

Town of Haynes, Arkansas

Financial and Compliance Report

December 31, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF HAYNES, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2025

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Arkansas

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Sen. Jim Dotson
Senate Vice Chair



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House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Haynes, 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 Town of Haynes, Arkansas, as of and for the year ended December 31, 2025, and have issued our report thereon dated September 9, 2026. These procedures were not performed for the Sewer Fund. Management of the Town is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The findings contained in this section relate to the following officials who held office during 2025:

Mayor: Willie Coleman
Recorder/Treasurer: Charlotte McFadden

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

Noncompliance with state law and accepted accounting practices was noted in the offices of **Mayor** and **Recorder/Treasurer**.

Mayor and Recorder/Treasurer

1. Restricted funds of \$14,862 noted in previous years were not transferred from the General Fund to the Street Fund, in noncompliance with Ark. Code Ann. §§ 14-59-104, 27-70-207. The Legislative Joint Audit Committee on February 9, 2024, approved the Town paying back \$100 per month. These monthly payments were not made; however, the City transferred General Fund property taxes of \$1,794 to the Street Fund, leaving the Street Fund behind on the approved payment arrangements by \$228 as of December 31, 2025. A similar finding was noted in the previous nine reports dating back to 2013.
2. Although Schedule 1 of this report shows a balance of \$1,557, it was brought to our attention that as of December 31, 2025, the General Fund owed a significant amount for balances owed to the Street Fund and to the Internal Revenue Service. As shown in Note 4 on Schedule 3, when these outstanding amounts were considered, the General Fund had a deficit fund balance of \$34,053. A similar finding was noted in the previous seven reports dating back to 2018.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local Town 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

A handwritten signature in cursive script, appearing to read "Kevin White", written in dark ink.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
September 9, 2026
LOM307725

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2025	\$ 1,958	\$ 19,409
Receipts:		
State aid	1,813	10,309
Property taxes	3,947	894
Franchise fees	393	
Sales taxes	15,670	
Interest		22
Sanitation fees		19,789
Other	330	
Transfers in		1,794
Total Receipts	<u>22,153</u>	<u>32,808</u>
Disbursements:		
General government	20,760	
Highways and streets		16,895
Public safety		3,232
Sanitation		19,789
Transfers out	1,794	
Total Disbursements	<u>22,554</u>	<u>39,916</u>
Cash Balance, December 31, 2025	<u>\$ 1,557</u>	<u>\$ 12,301</u>

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

Schedule 2

	Street	Sanitation	Act 833 Fire Equipment and Training	Total
Cash Balance, January 1, 2025	\$ 15,711	\$ 41	\$ 3,657	\$ 19,409
Receipts:				
State aid	10,309			10,309
Property taxes	894			894
Interest	22			22
Sanitation fees		19,789		19,789
Transfers in	1,794			1,794
Total Receipts	<u>13,019</u>	<u>19,789</u>		<u>32,808</u>
Disbursements:				
Highways and streets	16,895			16,895
Public safety			3,232	3,232
Sanitation		19,789		19,789
Total Disbursements	<u>16,895</u>	<u>19,789</u>	<u>3,232</u>	<u>39,916</u>
Cash Balance, December 31, 2025	<u>\$ 11,835</u>	<u>\$ 41</u>	<u>\$ 425</u>	<u>\$ 12,301</u>

TOWN OF HAYNES, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Police, Fire, and American Rescue Plan Act.
3. The Municipality's capital assets records are summarized below:

	December 31, 2025
Land	\$ 12,179
Buildings	295,000
Equipment	8,000
Total	<u>\$ 315,179</u>

4. The schedules included on our Financial and Compliance Reports are typically cash basis. We are including additional information here, as it was brought to our attention that the General Fund owed a significant amount for balances due to the Street Fund and to the Internal Revenue Service (IRS) at December 31, 2025. The information below begins with the cash balances for the General and Street Funds. The computation includes changes to the cash balances for outstanding amounts owed at year end.

	General	Street
Cash balances per accountant's report as of December 31, 2025	\$ 1,557	\$ 11,835
Due to Street Fund	(14,862)	
Due from General Fund		14,862
Due to the IRS*	(20,748)	
Restated balances as of December 31, 2025	<u>\$ (34,053)</u>	<u>\$ 26,697</u>

*Balance due is for the years 2011-2015, and was obtained from the latest correspondence from the IRS as of August 30, 2020. No payments were noted subsequent to this date.