City of Charleston, Arkansas

Financial and Compliance Report

December 31, 2025 and 2024

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF CHARLESTON, ARKANSAS
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Financial and Compliance Report

City of Charleston, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

A priority of Arkansas Legislative Audit is to assist local government officials by promoting sound financial management and accountability of government resources. The Legislative Auditor reports on the fiscal affairs of local governments, as well as compliance with relevant state laws and observance of good business practices to provide accountability for tax dollars expended to support government operations.

We have performed certain limited procedures with respect to cash basis financial information and compliance with certain state laws and accepted accounting practices for the City of Charleston, Arkansas, as of and for the years ended December 31, 2025 and 2024, and have issued our report thereon dated July 21, 2026. These procedures were not performed for the Water and Sewer Funds. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The commentary contained in this section relates to the following officials who held office during 2025 and 2024:

Mayor: Mike Baumgartner
Recorder/Treasurer: Peggy Neal
District Court Clerk: Shae Johnson
Police Chief: Billy Atchley

We evaluated the City's compliance with certain state laws concerning general and district court accounting, budgeting, purchasing, and investing and depositing of public funds.

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local City government, state executive and oversight management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
July 21, 2026
LOM110725

Schedule 1

CITY OF CHARLESTON, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

	General Fund	Special Revenue Funds	Firemen's Pension Trust Fund
Cash Balance, January 1, 2025	$ 903,622	$ 773,716	$ 45,332
Receipts:			
State aid	113,265	252,925	
Property taxes	168,586	58,180	12
Franchise fees	107,301		
Sales taxes	1,081,004		
Fines, forfeitures, and costs	52,273	1,751	
Interest	4,745	4,907	4
Local permits and fees	39,124		
Sanitation fees	234,514		
Contributions from water and sewer	20,000		
Other	58,301	12,603	
Total Receipts	1,879,113	330,366	16
Disbursements:			
General government	363,762		
Law enforcement	515,341	122	
Highways and streets	2,327	192,530	
Public safety		35,511	
Sanitation	182,214		
Recreation and culture	59,407		
Contributions to water department	8,087		
Sales tax remitted to the water department	407,328		
Debt service	35,338		
Total Disbursements	1,573,804	228,163	
Cash Balance, December 31, 2025	$ 1,208,931	$ 875,919	$ 45,348

CITY OF CHARLESTON, ARKANSAS
COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 2

	Street	Court Automation	Fire Equipment and Training (Act 833)	Total
Cash Balance, January 1, 2025	$ 678,523	$ 9,127	$ 86,066	$ 773,716
Receipts:				
State aid	218,686		34,239	252,925
Property taxes	51,619		6,561	58,180
Fines, forfeitures, and costs		1,751		1,751
Interest	4,897	1	9	4,907
Other	2,379		10,224	12,603
Total Receipts	277,581	1,752	51,033	330,366
Disbursements:				
Law enforcement		122		122
Highways and streets	192,530			192,530
Public safety			35,511	35,511
Total Disbursements	192,530	122	35,511	228,163
Cash Balance, December 31, 2025	$ 763,574	$ 10,757	$ 101,588	$ 875,919

CITY OF CHARLESTON, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds	Firemen's Pension Trust Fund
Cash Balance, January 1, 2024	$ 649,483	$ 780,623	$ 45,285
Receipts:			
State aid	75,562	242,207	
Federal aid	7,400		
Property taxes	167,060	59,005	43
Franchise fees	118,905		
Sales taxes	1,020,749		
Fines, forfeitures, and costs	64,653	1,355	
Interest	4,399	4,560	4
Local permits and fees	29,106		
Sanitation fees	260,708		
Financed purchase proceeds	148,500		
Other	43,384	52,557	
Total Receipts	1,940,426	359,684	47
Disbursements:			
General government	353,835	151	
Law enforcement	405,067	6,377	
Highways and streets	2,353	166,952	
Public safety		57,553	
Sanitation	484,087		
Recreation and culture	35,222	135,558	
Contributions to water department	10,364		
Sales tax remitted to the water department	371,800		
Debt service	23,559		
Total Disbursements	1,686,287	366,591	
Cash Balance, December 31, 2024	$ 903,622	$ 773,716	$ 45,332

Schedule 4

CITY OF CHARLESTON, ARKANSAS
COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

	Street	Court Automation	Fire Equipment and Training (Act 833)	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2024	$ 539,542	$ 8,373	$ 91,228	$ 141,480	$ 780,623
Receipts:					
State aid	212,813		29,394		242,207
Property taxes	51,158		7,847		59,005
Fines, forfeitures, and costs		1,355			1,355
Interest	4,547	1	8	4	4,560
Other	37,415		15,142		52,557
Total Receipts	305,933	1,356	52,391	4	359,684
Disbursements:					
General government				151	151
Law enforcement		602		5,775	6,377
Highways and streets	166,952				166,952
Public safety			57,553		57,553
Recreation and culture				135,558	135,558
Total Disbursements	166,952	602	57,553	141,484	366,591
Cash Balance, December 31, 2024	$ 678,523	$ 9,127	$ 86,066	$ 0	$ 773,716

CITY OF CHARLESTON, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(UNAUDITED)

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.

2. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2025	December 31, 2024
District Court	$ 41,652	$ 30,451
Administration of Justice	9,090	6,408

These balances represent fines, forfeitures, and costs that have not been transferred to the appropriate entities.

3. The Municipality's capital assets records are summarized below:

	December 31, 2025	December 31, 2024
Land	$ 237,408	$ 237,408
Buildings	1,838,966	1,838,966
Equipment	1,716,683	1,662,824
Totals	$ 3,793,057	$ 3,739,198

4. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2025	December 31, 2024
Financed purchase	$ 104,694	$ 131,603