as the City sells lots from this land. 250,000

\$ 24,980,863

Current portion \$ 4,303,079

Noncurrent portion 20,677,784

Total \$ 24,980,863

Business-type Activities

As of September 30, 2025, the long-term debt payable from proprietary fund resources consisted of the following:

Notes payable:

\$1,650,090 Nebraska Department of Environment and Energy (DEE) water note payable, due in semi-annual principal and interest payments of \$41,195 commencing June 15, 2015, through June 15, 2032. The note bears interest of 2.0 percent. \$ 266,397

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

5. Long-term Debt, continued

Business-type Activities, continued

Notes payable, continued:

During the year ended September 30, 2025, the City drew \$647,698 on a \$2,036,899 Nebraska DEE water note payable, due in semi-annual principal payments of \$26,068 commencing December 15, 2024, through June 15, 2054. The note is non-interest bearing. 1,511,963

Financing agreement:

On August 19, 2024, the City entered into a \$278,000 financing agreement with Caterpillar Financial Services Corporation for a wheel loader, with interest of 5.556 percent. Five annual principal and interest payments of \$62,305 are due commencing October 15, 2024 through October 15, 2028. 218,107

Bond payable:

On August 1, 2025, the City issued \$605,000 of Series 2025 Bond Anticipation Notes to finance the sewer improvements. The bonds are due September 1, 2027. Interest of 4.50 percent is due in semi-annual payments on March 1 and September 1. 605,000

On August 24, 2021, the City issued \$6,555,000 of Series 2021 Combined Utility Revenue Refunding Bonds to refinance the Series 2016 Combined Utility Revenue Refunding Bonds. The bonds are due in annual principal payments commencing June 15, 2022 through June 15, 2036. Interest ranging from 0.35 percent to 2.0 percent is due in semi-annual payments on December 15 and June 15. At September 30, 2025, the Water Fund owed \$4,000,000 and the Sewer Fund owed \$350,000 of the outstanding bonds. 4,350,000

Total business-type activities long-term debt \$ 6,951,467

Current portion \$ 818,369

Noncurrent portion 6,133,098

Total \$ 6,951,467

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

5. Long-term Debt, continued

Component Units:

Community Development Agency:

During the year ended September 30, 2015, the CDA issued a \$208,000 note payable to McCook Economic Development Corporation (MEDC) to finance North Pointe redevelopment expenses. This note is non-interest bearing and will be paid off as TIF proceeds are collected over 15 years. \$ 509,362

During the year ended September 30, 2015, the CDA issued a \$180,000 note payable to MEDC to finance Clary Village redevelopment expenses. This note will be paid off as TIF proceeds are collected over 15 years. 50,779

During the year ended September 30, 2016, the CDA entered into a TIF agreement with McCook Hotel Group, LLC for the Cobblestone Hotel Project. This note will be paid to the redeveloper as TIF proceeds are collected over 15 years. 337,987

During the year ended September 30, 2016, the CDA issued a \$110,000 note payable to MEDC to finance the Quillan Courts Project. This note will be paid to the redeveloper as TIF proceeds are collected over 15 years. 52,500

During the year ended September 30, 2020, the CDA entered into a TIF agreement with N-Stant Convenience to finance up to \$196,500 on the N-Stant project. This note will be paid to the redeveloper as TIF proceeds are collected over 15 years. 53,993

During the year ended September 30, 2020, the CDA entered into a TIF agreement with Blackwood Enterprises to finance up to \$200,000 on the Blackwood Enterprises project. This note will be paid to the redeveloper as TIF proceeds are collected over 15 years. 165,618

During the year ended September 30, 2022, the CDA entered into a TIF agreement with Infill Housing to finance up to \$45,225 on the Infill Housing project. This note will be paid to the redeveloper as TIF proceeds are collected over 15 years. 37,192

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

5. Long-term Debt, continued

Component Units, continued:

Community Development Agency, continued:

During the year ended September 30, 2024, the CDA entered into a TIF agreement with Restored Homes to finance up to \$104,000 on the Restored Homes project. This note will be paid to the redeveloper as TIF proceeds are collected over 15 years. 53,351

During the year ended September 30, 2025, the CDA entered into a TIF agreement with Elevate Wellness to finance up to \$239,000 on the Elevate Wellness project. This note will be paid to the redeveloper as TIF proceeds are collected over 15 years. 85,148

During the year ended September 30, 2025, the CDA entered into a TIF agreement with McCook Economic Development Corporation (MEDC) to finance up to \$1,690,606 on the McCook Business Park II project. This note will be paid to the redeveloper as TIF proceeds are collected over 15 years. 694,615

During the year ended September 30, 2025, the CDA entered into a TIF agreement with R Perry to finance up to \$914,599 on the Workforce Housing project. This note will be paid to the redeveloper as TIF proceeds are collected over 15 years. 154,658

During the year ended September 30, 2016, the CDA entered into a TIF agreement with McCook Lodging, LLC to finance up to \$1,400,000 on the Holiday Inn project. TIF collections were deferred until the 2019 tax year due to delays on this project. This note will be paid to the redeveloper as TIF proceeds are collected over 15 years. 760,064

During the year ended September 30, 2018, the CDA entered into a TIF agreement with Next Generation, Inc. to finance up to \$1,744,000 on the Next Generation project. This note will be paid to the redeveloper as TIF proceeds are collected over 15 years. 1,093,531

Total component unit debt \$ 4,048,798

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

5. Long-term Debt, continued

Component Units, continued:

Current portion	\$ 553,064
Noncurrent portion	<u>3,495,734</u>
Total	<u>\$ 4,048,798</u>

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2025, are as follows:

Year Ending <u>September 30,</u>	Business-type Activities				
	Direct Placement - Notes Payable			Other Debt Issues - Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 138,369	\$ 17,267	\$ 2,574	\$ 680,000	\$ 87,469
2027	141,883	13,754	2,212	935,000	80,440
2028	145,565	10,072	1,843	330,000	50,410
2029	149,426	6,211	1,466	330,000	47,110
2030	91,170	2,161	1,081	330,000	43,480
2031-2035	339,458	1,954	977	1,665,000	150,445
2036-2040	260,683	-	-	685,000	13,700
2041-2045	260,683	-	-	-	-
2046-2050	260,683	-	-	-	-
2051-2054	208,547	-	-	-	-
	<u>\$ 1,996,467</u>	<u>\$ 51,419</u>	<u>\$ 10,153</u>	<u>\$ 4,955,000</u>	<u>\$ 473,054</u>

Year Ending <u>September 30,</u>	Governmental Activities				Component Units	
	Direct Placement - Notes		Other Debt Issues-Bonds		Direct Placement Debt	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 43,079	\$ 3,228	\$ 4,260,000	\$ 1,173,431	\$ 553,064	\$ -
2027	34,204	12,102	15,235,000	934,575	553,064	-
2028	35,982	10,324	210,000	248,000	553,064	-
2029	37,853	8,453	220,000	237,500	547,844	-
2030	39,822	6,484	230,000	226,500	486,778	-
2031-2035	334,923	6,649	1,345,000	946,750	1,019,269	-
2036-2040	-	-	1,710,000	576,000	335,715	-
2041-2043	-	-	1,245,000	126,500	-	-
	<u>\$ 525,863</u>	<u>\$ 47,240</u>	<u>\$ 24,455,000</u>	<u>\$ 4,469,256</u>	<u>\$ 4,048,798</u>	<u>\$ -</u>

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

5. Long-term Debt, continued

Municipal Solid Waste Landfill Postclosure

The City recognizes a proportionate share of the estimated total current cost of closure and postclosure care costs of the municipal solid waste landfill as an expense and a liability in each period that the landfill accepts solid waste.

Under an agreement with the Nebraska Department of Environmental Quality, the City of McCook discontinued acceptance of solid waste after the completion of the current cell on September 1, 1996. According to the engineering study performed for the municipal solid waste landfill, the revised closure costs for the landfill were estimated at \$36,000. The postclosure care costs were estimated at \$51,036 annually for 30 years after closure as required by EPA rule “Solid Waste Disposal Facility Criteria.” The amount accrued has been adjusted for inflation. The total closure and postclosure cost estimate is \$1,567,080. The cumulative liability, which is based on the capacity of the landfill used to date, was \$715,000 at September 30, 2025. The City of McCook considers this amount available through the normal annual budgeting process. The City has a restricted cash reserve of \$102,072 as of September 30, 2025, consisting of a landfill postclosure reserve of \$102,072. The City was released from its landfill remedial action reserve in December 2016, so it no longer restricts cash for the remedial action reserve.

Deep Well Abandonment Costs

The City recognizes a proportionate share of the estimated total current cost of well abandonment for the deep injection well as an expense and a liability in each period that the well operates.

Under an agreement with the Nebraska Department of Environmental Quality, the City of McCook established an escrow account with a balance at September 30, 2025, of \$98,559 to be used for future deep well abandonment costs. The estimated cost of abandonment is being recognized over the 30-year estimated life of the well. The accrued deep well abandonment cost was \$75,924 at September 30, 2025.

6. Accrued Compensated Absences

Accrued compensated absences for the business-type activities consisted of the following as of September 30, 2025:

	<u>Balance at</u> 9/30/24	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> 9/30/25
Accrued vacation	\$ 110,171	\$ 6,334	\$ -	\$ 116,505
Accrued sick leave	60,176	38,743	-	98,919
Total	<u>\$ 170,347</u>	<u>\$ 45,077</u>	<u>\$ -</u>	<u>\$ 215,424</u>

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

7. Interfund Transactions and Balances

Operating transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Keno	\$ 50,000	\$ -
Grant	-	50,000
Electric and Emergency	993,693	-
Water	90,000	11,691
Sewer	66,000	-
Solid Waste	50,500	-
Total General Fund	<u>1,250,193</u>	<u>61,691</u>
Street Fund:		
Capital Projects	236,880	-
Capital Projects Fund:		
Street	-	236,880
Grand Fund:		
General	50,000	-
Keno Fund:		
General	-	50,000
Electric and Emergency Fund:		
General	-	993,693
Internal Service	-	375,000
Total Electric and Emergency Fund	<u>-</u>	<u>1,368,693</u>
Water Fund:		
General	11,691	90,000
Sewer	-	22,823
Total Water Fund	<u>11,691</u>	<u>112,823</u>
Sewer Fund:		
General	-	66,000
Water	22,823	-
Solid Waste	24	-
Total Sewer Fund	<u>22,847</u>	<u>66,000</u>
Solid Waste Fund:		
General	-	50,500
Sewer	-	24
Total Solid Waste Fund	<u>-</u>	<u>50,524</u>
Internal Service Fund:		
Electric and Emergency	<u>375,000</u>	<u>-</u>
Total Interfund Transfers	<u><u>\$ 1,946,611</u></u>	<u><u>\$ 1,946,611</u></u>

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES

1. Employee Pension and Other Benefit Plans

The City participates in three employee benefit plans as follows:

<u>Name of Plan</u>	<u>Type of Plan</u>
City General Plan	Defined Contribution Plan
City Manager Plan	Defined Contribution Plan
Police and Firefighters Plan	Defined Contribution Plan

The City Manager Plan is administered by the City, and the Police and Firefighters Plan and the City General Plan are administered by a third party. None of the plans are included in these financial statements.

City General Plan

The City provides pension benefits for substantially all of the full-time employees (excluding all uniformed personnel covered under other retirement plans) through a defined contribution plan. The defined contribution plan includes all General and Proprietary Fund employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

Public employees are eligible to participate on the first day of the month following the date on which the employee meets the eligibility requirements. The City contributes up to six percent of the participant's base salary and the employee contributes from six percent to 15 percent of his or her base salary. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after seven years of continuous service. The City's total payroll and eligible compensation (excluding uniformed personnel) in the year ended September 30, 2025, was \$4,300,561 and \$3,629,699, respectively. All contributions, including \$243,796 in employee contributions and \$216,689 in City contributions, have been transferred to the plan's trustee during the year ended September 30, 2025.

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

City General Plan, continued

The Public Employee Plan, which is administered by CPI Qualified Plan Consultants, Inc., had plan assets with a market value of \$8,671,727 at September 30, 2025.

City Manager Plan

The City Manager currently participates in the City General pension plan. No contributions were made to the City Manager Plan during the year ended September 30, 2025. The balance of \$250,539 in the plan at September 30, 2025 represents balances for former City Managers.

Police and Firefighters Plan

The City provides pension benefits for the policemen and the firemen under separate defined contribution plans established by statutes of the State of Nebraska, effective January 1, 1984. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. The City contributes 7 percent to the policemen's fund and 13 percent to the firemen's fund while the policemen contribute 7 percent and the firemen contribute 6.5 percent. The City's contributions for each fire employee (and interest allocated to the employee's account) are fully vested after seven years of continuous service. The City contributions for each police employee (and interest allocated to the employee's account) vest as follows: 40 percent after 2 years, 60 percent after 4 years, 80 percent after 6 years, and 100 percent after 7 years.

The City's total payroll and eligible compensation for policemen and firemen in the year ended September 30, 2025, was \$1,027,897 and \$904,342, respectively. All contributions, including \$71,953 and \$78,678, respectively, in employee contributions and \$71,953 and \$117,564, respectively, in City contributions, have been transferred to the plan's trustee during the year ended September 30, 2025. The City did not use any of the unallocated account in the policemen's and firemen's pension funds for the City's contribution during the year ended September 30, 2025.

The policemen and firemen plans had plan assets with a market value of \$2,173,909 and \$5,292,925, respectively, at September 30, 2025.

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

2. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance to minimize the effect of possible exposure to these risks. There have been no significant reductions in insurance coverage from coverage in the prior year. During the past three fiscal years, there have been no settlements exceeding the amount of the City's insurance coverage.

Deposits and Investments

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2025, are held by the counterparties not in the name of the City. The underlying securities consist of cash, direct obligations of or guaranteed by the full faith and credit of the U.S. Government, and other similar obligations of the U.S. Government or its agencies.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. The City had no certificates of deposit as of September 30, 2025.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City's investments consist of money market funds, and other securities backed by U.S. Government obligations, minimizing credit risk associated with the City's investment portfolio.

Concentration of Credit Risk. The City's investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2025, the City's bank balances, totaling \$35,047,368, were all held at McCook National Bank.

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City's investments had no exposure to foreign currency risk and the City held no investments denominated in foreign currency at September 30, 2025.

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

3. Commitments and Contingencies

Claims and Lawsuits

Various claims and lawsuits are pending against the City. In the opinion of City management, the potential loss on all claims and lawsuits as of September 30, 2025, will not be significant to the City’s financial statements.

Construction Commitments

As of September 30, 2025, the City had the following construction/contractual obligations:

<u>Project</u>	<u>Contract Amount</u>	<u>Paid Through 9/30/25</u>	<u>Remaining Commitment</u>	<u>Expected Date of Completion</u>
Comprehensive plan	\$ 58,500	\$ 52,650	\$ 5,850	November 2025
Airport self-service fuel facility:				
Engineering	117,896	45,491	72,405	
Contractor	<u>1,234,671</u>	<u>-</u>	<u>1,234,671</u>	
	1,352,567	45,491	1,307,076	October 2026
Sports Complex				
Mammoth Sports Construction:				
Design and development	680,000	591,600	88,400	
Contractor	16,898,021	5,265,117	11,632,904	
Paulsen:				
General	888,610	-	888,610	
Sanitary sewer	1,142,970	-	1,142,970	
Water main	561,325	-	561,325	
Paving and storm sewer	<u>2,186,163</u>	<u>-</u>	<u>2,186,163</u>	
	22,357,089	5,856,717	16,500,372	June 2026
Inclusive playground	939,919	-	939,919	November 2025
Injection well building	<u>37,500</u>	<u>9,500</u>	<u>28,000</u>	November 2025
	<u>\$ 24,745,575</u>	<u>\$ 5,964,358</u>	<u>\$ 18,781,217</u>	

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

NOTE D – OTHER NOTES, continued

3. Commitments and Contingencies, continued

Self-Insurance Fund

The City provides medical and dental insurance for eligible employees using a self-insurance fund. The fund is reported in the Internal Service Fund and is financed by operating transfers from the Proprietary and General Funds of an average amount per employee, which is based on management’s previous experience. The Self-Insurance Fund covers up to \$45,000 in costs per employee. Any expenses over that amount are covered by an insurance carrier. The City also uses a claims service to handle the insurance claims.

Disability Pension Annuity

On March 16, 2015, the City approved a disability pension annuity distribution for a former police officer. Under terms of the disability annuity agreement, the City will pay the former employee \$1,573 per month for the rest of the individual’s life.

Other Commitments

The City is party to additional commitments for six copiers with monthly payments totaling \$1,023, a digital mailing system for \$200 per month, and tower space from McCook Public Power District for \$50 per month. Also, the City has a commitment for \$2,000 per year for landfill land.

4. Interlocal Agreements

The City has the following interlocal agreements in effect as of September 30, 2025:

<u>Parties to Agreement</u>	<u>Term</u>	<u>Description</u>
Red Willow County	8/7/06 - indefinite	Establish and provide E-911 services
McCook Public Schools and Red Willow County	10/1/11 - indefinite	Joint grant writer services
Red Willow Western Rural Fire Protection District	3/2/02 - indefinite	Hazmat response team assistance

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

NOTE D – OTHER NOTES, continued

4. Interlocal Agreements, continued

<u>Parties to Agreement</u>	<u>Term</u>	<u>Description</u>
Red Willow County Fire Districts and Municipal Fire Departments	6/18/01 - indefinite	Mutual fire assistance
Red Willow County	10/1/95 - indefinite	Ambulance services
Red Willow County	3/16/20 - 3/16/30	Building inspection and permitting services for Calabria Subdivision
McCook Public Schools	10/19/24 - 10/19/25	School resource officer
Red Willow County Sheriff's Office	2/10/05 - indefinite	Provide assistance when county has inadequate staff
Nebraska First Class Cities	10/18/10 - indefinite	Federal transportation funding
Public Alliance for Community Energy	2/19/98 - indefinite	Acquisition, management, distribution, and sale of energy
Red Willow County	10/1/11 - indefinite	Snow removal
Hitchcock and Hayes Counties	3/20/23 - indefinite	Providing NCIC services
West Central Nebraska Development District, Inc.	2/5/2024 - indefinite	Joint planning and development district
McCook Public Schools	8/1/22 - indefinite	Construction of recreational facilities
South Central/Panhandle Nebraska 911 Regional	10/1/23 - indefinite	Sharing 911 infrastructure known as Positron Viper

5. Union Agreements

The City is subject to the following union contracts:

- McCook Professional Firefighters Association Local 2100, Lieutenants CBA
- McCook Professional Firefighters Association Local 2100, Firefighters CBA
- McCook Fraternal Order of Police Lodge 57

CITY OF MCCOOK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

6. Tax Abatements

The Community Development Agency (CDA), who is authorized by Nebraska statutes to enter into property tax abatement agreements for the purpose of developing properties in blighted areas, has entered into tax increment financing (TIF) agreements with various redevelopers. The TIF program has the stated purpose of increasing valuation, business activity and employment in the community.

Under the TIF program, redevelopers can apply for TIF financing whereby the property tax they pay on the increased valuation of property under a TIF agreement is returned to the redeveloper by the CDA to finance the project for a period of up to 15 years.

Information relevant to the abatements granted by the CDA for the year ended September 30, 2025 is as follows:

<u>TIF Project:</u>	<u>Date of TIF Agreement</u>	<u>2025 TIF Valuation</u>	<u>TIF Proceeds Received during the year ended 9/30/2025</u>
Keystone	May 2009	\$ 1,680,592	\$ 27,975
North Pointe	July 2014	4,290,959	37,201
Clary Village	March 2015	293,973	6,194
Cobblestone Hotel	May 2015	2,840,226	29,062
Quillan Courts	June 2016	319,065	6,730
Holiday Inn	March 2016	4,967,086	83,326
Next Generation, Inc.	February 2017	13,480,194	334,250
N-Stant Convenience	April 2020	264,672	4,440
Blackwood Enterprises	March 2020	1,235,915	15,764
Infill Housing	October 2021	300,850	4,838
Restored Homes	November 2022	224,164	2,423
Elevate Wellness	September 2023	333,912	-
Business Park II	July 2023	2,723,982	-
R Perry	April 2024	606,501	-
			<u>\$ 552,203</u>

7. Subsequent Events

Management has evaluated subsequent events through January 7, 2026, the date on which the financial statements were available for issue.

CITY OF MCCOOK, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

NOTE D – OTHER NOTES, continued

7. Subsequent Events, continued

On November 3, 2025, Council approved the issuance of \$5,500,000 of Municipal Improvement Bond Anticipation Notes to provide interim financing for a portion of the infrastructure improvement costs.

During November 2025, the City received a \$500,000 pledge from the McCook Community Foundation for the sports complex project.

On November 17, 2025, the CDA approved a redevelopment agreement, including the use of Tax Increment Financing, for North Points Redevelopment Project – Phase 3.

On November 17, 2025, Council approved a \$115,315 bid from Motorola Solutions for ten M500 in-car camera recording devices and 16 V700 body-worn recording devices for police.

SUPPLEMENTARY AND OTHER INFORMATION

CITY OF MCCOOK, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
GENERAL FUND**

Year ended September 30, 2025

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 2,598,593	\$ 2,559,780	\$ (38,813)
Motor vehicle	175,000	195,807	20,807
Payments in lieu of taxes	110,000	143,179	33,179
Occupation	164,500	168,154	3,654
Franchise	85,000	77,151	(7,849)
Sales	1,683,184	1,783,923	100,739
Intergovernmental	814,400	749,916	(64,484)
Grants	988,609	423,059	(565,550)
Charges for services	786,250	1,827,003	1,040,753
Interest income	130,000	170,201	40,201
Contributions	-	129,681	129,681
Sale of assets	-	8,301	8,301
Loan proceeds	-	275,863	275,863
Other	580,100	30,458	(549,642)
Total resources	<u>8,115,636</u>	<u>8,542,476</u>	<u>426,840</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government:			
Administrative	1,718,894	985,005	(733,889)
Publicity	6,950	6,514	(436)
City Council	764,177	175,837	(588,340)
Health operating	916,900	916,900	-
Total general government	<u>3,406,921</u>	<u>2,084,256</u>	<u>(1,322,665)</u>
Public safety:			
Fire	2,562,547	1,401,635	(1,160,912)
Ambulance	531,410	502,525	(28,885)
Police	2,616,994	2,175,763	(441,231)
Civil defense	10,939	4,555	(6,384)
Total public safety	<u>5,721,890</u>	<u>4,084,478</u>	<u>(1,637,412)</u>
Public works:			
Building and zoning	107,175	101,886	(5,289)
Cemetery	240,412	219,869	(20,543)
Total public works	<u>347,587</u>	<u>321,755</u>	<u>(25,832)</u>
Environment and leisure:			
Public transportation	214,662	214,111	(551)
Senior Center	543,449	527,807	(15,642)
Library	462,401	433,553	(28,848)
Parks	286,412	288,037	1,625
Ballparks	146,325	138,754	(7,571)
Auditorium	88,291	92,739	4,448
Pool	253,290	208,457	(44,833)
Airport	197,233	854,636	657,403
Total environment and leisure	<u>2,192,063</u>	<u>2,758,094</u>	<u>566,031</u>
Total charges to appropriations	<u>11,668,461</u>	<u>9,248,583</u>	<u>(2,419,878)</u>

CITY OF MCCOOK, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
GENERAL FUND, Continued**

Year ended September 30, 2025

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
Resources under charges to appropriations	(3,552,825)	(706,107)	2,846,718
OTHER FINANCING SOURCES (USES)			
Transfers in	1,211,500	1,250,193	38,693
Transfers out	-	<u>(61,691)</u>	<u>(61,691)</u>
Net transfers	<u>1,211,500</u>	<u>1,188,502</u>	<u>(22,998)</u>
 RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS	 <u>\$ (2,341,325)</u>	 <u>\$ 482,395</u>	 <u>\$ 2,823,720</u>

CITY OF MCCOOK, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
STREET FUND**

Year ended September 30, 2025

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Sales tax	\$ 228,751	\$ 336,883	\$ 108,132
Intergovernmental	1,281,000	1,240,735	(40,265)
Grants	165,000	173,910	8,910
Charges for services	-	22,386	22,386
Interest income	<u>10,000</u>	<u>17,010</u>	<u>7,010</u>
Total resources	1,684,751	1,790,924	106,173
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	1,170,546	1,577,982	407,436
Capital outlay	778,139	851,851	73,712
Principal payments on debt	-	32,752	32,752
Interest expense	<u>-</u>	<u>1,503</u>	<u>1,503</u>
Total charges to appropriations	<u>1,948,685</u>	<u>2,464,088</u>	<u>515,403</u>
Resources under charges to appropriations	(263,934)	(673,164)	(409,230)
OTHER FINANCING SOURCES			
Transfers in	<u>-</u>	<u>236,880</u>	<u>236,880</u>
RESOURCES AND OTHER FINANCING SOURCES UNDER CHARGES TO APPROPRIATIONS	<u><u>\$ (263,934)</u></u>	<u><u>\$ (436,284)</u></u>	<u><u>\$ (172,350)</u></u>

CITY OF MCCOOK, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
ECONOMIC DEVELOPMENT FUND**

Year ended September 30, 2025

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Sales tax	\$ 498,065	\$ 551,896	\$ 53,831
Interest income	10,000	22,571	12,571
Loan collections	<u>130,000</u>	<u>124,165</u>	<u>(5,835)</u>
Total resources	638,065	698,632	60,567
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Economic development	1,955,927	410,110	(1,545,817)
Capital outlay	<u>-</u>	<u>503,308</u>	<u>503,308</u>
Total charges to appropriations	<u>1,955,927</u>	<u>913,418</u>	<u>(1,042,509)</u>
RESOURCES UNDER CHARGES TO APPROPRIATIONS	<u><u>\$ (1,317,862)</u></u>	<u><u>\$ (214,786)</u></u>	<u><u>\$ 1,103,076</u></u>

CITY OF MCCOOK, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
CAPITAL PROJECTS FUND**

Year ended September 30, 2025

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Sales tax	\$ 1,656,667	\$ 1,744,234	\$ 87,567
Interest income	35,000	87,287	52,287
Total resources	<u>1,691,667</u>	<u>1,831,521</u>	<u>139,854</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Capital projects	2,567,685	628,000	(1,939,685)
Principal payments	456,500	180,000	(276,500)
Interest on long-term debt	450,000	440,345	(9,655)
Bond fees	<u>-</u>	<u>639</u>	<u>639</u>
Total charges to appropriations	<u>3,474,185</u>	<u>1,248,984</u>	<u>(2,225,201)</u>
Resources over (under) charges to appropriations	(1,782,518)	582,537	2,365,055
OTHER FINANCING USES			
Transfers out	<u>-</u>	<u>(236,880)</u>	<u>(236,880)</u>
RESOURCES AND OTHER FINANCING USES OVER (UNDER) CHARGES TO APPROPRIATIONS	<u>\$ (1,782,518)</u>	<u>\$ 345,657</u>	<u>\$ 2,128,175</u>

CITY OF MCCOOK, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
GRANT FUND**

Year ended September 30, 2025

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Intergovernmental	\$ 157,739	\$ 58,708	\$ (99,031)
Grant revenue	899,000	667,079	(231,921)
Charges for services	20,000	25,814	5,814
Contributions	25,000	2,114,734	2,089,734
Interest income	30,000	232,474	202,474
Bond proceeds	-	15,035,000	15,035,000
Insurance proceeds	-	50,391	50,391
Other revenues	-	20,932	20,932
Total resources	<u>1,131,739</u>	<u>18,205,132</u>	<u>17,073,393</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government	855,622	41,047	(814,575)
Public safety	176,404	83,006	(93,398)
Environment and leisure	485,619	1,647,387	1,161,768
Capital outlay	3,321,500	8,094,043	4,772,543
Bond issuance costs	-	33,467	33,467
Total charges to appropriations	<u>4,839,145</u>	<u>9,898,950</u>	<u>5,059,805</u>
Resources over (under) charges to appropriations	(3,707,406)	8,306,182	12,013,588
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>50,000</u>	<u>50,000</u>
RESOURCES AND OTHER FINANCING SOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	<u>\$ (3,707,406)</u>	<u>\$ 8,356,182</u>	<u>\$ 12,063,588</u>

CITY OF MCCOOK, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
DEBT SERVICE FUND**

Year ended September 30, 2025

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Interest	\$ -	\$ 8,227	\$ 8,227
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Capital outlay	<u>432,292</u>	<u>250,000</u>	<u>(182,292)</u>
RESOURCES UNDER CHARGES TO APPROPRIATIONS	<u>\$ (432,292)</u>	<u>\$ (241,773)</u>	<u>\$ 190,519</u>

CITY OF MCCOOK, NEBRASKA

**COMBINING STATEMENT OF ASSETS AND FUND BALANCE -
MODIFIED CASH BASIS - FIDUCIARY FUNDS**

September 30, 2025

	<u>Special Fire</u>	<u>Senior Center Contributions</u>	<u>School</u>	<u>Library Memorial</u>
ASSETS				
Cash	<u>\$ 1,158</u>	<u>\$ 87,830</u>	<u>\$ 1,214</u>	<u>\$ 58,359</u>
FUND BALANCE				
Custodial funds	<u>\$ 1,158</u>	<u>\$ 87,830</u>	<u>\$ 1,214</u>	<u>\$ 58,359</u>

<u>Von Reissen Library</u>	<u>McCook Volunteer Fire and Rescue</u>	<u>Ambulance</u>	<u>Public Works</u>	<u>Community Paramedic Program</u>	<u>Police</u>	<u>Fire Safety Trailer</u>	<u>Police/ DARE</u>	<u>Total Custodial Funds</u>
<u>\$ 1</u>	<u>\$ 11,402</u>	<u>\$ 6,429</u>	<u>\$ 4,627</u>	<u>\$ 4,316</u>	<u>\$ 25,263</u>	<u>\$ 12,448</u>	<u>\$ 1,107</u>	<u>\$ 214,154</u>
<u>\$ 1</u>	<u>\$ 11,402</u>	<u>\$ 6,429</u>	<u>\$ 4,627</u>	<u>\$ 4,316</u>	<u>\$ 25,263</u>	<u>\$ 12,448</u>	<u>\$ 1,107</u>	<u>\$ 214,154</u>

CITY OF MCCOOK, NEBRASKA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS - FIDUCIARY FUNDS**

September 30, 2025

	<u>Special Fire</u>	<u>Senior Center Contributions</u>	<u>School</u>	<u>Library Memorial</u>
REVENUES				
Custodial cash receipts	\$ -	\$ 17,506	\$ 9,545	\$ 17,377
EXPENSES				
Custodial cash disbursements	<u>-</u>	<u>47,668</u>	<u>9,545</u>	<u>6,804</u>
Net change in fund balances	-	(30,162)	-	10,573
Fund balances - September 30, 2024	<u>1,158</u>	<u>117,992</u>	<u>1,214</u>	<u>47,786</u>
Fund balances - September 30, 2025	<u><u>\$ 1,158</u></u>	<u><u>\$ 87,830</u></u>	<u><u>\$ 1,214</u></u>	<u><u>\$ 58,359</u></u>

<u>Von Reissen Library</u>	<u>McCook Volunteer Fire and Rescue</u>	<u>Ambulance</u>	<u>Public Works</u>	<u>Community Paramedic Program</u>	<u>Police</u>	<u>Fire Safety Trailer</u>	<u>Police/ DARE</u>	<u>Total Custodial Funds</u>
\$ -	\$ 11,245	\$ 3,589	\$ 13,556	\$ -	\$ 100	\$ 1,500	\$ 2,500	\$ 76,918
-	1,703	350	12,744	-	-	-	1,580	80,394
-	9,542	3,239	812	-	100	1,500	920	(3,476)
1	1,860	3,190	3,815	4,316	25,263	10,948	187	217,730
<u>\$ 1</u>	<u>\$ 11,402</u>	<u>\$ 6,429</u>	<u>\$ 4,627</u>	<u>\$ 4,316</u>	<u>\$ 25,363</u>	<u>\$ 12,448</u>	<u>\$ 1,107</u>	<u>\$ 214,254</u>

CITY OF MCCOOK, NEBRASKA

**COMBINING STATEMENT OF REVENUES AND EXPENDITURES -
MODIFIED CASH BASIS - GENERAL FUND DEPARTMENTS**

Year ended September 30, 2025

	<u>Administrative</u>	<u>Publicity</u>	<u>Auditorium</u>	<u>City Council</u>
REVENUES				
Taxes:				
General property tax	\$ 2,559,780	\$ -	\$ -	\$ -
Motor vehicle tax	195,807	-	-	-
Payments in lieu of taxes	143,179	-	-	-
Occupation tax	168,154	-	-	-
Franchise	77,151	-	-	-
Sales	1,783,923	-	-	-
Intergovernmental revenue:				
State assistance	490,355	-	-	-
County assistance	-	-	-	-
Rural fire	-	-	-	-
School resource officer	-	-	-	-
Licenses and permits	8,470	-	-	-
Rental and fees	409,464	-	-	-
Admission fees and concessions	-	-	-	-
Grants	-	-	-	-
Contributions	5,000	-	-	-
Interest income	164,054	-	-	-
Sale of assets	8,301	-	-	-
Loan proceeds	-	-	-	-
Other receipts	30,458	-	-	-
Total revenues	<u>6,044,096</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Personnel services:				
Salaries and benefits	705,862	-	14,953	9,689
Operating expenses:				
Insurance	14,832	-	48,733	11,916
Interlocal agreement	-	-	-	56,270
Contract services	25,575	-	280	24,607
Professional fees	79,534	-	-	-
Meetings, seminars, and dues	33,576	-	-	8,884
Repairs and maintenance	45,458	-	11,472	-
Printing, postage, and publications	9,361	-	-	-
Transportation and fuel	7,332	-	-	5,835
Utilities and telephone	4,128	-	17,301	-
Total operating expenses	<u>219,796</u>	<u>-</u>	<u>77,786</u>	<u>107,512</u>
Supplies	15,647	3,677	-	500
Other expenses	20,475	2,837	-	3,911
Capital outlay	-	-	-	54,225
Principal payments	-	-	-	-
Interest on long-term debt	-	-	-	-
Total expenditures	<u>961,780</u>	<u>6,514</u>	<u>92,739</u>	<u>175,837</u>
Excess (deficiency) of revenues over expenditures before transfers	5,082,316	(6,514)	(92,739)	(175,837)
TRANSFERS FROM (TO) OTHER FUNDS	<u>1,250,193</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AFTER TRANSFERS	<u>\$ 6,332,509</u>	<u>\$ (6,514)</u>	<u>\$ (92,739)</u>	<u>\$ (225,837)</u>

<u>Police</u>	<u>Fire</u>	<u>Ambulance</u>	<u>Civil Defense</u>	<u>Building and Zoning</u>	<u>Library</u>	<u>Cemetery</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	3,870	-
83,677	-	-	-	-	-	-
-	55,518	-	-	-	-	-
59,092	-	-	-	-	-	-
-	-	-	-	101,329	-	-
8,068	5,700	374,232	-	-	4,332	1,230
-	-	-	-	-	-	50,480
23,465	-	75,000	-	-	-	-
-	-	-	-	-	10	-
-	-	-	-	-	-	-
-	-	275,863	-	-	-	-
-	-	-	-	-	-	-
<u>174,302</u>	<u>61,218</u>	<u>725,095</u>	<u>-</u>	<u>101,329</u>	<u>8,212</u>	<u>51,710</u>
1,629,173	1,118,148	-	-	88,979	276,366	120,395
109,320	111,193	10,300	1,214	4,492	30,622	11,956
-	-	-	-	-	-	-
9,376	12,907	57,143	-	-	-	8,000
5,468	4,996	-	-	1,218	1,345	-
9,647	16,250	2,342	-	2,112	95	-
121,791	70,183	16,909	2,955	2,986	25,197	11,752
-	-	528	-	-	776	-
32,965	14,082	6,096	-	239	138	6,193
118,197	6,031	4,282	386	956	15,784	50,580
<u>406,764</u>	<u>235,642</u>	<u>97,600</u>	<u>4,555</u>	<u>12,003</u>	<u>73,957</u>	<u>88,481</u>
7,017	4,605	4,179	-	743	5,719	9,062
26,431	17,655	18,918	-	161	61,950	56
106,378	7,510	350,880	-	-	15,561	-
-	17,393	29,598	-	-	-	-
-	682	1,350	-	-	-	-
<u>2,175,763</u>	<u>1,401,635</u>	<u>502,525</u>	<u>4,555</u>	<u>101,886</u>	<u>433,553</u>	<u>217,994</u>
(2,001,461)	(1,340,417)	222,570	(4,555)	(557)	(425,341)	(166,284)
<u>-</u>	<u>(11,691)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (2,001,461)</u>	<u>\$ (1,352,108)</u>	<u>\$ 222,570</u>	<u>\$ (4,555)</u>	<u>\$ (557)</u>	<u>\$ (425,341)</u>	<u>\$ (166,284)</u>

CITY OF MCCOOK, NEBRASKA

**COMBINING STATEMENT OF REVENUES AND EXPENDITURES -
MODIFIED CASH BASIS - GENERAL FUND DEPARTMENTS, Continued**

Year ended September 30, 2025

	<u>Parks</u>	<u>Ballparks</u>	<u>Pool</u>	<u>Airport</u>
REVENUES				
Taxes:				
General property tax	\$ -	\$ -	\$ -	\$ -
Motor vehicle tax	-	-	-	-
Payments in lieu of taxes	-	-	-	-
Occupation tax	-	-	-	-
Franchise	-	-	-	-
Sales	-	-	-	-
Intergovernmental revenue:				
State assistance	-	-	-	-
County assistance	-	-	-	-
Rural fire	-	-	-	-
School resource officer	-	-	-	-
Licenses and permits	-	-	-	-
Rental and fees	-	-	-	765,752
Admission fees and concessions	-	-	78,346	-
Grants	-	-	-	-
Contributions	-	-	-	-
Interest income	-	-	-	-
Sale of assets	-	-	-	-
Loan proceeds	-	-	-	-
Other receipts	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>78,346</u>	<u>765,752</u>
EXPENDITURES				
Personnel services:				
Salaries and benefits	168,737	69,436	150,698	87,751
Operating expenses:				
Insurance	25,902	12,374	2,014	37,277
Interlocal agreement	-	-	-	-
Contract services	-	-	2,509	-
Professional fees	90	-	-	2,957
Meetings, seminars, and dues	193	-	365	1,375
Repairs and maintenance	30,719	12,826	6,882	31,787
Printing, postage, and publications	-	-	-	-
Transportation and fuel	5,490	2,522	-	670,310
Utilities and telephone	40,568	32,049	12,463	18,287
Total operating expenses	<u>102,962</u>	<u>59,771</u>	<u>24,233</u>	<u>761,993</u>
Supplies	16,338	9,317	28,136	1,206
Other expenses	-	230	5,390	3,686
Capital outlay	-	-	-	-
Principal payments	-	-	-	-
Interest on long-term debt	-	-	-	-
Total expenditures	<u>288,037</u>	<u>138,754</u>	<u>208,457</u>	<u>854,636</u>
Excess (deficiency) of revenues over expenditures before transfers	(288,037)	(138,754)	(130,111)	(88,884)
TRANSFERS FROM (TO) OTHER FUNDS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AFTER TRANSFERS	<u>\$ (288,037)</u>	<u>\$ (138,754)</u>	<u>\$ (130,111)</u>	<u>\$ (88,884)</u>

<u>Problem Response Team</u>	<u>Uncollectible Tax</u>	<u>Senior Center</u>	<u>HandiBus</u>	<u>Health Operating</u>	<u>Perpetual Care</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,559,780
-	-	-	-	-	-	195,807
-	-	-	-	-	-	143,179
-	-	-	-	-	-	168,154
-	-	-	-	-	-	77,151
-	-	-	-	-	-	1,783,923
-	-	261	57,143	-	-	551,629
-	-	-	-	-	-	83,677
-	-	-	-	-	-	55,518
-	-	-	-	-	-	59,092
-	-	-	-	-	-	109,799
-	-	-	3,600	-	16,000	1,588,378
-	-	-	-	-	-	128,826
-	-	155,605	168,989	-	-	423,059
-	-	111,471	13,200	-	-	129,681
-	-	-	-	-	6,147	170,201
-	-	-	-	-	-	8,301
-	-	-	-	-	-	275,863
-	-	-	-	-	-	30,458
-	-	<u>267,337</u>	<u>242,932</u>	-	<u>22,147</u>	<u>8,542,476</u>
-	-	224,311	174,443	916,900	-	5,755,841
-	-	20,951	10,792	-	-	463,888
-	-	5,793	-	-	-	62,063
-	-	684	-	-	1,875	142,956
-	-	2,269	1,134	-	-	99,011
-	-	360	1,345	-	-	76,544
-	-	14,183	8,329	-	-	413,429
-	-	1,734	1	-	-	12,400
-	-	1,273	10,728	-	-	763,203
-	-	15,557	2,619	-	-	339,188
-	-	62,804	34,948	-	1,875	2,372,682
-	-	28,315	662	-	-	135,123
-	23,225	205,468	4,058	-	-	394,451
-	-	6,909	-	-	-	541,463
-	-	-	-	-	-	46,991
-	-	-	-	-	-	2,032
-	<u>23,225</u>	<u>527,807</u>	<u>214,111</u>	<u>916,900</u>	<u>1,875</u>	<u>9,248,583</u>
-	(23,225)	(260,470)	28,821	(916,900)	20,272	(706,107)
-	-	-	-	-	-	1,188,502
<u>\$ -</u>	<u>\$ (23,225)</u>	<u>\$ (260,470)</u>	<u>\$ 28,821</u>	<u>\$ (916,900)</u>	<u>\$ 20,272</u>	<u>\$ 482,395</u>

CITY OF MCCOOK, NEBRASKA
COMBINING STATEMENT OF NET POSITION -
COMPONENT UNITS

September 30, 2025

	Community Development Agency	McCook Leasing Corporation	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 57,306	\$ -	\$ 57,306
Current portion of note receivable	553,064	-	553,064
Total current assets	<u>610,370</u>	<u>-</u>	<u>610,370</u>
Noncurrent assets:			
Noncurrent portion of note receivable	3,495,734	-	3,495,734
Total assets	<u>4,106,104</u>	<u>-</u>	<u>4,106,104</u>
LIABILITIES			
Current liabilities:			
Current portion of long-term obligations	553,064	-	553,064
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	3,495,734	-	3,495,734
Total liabilities	<u>4,048,798</u>	<u>-</u>	<u>4,048,798</u>
NET POSITION			
Unrestricted	<u>\$ 57,306</u>	<u>\$ -</u>	<u>\$ 57,306</u>

See notes to financial statements.

CITY OF MCCOOK, NEBRASKA

**COMBINING STATEMENT OF ACTIVITIES -
COMPONENT UNITS**

For the year ended September 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
Component units:			
Community Development Agency	\$ 3,471,082	\$ -	\$ 2,844,205
McCook Leasing Corporation	-	-	-
Total component units	\$ 3,471,082	\$ -	\$ 2,844,205

See notes to financial statements.

	Net (Expenses) Revenues and Changes in Net Position		
	Primary Government		
<u>Capital Grants and Contributions</u>	<u>Community Development Agency</u>	<u>McCook Leasing Corporation</u>	<u>Total</u>
\$ -	\$ (626,877)	\$ -	\$ (626,877)
-	-	-	-
<u>\$ -</u>	<u>(626,877)</u>	<u>-</u>	<u>(626,877)</u>
General revenues:			
TIF proceeds	552,203	-	552,203
Payments in lieu of tax	3,670	-	3,670
Interest income	2,493	-	2,493
	<u> </u>	<u> </u>	<u> </u>
Change in net position	(68,511)	-	(68,511)
Net position - September 30, 2024	<u>125,817</u>	<u>-</u>	<u>125,817</u>
Net position - September 30, 2025	<u>\$ 57,306</u>	<u>\$ -</u>	<u>\$ 57,306</u>

**ADDITIONAL INFORMATION REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

**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 Honorable Mayor and
Members of the City Council
City of McCook, Nebraska

We have audited, 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, the financial statements of the governmental activities - modified cash basis, the business-type activities - accrual basis, the aggregate discretely presented component units - accrual basis, each major fund - modified cash basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information - modified cash basis for the governmental and fiduciary funds of the City of McCook, Nebraska, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City’s financial statements, and have issued our report thereon dated January 7, 2026. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the City of McCook, Nebraska, prepares its financial statements for the governmental funds on 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of McCook’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 City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’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

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control such that there is a reasonable possibility that a material misstatement of the entity'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 over financial reporting 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, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described below, that we consider to be a significant deficiency.

Segregation of Duties:

Due to limited number of personnel, there is not adequate segregation of duties to ensure internal control over cash receipts, disbursements, and recording of transactions.

Report on Compliance and Other Matters

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

City of McCook's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of McCook's response to the findings identified in our audit and described above. The City's response to the findings identified in our audit is that due to the small size of the City, it is impractical to further segregate duties. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

AMGL, PK.

Grand Island, Nebraska
January 7, 2026

To the Honorable Mayor and City Council
City of McCook
McCook, Nebraska

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of McCook as of and for the year ended September 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the City of McCook's internal control to be significant deficiencies:

The size of the City's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This lack of segregation of duties creates an opportunity for employees to commit fraud that may go undetected. This situation suggests that the City Council remain involved in the financial affairs of the City to provide oversight and independent review functions.

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This communication is intended solely for the information and use of management, the City Council, and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

AMGL, R.

Grand Island, Nebraska
January 7, 2026



To the Honorable Mayor and City Council
City of McCook
McCook, Nebraska

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of McCook for the year ended September 30, 2025, and have issued our report thereon dated January 7, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 25, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of McCook are described in Note A to the financial statements. The City adopted GASB No. 101, *Compensated Absences*, during the year ended September 30, 2025. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the collectability of accounts receivable is based on historical utility revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the collectability of accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

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Management's estimate of the depreciation of capital assets is based on the estimated useful life of the capital asset. We evaluated the key factors and assumptions used to develop the depreciation of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Four audit adjustments decreased the fund balances of the City's governmental funds by \$679,327. Fourteen audit adjustments decreased the net position of the City's business-type funds by \$335,213. Two audit adjustments did not change the net position of the City's component units. The following material misstatements detected as a result of audit procedures were corrected by management:

1. Depreciation expense of \$1,953,647 was recorded on the business-type funds, decreasing capital assets and increasing expenses.
2. Unbilled revenue and revenue were both increased \$73,660 on the business-type funds.
3. County treasurer cash and property tax revenue were both increased \$60,895.
4. Accrued compensated absences and wage expense were both increased \$45,077.
5. Due to Sewer Fund was increased and bond proceed revenue was decreased \$603,622 on the Grant Fund.
6. Capital asset additions of \$1,575,516 were reclassified on the business-type funds, increasing capital assets and decreasing expenses.
7. Principal payments were decreased \$681,184, loan proceeds were decreased \$647,698, Due from Grant Fund was increased \$603,622, and long-term debt was increased \$570,136 on the business-type funds.
8. Self-insurance claims incurred but not paid and claims expense were increased \$136,600.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 7, 2026.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

In connection with our audit of the financial statements of the City of McCook as of September 30, 2025, we noted certain matters that we believe you should consider. Our observations were formed as a by-product of our audit procedures, which did not include a comprehensive review for the purpose of submitting detailed recommendations.

1. During our audit testing, we noted one check for \$323.60 was not included in the claims listings presented to Board members. We recommend verifying all checks are included on the claims listings for approval before they are paid.
2. During our audit, we noted that prior year balances had changed on the depreciation schedule. Also, additions were not properly recorded on the schedule for the fiscal year. We recommend making sure all additions are recorded in the proper period and all balances match the prior audit.

Other Matters

We were engaged to report on the Fiduciary Funds combining statement of assets and liabilities, General Fund departmental combining statement of revenues and expenditures, and component unit combining statements, which accompany the financial statements but are not RSI. With

respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the management's discussion and analysis and budgetary comparison schedules, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City of McCook and is not intended to be and should not be used by anyone other than these specified parties.

AMGL, AK -

Grand Island, Nebraska
January 7, 2026

**CITY MANAGER'S REPORT
JANUARY 19, 2026 CITY COUNCIL MEETING**

ITEM: 2.A.

Accept the Financial Statements and Supplemental Information for Fiscal Year ending September 30, 2025 prepared by AMGL CPAs and Advisors.

BACKGROUND:

At Monday's meeting a representative from AMGL CPAs and Advisors will present, via zoom, to review the audit report and address any questions from the Council.

A pdf of the audit is attached to the packet, if you would like to review a paper report before Monday, you may pick up a copy at the City Office.

**FISCAL
IMPACT:** None.

APPROVALS:



Lea Ann Doak, City Clerk-Treasurer

January 14, 2026



Nathan A. Schneider, City Manager

January 14, 2026

**CITY MANAGER'S REPORT
JANUARY 19, 2026 MCCOOK CITY COUNCIL MEETING**

ITEM NO. ^{3.A} Public Hearing - Regarding the City of McCook's/McCook Community Development Agency's application for an EPA Brownfields Program Grant.

ITEM NO. ^{3.B} Approve Resolution No. 2026-~~42~~ authorizing the City of McCook/McCook Community Development Agency to submit an EPA Brownfields Grant to assist with the remediation of hazardous materials located at the former St. Catherine's Hospital and Convent at 1200 and 1201 West 4th Street and 1207 West 5th Street.

BACKGROUND:

Prior to submitting an EPA Brownfields Grant to assist with asbestos and lead paint remediation at the former St. Catherine's Hospital and Convent in McCook, a public hearing must be held. This grant is available to local governments for the cleanup of hazardous sites. The City of McCook/McCook Community Development Agency are requesting \$500,000 for asbestos and lead paint remediation at three sites that comprise the former hospital facility. The application requests \$25,000 for the general administration of the project. The requested funds will be used to remove and cleanup existing contamination in the buildings to prepare for the possible reuse or redevelopment of the sites. No specific reuse plans have been prepared at this time.

The grant application is available for public inspection at the McCook City Offices. Prior to this report, a community meeting was held on January 7, 2026 to receive public input regarding the EPA Brownfields Program Grant. A productive conversation occurred at the January 7th meeting.

APPROVALS:



Nathan A. Schneider, City Manager

January 14, 2026



Lea Ann Doak, City Clerk

January 14, 2026

EXHIBIT #1

PAGE(S) - 1

**NOTICE OF PUBLIC HEARING
APPLICATION FOR
EPA BROWNFIELDS PROGRAM GRANT**

NOTICE IS HEREBY GIVEN that on Monday, January 19, 2026, the McCook City Council will hold a public hearing concerning an application to the U.S. Environmental Protection Agency Brownfields Cleanup Program in the McCook Municipal Center City Council Chambers. This grant is available to local governments for cleanup of hazardous sites. The City of McCook and the McCook Community Development Agency are requesting \$500,000.00 for asbestos and lead paint remediations in the former St. Catherine's Hospital and Convent at 1200 and 1201 West 4th Street and 1207 West 5th Street. The application will include a request of \$25,000.00 for the general administration of the project. The requested funds will be to remove and cleanup existing contamination in the building to prepare for the possible reuse or redevelopment of the sites. No specific reuse plans have been prepared at this point.

The grant application will be available for public inspection at the City office (505 West C Street) of the City of McCook. All interested parties are invited to attend this public hearing at which time you will have an opportunity to be heard regarding the grant application. Written and oral testimony will also be accepted at the community meeting scheduled for 5:30 p.m., Wednesday, January 7, 2026, at the McCook Municipal Center City Council Chambers. Written comments addressed to Mayor Linda Taylor at the City of McCook, 505 West C Street McCook, NE 69001, will be accepted if received on or before 12:00 p.m., Wednesday, January 7, 2026. Individuals requiring physical or sensory accommodation including interpreter service, Braille, large print, or recorded materials, please contact Lea Ann Doak, City Clerk at the City office (address noted above) or (308) 345-2022 no later than Monday, January 5, 2026. Accommodations will be made for persons with disabilities and non-English speaking individuals provided that three-day notice is received by the City of McCook.

/s/ Lea Ann Doak
City Clerk-Treasurer

Publish: January 2 and 9, 2026.

EXHIBIT #2

PAGE(S) - 1

FOR IMMEDIATE RELEASE

December, 23, 2025

The City of McCook and The McCook Community Development Agency (CDA) are taking action to address the condition of the St. Catherines Hospital and Convent properties and the entities want to educate the public about the process.

The City and the CDA are working to apply to the Environmental Protection Agency (EPA) Brownfield Program for a cleanup grant to remediate the asbestos and other contamination that is present in the St. Catherines properties located at 1200 and 1201 West 4th Street and 1207 West 5th Street. Addressing these conditions is necessary to mitigate potential project and community impacts and to position the properties for future redevelopment.

A public engagement meeting will take place from 5:30-6:30 p.m., Wednesday January, 7th 2026 at the McCook Municipal Center City Council Chambers. The meeting will provide information on the grant, the City's proposed application and seek ideas for the reuse of the building once the contaminants are addressed.

Following introductions, a brief presentation will be provided outlining the grant, its requirements, and the known asbestos and lead-based paint issues within the buildings. The meeting will then be opened to the public for comments and to share ideas regarding potential future uses of the sites.

If funded, the grant will allow the CDA to address hazardous material cleanup in the buildings such as asbestos and lead paint. The presence of contamination has historically made future reuse of the buildings unattainable due to the high cost associated with proper and safe clean up.

“The St. Catherine’s Hospital has remained vacant for approximately 15 years and the convent not quite as long. Both properties have passed through multiple property owners without successful remediation. This is our best opportunity to address a long-standing nuisance and take a step toward a viable future for St. Catherines and the convent.” said Nate Schneider, City Manager for the City of McCook.

The grant application is due on January 28, 2026. Members of the McCook City Council are scheduled to hold a public hearing at their January 19, 2026 meeting, which starts at 5:30 p.m. to consider the draft grant application.

It is anticipated that the award would be announced in the summer of 2026, with work to begin in the fall 2026 or spring 2027.

EXHIBIT #3

PAGE(S) - 1

ST. CATHERINE'S PUBLIC ENGAGEMENT MEETING

LOCATION: McCook Municipal Center City Council Chambers

505 C Street, McCook, NE 69001

DATE: Wednesday, January 7, 2026

TIME: 5:30 P.M. – 6:30 P.M.

NAME	PHONE NUMBER	EMAIL
Gone Weedin	340-5796	goneweedin51@gmail.com
Kanika Johnson	910-761-0756	
Jim Brands	308 737 0099	
Bruce McDowell	303 883 0587	
Junica Barber	308 340-9233	
Greg Snyder	308 346 5726	gsnyder13@gmail.com
Linda Taylor	308-340-6552	ltaylorvk@gmail.com
Anna LaBay	308 737 5076	anna@mccooknewsnew.com
Sharon Bowling	345-4679	shbowling@gmail.com
Geri Burns	³⁰⁸ 340-4343	burnz7447@gmail.com
Calvin Chipperfield	308 340 2017	cchipper@gmail.com
Linda Clark	308-340-6089	lclark1112@gmail.com
Nan Shiers	308-340-1672	
Emma Leek	206-979-4866	ekleek@sbgtv.com
Mark Dettly	402-202-8113	

Exhibit D

**Former St. Catherine's Hospital and Convent
Brownfields Program Cleanup Grant
Public Engagement Meeting Recap
5:30 P.M., January 7, 2026
McCook Municipal Center - City Council Chambers
505 West "C" Street, McCook, Nebraska**

The meeting promptly started at 5:30 P.M. with ten community members, four members of the media, five staff members, and two city council members present. The City of McCook and the McCook Community Development Agency are taking action to address the condition of the St. Catherine's Hospital and Convent properties located in the 1200 block of West 4th Street and West 5th Street. The purpose of this public meeting was to educate the community regarding the application for an Environmental Protection Agency (EPA) Brownfields Program cleanup grant to remediate contaminants on the property and address any questions or concerns about the contaminants and their removal.

Staff gave an overview of how the City of McCook Community Development Agency purchased the property, a history of the property, its previous owners and uses, and current housing study data, which shows a deficiency of approximately 200 units. The city also provided information on the proposed application for a Brownfields grant that would be used to remediate the asbestos, lead-based paint, and other contamination present on the site. Addressing these conditions is necessary to mitigate potential project and community impacts and to position the properties for future redevelopment.

Attendees acknowledged the need for a workable long-term solution on the property that has been vacant for many years and appreciated the city's desire to work for a solution. They acknowledged the potential the property and structures have to meet the community's needs. It is centrally located, close to the elementary school, fairgrounds, and Senior Center. Opportunities included providing much-needed housing in McCook. This could be market rate, "workforce" housing, or subsidized for low-to-moderate income households. Those in attendance agreed that the structures need to be clean of asbestos and other contaminants before any renovation or demolition could occur. No concerns were expressed about the contaminants or their removal.

One comment from a local citizen voiced concern about local public funds being used for the project. Staff reiterated the Brownfields grant would be used for the remediation of harmful contaminants and that the current tax funds earmarked for the project are through the State of Nebraska Rural Workforce Housing Program.

Another member of the public asked for confirmation that friable asbestos existed in the property, to which the City confirmed that there is friable asbestos.

Staff did describe the likely steps of approving future uses, beginning with a Request for Qualifications for mitigation of the contaminants on the property. Once that is completed, an evaluation of redevelopment options for the site can be made. All bidding requirements will be met as the project moves forward. Other likely steps might include approval of other potential funding/grant sources and approval of a redevelopment plan modification to allow for the use of Tax Increment Financing. Attendees appeared to be satisfied that future reuse plans would have adequate opportunities to provide community input.

The meeting concluded around 6:30 P.M.

**RESOLUTION NO. 2026-02
AUTHORIZING THE CHIEF ELECTED OFFICIAL TO SIGN
AN APPLICATION FOR EPA BROWNFIELDS PROGRAM CLEANUP GRANT**

WHEREAS, the City of McCook, Nebraska, acting directly and through its McCook Community Development Agency (MCDA), is an eligible unit of local government authorized to apply for and receive financial assistance from the United States Environmental Protection Agency (EPA) under the EPA Brownfields Program Cleanup Grant; and

WHEREAS, the City of McCook, through its MCDA, owns and controls the former St. Catherine's Healthcare Campus, including the former St. Catherine's Hospital, Sisters of Siena Convent, and associated maintenance building, located at 1200 and 1201 West 4th Street and 1207 West 5th Street, McCook, Nebraska; and

WHEREAS, the City of McCook has identified the site as a brownfield property requiring cleanup of asbestos containing materials and lead based paint, which present environmental, health, and safety concerns and have prevented productive reuse of the property; and

WHEREAS, the City of McCook has obtained citizen input regarding the cleanup of brownfield sites within the City limits and has conducted public hearing(s) on the proposed EPA Brownfields Cleanup Grant application requesting \$500,000 for cleanup activities at the former St. Catherine's Healthcare Campus, with favorable public comment received; and

WHEREAS, cleanup of the site will address long standing environmental hazards, reduce public safety risks, remove barriers to redevelopment, and support future housing and community revitalization efforts consistent with local plans and priorities;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCCOOK, NEBRASKA, that the Mayor, as Chief Elected Official, is hereby authorized and directed to sign, submit, accept, and administer the EPA Brownfields Program Cleanup Grant application and to execute any and all related documents, assurances, agreements, and contracts required by the United States Environmental Protection Agency in connection with acceptance and administration of the grant.

PASSED AND APPROVED THIS 19th day of January, 2026.

Linda Taylor, Ex-officio Mayor
and Council President

ATTEST:

Lea Ann Doak, City Clerk-Treasurer

(SEAL)

EXHIBIT #6

PAGE(S) - 1

**CITY MANAGER'S REPORT
JANUARY 5, 2026 CITY COUNCIL MEETING**

ITEM: 4.A.

Approve the minutes of the January 5, 2026 regular City Council meeting.

BACKGROUND:

Receive and approve the minutes.

**FISCAL
IMPACT:** None.

APPROVALS:



Lea Ann Doak, City Clerk

January 14, 2026

McCook City Council
January 5, 2026
5:30 P.M.

A MEETING OF THE MAYOR AND COUNCIL OF THE CITY OF MCCOOK, NEBRASKA convened in open, regular, and public session at 5:30 o'clock P.M. in the City Council Chambers.

Present: Mayor Linda Taylor, Councilmembers Jerry Calvin, Gene Weedon, Jared Muehlenkamp, Darcy Rambali.

Absent: City Manager Nathan Schneider.

City Officials present: City Attorney Nate Mustion, City Clerk Lea Ann Doak, Assistant City Manager Tera Koetter, Utilities Director Pat Fawver, Fire Chief Marc Harpham, Police Chief Kevin Hodgson, Building Inspector Mooney, and Public Works Director Kyle Potthoff.

Notice of the meeting was given in advance thereof by publication in the McCook Daily Gazette on January 2, 2026, the designated method of giving notice, a copy of the proof of publication being attached to these minutes. Advance notice of the meeting was also given to the Mayor and members of the City Council and a copy of the Acknowledgement of Receipt of such notice is attached to these minutes. Availability of the agenda was communicated in the advance notice to the Mayor and Council. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

Mayor Taylor announced that a copy of the Open Meetings Act was posted by the entrance to the Council Chambers and available for public review. Invocation was provided by Father Bernard Lorentz, St. Patrick's Catholic Church. Following the Pledge of Allegiance to the flag of the United States of America, Mayor Taylor called the meeting to order.

Mayor Taylor announce that individuals who have appropriate items for City Council consideration should complete the "Topic for Consideration for City Council Agenda" form located at the information table by the entrance to the Council Chambers. If the issue can be handled administratively without Council action, notification will be provided. If the item is scheduled for a meeting, notification of the date will be given.

1. Announcements & Recognitions.

Assistant City Manager Koetter announced that a public comment meeting is scheduled for this Wednesday, January 7, 2026 at 5:30 P.M. in the City Council Chambers regarding the City of McCook Community Development Agency application to the EPA Brownfields Program Grant

2. Consent Agenda.

Motion to approve the consent agenda. This motion, made by Weedon and seconded by Rambali,

passed.

Taylor: YEA, Calvin: YEA, Weedin: YEA, Muehlenkamp: YEA, Rambali: YEA

YEA: 5, NAY: 0

- 2.A. Approve the minutes of the December 15, 2025 regular City Council meeting.
- 2.B. Adopt Resolution No. 2026-01 providing for the levy of special assessments for cost of demolition to abate nuisances.
- 2.C. Approve and authorize the Mayor to sign the Second Amendment to the Telecommunications site lease agreement between the City of McCook and New Cingular Wireless LLC on the West Water Tower at 1403 West 10th Street.

3. Regular Agenda.

- 3.A. Presentation from Grant Flamig, Account Manager with NPPD, regarding the community energy report.

Grant Flamig was present and gave an update regarding the annual Energy Report for McCook.

- 3.B. Update regarding the youth sports complex project.

Assistant City Manager Koetter and Public Works Director Potthoff gave an update regarding the youth sports complex project.

- 3.C. Discussion regarding the potential vacating of the gravel road on East "A" Street from the gravel alleyway between East 9th Street and East "A" Street, to the paved road of East 10th Street and East "A" Street.

Public Works Director Potthoff reviewed with the Council the request from Randy Clapp to vacate a lightly used gravel road on East "A" Street from the gravel alley way between East 9th Street and East "A" Street to the paved road on East 10th Street. If a vacation occurs, both sides of East "A" Street would vest in Mr. Clapp, as he owns the land to the north and south of East "A" Street.

It was the consensus of the Council to have staff bring an ordinance for consideration of this vacation at the January 19, 2026 meeting.

- 3.D. Update and discussion regarding the City of McCook's progress on a new Comprehensive Plan, Zoning Regulations, and Subdivision Regulations.

Assistant City Manager Koetter gave an update of the new Comprehensive Plan, Zoning Regulations, and Subdivision Regulations. Approval of the Comprehensive Plan is scheduled for the February 9 Planning Commission meeting and the February 16 City Council meeting.

- 3.E. Ordinance No. 2026-3111 amending the City of McCook Code of Ordinances, Title IX,

adding Chapter 97, entitled "Public Spaces, Camping, Restrooms, Parks".

Mayor Taylor asked the Clerk to read Ordinance No. 2026-3111 by title.

AN ORDINANCE OF THE CITY OF MCCOOK, NEBRASKA AMENDING THE CITY OF MCCOOK CODE OF ORDINANCES TITLE IX, ADDING CHAPTER 97, ENTITLED "PUBLIC SPACES, CAMPING, RESTROOMS, PARKS"; REPEALING ALL ORDINANCES IN CONFLICT HERewith; AND PROVIDING FOR A TIME WHEN THIS ORDINANCE SHALL TAKE EFFECT.

3.E.2. Consider statutory rule requiring reading on three separate occasions be suspended. Motion to suspend the rule must be adopted by three-fourths of the Council.

With no comments received for the public, staff recommended that the Council consider suspending the rule and approving the proposed ordinance on its second reading.

Ordinance No. 2026-3111 has been introduced, read by title, approved on its second reading, I move that the statutory rule requiring reading on three different days be suspended. This motion, made by Calvin and seconded by Rambali, passed.

Taylor: YEA, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA, Rambali: YEA
YEA: 5, NAY: 0

Councilmember Calvin had questions regarding Section 97.05(C) and City Attorney Mustion addressed his concerns.

Motion for final passage of Ordinance No. 2026-3111. This motion, made by Calvin and seconded by Taylor, passed.

Taylor: YEA, Calvin: YEA, Weedon: YEA, Muehlenkamp: YEA, Rambali: YEA
YEA: 5, NAY: 0

Mayor Taylor stated for the record that Ordinance No. 2026-3111 is declared lawfully passed and adopted upon publication as required by law.

3.F. Council Comments.

There were no council comments.

Adjournment.

There being no further business to come before the Council, Mayor Taylor declared the meeting adjourned at 6:00 P.M.

Linda Taylor, Ex-officio Mayor
and Council President

ATTEST:

Lea Ann Doak, City Clerk-Treasurer

**CITY MANAGER'S REPORT
JANUARY 19, 2026 CITY COUNCIL MEETING**

ITEM: **4.B.**

Forward to the City's insurance carrier for review and appropriate action a property damage incident form from Alisa Hall.

BACKGROUND:

Staff received the Property Damage Incident Form from Alisa Hall. The governing body is required to forward the claim to the City's insurance carrier for review and appropriate action.

**FISCAL
IMPACT:** None.

APPROVALS:



Lea Ann Doak, City Clerk

January 14, 2026



Nathan A. Schneider, City Manager

January 14, 2026

CITY MANAGER'S REPORT
JANUARY 19, 2026 CITY COUNCIL MEETING

ITEM: **4.C.**

RECOMMENDATION:

APPROVE CHANGE ORDER NO. 1 FOR PFC GERALD L. WALTERS YOUTH SPORTS COMPLEX INFRASTRUCTURE TO PAULSEN INC. FOR \$45,190.00 TO EXTEND WATER AND SEWER INTO MICHELLE WAY CUL-DE-SAC.

BACKGROUND:

The proposed Change Order No. 1 will be added to the current Paulsen Inc. contract of \$4,779,068 with a new contract amount of \$4,824,258.00.

The proposed Change Order No. 1 will extend water and sewer into the proposed cul-de-sac on Michelle Way. Extension of the water and sewer was requested by NPPD in order for it to be installed prior to the installation of the NPPD electrical power supply to the ballpark. NPPD is requesting this construction in order to avoid conflicts during construction of the electrical system.

FISCAL IMPACT:

Funding for this project is being provided by Bonding Authority, LB 840 funds, and other general fund sources.

APPROVALS:



David K. Blau, Project Engineer

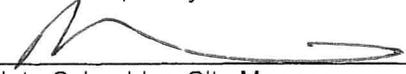
Date: 1/13/2026

Kyle Potthoff, Public Works Director

Date: _____

Pat Fawver, Utility Director

Date: _____



Nate Schneider, City Manager

Date: 1-14-26

Order No. 1
 Effective Date: 12/31/2025
 Agreement Date: 9/9/2025
 Project No. 200-G1-029

NAME OF PROJECT: PFC GERALD L. WALTERS YOUTH SPORTS COMPLEX INFRASTRUCTURE

OWNER: CITY OF McCOOK

CONTRACTOR: PAULSEN, INC.

The following changes are hereby made to the CONTRACT DOCUMENTS:

CHANGE ORDER NO. 1

ITEM NO.	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL AMOUNT
ADDITIONS:					
8	Furnish & Install Sewer Main, complete in place a. 8" Diameter SDR 26	160	L.F.	\$61.00	\$9,760.00
10	Furnish & Install Class B Gravel Bedding	160	L.F.	\$6.50	\$1,040.00
13	Construct Standard Manhole a. 4' Diameter	1	Each	\$10,800.00	\$10,800.00
14	Furnish & Install Sanitary Sewer Service with Bedding b. 6" Diameter (Pipe Class to Match Main)	2	Each	\$2,850.00	\$5,700.00
18	Furnish & Install Water Main with Tracer Wire, complete in place b. 6" Diameter	225	L.F.	\$41.00	\$9,225.00
20	Furnish & Install Valve & Valve Box, complete in place a. 6" Diameter Gate Valve	1	Each	\$1,950.00	\$1,950.00
A.	Furnish & Install D.I. Fitting, 8x6 Reducer	1	Each	\$470.00	\$470.00
B.	Furnish & Install 3-Way Fire Hydrant Assembly, 5.5' Bury Depth	1	Each	\$5,120.00	\$5,120.00
C.	Additional CCTV Inspection of Sewer Main (160 LF)	1	L.S.	\$250.00	\$250.00
D.	2.5' FH Extension	1	Each	\$875.00	\$875.00
TOTAL ADJUSTED CHANGE ORDER PRICE					\$45,190.00

JUSTIFICATION: Change requested by the Owner, to allow for Sanitary Sewer and Water Main Extension shown on Sheets W-CO#1 and S-CO#2 for construction on Michelle Way prior to NPPD electrical supply being constructed.

Change to CONTRACT PRICE:

ORIGINAL CONTRACT PRICE: \$4,779,068.00
 Net increase resulting from this CHANGE ORDER: \$45,190.00
 The new CONTRACT PRICE including this CHANGE ORDER will be: \$4,824,258.00

Change to CONTRACT TIME:

The CONTRACT TIME will not be altered.

Approvals Required: To be effective, this order must be approved as required by the General Conditions.

Approved by: *Joel Paulsen*

PAULSEN, INC.

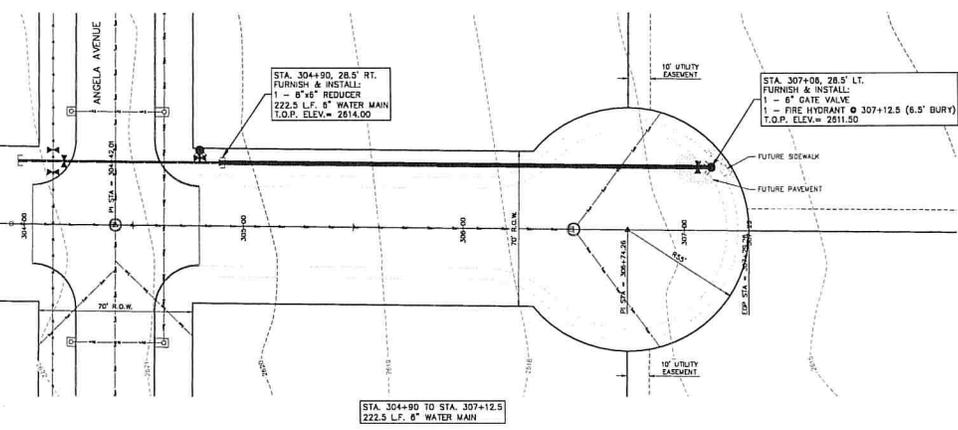
Approved by: _____

CITY OF McCOOK

Approved by: *David K. Blau*

MILLER & ASSOCIATES

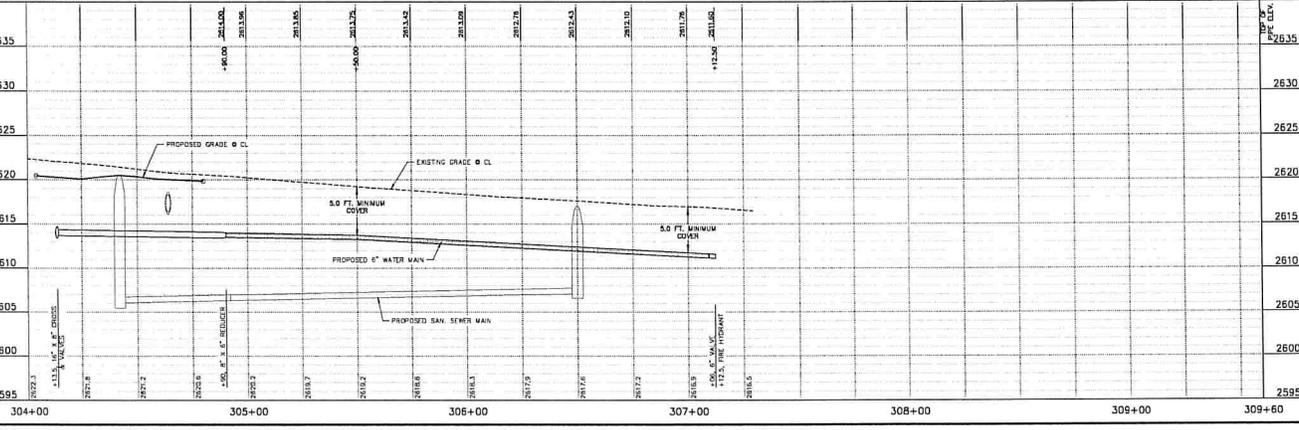
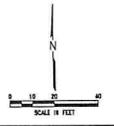
304 305 306 MICHELLE WAY 307



STA. 304+90, 28.5' RT.
FURNISH & INSTALL:
1 - 6\"/>

STA. 307+08, 28.5' LT.
FURNISH & INSTALL:
1 - 6\"/>

STA. 304+90 TO STA. 307+12.5
222.5 L.F. 6\"/>



REVISIONS	BY	DATE
Miller & Associates Consulting Engineers, P.C. 1000 N. 10th Street, Suite 100 Lincoln, Nebraska 68502 Telephone: 402.441.1111 Fax: 402.441.1112		
PFC GERALD L. WALTERS YOUTH SPORTS COMPLEX INFRASTRUCTURE MICHELLE WAY - WATER MAIN NW 1/4, SECTION 19, T3N, R29W, RED WILLOW CO., MCCOOK, NEBRASKA		
VERIFY SCALES BAR IS ONE INCH ON DRAWING. IF NOT ONE INCH ON THIS SHEET, CHECK SCALES INDICATED.		
SCALE:	AS SHOWN	
PROJECT NO.:	300-01-028	
DATE:	AUGUST, 2023	
FIELD BOOK:	WAC 100	
DRAWN BY:	WVVS BT	
CHECKED BY:	WVVS BT	
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**CITY MANAGER'S REPORT
JANUARY 19, 2026 CITY COUNCIL MEETING**

ITEM: **4.D.**

Receive and file the claims for the month of December 2025, published January 13, 2025.

BACKGROUND:

Claims are presented to the Council and published each month as outlined in the City Code of Ordinances.

Staff is always available to address any questions that the Council may have regarding a specific claim.

**FISCAL
IMPACT:** None.

APPROVALS:



Lea Ann Doak, City Clerk

January 14, 2026

Tera Koetter, Assistant City Manager

January 14, 2026

Nathan A. Schneider, City Manager

January 14, 2026

CITY OF MCCOOK
CLAIMS FOR DECEMBER 2025

ABBREVIATIONS FOR LEGALS: PS - PERSONAL SERVICES; S- SUPPLIES; SC - SERVICES & CHARGES; CO - CAPITAL OUTLAY; BT - BUDGET TRANSFERS

20/20 TECHNOLOGIES-SC 5206.22; 7D-LOCKSHOP-S 10.00; ACE-S 1046.74; ACME PRINTING-S 132.00; ADAM MARSHALL LAND & AUCTION-S 1650.00; AKRS-CO 18400.00, S 182.33; AMERICAN AG LAB-SC 2479.26; AMERITAS-CLAIMS-SC 4334.29; AMERITAS DENTAL-SC 465.66; ANYTIME TRI-STATE TOWING-SC 695.00; ARNOLD MOTOR SUPPLY-S 919.48; ARROW CAR WASH-S 8.10; AT&T-SC 446.24; ATCO INT'L-S 125.00; AURORA COOP-S 10142.95; AVFUEL CORP-S 76610.50; AXIS ENERGY-CO 120047.00; BAIRD HOLM-CO 1040.00; BAUM HYDRAULICS-S 38.19; BENCHMARK GOV'T-SC 417.65; BLACK HILLS ENERGY-SC 579.41, S 5258.36; BLUE360 MEDIA-SC 302.72; BOMGAARS-S 242.95; BROOKS-CO 1662.50; BW TELCOM-SC 144.14; C&K-S 999.58; CAMBRIDGE TELEPHONE-SC 234.12; CARQUEST-S 3073.44; CASH WA-S 23965.44; CENTRAL NE BOBCAT-SC 9000.00; CENTURY LINK-SC 969.71; CHIPPERFIELD AG-CO 3411.98; CITY OF MCCOOK-PS 758650.22; CITY SELF INS-BT 200191.50; SALES TAX-BT 53459.66; TRANSFER STATION-S 4761.92; UTILITIES-SC 4402.87; CLINE WILLIAMS, WRIGHT JOHNSON-SC 8500.00; COACH MASTER'S-S 723.44; CORE CPAS-SC 325.00; COUNTRY SAMPLER FARMHOUSE-S 43.00; CULLIGAN-S 222.50; D&S HARDWARE-S 644.02; D12 IND-S 1168.55; DAS ACCT-SC 1074.04, S 66.00; DB TRAILER SALES-CO 3650.00; DEMCO-S 1559.63; M DUFFIELD-SC 15.00; DULTMEIER SALES-S 411.72 ; EAKES-S 3327.97, SC 2427.99; EH WACHS-CO 139966.42; ENGINEERED CONTROLS-S 9682.86; ENVIRONMENTAL ANALYSIS-SC 244.96; FARRELL'S-S 20.00; FASTENAL-S 412.09; FBI-LEEDA-SC 50.00; FICA-PS 38428.31; FIDELITY NATIONAL-CO 220000.00; FLOYD'S TRUCK CENTER-S 9542.17, SC 6010.00; FRENCHMAN VALLEY-S 1541.06; FRONTIER COMMUNICATIONS-SC 34.19; GALLS-S 362.82; GREAT PLAINS COMM-SC 3193.80, S175.08; HANCOCK LUMBER-S 549.97; HARVEST AUTO-CO 48500.00; HENNING BROS-SC 59.00; HINKLE TERMITE & PEST-S 512.00; K. HODGSON-SC 75.00; HOMETOWN LEASING-SC 1255.92; HONAS TANK SERVICE-CO 2755.00; HONORBOUND IT-S 300.00; HYDROVAC SUPPLY-S 1026.36; IDEAL LINEN-S 142.36; INTERNATIONAL CODE COUNCIL-SC 170.00; J BAR J LANDFILL-SC 59343.54; JUSTICE ACADEMY-SC 598.00; K & C GRAIN-S 27133.95; KLX ENERGY SRVS-CO 21704.52; LANDSCAPE STRUCTURES-532558.81; LIFE-ASSIST-S 410.02; MARC-S 312.48; MARIS CONST-CO 7548.25, SC 155000.00; MCCOOK ABSTRACT-SC 500.00; MCCOOK CONCRETE-S 3120.48; MC GAZETTE-SC 639.68; MC HUMANE SOCIETY-S 5520.30; MPPD-SC 86294.96; MCNET -SC 109.90; MCKESSON MEDICAL-S 272.04; MEAD- S 179.84; MEDC-LB840 PAYMENTS-SC 54799.43; MEDICARE-PS 9830.17;

MELLEN & ASSOC-S 207.91; MICROMARKETING-S 4801.30; MIDAMERICA BOOKS-S 164.67; MIDWEST CONNECT-S 320.25, SC 2365.41; MILCO-SC 1750.96; MILLER & ASSOC.-SC 150.00; B. MINTLING-S 5560.00; MNB-CO 15.00, S 5000.00; MOTOROLA-S 34.00; MOUSEL, BROOKS, SCHNEIDER, MUSTION, SCHIFFLET-SC 9208.00; MUNICIPAL SUPPLY-SC 12819.02; MUTUAL OF OMAHA-SC 1527.96; NDEE-SC 53588.15; NE DEPT REV SALES TAX-SC 13549.51; NE PUBLIC HEALTH-SC 968.90; NE STATE FIRE MARSHALL-SC 135.00; NEBRASKALAND TIRE-S 49.80; NICK'S DIST-S 1087.73; NMC-S 1465.58; NPPD-SC 26500.35, S 765.64; CO 227709.00; NSG-S 4030.10; NUTRI-SYSTEMS-S 871.67; O'REILLY AUTO PARTS-S 524.81; ODEYS-S 562.05; ODISS ENT.-CO 7650.00; Z. OLIVER-S 9135.00; ONE BILLING SOLUTIONS-SC 4718.44; ONE CALL-SC 89.57; PAPER TIGER SHREDDING-S 100.00; PARDE ELECTRIC-S 320.00; PAULSEN-CO 887648.83; PETROTEK-CO 37091.33; PIONEER WOMAN-S 48.00; PLATTE VALLEY COMMUNICATION-S 310.00; POLICE CHIEF ASSN-SC 200.00; PRAIRIE STATES COMM-CO 2680.99; PROMO BIRD-S 736.05; PRS, INC-CO 1625.00; PYE-BARKER FIRE & SAFETY-S 565.00; QUADIENT FINANCE-S 168.39, SC 831.61; QUALITY URGENT CARE-SC 275.00; QUILL-S 224.97; RWCO TREASURER-SC 3.54; RR DONNELLEY-S 214.89; RUGGLES TRAILER-S 25.00; SCHINDLER ELEVATOR-S 712.11; SCOTTIES POTTIES-S 250.00, CO 125.00; B. SIEGFRIED-SC 100.80; SOUTHWEST FARM & AUTO-S 875.41; SOUTHWESTERN EQ-S 1766.35; SPARQ DATA-SC 4250.00; T STEWART-S 6840.00; STREAKY CLEAN WINDOW-S 2212.00; TASTE OF HOME-S 42.98; TITAN MACHINERY-S 730.28; TOTAL TURF-S 80.00; TRAVELERS-SC 3642.00; TREVIPAY-WALMART-SC 490.62, S 1599.32; UMR-SC 213413.64; US FOODS-S 509.42; UTILITY REFUNDS-S 1082.79; N. VARGAS-SC 75.00; VERIZON-SC 2599.34; VOICE PRODUCTS-SC 4214.72; VOLZ-S 447.00; W DESIGN-SC 2993.13; WAGNER FORD TOYOTA-S 452.54, SC 229.55; WALMART-SC 316.16; WEX BANK-S 11137.60; WHEN THEN PROJECT-SC 851.20; WHITEHEAD OIL-S 92.00; WINDY PRAIRIE SYSTEMS-S 500.00; WITMER PUBLIC SAFETY-S 254.64; WPCI-SC 64.00.

-s-Lea Ann Doak, City Clerk

PUBLISH: JANUARY 13, 2026

**CITY MANAGER'S REPORT
JANUARY 19, 2026 CITY COUNCIL MEETING**

ITEM: 4.E.

RECOMMENDATION:

APPROVE THE BID SPECIFICATIONS FOR ONE (1) NEW REFUSE TRANSPORT TRAILER FOR THE CITY OF MCCOOK TRANSFER STATION AND SET THE DATE TO RECEIVE BIDS AS FEBRUARY 3, 2026 AT 2:30 P.M.

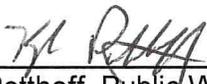
BACKGROUND:

This trailer will be used in the transportation of trash from the City of McCook's Transfer Station. The bid specification has been written to maximize the size of the trailer in order to haul as much trash per trailer as legally possible. Staff has included in the bid specification automatic tire inflation systems in order to keep the proper inflation rate in the tires as well as a time saver for staff.

FISCAL

IMPACT: Funding is included in the FY 2025/2026 budget

APPROVALS:



Kyle Potthoff, Public Works Director

JANUARY 14, 2026



Nate Schneider, City Manager

JANUARY 14, 2026

CITY OF MCCOOK

BID SPECIFICATIONS

ONE (1) NEW
REFUSE TRANSPORT TRAILER

JANUARY 19, 2026

NOTICE TO BIDDERS

ONE (1) NEW REFUSE TRANSPORT TRAILER

The City of McCook is accepting sealed bids for One(1) New Refuse Transport Trailer. Bids will be accepted by the City Clerk at the McCook City Offices until 2:30 P.M. on Tuesday, February 3, 2026 and then such bids shall be publicly opened and read aloud in the City Council Chambers, McCook Municipal Facility. Specifications and instructions to bidders are on file in the office of the City Clerk.

The City Council reserves the right to reject any or all bids and to waive any irregularities.

-s- Lea Ann Doak
City Clerk
505 West C Street
McCook, NE 69001-3618

Publish: January 23 and 30, 2026.

INSTRUCTIONS TO BIDDERS

1. Defined Terms.

Terms used in these Instructions to Bidders have the meanings indicated below which are applicable to both the singular and plural thereof.

- 1.1. Bidder - one who submits a Bid directly to the City as distinct from a sub-bidder, who submits a bid to a Bidder.
- 1.2. Issuing Office - the office from which the Bidding Documents are to be issued and where the bidding procedures are to be administered.
- 1.3. Successful Bidder - the lowest, responsible and responsive Bidder to whom the City (on the basis of the City's evaluation as hereinafter provided) makes an award.
- 1.4. Bidding Documents - includes the Advertisement or Invitation to Bid, Instructions to Bidders, and the Bid Form.

2. Qualifications of Bidders.

To demonstrate qualifications to perform the Work, each Bidder must be prepared to submit within five days after Bid opening upon the City's request detailed written evidence such as financial data, previous experience, present commitments and other such data as may be called for.

3. Interpretations and Addenda.

- 3.1. All questions about the meaning or intent of the Bidding Documents are to be directed to the Director of Public Works at (308) 345-2022 ext. 231 or e-mail at potthoff@cityofmccook.com. Interpretations or clarifications in response to such questions will be issued by Addenda mailed or delivered to all parties recorded by the Clerk as having received the Bidding Documents. Questions received less than ten days prior to the date for opening of Bids may not be answered. Only questions answered by formal written Addenda will be binding. Oral and other interpretations or clarifications will be without legal effect.
- 3.2. Addenda may also be issued to modify the Bidding Documents as deemed advisable by the City.

4. Bid Form.

- 4.1. The Bid Form is included with the Bidding Documents.
- 4.2. All blanks on the Bid Form must be completed by printing in black ink or by typewriter.
- 4.3. The Bid shall contain an acknowledgment of receipt of all Addenda (the numbers of which must be filled in on the Bid Form).
- 4.4. The address and telephone number of communications regarding the Bid must be shown.

- 4.5 The bidder shall list on a separate sheet of paper any variations from, or exceptions to, the conditions and specifications of this bid. This sheet shall be labeled "Exception(s) to Bid Conditions and Specifications," and shall be attached to the bid form.

5. Submission of Bids.

Bids shall be submitted at the time and place indicated in the Advertisement for Bid and shall be enclosed in an opaque sealed envelope, marked with "ONE (1) NEW REFUSE TRANSPORT TRAILER", and name and address of Bidder. If the Bid is sent through the mail or other delivery system the sealed envelope shall be enclosed in a separate envelope with the notation "BID ENCLOSED" on the face of it.

6. Modification and Withdrawal of Bids.

Bids may be modified or withdrawn by an appropriate document fully executed (in the manner that a Bid must be executed) and delivered to the place where Bids are to be submitted any time prior to the opening of Bids.

7. Opening of Bids.

Bids will be opened and (unless obviously non-responsive) read aloud publicly in the City Council Chambers, McCook Municipal Facility. An abstract of the amounts of the base Bids and major alternates (if any) will be made available to Bidders after the opening of Bids.

8. Award of Contract.

- 8.1. Owner reserves the right to reject any or all Bids, including without limitation the rights to reject any or all nonconforming, nonresponsive, unbalanced or conditional Bids and to reject the Bid of any Bidder if City believes that it would not be in its best interest to make an award to that Bidder, whether because the Bid is not responsive or the Bidder is unqualified or of doubtful financial ability or fails to meet any other pertinent standard or criteria established by the City. The City also reserves the right to waive all informalities not involving price, time or changes in the Work and to negotiate contract terms with the Successful Bidder. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum. Discrepancies between words and figures will be resolved in favor of the words.
- 8.2. In evaluating Bids, the City will consider the qualifications of Bidders, whether or not the Bids comply with the prescribed requirements, and such alternates, unit prices and other data, as may be requested in the Bid Form or prior to the Notice of Award.
- 8.3. The City may conduct such investigations as the City deems necessary to assist in the evaluation of any Bid and to establish the responsibility, qualifications and financial ability of Bidders.
- 8.4. If the contract is to be awarded, it will be awarded to lowest Bidder whose evaluation by the City indicates that the award will be in the best interests of the City.

9. General.

- 9.1. One (1) New Refuse Transport Trailer shall be F.O.B., McCook, Nebraska and shall not include any federal excise or state sales tax.
- 9.2. A tax exemption certificate will be furnished by the City of McCook.
- 9.3. Delivery date - within 180-days from award of bid.

GENERAL SPECIFICATIONS

ONE (1) NEW REFUSE TRANSPORT TRAILER

GENERAL:

It is the intent of these specifications to describe Refuse Transport Trailer in sufficient detail to secure bids on comparable equipment. All parts not specifically mentioned, which are necessary to provide complete Trailer, shall be included in the bid and shall conform in strength, quality of material and workmanship to what is usually provided to the trade in general. The Trailer shall be a new, standard production model of the latest design in current production.

Any trailer not conforming to these specifications will be rejected, and it will be the responsibility of the bidder to conform with the requirements unless deviations have been cited by the bidder and acceptance made on that basis.

The bidder shall supply one (1) parts book, one (1) service and repair manual, and one (1) operator's manual with each unit.

The bidder shall furnish (in writing) his guarantees and the length of the guarantees on all parts and labor for the machine.

The bidder must submit with their bid the latest printed specifications on the units they propose to furnish.

INTENT:

It is the intent of the City not to be restrictive to any one manufacturer. However, the trailer desired must meet the enclosed standards and any Trailer furnished which do not comply with the specifications will be rejected and returned to the bidder at his expense. All items appearing in the bidder's regular specifications which are in addition to these standards are assumed to be included in the bidder's proposal.

The trailer furnished under this proposal shall be the manufacturer's latest model and design. Any additions, deletions or variations from the following specifications must be noted. These specifications shall be construed as minimum. **Should the manufacturer's latest specifications exceed these, they shall be considered minimum and shall be furnished.** It is also required that the bidder furnish descriptive literature and any additional specifications or information necessary to qualify the equipment he proposes to furnish.

Unless otherwise noted, all items specified must be factory-installed, inspected, tested and/or calibrated, as required, except that manufacturer's policies pertaining to dealer installation of minor accessories will be honored.

Other than where specifically noted, it is intended that the manufacturer will build the Trailer to these specifications and that the selling or servicing dealer will be required only to perform the pre-delivery service and not be required to modify, alter, exchange, assemble, install or paint various components to meet these specifications.

The trailer shall be equipped with all legally required and manufacturer's recommended lights.

The trailer shall comply with all current provisions of the National Traffic and Motor Vehicle Safety Act.

**SPECIFICATIONS FOR ONE (1) NEW
REFUSE TRANSPORT TRAILER**

The trailer shall be the latest current model under standard production at the time order is written. Trailer delivered shall comply with all current State and Federal safety regulations. ALL INFORMATION NECESSARY TO SHOW COMPLIANCE WITH THESE SPECIFICATIONS, NOT INDICATED IN THE ADVERTISING BROCHURE, SHALL BE SUPPLIED IN WRITING AND SHALL ACCOMPANY THE BID. The trailer, complete and ready for satisfactory operation, shall meet or exceed the following minimum requirements:

Meets Specification - Please Indicate.

All items listed below are required. If there is an exception, a detailed explanation must be provided on the sheet labeled "Exception(s) to Bid Conditions and Specifications," and shall be attached to the bid form.

YES EXCEPTION

- | | | |
|-------|-------|--|
| _____ | _____ | 1. TYPE - Wedge design tri axle, aluminum refuse live floor semi-trailer. |
| _____ | _____ | 2. DESIGN - High cube design, flat floor, end dump, live floor, tapered 4" at the rear. |
| _____ | _____ | 3. CONSTRUCTION - Skin stressed .125 aluminum with aluminum heavy duty exterior posts(14.5" centers). |
| _____ | _____ | 4. TOP RAIL - Enclosed self shedding top rail. |
| _____ | _____ | 5. CAPACITY - Maximum capacity as possible. Please state approximate proposed capacity: _____. |
| _____ | _____ | 6. DIMENSIONS - 53' Long, 8' 6" wide and 13' 6" high, 36" king pin location, 36" rear axle from rear of trailer, under ride to be installed on trailer per NHTSA. |
| _____ | _____ | 7. TIRES - Twelve (12) 11R22.5 trash trailer tires. |
| _____ | _____ | 8. WHEELS - Twelve (12) 22.5 x 8.25 - 10 hole, 11 1/4" B.C. hi-tensile steel, Uni-mount. |
| _____ | _____ | 9. AXLES - 25,000# cap. 77 1/2" track, 10 stud, auto slacks with Automatic Tire Inflation System(Specify make and model). Rear air lift axle. |
| _____ | _____ | 10. BRAKES - Air disc brakes. |
| _____ | _____ | 11. A.B.S. - 4 sensor - 2 module. |
| _____ | _____ | 12. SUSPENSION - Spring Suspension with three (3) leaf spring packs. Three (3) axles on 57.5" centers.(Midpoint of front axle to midpoint of rear axle shall be 115".) |

- _____ 13. LANDING GEAR - Two speed crank on driver's side (Holland Mark V HD).
- _____ 14. KING PIN - Standard SAE, heat treated, 36" setting, 49" height, 1/2" plate, 3 I-beam.
- _____ 15. CROSS SILLS DECKING - 4" x 3.2 Jr. I-beams on 12" center with aluminum sub-deck.
- _____ 16. FLOOR - Hallco i-6000 3/16" "Triple Ridge" two way refuse live floor. (See attachment A for specifications)
- _____ 17. TOP - Flat design, open top, three(3) center ties (front, center and rear). Front and rear placed as close to ends as possible.
- _____ 18. TOP COVER - Shur-Co roll over tarp, heavy duty black mesh material as tight woven as possible, front & rear crank, tarp caps, ratchets and straps.
- _____ 19. REAR DOOR - Full opening, side hinged, single door, skinned with .125 aluminum, header turned sideways, hinged on curb side.
- _____ 20. LADDERS - Catwalk with ladder located at front and one ladder located on rear door, toward driver's side.
- _____ 21. MUD FLAPS - Legal, rubber within 6" of ground.
- _____ 22. WIRING - Unitized wiring system, 12 volt.
- _____ 23. LIGHTS - Four (4) legal DOT combination stop, tail and directional lights located in tailgate. Legal DOT clearance lights, all lights to be LED.
- _____ 24. REFLECTORS - Legal DOT.
- _____ 25. PAINT - Aluminum natural, steel components primed and painted aluminum, or quality undercoating.
- _____ 26. TOW HOOKS - Tow hooks shall be installed at the rear of trailer, securely to frame rails.
- _____ 27. WEIGHT - Proposed trailer weight: _____
- _____ 28. DELIVERY - Completed Refuse Transfer Trailer shall be delivered to the City of McCook.
- _____ 29. INSURANCE -The City of McCook assumes ownership at time of actual delivery.
- _____ 29. RIGHTS - The City of McCook reserves the right to waive technicalities and to reject any or all bids.

City of McCook General Questionnaire

Please provide a list of customers

- 1 Including contact name, phone, and city/state
- 2 City of McCook will call a random few to discuss service, parts, and equipment.

What is the total dollar volume of parts for the specific trailer stocked at dealer?
(Subject to inspection prior to award of bid by City of McCook)

Please provide a financial statement on manufacturer of equipment being proposed.

Is the manufacturer ISO9000 certified?

How long has the manufacture been in business under current ownership?

How many years has bidder been in the refuse transport trailer business with the bid manufacturer?

Please provide the following photos with your bid:

- 1 Photo of service facility
- 2 Photo of parts department
- 3 Photo of service vehicles

What are your dealerships hours of service and parts?

How many factory trained service personnel do you have certified on equipment being bid?

Please provide a list of all contact names and numbers from your dealership.

**CITY MANAGER'S REPORT
JANUARY 19, 2026 CITY COUNCIL MEETING**

ITEM: 4.F.

Select Section #14 for the 2026 West Central Nebraska Nuisance Abatement Program.

BACKGROUND:

The City has received notification from West Central Nebraska Development District (WCNDD) that the city's application for them to administer the 2026 Nuisance Abatement Program for the City has been approved.

Before an agreement with WCNDD can be developed the Council must select the area of McCook they wish to review for the 2026 Nuisance Season. Staff reviewed the proposed sections and recommends Section #14 be considered for the 2026 program. This area contains two homes that the PRT Committee is considering for demolition this coming fiscal year. Once this selection is made, WCNDD will prepare the 2026 Nuisance Abatement Agreement which will be brought to the Council for consideration at its February 2, 2026 meeting. Also at that meeting a resolution will be presented for approving the appointment of WCNDD to act as Nuisance Officer for the City of McCook.

**FISCAL
IMPACT:** None.

APPROVALS:



Lea Ann Doak, City Clerk-Treasurer

January 14, 2026

Nathan A. Schneider, City Manager

January 14, 2026

JANUARY 2, 2026

City of McCook
C/O City Clerk/Treasurer
505 West C St.
McCook, NE 69001

RE: WCNDD Nuisance Abatement Program Application

To Whom it May Concern,

This letter shall serve as official communication that your application for WCNDD to administer the Nuisance Abatement Program has been received and approved.

WCNDD is proud to have established the most accomplished nuisance abatement program in the state of Nebraska, and arguably in the nation. As our dues paying members know, WCNDD is more than just nuisance abatement and we are committed to providing high quality, innovative community and economic development initiatives to the region.

In order to best serve our communities, nuisance abatement services have been streamlined as well as simplified for our communities to navigate. The amount of time, dedication, and resources that go into a successful nuisance abatement program are immense and WCNDD has developed the most efficient and effective program.

WCNDD would be happy to attend your Board/Council meeting to discuss your program and answer any questions that arise.

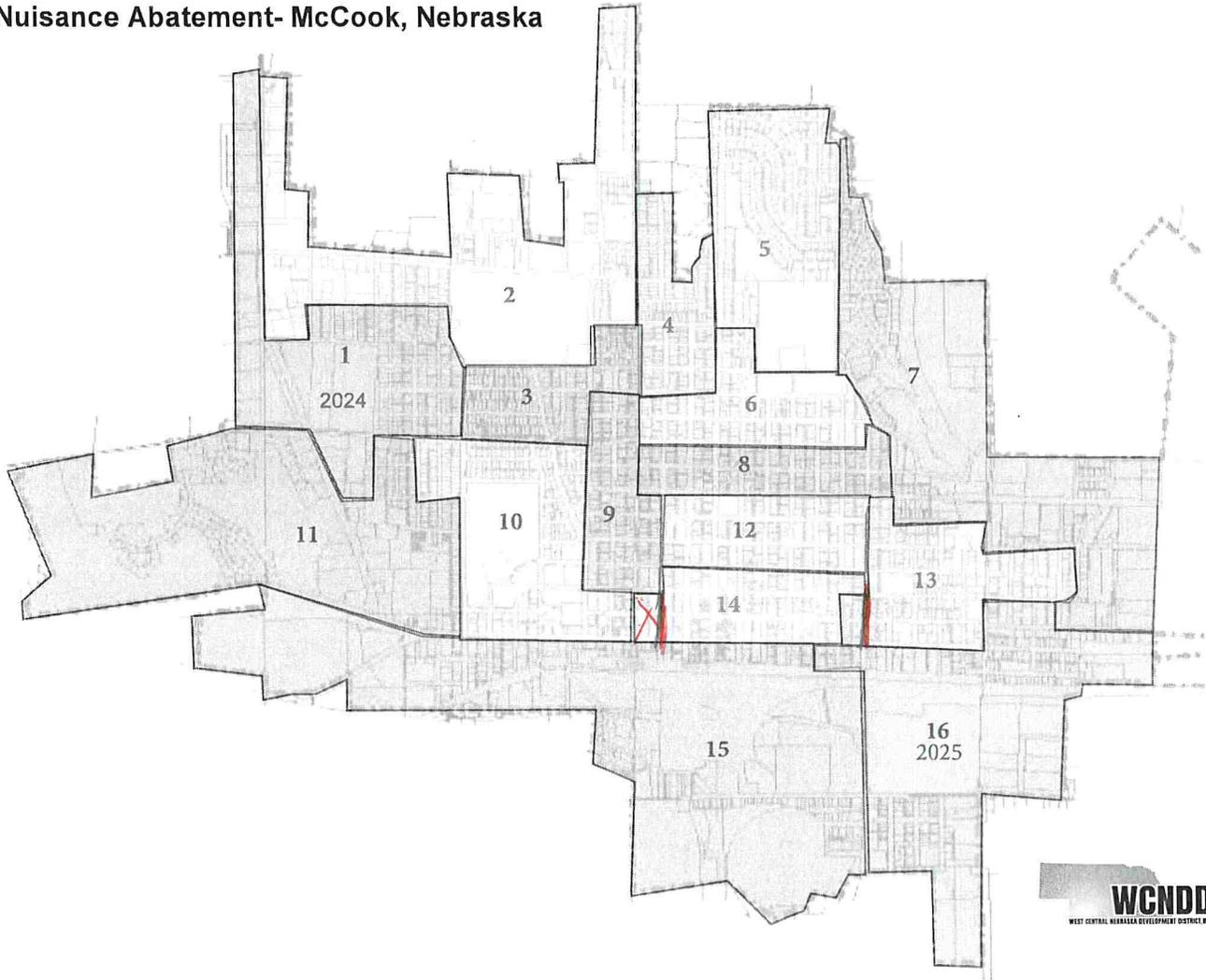
Respectfully,



Edward Dunn – WCNDD Executive Director



Nuisance Abatement- McCook, Nebraska



Lea Ann Doak

From: Edward Dunn <edunn@west-central-nebraska.com>
Sent: Wednesday, January 7, 2026 12:29 PM
To: Lea Ann Doak; Nate Schneider
Subject: 2026 Nuisance Program Area Selection
Attachments: McCook 2026.pdf

Attached you will find the map for your community for the 2026 Nuisance Program. I will need the City Council to select the area of McCook they wish to review for the 2026 Nuisance Season. Once the selection has been made please send me the unofficial minutes of the meeting in which they made the decision. I will need who made the motion, who seconded it and a roll call vote, please and thank you. Once you have this returned to me (email is fine), I will prepare the Professional Service Agreement for your City Council to review and approve. Once the approval for the Professional Service Agreement has been made, please send me the unofficial minutes of the meeting in which they made the decision to approve. I will need who made the motion, who seconded it and a roll call vote, please and thank you.

I need the area selection done by Jan 21, 2026.

Section 1:	\$25,600 (Last Reviewed in 2024)
Section 2:	\$26,200
Section 3:	\$26,100
Section 4:	\$24,100
Section 5:	\$25,800
Section 6:	\$25,800
Section 7:	\$23,900
Section 8:	\$25,800
Section 9:	\$24,100
Section 10:	\$24,100
Section 11:	\$27,300
Section 12:	\$23,900
Section 13:	\$27,400
Section 14:	\$25,800
Section 15:	\$25,800
Section 16:	\$25,600 (Last Reviewed in 2025)

Edward Dunn

Executive Director
308.284.6077
333 E 2nd St.
Ogallala, NE 69153



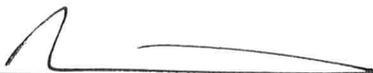
**CITY MANAGER'S REPORT
JANUARY 19, 2025 MCCOOK CITY COUNCIL MEETING**

5.A.
ITEM NO. ___ Update regarding the youth sports complex project.

BACKGROUND:

Staff would like to keep this item as a place keeper on the McCook City Council agendas while we work through the planning and construction process for the sports complex.

APPROVALS:



Nathan A. Schneider, City Manager

January 14, 2026



Lea Ann Doak, City Clerk

January 14, 2026

**CITY MANAGER'S REPORT
JANUARY 19, 2026 MCCOOK CITY COUNCIL MEETING**

ITEM NO. 5.B. Approve Ordinance 2026- 3113 on its first reading, vacating East A Street, between the South Half (S1/2) of Lot Five, and all of Lot Six (6), Block Five (5), and Lot One (1), Block Twelve (12), Willow Grove Addition to the City of McCook, also described as the gravel street on East A Street from the gravel alleyway between East 9th Street and East A Street to the paved street of East 10th Street and East A Street.

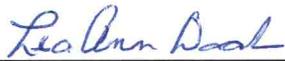
BACKGROUND:

This matter is a continuation of the discussion held regarding the vacation of platted East A Street located between the intersection of East 9th Street and East A Street and East 10th Street and East A Street. Staff has researched the records regarding both lots. The lots were established in 1889. In 1889, the City of McCook was most likely a City of the Second Class. Currently, the City of McCook is a City of the First Class. It is believed the classification change occurred sometime in the 1930's. For purposes of our review, the law as it stood in 1889 regarding Cities of the Second Class is controlling.

Because McCook was a City of the Second Class in 1889 when East A Street was platted, the controlling street vacation statute is found in Chapter 14, Article I, Section 69 of the Compiled Statutes of the State of Nebraska, 1881, which gave the Cities of the Second Class the power to vacate a street. The statute states, "That whenever any avenue, street, alley, or lane shall be vacated, the same shall revert to the owners of the adjacent real estate, one-half on each side thereof." As such, the City of McCook has a defeasible fee interest in East A Street. Simply put, if the property is no longer utilized for a street purpose, the city's ownership interest is forfeited, and the land reverts to the adjacent property owners, one-half to each side. There is an exception to the statute that states if the vacation is deemed expedient for the public good, a City of the Second Class can take private property for public use, provided that in all cases the City of the Second Class shall pay the property owners injured by the taking adequate compensation. With regard to the current request to vacate A Street, city staff has no plans to utilize the platted street for a "public purpose", nor can a scenario be envisioned where the city would be able to use the property for the public good.

Pursuant to the Randy Clapp's request, staff is comfortable recommending the vacation of the aforementioned portion of platted East A Street. If the council approves this ordinance, Mr. Clapp will take the north one-half of the vacated street and the south one-half of the vacated street.

APPROVALS:



January 14, 2019

Lea Ann Doak, City Clerk



January 14, 2019

Nate Schneider, City Manager

ORDINANCE NO. 2026-3113

AN ORDINANCE TO VACATE A STREET LOCATED IN THE CITY OF MCCOOK, RED WILLOW COUNTY, NEBRASKA; SAID STREET BEING LOCATED AND DESCRIBED AS "A" STREET EAST AS PLATTED BETWEEN THE SOUTH HALF (S1/2) OF LOT FIVE (5), AND ALL OF LOT SIX (6), BLOCK FIVE (5), AND LOT ONE (1), BLOCK TWELVE (12), WILLOW GROVE ADDITION TO THE CITY OF MCCOOK, RED WILLOW COUNTY, NEBRASKA; TO PROVIDE FOR REVERSION OF SAID STREET TO TITLE HOLDERS OF RECORD; TO PROVIDE FOR FILING OF THIS ORDINANCE IN THE OFFICE OF THE REGISTER OF DEEDS OF RED WILLOW COUNTY, NEBRASKA; AND TO PROVIDE FOR A TIME AND DATE FROM AND AFTER WHICH THIS ORDINANCE SHALL TAKE EFFECT AND BE IN FORCE.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF MCCOOK, NEBRASKA:

SECTION 1. That the following described street in the City of McCook, Red Willow County, Nebraska be and the same is hereby vacated:

"A" Street East as platted between the South Half (S1/2) of Lot Five (5), and all of Lot Six (6), Block Five (5), and Lot One (1), Block Twelve (12), Willow Grove Addition to the City of McCook, Red Willow County, Nebraska .

SECTION 2. That the title to the property vacated by Section 1 of this ordinance shall revert to the owner or owners of the real estate abutting the same in proportion to the respective ownership of said real estate in accordance with state law.

SECTION 3. That within thirty days after the effective date of this ordinance, the City Clerk shall file a certified copy of this ordinance with the Register of Deeds of Red Willow County, Nebraska to be indexed against all affected lots.

SECTION 4. That this ordinance shall be in full force and effect from and after its passage, approval and publication according to law in its entirety or in pamphlet form.

PASSED AND APPROVED this _____ day of _____, 2026.

Linda Taylor, Ex-officio Mayor
and Council President

ATTEST:

Lea Ann Doak, City Clerk-Treasurer

Published:

1998-00995

Recorded Book 126, Page 222
May 18, 1998, 3:55 P.M.

Pauletta Server
Reg. of Deeds, Red Willow Co.

NEBRASKA DOCUMENTARY
STAMP TAX
Date May 18, 1998
\$ 45.50 By PS

WARRANTY DEED

DIANNA L. BROWN, unmarried, GRANTOR, in consideration of ONE AND NO/100---(\$1.00)---DOLLAR and other valuable consideration received from RANDY WYNN CLAPP, GRANTEE, conveys to GRANTEE, the following described real estate (as defined in Neb. Rev. Stat. 76-201) in Red Willow County, Nebraska:

The South Half (S½) of Lot Five, and all of Lot Six (6), Block Five (5), and Lot One (1), Block Twelve (12), Willow Grove Addition to the City of McCook.

GRANTOR covenants (jointly and severally, if more than one) with GRANTEE that GRANTOR:

- (1) is lawfully seised of such real estate and that it is free from encumbrances, except easements, reservations, covenants and restrictions of record;
- (2) has legal power and lawful authority to convey the same;
- (3) warrants and will defend title to the real estate against the lawful claims of all persons.

Executed May 15, 1998.

Dianna L. Brown
Dianna L. Brown

STATES OF COLORADO, County of Las Animas :

the foregoing instrument was acknowledged before me this 15th day of May, 1998, by Dianna L. Brown, unmarried.



Mary J. Mangino
Notary Public.

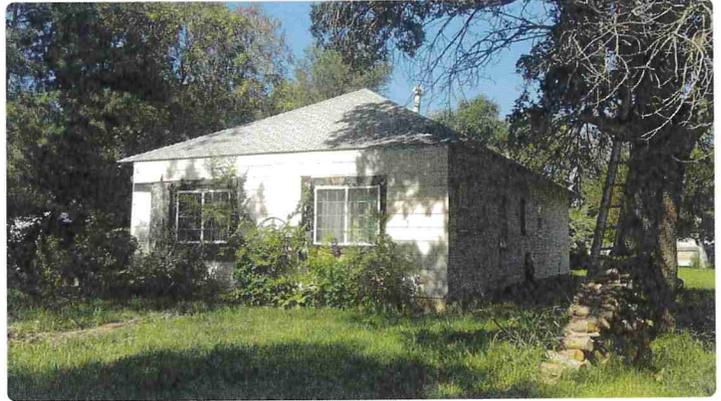
My Commission expires: 9-21-98.



- Parcels
- Parcel Numbers
- USA Major Highways
- Highway
- Major Road
- Local Road
- Railroads
- County Boundaries
- Red Willow
- Surrounding Counties
- State Outlines

Red Willow County, NE

Summary



Parcel Number 001733800
Property Address 102 EAST 10TH STREET
City MCCOOK
State NE
Zip 69001
Legal WILLOW GROVE ADDITION MCCOOK BLK 5, S/2 LOT 5 & ALL LOT 6
Acres 0
Section 0
Township 3
Range 29
Tax District 80
Neighborhood 2705 - 2705 MCCOOK

Owners

[CLAPP/RANDY WYNN](#)
102 E 10TH ST
MCCOOK, NE 69001-3823

Recent Sales in Area

Sale date range:

From:

01/14/21

To:

01/14/21

[Search Sales by Neighborhood](#)

Distance:

1500

Units:

Feet



[Search Sales by Distance](#)

Dwelling/Building

Actual Year Built 1920
Building Sq ft 1,248
Ground Floor Sq ft 1,248
Basement Sq ft 936
Quality Fair
Total Baths 2
Bath Fixtures 8
Exterior Walls 100% Frame, Siding
Roof Cover Composition Shingle
HVAC 100% Gravity Furnace
Improvement Description
Building Class Code

Other Improvements

Description	Extended Description	Year	Dimensions	Units
OPS	Open Porch Steps	0	6 x 6	36

Red Willow County, NE

Summary

Parcel Number 001741700
Property Address
City MCCOOK
State NE
Zip 69001
Legal WILLOW GROVE ADDITION MCCOOK BLK 12, LOT1
Acres 0
Section 0
Township 3
Range 29
Tax District 80
Neighborhood 2705 - 2705 MCCOOK



Owners

[CLAPP/RANDY WYNN](#)
102 E 10TH ST
MCCOOK, NE 69001-3823

Recent Sales in Area

Sale date range:

From:

01/14/21

To:

01/14/21

[Search Sales by Neighborhood](#)

Distance:

1500

Units:

Feet



[Search Sales by Distance](#)

Dwelling/Building

Actual Year Built
Building Sq ft
Ground Floor Sq ft
Basement Sq ft
Quality
Total Baths
Bath Fixtures
Exterior Walls
Roof Cover
HVAC
Improvement Description
Building Class Code

Land

Frontage	Depth1	Depth2	Square Feet	Description
32	125	125	3,950	3,950 S.F.

Valuation

Assessed Year	2025 (2)	2025	2024	2023	2022
Dwelling/Building	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Improvement	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Land	\$3,160.00	\$3,160.00	\$3,160.00	\$3,160.00	\$1,580.00
Total	\$3,160.00	\$3,160.00	\$3,160.00	\$3,160.00	\$1,580.00

WILLOW GROVE ADDITION
 TO THE
 CITY OF McCOOK.
 RED WILLOW COUNTY, NEBRASKA.



SURVEYORS CERTIFICATE.

I HEREBY CERTIFY THAT I HAVE SURVEYED, PLATTED AND LAID OUT
 WILLOW GROVE ADDITION TO THE CITY OF McCOOK. RED
 WILLOW COUNTY NEBRASKA. SITUATED UPON AND BEING A PART OF THE
 NE. 1/4 S.E. 1/4 SEC. 29 AND N. 1/4 S.W. 1/4 SEC. 28 - NORTH
 RIGHT OF WAY OF REPUBLICAN VALLEY R.R. - IN TWP. 3. N.
 OF RANGE 29 W. AS SHOWN BY ANNEXED PLAT. THE
 OF STREETS AND ALLEYS AND NUMBERS OF AND SIZE OF LOTS
 AND BLOCKS ARE AS SHOWN AND INDICATED THEREON
 McCOOK NEB. Aug 1st 1880

Page 1

**CITY MANAGER'S REPORT
JANUARY 5, 2026 MCCOOK CITY COUNCIL MEETING**

3.C.
ITEM NO. ___ Discussion regarding the potential vacating of the gravel road on East A street from the gravel alleyway between East 9th Street and East A Street to the paved road of East 10th Street and East A Street.

BACKGROUND:

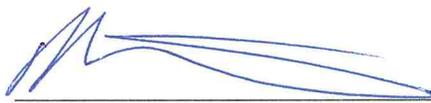
A request has been made by Randy Clapp for the city to vacate a lightly used gravel road on East A Street from the gravel alleyway between East 9th Street and East A Street to the paved road on East 10th Street and East A Street. Mr. Clapp has report the street is rarely used, with the exception being when individuals hot rod their vehicles around the corner. Staff has reviewed the property and agrees there is no value to keeping the street open. To the west, there is sufficient right of way for vehicles to access commercial properties. The closure won't impact the city's ability to provide trash service to the adjacent properties. Based on conversations with Mr. Clapp, the other adjacent property owners to East 9th Street agree with the vacation request.

If a vacation occurs, both sides of East A Street would vest in Mr. Clapp, as he owns the land to the north and south of East A Street between East 9th and 10th. If directed, staff will bring an ordinance to the City Council at the next regular meeting.

APPROVALS:



December 30, 2025
Lea Ann Doak, City Clerk



December 30, 2025
Nate Schneider, City Manager



December 30, 2025
Kyle Potthoff, Public Works Director



December 30, 2025
Tera Koetter, Assistant City Manager

Lea Ann Doak

From: Nate Schneider
Sent: Wednesday, December 10, 2025 3:22 PM
To: RANDY CLAPP
Cc: Kyle Potthoff; Lea Ann Doak
Subject: RE: ROAD CLOSURE

Got your request, Randy. Kyle will speak with his trash truck driver and then we will schedule it for the Jan 5 city council meeting.

Thanks!
Nate

From: RANDY CLAPP <randyone59@msn.com>
Sent: Wednesday, December 10, 2025 3:04 PM
To: Nate Schneider <nshneider@cityofmccook.com>
Subject: ROAD CLOSURE

20/20 Technologies - GRAPHUS

Warning: Sender @randyone59@msn.com has never sent any emails to your organization.
Please be careful before replying.

[Report-as-Bad](#) [Report-as-Safe](#)

powered by Graphus®

I hereby respectfully request from the City of McCook authorization to close the gravel road on A street from the gravel alleyway between 9th and A street to the paved road of 10th and A street as well as join my residence at 102 East 10th Street in McCook to my adjacent vacant lot located directly south of my property from 10th and A street to the Burlington Northern Railroad property line! I appreciate your time, effort, and due diligence toward this matter on my behalf!

Thank you!

Sincerely,

Randy W. Clapp

Address:

102 East 10th Street

McCook, Nebraska 69001

Phone:

(308) 340-8988

Email:

Randyone59@msn.com

**CITY MANAGER'S REPORT
JANUARY 19, 2026 CITY COUNCIL MEETING**

ITEM: 5.D.

Executive Session may be held upon a majority vote of the Council for the protection of public interest for a strategy session with respect to pending litigation - property located at 1111 East "H" Street, Cindy and Ron Sabin.

BACKGROUND:

The City Council may hold a closed or Executive Session as permitted by Neb. Rev. Stat. Sec. 84-1410. Closed sessions may be held for, but shall not be limited to such reasons as:

1. Protection of the public interest.
2. Needless injury to the reputation of an individual.
3. Strategy sessions with respect to
 - a. collective bargaining,
 - b. real estate purchases,
 - c. pending litigation, or
 - d. imminent or threatened litigation.
4. Discussion regarding deployment of security personnel or devices.
5. Investigative proceedings regarding allegations of criminal misconduct.
6. Evaluations of job performance.

**FISCAL
IMPACT:** N/A

APPROVALS:



Lea Ann Doak, City Clerk

January 16, 2026