McAlester Audit and Finance Advisory Committee
NOTICE OF MEETING

Regular Meeting Agenda
Thursday, July 16, 2026 - 4:00 PM
City Hall, 2nd Floor Conference Room
28 E Washington

CALL TO ORDER
Announce the presence of a Quorum.

ROLL CALL

APPROVAL OF MINUTES

1. Approval of meeting minutes of June 18, 2026

SCHEDULED BUSINESS
Staff Report on each item of scheduled business shall be presented by staff prior to applicant's discussion with Planning Commission.

1. Presentation - Oklahoma CLASS Investments - *(Trevor Davenport, Director, Investment Services)*

2. Financial Update for June 2026, *(Sherri Swift, Chief Financial Officer)*

ADJOURNMENT

Meeting Minutes

Audit & Finance Advisory Committee Meeting
4:00 p.m., Thursday, June 18, 2026
City Hall, Conference Room
28 E. Washington, McAlester, OK 74501

Present:	Carl Gullick, Chris Stone, Cara Bland, Trevor Spence, John Titsworth
Absent:	Kevin Beaty, Tracy Sontag, Brenda Russell, Justin Few
Staff Members Present:	Ken Wimer, City Manager; Sherri Swift, Chief Financial Officer; Elizabeth Neboyia, Chief Executive Assistant

Pursuant to notice duly given, the Meeting of the Audit and Finance Advisory Committee convened at 4p.m. on Thursday, June 18, 2026.

Call to Order

The meeting was called to order by Carl Gullick.

Approval of Minutes for previous meeting

A motion to approve the minutes from May 21, 2026, meeting, was made by Chris Stone and seconded by Trevor Spence.

AYE: Committee Members, Gullick, Stone, Bland, Titsworth & Spence
NAY:

Update on Financials as of May 2026

CFO Swift reviewed the financial report for May highlighting that 91.67% of the fiscal year is complete. She presented General Fund Performance and Revenue; MPWA Fund at a Glance; Total Sales Tax Breakdown of the overall 10% included State of Oklahoma, Pittsburg County and City of McAlester; McAlester 4% Sales Tax; Sales Tax Comparable Cities; General Fund Sales Tax; Sales Tax & Use Tax NAICS Performances; Hotel Tax; Treasury Report; Bond Debts; currently there are five bond debts; four bonds with active payments and with large final payments scheduled between 2031 and 2034;
Active Accounts past due and Terminated Accounts past due were not available for review at this time.

New Business

There was no new business.

Adjournment

The meeting was adjourned at 4:25 p.m.

APPROVAL:

______________________ Date___________________

FINANCIAL UPDATE

June 2026

CITY OF
MCALESTER

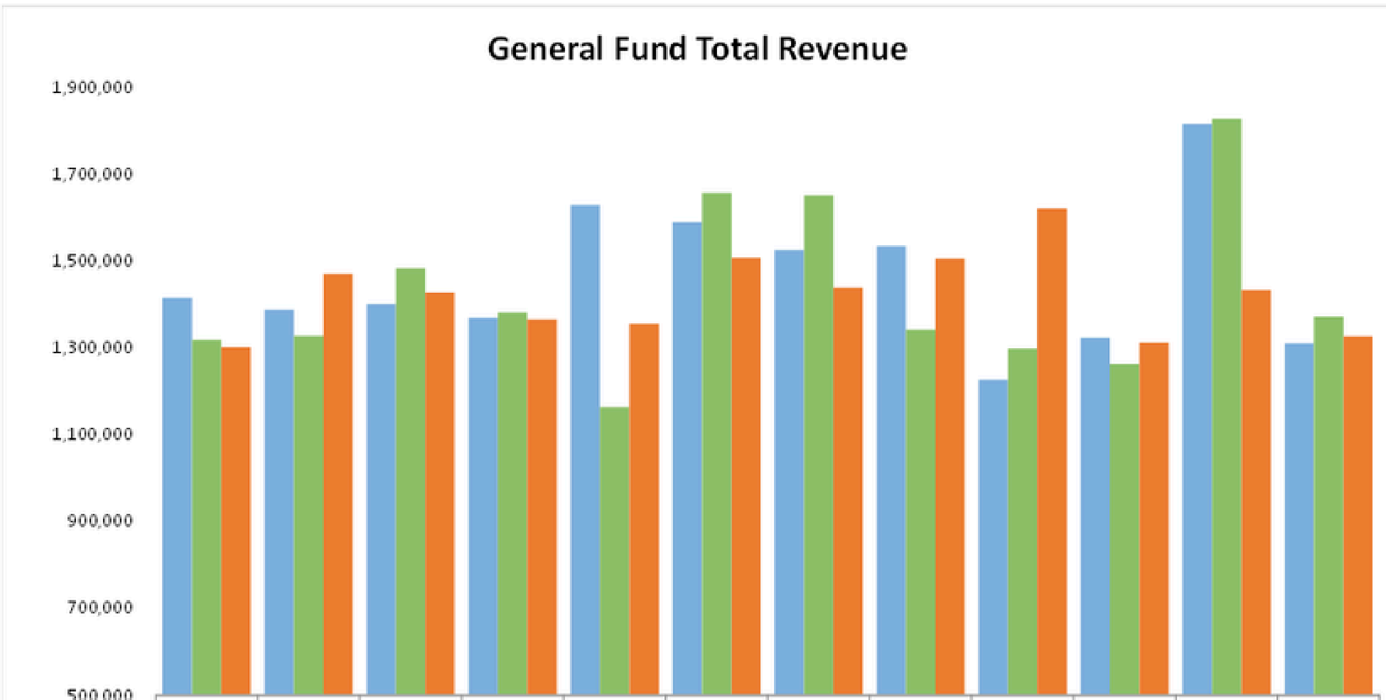
GENERAL FUND PERFORMANCE

In June, with the fiscal year now complete, the General Fund collected $17.1 million in revenue, representing 94% of the annual budget. Total expenditures were at $17.5 million, also 94% of the budget. With the monthly fund transfers, the General Fund has an increase of $349 thousand. Please note that additional expenditures related to fiscal year 25/26 will continue to be posted through September 2026 as year-end invoices are processed.

Financial Summary as of June 2026

Percentage of year complete: 100%

GENERAL FUND AT A GLANCE	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	% OF BUDGET
BEGINNING FUND BALANCE	**$ 1,691,270**	**$ 1,210,692**	**$ 1,210,692**	
REVENUES	17,786,646	18,212,062	17,165,556	94.25%
EXPENDITURES	(18,355,485)	(18,633,799)	(17,534,483)	94.10%
ESTIMATED TIF PAYMENT				
REVENUES OVER (UNDER) EXPENDITURES	$ (568,839)	$ (421,737)	$ (368,927)	
TRANSFERS IN	$ 1,635,000	1,635,000	$ 1,635,000	100.00%
TRANSFERS OUT	(1,066,161)	(1,073,423)	(916,177)	85.35%
NET TRANSFERS	$ 568,839	$ 561,577	$ 718,823	
INCREASE (DECREASE) TO BALANCE	$ -	$ 139,840	$ 349,896	
ENDING BALANCE	**$ 1,691,270**	**$ 1,350,532**	**$ 1,560,588**	



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
2023-2024	1,416,558	1,389,567	1,401,688	1,370,030	1,630,477	1,590,700	1,526,108	1,535,879	1,227,339	1,324,788	1,817,544	1,311,318
2024-2025	1,319,100	1,329,080	1,484,377	1,382,348	1,164,040	1,658,586	1,652,688	1,342,850	1,299,710	1,264,154	1,829,093	1,372,714
2025-2026	1,302,751	1,472,150	1,428,888	1,366,644	1,357,235	1,508,706	1,439,939	1,507,395	1,622,747	1,313,611	1,434,486	1,328,096

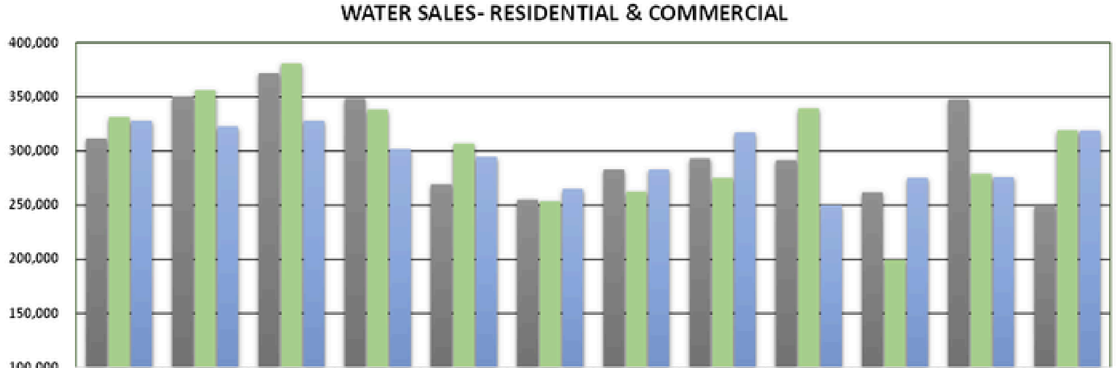
MPWA PERFORMANCE

In June, with the fiscal year now complete, the MPWA Fund has generated $12.7 million in revenue, or 96% of the annual budget, while expenditures remained well under budget at $8.5 million or 84% of the budget. With the monthly fund transfers, the fund has a net increase of about $872 thousand. As with the General fund, additional expenditures related to fiscal year 25/26 will continue to be posted through September 2026 as year-end invoices are processed.

Financial Summary as of June 2026

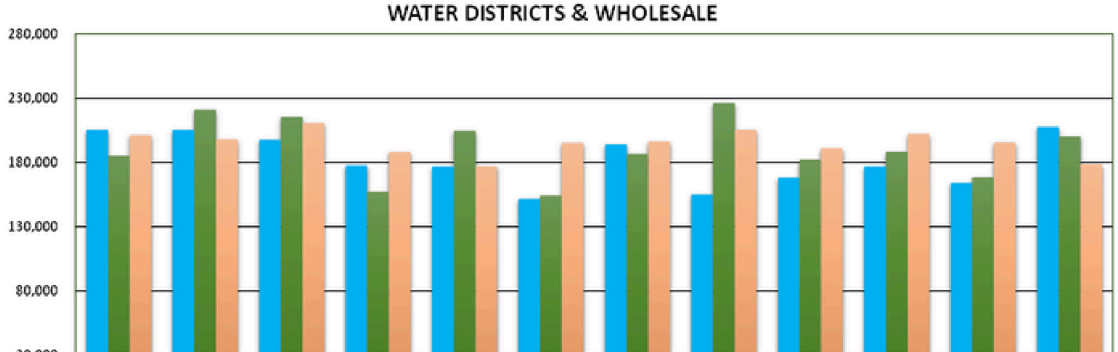
Percentage of year complete: 100%

MPWA FUND AT A GLANCE	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	% OF BUDGET
BEGINNING FUND BALANCE	**$ 1,059,052**	**$ 2,419,679**	**$ 2,419,679**	
REVENUES	12,829,173	13,222,849	12,733,216	96.30%
EXPENDITURES	(9,802,425)	(10,082,486)	(8,510,623)	84.41%
REVENUES OVER (UNDER) EXPENDITURES	$ 3,026,748	$ 3,140,363	$ 4,222,593	
TRANSFERS IN	$ -		$ -	
TRANSFERS OUT	(3,026,748)	(3,140,363)	(3,350,363)	106.69%
NET TRANSFERS	$ (3,026,748)	$ (3,140,363)	$ (3,350,363)	
INCREASE (DECREASE) TO BALANCE	$ -	$ -	$ 872,230	
ENDING BALANCE	**$ 1,059,052**	**$ 2,419,679**	**$ 3,291,909**	



	July	August	September	October	November	December	January	February	March	April	May	June
2023-2024	311,494	350,594	371,995	348,646	269,312	255,316	283,011	293,270	291,710	262,002	347,844	249,665
2024-2025	331,298	356,133	381,185	338,256	307,047	253,919	262,847	275,335	339,277	199,629	278,957	319,270
2025-2026	327,995	322,707	328,059	301,674	294,677	265,010	283,105	317,154	250,001	275,442	275,927	319,033

2023-2024 2024-2025 2025-2026



	July	August	September	October	November	December	January	February	March	April	May	June
2023-2024	205,420	205,412	197,710	177,710	177,040	151,780	194,187	155,095	168,165	176,950	164,283	207,821
2024-2025	185,399	221,084	215,555	157,290	204,657	154,269	186,604	226,195	182,378	188,432	168,412	200,610
2025-2026	201,225	197,933	210,683	188,277	177,216	195,270	196,213	205,495	190,963	202,333	195,553	178,575

2023-2024 2024-2025 2025-2026

TREASURY REPORT

As of June 30, 2026, pooled cash accounts totaled $27.4 million, with over $10.1 million in the operating account. The Emergency Fund remains below the state-mandated minimum of 10% of the operating budget, requiring an additional $900 thousand to meet that requirement. Meanwhile, the Payroll and Worker's Compensation accounts are funded through transfers from the pooled cash accounts to support ongoing personnel and benefit obligations.

CITY OF MCALESTER
TREASURY REPORT

JUNE 2026

BANK/AGENCY		BALANCE 6/30/26		AVERAGE LEDGER
FIRST NATIONAL BANK:				
POOLED CASH	$	10,130,751	$	10,678,120
POOLED RESERVE	$	17,280,487	$	17,280,487
PAYROLL	$	11,008	$	11,008
EMERGENCY FUND ACCOUNT	$	2,285,647	$	2,285,647
ECONOMIC DEVELOPMENT	$	300,316	$	300,316
WORKER'S COMP	$	8	$	8
CD - 77668 FNB		761,118		761,118
CD - 73927 FNB		281,429		281,429
TOTAL	$	31,050,764	$	31,598,133
LESS FDIC COVERAGE		(500,000)		(500,000)
LESS MARKET VALUE OF COLLATERAL PLEDGED		(31,683,768)		(31,683,768)
(OVER)/UNDER PLEDGED	$	(1,133,004)	$	(585,635)
GENERAL FUND - CLAIM ON POOLED CASH =		**$1,451,452**		
MPWA - CLAIM ON POOLED CASH =		**$3,373,766**		

BOND DEBT

The City collects a 1% sales tax designated specifically for bond debt payments that will terminate in September 2031, with collections ending in November 2031. We currently have five bond debts: four with active payments (2012, 2013, 2014, 2015 notes) and the 2002 Bond, which has been deferred until 2031, with four annual payments. Even as other bonds are paid off, we will continue to collect and save the sales tax revenue to cover the 2002 Bond's large final payments scheduled between 2031 and 2034. The last column shows the running total of the difference between the sales tax collected and the bond payments made. This figure will change based on actual collections. If actual collections fall short, MPWA will subsidize with Utility Revenue. This clearly illustrates how we are building a reserve to cover the 2002 Bond.

The McAlester Public Works Authority

Summary of Existing Debt Payments vs. 1% Sales Tax (Terminates September 2031) Cash Flow

	Annual Payments								
Year (thru February 1)	2002 Bonds	2012 Note Refund of 1999A Bonds (Taxable)**	2013 Street Note New Money Issue (Tax-Exempt)***	2014 Street Note New Money Issue (Tax-Exempt)****	2015 Note Refund of Portion of 2002 Bonds (Taxable)	**Total Annual Payment**	**Actual/ Estimated 1% Sales Tax**	Difference	**Cumulative Excess Sales Tax & Utility Revenue Collections**
Fund Balance									**351,210.41**
2026		2,564,635.00	529,235.75	365,850.00	1,366,708.00	**4,826,428.75**	**4,759,496.19**	(66,932.56)	**284,277.85**
2027			2,553,789.50	651,330.00	1,673,684.00	**4,878,803.50**	**4,759,496.19**	(119,307.31)	**164,970.55**
2028			1,584,804.75	921,765.00	1,685,264.00	**4,191,833.75**	**4,759,496.19**	567,662.44	**732,632.99**
2029				401,185.00		**401,185.00**	**4,759,496.19**	4,358,311.19	**5,090,944.18**
2030						**0.00**	**4,759,496.19**	4,759,496.19	**9,850,440.37**
2031	3,930,000.00					**3,930,000.00**	**4,759,496.19**	829,496.19	**10,679,936.57**
2032	3,930,000.00	Balloon/Deferred payments				**3,930,000.00**	**3,966,246.83**	36,246.83	**10,716,183.39**
2033	3,930,000.00					**3,930,000.00**	**0.00**	(3,930,000.00)	**6,786,183.39**
2034 *	5,770,000.00					**5,770,000.00**	**0.00**	(5,770,000.00)	**1,016,183.39**

* Reserve Fund intended to make last payment was liquidated and a Surety Bond substituted for the cash reserve

** Cash Reserve Fund ($2,602,295) will make last debt service payment; therefore, payment is not shown

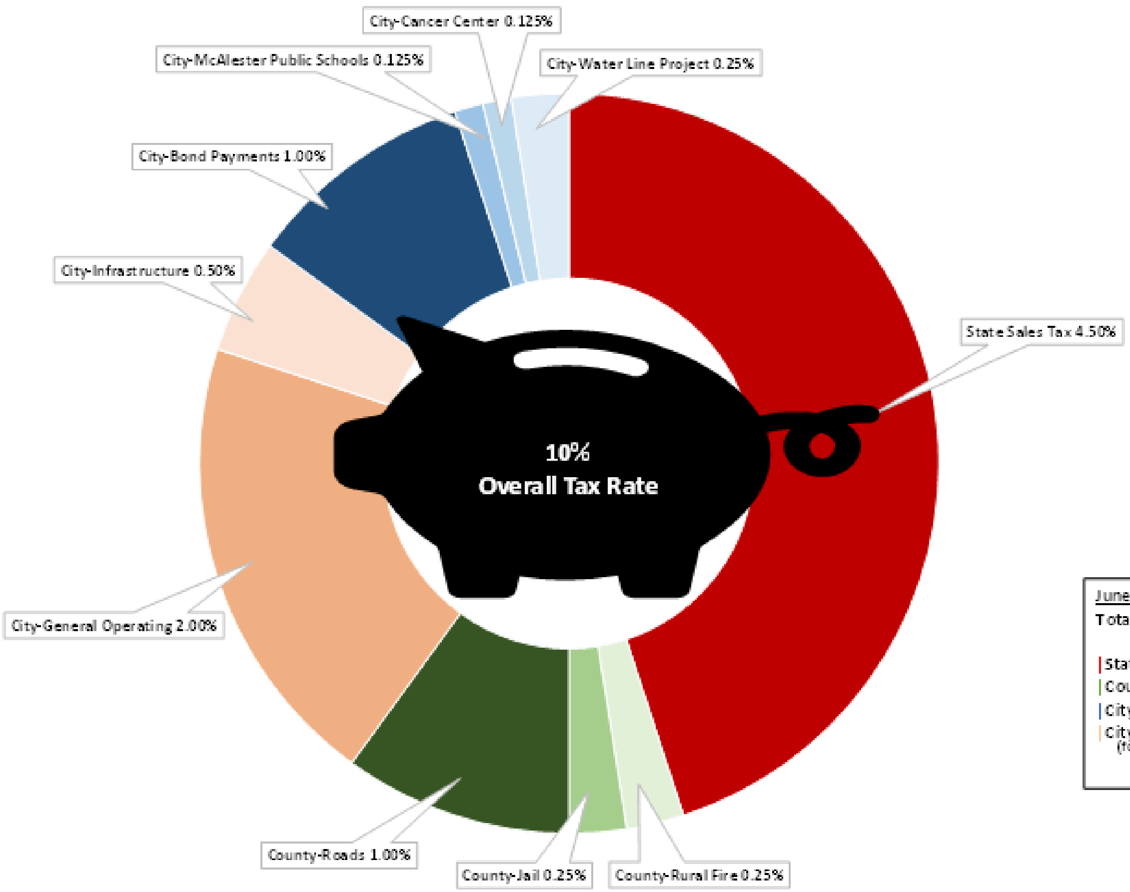
*** Cash Reserve Fund ($889,000) will make a portion of last debt service payment; therefore, only part of payment is shown

**** Cash Reserve Fund ($491,000) will make a portion of last debt service payment; therefore, only part of payment is shown

TOTAL SALES TAX BREAKDOWN

The City of McAlester is primarily funded through taxes. The overall tax rate is 10%, which includes:

- State of Oklahoma (4.5%): $1.9M (represented in red)
- Pittsburg County (1.5%): Approximately $634K (represented in green)
- City of McAlester (4%): This portion is best explained by splitting into two categories:
  - 2.5% ($1.05M): Retained for general operations and infrastructure (represented in tan)
  - 1.5% ($634K): Designated as a "pass-through" (represented in blue)



June Totals	
Total	$4,232,744
State Tax	$1,904,735
County Tax	$634,912
City Pass Through	$ 634,912
City Retains (for Operating & Infrastructure)	$1,058,186

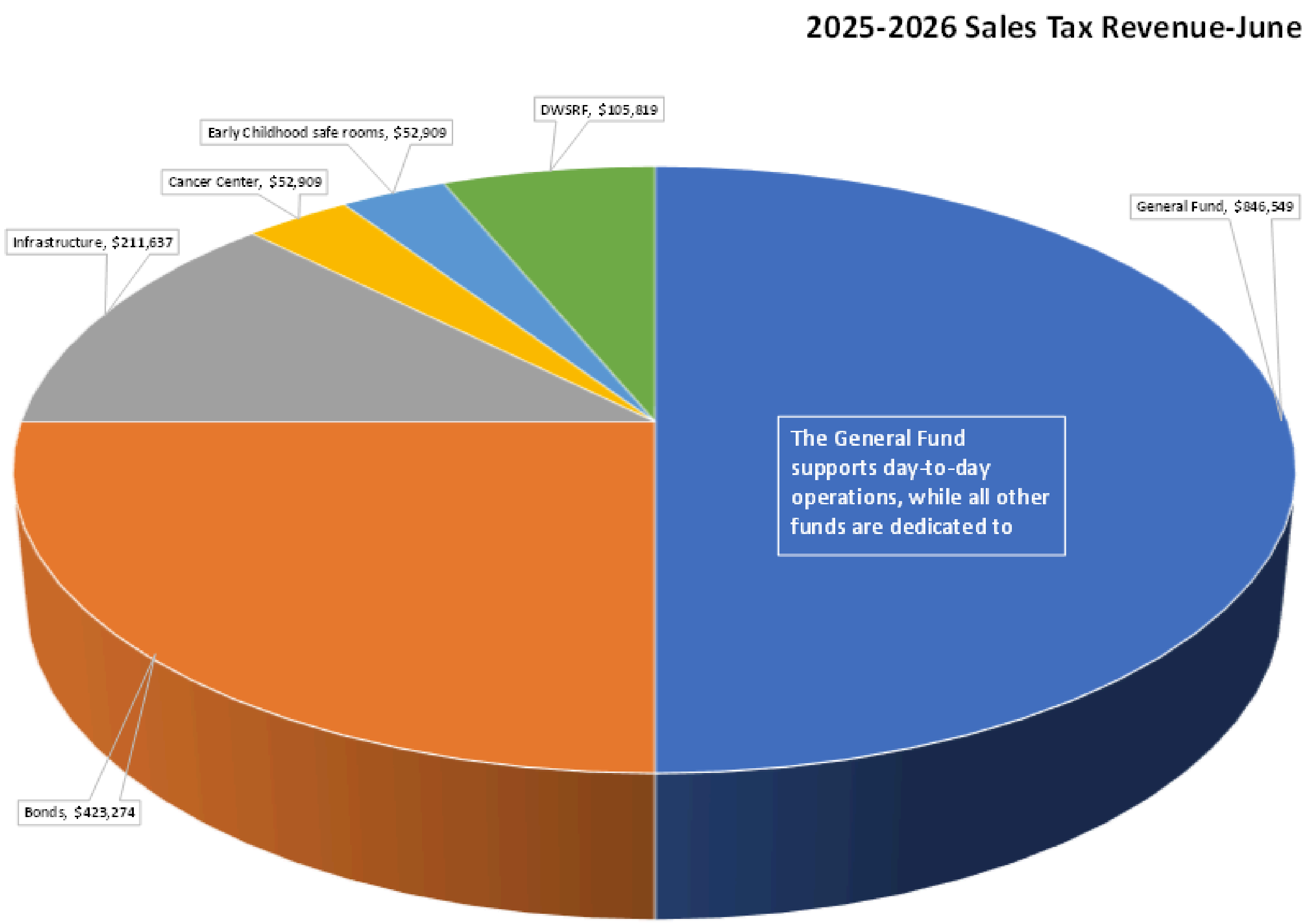
MCALESTER'S 4% SALES TAX

The June remittance is made up of actual collections for the last half of April and estimated collections for the first half of May along with smaller amounts for corrections and reconciling amounts from prior estimates. June collections exceeded both projections, by $17 thousand, and the same month prior year, by $128 thousand. With the fiscal year complete total collections exceeded annual projections by $115 thousand. The TIF is paid off and therefore nothing is deducted prior to allocating to the funds.

SALES TAX PERFORMANCE (vs Projection)			
June FY26	Projection	$ Diff	% Change
1,693,098	1,676,129	16,968	1.0%
YTD FY26	YTD Proj	$ Diff	% Change
19,448,259	19,332,516	115,743	0.6%

SALES TAX PERFORMANCE (vs Prior Year)			
June FY26	June FY25	$ Diff	% Change
1,693,098	1,564,463	128,635	8.2%
YTD FY26	YTD FY25	$ Diff	% Change
19,448,259	19,124,018	324,241	1.7%

Sales Tax Programs								
	General Fund	MPWA	Infrastructure	Cancer Center	Early Childhood Safe Room	Water Line Project	TIF District	Total Sales Tax
Current Month	846,549	423,274	211,637	52,909	52,909	105,819	0	1,693,098
Year-to-Date	9,310,931	4,655,465	2,327,733	581,933	581,933	1,163,866	826,398	19,448,259

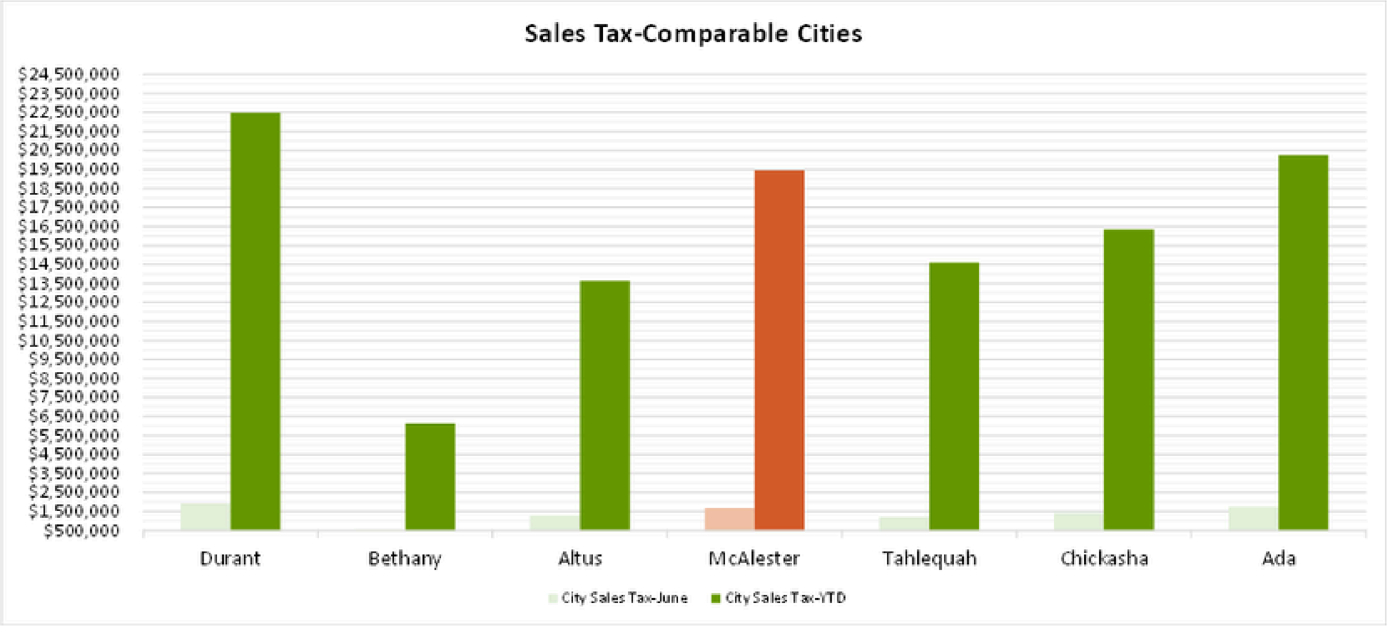


SALES TAX-COMPARABLE CITIES

McAlester ranks 30th in population among Oklahoma cities and ranks 21st in tax collections. McAlester continues to have a higher tax collection ranking than the two cities directly above and below it in population. Durant (ranked 23rd in population) and Ada (ranked 33rd in population), which we consider sister cities, rank above McAlester in taxes. Out of these cities, McAlester ranks the highest in tax rate when City and County rates are combined.

Sales Tax-Comparable Cities								
City	Population Rank	City Sales Tax Rate	City Tax Collection Rank	County Sales Tax Rate	Total Tax Rate	*City Sales Tax Growth Rate	City Sales Tax-June	City Sales Tax-YTD
Durant	23	4.37%	17	0.500%	9.37%	3.50%	$ 1,910,931	$ 22,478,108
Bethany	28	4.00%	56	0.000%	8.50%	1.41%	$ 510,347	$ 6,134,694
Altus	29	4.13%	32	1.125%	9.75%	1.33%	$ 1,272,116	$ 13,646,885
McAlester	30	4.00%	21	1.500%	10.00%	2.01%	$ 1,693,097	$ 19,448,256
Tahlequah	31	3.25%	30	1.750%	9.50%	4.93%	$ 1,200,607	$ 14,598,158
Chickasha	32	4.25%	27	0.750%	9.50%	4.57%	$ 1,401,742	$ 16,330,906
Ada	33	4.00%	20	0.875%	9.38%	2.54%	$ 1,750,350	$ 20,270,355

*compared to same month last year

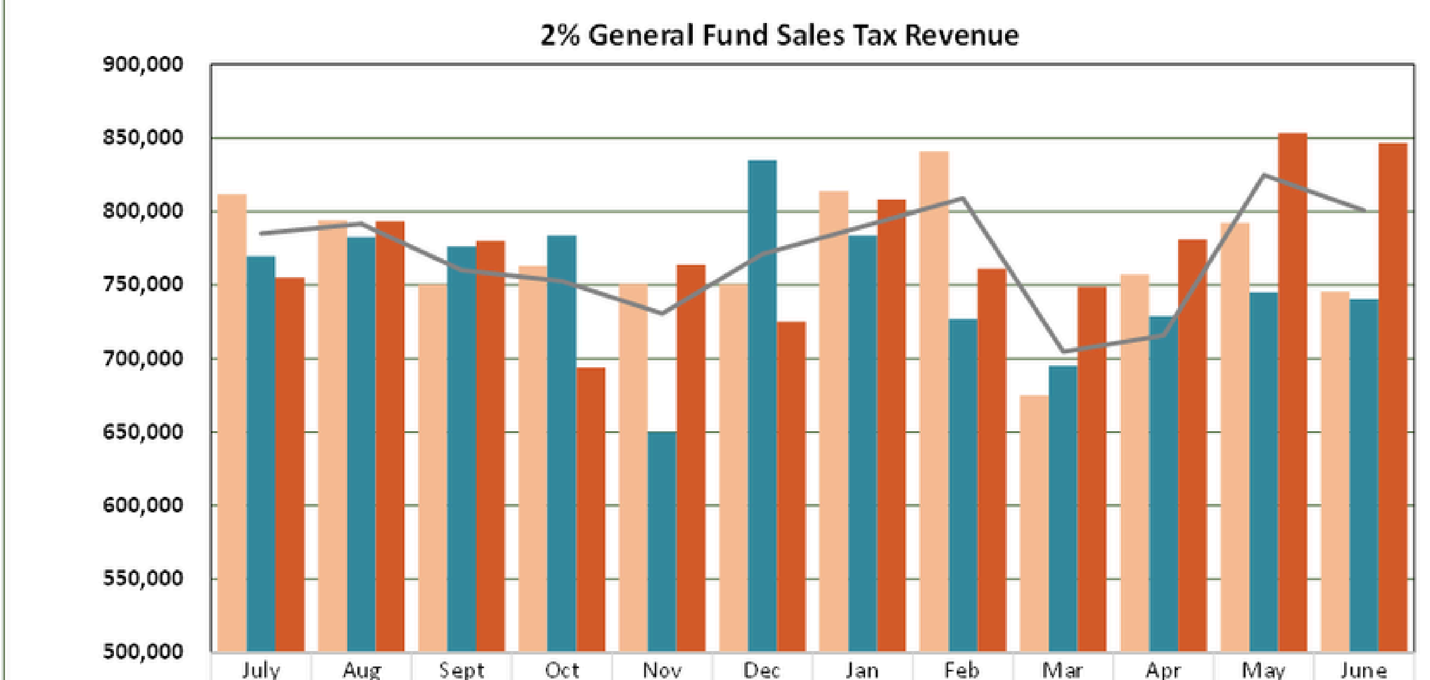


GENERAL FUND SALES TAX

The General Fund receives 2% of the total city sales tax, which is 4%. For June, General Fund collections were above projections by over $45 thousand and above the same month last year by $106 thousand. The fiscal year finished above projections by $74 thousand. With the TIF being paid off nothing is deducted before allocating to the funds.

GEN FUND SALES TAX PERFORMANCE (vs Projection)			
June FY26	Projection	$ Diff	% Change
846,549	800,784	45,765	5.7%
YTD FY26	YTD Proj	$ Diff	% Change
9,310,931	9,236,258	74,673	0.8%

GEN FUND SALES TAX PERFORMANCE (vs Prior Year)			
June FY26	June FY25	$ Diff	% Change
846,549	740,602	105,947	14.3%
YTD FY26	YTD FY25	$ Diff	% Change
9,310,931	9,017,277	293,654	3.3%



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
2023-2024	811,747	794,246	750,236	762,964	750,888	750,592	813,752	841,116	674,896	757,273	792,200	745,691
2024-2025	769,683	782,705	776,420	783,623	649,983	834,806	783,660	726,955	694,929	728,988	744,921	740,602
2025-2026	755,042	793,214	779,864	693,929	763,912	725,223	808,546	761,187	748,820	781,082	853,559	846,548
BUDGET	785,082	791,547	760,144	752,755	730,588	771,228	789,700	809,096	704,726	715,810	824,798	800,784

SALES TAX NAICS PERFORMANCE

Retail comprises the largest percentage of sales tax collections at around 59%. The largest year-over-year category changes for June were in Utilities & Other (up 108% or roughly $92,000, primarily from a power supply company and a gas utility company) and Services (down 12% or $10,000, with no single business making up the difference).

Total Collected

$1,693,098

Vs. Prior Year

↑ **8.2%**
$129K

	Retail	Hotel & Restaurants	Services	Manufacturing & Wholesale	Utilities & Other
	↑ 1.6% $16K	↑ 7.2% $21.4K	↓ 12.6% $10.3k	↑ 8.5% $9.2K	↑ 108% $92.6K
% of Sales Tax	59%	19%	4%	7%	11%

NAICS SALES TAX PERFORMANCE (vs Prior Year)				
NAICS Category	June FY26	June FY25	$ Diff	% Change
Retail	1,011,033	994,711	16,322	1.6%
Wholesale & Mfg.	118,096	108,862	9,234	8.5%
Utilities & Other	178,390	85,759	92,631	108.0%
Hotels & Restaurants	319,082	297,602	21,480	7.2%
Services	72,204	82,587	(10,383)	-12.6%
Sub Total	**1,698,805**	**1,569,521**	**129,284**	**8.2%**

Totals may differ from General Fund Tax Performance since NAICS detail includes interest, penalty, retention, and reallocation amounts.

NAICS CATEGORIES PERFORMANCE

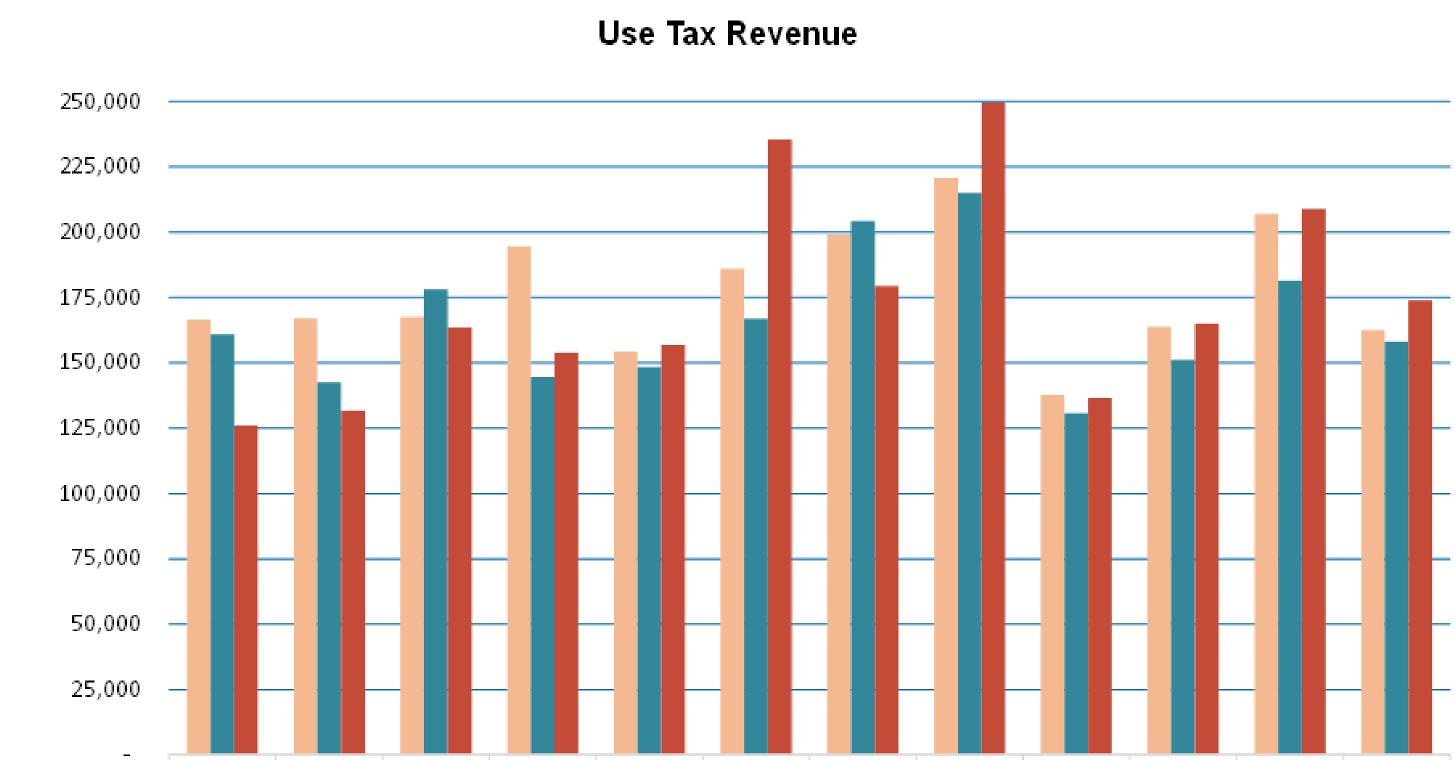
The North American Industry Classification System (NAICS) is the U.S. standard for categorizing types of businesses when analyzing economic information. The City groups all NAICS codes into several general categories when analyzing sales and use tax trends More information can be found on the U.S. Census Bureau website at Census.gov/NAICS.

USE TAX

The Use Tax rate aligns with the Sales Tax rate at 4%, with all proceeds allocated to the General Fund. June collections were above projections by $12 thousand and above the same month last year by $15 thousand. Year-to-date totals finished above projections by over $145 thousand.

USE TAX PERFORMANCE (vs Projection)			
June FY26	Projection	$ Diff	% Change
173,792	161,442	12,350	7.6%
YTD FY26	YTD Proj	$ Diff	% Change
2,082,499	1,937,300	145,199	7.5%

USE TAX PERFORMANCE (vs Prior Year)			
June FY26	June FY25	$ Diff	% Change
173,792	158,083	15,709	9.9%
YTD FY26	YTD FY25	$ Diff	YTD % Change
2,082,499	1,982,045	100,455	5.1%



	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
2023-2024	166,643	167,033	167,554	194,586	154,416	185,931	199,264	220,703	137,787	163,877	207,109	162,515
2024-2025	160,927	142,510	178,147	144,569	148,322	166,997	204,200	214,990	130,644	151,017	181,635	158,083
2025-2026	126,156	131,780	163,518	153,908	156,754	235,452	179,404	251,313	136,501	165,016	208,903	173,792

2023-2024 2024-2025 2025-2026

USE TAX NAICS PERFORMANCE

Retail also comprises the largest percentage of use tax collections at 62%. The largest year-over-year category change for June was in Retail (up 27%, with a major online retailer, a social media platform, and a big box store making up most of the increase) and Utilities & Other (up 26%, with a food delivery service contributing to the increase).The Manufacturing & Wholesale decrease was primarily from a building materials merchant.

Total Collected

$161,442

Vs. Prior Year

10%
$15K

	Retail	Services	Manufacturing & Wholesale	Utilities & Other
Change	27.6% $23.3K	7.4% $0.7K	23.2% $11.1K	26.4% $4.3K
% of Use Tax	62%	5%	21%	12%

NAICS USE TAX PERFORMANCE (vs Prior Year)				
NAICS Category	June FY26	June FY25	$ Diff	% Change
Wholesale & Mfg.	36,936	48,073	(11,137)	-23.2%
Retail	107,669	84,367	23,302	27.6%
Utilities & Other	20,775	16,442	4,333	26.4%
Services	8,859	9,569	(710)	-7.4%
Total	**174,239**	**158,451**	**15,788**	**10.0%**

Totals may differ from Use Tax Performance since NAICS detail includes interest, penalty, retention, and reallocation amounts.

NAICS CATEGORIES PERFORMANCE

The North American Industry Classification System (NAICS) is the U.S. standard for categorizing types of businesses when analyzing economic information. The City groups all NAICS codes into several general categories when analyzing sales and use tax trends More information can be found on the U.S. Census Bureau website at Census.gov/NAICS.

HOTEL TAX

A 6% excise tax is applied to overnight stays that are subject to sales tax. In June, collections were above projections by $14,000. The year ended with collections exceeding projections by more $203,000. We have one delinquent hotel.

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
2023-2024	51,131	58,877	76,056	65,090	72,604	59,513	49,497	40,572	68,747	103,709	-	73,153
2024-2025	54,932	56,297	70,751	80,807	63,083	78,190	43,069	43,328	55,251	41,308	73,710	55,929
2025-2026	84,821	94,508	106,743	58,470	84,890	50,994	116,922	80,805	54,980	53,697	78,709	75,392

2023-2024 2024-2025 2025-2026