

ARKANSAS FORESTRY COMMISSION

Minutes

February 20, 2026

10:00 a.m.

Chair John McAlpine convened the meeting at 10:00 a.m. at the Arkansas Department of Agriculture, 1 Natural Resources Drive, Little Rock, AR.

Commissioner(s) present: Ken Bragg, David Cawein, Mary Clapp, Ray Dillon, George Dunklin, Miles Goggins, John McAlpine, Peter Prutzman, Frank Wilson

The Commission considered the October 10, 2025, Arkansas Forestry Commission meeting minutes.

Moved by Dunklin, seconded by Goggans to approve the minutes as presented.

Motion carried.

Tom Harrington, Program Manager, reported that the Registered Forester Committee (RFC) met on January 22, 2026. **Attachment 1**. He stated that one applicant met all requirements and was approved to sit for the State Registered Forester examination, and five candidates were approved for licensure as Registered Foresters.

RFC Committee Chair Cawein stated the five candidates approved for licensure were William Griffin, Kevin Boston, Jovanny Martinez, Travis Haile, Kyle Pomes, and Dominic Figueroa.

Moved by Cawein, seconded by Wilson, to approve the committee's recommendation for the Registered Foresters licensures as presented.

Motion carried.

Communications Report

Ayden Duncan, Chief of Communications, presented the communications report.

Press releases:

- Forest Stewards of the Year
- Shade Trees On Playgrounds (STOP) Program announcement
- 2025 Rural Fire Show announcement

Projects:

- Annual report released in December
- Opportunity to write a success story for the Rural Fire Protection Program
- Updating the Trees of Arkansas book

Fiscal Division Report

Inoussa Zaki, Chief Fiscal Officer, presented the Arkansas Forestry Division's financial report, for the period ending December 31, 2025, and the 2024 Arkansas Legislative Audit review. **Attachment 2.**

Zaki's report also includes financial reports for the timber severance tax, Baucum Nursery, and Registration for Foresters funds.

Zaki stated the 2024 Arkansas Legislative Audit resulted in one reportable finding. An erroneous, unauthorized payroll disbursement resulting from an employee's paycheck being deposited into an incorrect bank account. The employee's direct deposit account information was changed without the employee's authorization by an individual who gained access to the employee's email. The Arkansas Department of Agriculture (Department) will now require all bank account transactions to be made in person only.

Forest Management Report

Jim Jolley, Division Forester, reported on Baucum Nursery. **Attachment 3.** There are an estimated inventory of 150,000 containerized pine and 4.7 million hardwoods.

Orders were received for 53,925 containerized pines, and 4.9 million hardwood seedlings were lifted. The total estimated crop value is \$1.6 million. Several species on the list are marked with asterisks to indicate damage or injury resulting from a herbicide misapplication incident on an adjacent property in September.

Jolley presented photographs of the new seeder and lifter, provided an overview of their operation, and discussed ongoing tree improvement efforts in Bluff City, Arkansas. He also introduced the newly hired Forester, Shawn Odom.

Chandler Barton, Division Forester, reported on the Shade Trees on Playgrounds program, noting a record number of applications in 2025, with 157 schools participating, exceeding the total from the previous five years combined. He attributed the increase to improved program outreach. This year's activities included ten schools where 51 trees were planted, benefiting more than 3,000 students.

Emergency Services Report

Robert Murphy, Emergency Services Director, reported on wildfire statistics. There were 1,160 fires in 2025 on 27,563 total acres burned and 123 drops by single engine air tankers (SEATs).

Murphy stated two dozers have been delivered, and there are eight transports and fourteen pickups on order.

There are no revolving loans this quarter.

Murphy highlighted the communications program. He introduced Daniel Craine, the new Communications Manager. There are 350 portable and 700 mobile radios, 12 weather stations, and 51 repeaters being utilized in 48 locations.

Deputy State Forester's Report

Darren Spinks, Deputy State Forester, presented 2025 accomplishments:

- Provided technical assistance to 3,300 landowners impacting 275,000 acres.
- Prepared over 600 management plans for 44,000 acres.
- Constructed 78 miles of fire lanes.
- Conducted 103 prescribed burns treating over 5,000 acres.

The Jefferson County work center has now relocated, sharing space with the volunteer fire department in Watson Chapel.

Poison Springs State Forest report:

- Timber sales were completed for this reporting period.
- Four tracts totaling 640 acres were offered, producing approximately 20,700 tons of pine sawtimber.
- Sawtimber prices averaged \$30 per ton.
- One active harvest site.

State Forester's Report

Cunningham reported that the Forestry Division currently has 237 filled positions, with approximately 85 percent of District Forester roles staffed. District 2 in southwest Arkansas has now reached 70 percent staffing, while Districts 1, 3, 5, and 6 each exceed 86 percent. Three additional positions are presently advertised.

Cunningham stated fire season is picking up. Experienced and trained personnel were sent to Tennessee and Oklahoma to assist with fires.

Cunningham noted that members of the Arkansas Timber Producers Association were present and expressed his appreciation for the partnership with them on temporary bridge initiatives and efforts to secure grant funding to support cost share assistance for landowners and harvesters across the state.

Cunningham announced that Joe Fox, former State Forester, will be inducted into the Arkansas Agriculture Hall of Fame in March. He also noted that from 2026 through 2030, the National Association of State Foresters will present the Joe Fox Award for congressional achievement in forestry.

Cunningham shared that Aaron Williams, State Forest Manager, passed away a few weeks ago and recognized his exemplary service to the Department, noting his many contributions and accomplishments.

Cunningham read the Remote Attendance Policy for the record. **Attachment 4**


Moved by Dillon, seconded by Cawein to approve the Remote Attendance Policy as presented.

Motion carried.

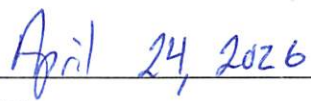
No other old or new business was discussed.

Meeting adjourned.

The next Arkansas Forestry Commission quarterly meeting will be held April 24, 2026, at 9:30 a.m.



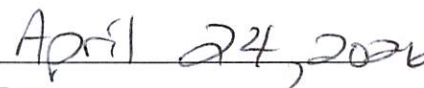
Chairman John McAlpine



Date



State Forester Kyle Cunningham



Date



Sarah Huckabee Sanders
Governor

ARKANSAS DEPARTMENT OF AGRICULTURE

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agriculture.arkansas.gov
(501) 225-1598



Wes Ward
Secretary of Agriculture

Attachment 1

Arkansas Forestry Commission Registered Forester Committee
1 Natural Resources Drive
Little Rock, AR
Meeting Minutes

January 22, 2026 - 10:00 a.m.

1. Call to order

- At approximately 10:05am the meeting was called to order and the roll was called.

2. Roll call

- Committee Members Present: Scott Meek, Mary Clagg, Karl Hansen, Phillip Wright, Pete Prutzman, Dr. Matthew Pellki and Dave Cawein
- Committee Member Absent: None
- Arkansas Department of Agriculture Staff Present: Dr. Kyle Cunningham, Darren Spinks, Tom Harrington, Amanda Andrew, Kylee Horst, Sam Angel and Laura Holzhauser
- Guest: John McAlpine and Cheryl Bobo

3. Administrative business

- Applications For the State Exam
 - Samantha Stevens
 - She is a graduate of Oklahoma State University, with a degree in Agriculture – Major in Natural Resources, Ecology and Management with a concentration in Forest Ecology and Management. This is an undergraduate degree in Forestry.
 - She has three years of experience
 - A motion to approve Samantha Stevens to take the Exam was made by Mary Clagg, with a second from Karl Hansen
 - Motion passed unanimously
 - Applications for License
 - William Heath Griffin
 - He has passed the State Exam
 - He is a recent graduate of the University of Arkansas-Monticello (UAM)
 - He only had one letter of recommendation from a registered forester
 - It was discussed that in the past, recent graduates were exempt from the requirement of having three letters of recommendation from registered foresters.
 - In the past full-time students at UAM had been advised that they did not need letters from three registered foresters.
 - A motion was made by Phillip Wright with a second from Karl Hansen to approve the application to be sent to the Commission for approval if he gets two letters of recommendation from registered foresters. The motion passed.

- **Kevin Boston**
 - **He is asking for license in Arkansas**
 - **He holds a license in California and is in good standing**
 - **He has taken the California state exam, which is recognized by Arkansas**
 - **He has all the required paperwork**
 - **A motion to recommend him to the Commission for a license was made by Dr. Pelkki with a second from Mary Clagg. The motion passed unanimously.**

- **Jovanny Martinez**
 - **He has passed the examination**
 - **He needs two additional letters of recommendation from registered foresters**
 - **A motion was made by Karl Hansen with a second from Pete Prutzman to approve this application to go before the Commission if he can provide the additional references The motion passed unanimously.**

- **Travis Haile**
 - **He has a complete application with the required information**
 - **He has passed the state examination**
 - **A motion was made by Phillip Wright with a second from Dr. Pelkki to approve this application to go before the Commission for a license. The motion passed unanimously**

- **Kyle Pomes**
 - **He has passed the state examination**
 - **He has a complete application with all the required documents**
 - **A motion was made by Karl Hansen and seconded by Mary Clagg to approve this application to go before the Commission for a license. The motion passed unanimously**

- **Dominic Figueroa**
 - **He has passed the state examination**
 - **He is missing three references from registered foresters**
 - **A motion was made by Karl Hansen with a second from Pete Prutzman to approve this application to go before the Commission if he can provide the additional references The motion passed unanimously.**

- **Exam**
 - **The next registered forester examination is set for March 3, 2026, at the University of Arkansas Cooperative Extension Service headquarters.**
 - **Dr. Pelkki said that he will be attending this in person.**

- Dr. Pelkki stated that he has emailed all of his students in the Registered Forester prep classes about the requirement of having three references from registered foresters

4. Remote Attendance Policy

- This is a policy that must be approved by the Committee so that members who attend the meetings remotely are allowed to take part in the meeting,
- Amanda Andrews, attorney for the Arkansas Department of Agriculture, read and explained that the policy comes from the changes made to the Freedom of Information Act during the 2025 legislative session
- Phillip Wright made a motion to approve the policy, and Scott Meek provided a second for the motion.
- The motion passed unanimously


5. Other business

- **Hosting The Association of Southeastern Boards of Registration for Foresters (ASBORF) meeting**
 - It was discussed about having the meeting at the beginning of the Arkansas Forestry Association (AFA) meeting that will be held in Hot Springs starting on October 6, 2026, through October 8, 2026.
 - Possibly starting on the afternoon of October 5, 2026, and concluding on the morning of October 6, 2026.
 - The Registered Foresters Committee will need to get in contact with Max and Anna with the AFA and the Oaklawn Hotel to make sure that these dates and times will not conflict with other scheduled activities and that there are rooms available for meeting and lodging for approximately 20 people.
 - ASBORF needs to investigate getting their own room block at the hotel
 - Kyle Cunningham suggested a field trip to the new state forest that is very close to the City of Hot Springs
 - There is a possibility of being able to offer continuing education (CE) hours for the tour
- **Penalty Matrix**
 - Dave Cawein asked about the progress on the Penalty Matrix
 - Kyle Cunningham stated that he and Amanda Andrews are working on it and hopefully he will have something to show the Committee at the next meeting
- **Continuing Education Audit**
 - Karl Hansen said that he had foresters asking if they needed to upload their CE certificates. He said that he tells them that they do not need to upload them, but they do need to keep them

- Kyle Cunningham stated that we are going to start sending out emails to all Arkansas foresters reminding them to keep their certificates because we will start auditing random CEs in 2027
- We may be able to use the Society of American Foresters (SAF) website for the audit since all the all the training will be on their website
- Next Registered Foresters Committee Meeting Date
 - Kyle Cunningham will poll the committee members to determine the next committee meeting date

6. Adjourn

- Dave Cawein adjourned the meeting at approximately 11:22 am

Signature  Date 2/20/26

**ARKANSAS DEPARTMENT OF AGRICULTURE
FORESTRY DIVISION
OPERATING FUNDS
FINANCIAL REPORT
FOR THE PERIOD JULY 1, 2025 - DECEMBER 31, 2025**

	General Revenue	Rural Fire Protection Program	Forestry Special Revenue/Operating Fund	Forestry Trust Fund	Federal Funds	Foresters for Future Scholarships	Total	FY25 Actual	Fiscal Year 26 Budget	Percentage of Budget Received or Consumed compared to FY26 Budget
Cash Resources Provided (Receipts)										
Cash Beginning Balance, July 1, 2025	-	-	4,157,415	472,015	1,935,322	-	6,564,753	8,224,467	6,564,753	
General Revenue	5,301,525	10,000	-	-	-	-	5,311,525	10,142,362	10,972,371	48%
Special Revenue:										
Timber Severance Tax	-	-	1,896,629	-	-	-	1,896,629	3,720,906	3,781,858	50%
Acresage Tax	-	-	1,720,746	-	-	-	1,720,746	2,869,487	3,122,797	55%
Fire Protection/Suppression	-	-	-	-	-	-	-	-	-	
Timber Sales	-	-	45,877	-	-	-	45,877	1,523,613	518,194	9%
Seedling Sales	-	-	338,062	-	-	-	338,062	1,420,945	1,641,806	21%
Less: Treasurer of State Service Charges	-	-	(88,477)	-	-	-	(88,477)	(186,585)	-	
Net Special Revenue	-	-	3,912,637	-	-	-	3,912,637	9,338,365	8,702,029	45%
Federal Grant Reimbursements	-	-	1,275,521	-	255,894	-	1,531,415	4,699,737	4,699,737	33%
Sales of Goods and Services	-	-	39,354	-	-	-	39,354	76,448	76,448	51%
Marketing & Redistribution Sale Proceeds	15	-	66	-	-	-	81	1,107	1,107	7%
Other Refunds	-	-	4,659	-	-	-	4,659	121,616	121,616	4%
Per Card Incentive Proceeds	-	-	-	-	-	-	-	24,173	24,173	0%
Motor Vehicle Program Proceeds	-	-	91,612	-	-	-	91,612	247,320	247,320	37%
Miscellaneous Revenue (Fines, Rents, Donations)	1	-	167,459	-	1,300	-	168,760	162,541	162,541	104%
Transfers In	-	-	1,000,000	180,100	-	24,000	1,204,100	539,802	539,802	223%
	-	-	-	-	-	-	-	-	-	
Total Resources Provided	5,311,541	10,000.00	10,648,922	652,115	2,192,516	24,000.00	18,829,095	33,577,938	32,111,897	59%
Cash Expenditures										
Salary and Personnel Expense	4,822,698	-	4,263,032	-	78,441	-	9,164,171	15,857,155	17,190,716	53%
	-	-	-	-	-	-	-	-	-	
Maintenance & Operations:										
Communication & Transportation of Commodities	22,112	-	29,264	-	839	-	52,216	155,657	-	
Printing & Advertising	163	-	1,207	-	3,465	-	4,835	30,089	-	
Repairing & Servicing	174,440	-	406,106	-	4,440	-	584,987	1,043,130	-	
Utilities & Rent	52,363	-	130,734	7,824	512	-	191,432	344,543	-	
Travel & Subsistence	7,068	-	43,195	-	3,633	-	53,896	152,916	-	
Professional Services & Fees	-	-	63,384	4,498	268	-	68,150	451,572	-	
Insurance & Bonds	690	-	164,416	-	-	-	165,106	232,513	-	
Other Expenses & Services	7,895	-	106,422	-	71	-	114,388	383,362	-	
Commodities, Materials, & Supplies	156,196	-	969,599	-	45,792	-	1,171,587	1,987,052	-	
Refunds Taxes & Claims	-	-	12,245	-	-	-	12,245	48,772	-	
Subtotal Maintenance & Operations	420,927	-	1,826,572	12,322	58,021	-	2,418,842	4,829,608	5,544,074	28%
Assistance, Grants, & Aid	-	140	74,636	-	170,790	24,000	269,566	4,880,258	2,199,563	12%
Capital Outlay	-	-	228,617	-	-	-	228,617	420,485	8,029,795	3%
Other Expenses	(40,623)	-	(34,340)	-	2,551	-	(72,412)	3,800	-	
Debt Service	-	-	-	-	-	-	-	136,013	-	
Total Expenditures	5,203,003	140	6,458,517	12,322	310,802	24,000	12,008,784	28,127,316	36,562,660	33%
Other Items that Affect Cash Balance:										
Transfers for Claims	89,734	-	2,163,143	-	16,400	-	2,269,277			
Net Effect of Change in Accounts Receivable Balance	-	-	500	-	-	-	500			
Net Effect of Change in Accounts Payable Balance	-	-	34,613	-	22,122.68	-	56,736			
Cash Ending Balance, December 31, 2025	8,804	9,860	2,082,376	639,793	1,587,437	-	4,609,270			

**ARKANSAS DEPARTMENT OF AGRICULTURE
FORESTRY DIVISION
GENERAL REVENUE FUNDS
FINANCIAL REPORT
FOR THE PERIOD JULY 1, 2025 - DECEMBER 31, 2025**

	General Revenue	Rural Fire Protection Program	Total	FY25 Actual	Fiscal Year 26 Budget	Percentage of Budget Received or Consumed compared to FY26 Budget
Cash Resources Provided (Receipts)						
Cash Beginning Balance, July 1, 2025	-	-	-	5,924	-	
General Revenue	5,301,525	10,000	5,311,525	10,142,362	10,972,371	48%
Special Revenue:						
Timber Severance Tax	-	-	-	-	-	
Acreage Tax	-	-	-	-	-	
Fire Protection/Suppression	-	-	-	-	-	
Timber Sales	-	-	-	-	-	
Seedling Sales	-	-	-	-	-	
Less: Treasurer of State Service Charges	-	-	-	-	-	
Net Special Revenue	-	-	-	-	-	
Federal Grant Reimbursements	-	-	-	559	559	
Sales of Goods and Services	-	-	-	-	-	
Marketing & Redistribution Sale Proceeds	15	-	15	29	29	
Other Refunds	-	-	-	554	554	
Pcard Incentive Proceeds	-	-	-	24,173	24,173	
Motor Vehicle Program Proceeds	-	-	-	-	-	
Miscellaneous Revenue	1	-	1	2	2	
Transfers In	-	-	-	-	-	
Total Resources Provided	5,301,541	10,000	5,311,541	10,173,603		
Cash Expenditures						
Salary and Personnel Expense	4,822,698	-	4,822,698	8,309,947	8,160,070	59%
Maintenance & Operations:						
Communication & Transportation of Commodities	22,112	-	22,112	37,252		
Printing & Advertising	163	-	163	5,028		
Repairing & Servicing	174,440	-	174,440	426,701		
Utilities & Rent	52,363	-	52,363	148,789		
Travel & Subsistence	7,068	-	7,068	28,176		
Insurance & Bonds	690	-	690	115,448		
Other Expenses & Services	7,895	-	7,895	71,535		
Commodities, Materials, & Supplies	156,196	-	156,196	525,326		
Refunds Taxes & Claims	-	-	-	28,520		
Subtotal Maintenance & Operations	420,927	-	420,927	1,386,776	1,498,581	28%
Professional Services & Fees	-	-	-	-	-	
Assistance, Grants, & Aid	-	140	140	50,000	50,000	0%
Capital Outlay	-	-	-	-	-	
Other Expenses	(40,622.53)	-	(40,623)	-	-	
Total Expenditures	5,203,003	140	5,203,143	9,746,723	9,708,651	54%
Other Items that Affect Cash Balance:						
Transfers for Claims	89,734	-	89,734			
Net Effect of Change in Accounts Receivable	-	-	-			
Net Effect of Change in Accounts Payable	-	-	-			
Cash Ending Balance, December 31, 2025	8,804	9,860	18,664			

**ARKANSAS DEPARTMENT OF AGRICULTURE
FORESTRY DIVISION
SPECIAL REVENUE FUNDS
FINANCIAL REPORT**

FOR THE PERIOD JULY 1, 2025 - DECEMBER 31, 2025

	Forestry Special Revenue/Operating Fund	Foresters for Future Scholarships	Total	FY25 Actual	Fiscal Year 26 Budget	Percentage of Budget Received or Consumed compared to FY26 Budget
Cash Resources Provided (Receipts)						
Cash Beginning Balance, July 1, 2025	4,157,415	0	4,157,415	5,473,358	4,157,415	
General Revenue			-	-		
Special Revenue:			-	-		
Timber Severance Tax	1,896,629	-	1,896,629	3,720,906	3,781,658	50%
Acreage Tax	1,720,746	-	1,720,746	2,869,487	2,922,797	59%
Fire Protection/Suppression	-	-	-	-	-	
Timber Sales	45,877	-	45,877	1,523,613	518,194	9%
Seedling Sales	338,062	-	338,062	1,420,945	1,479,380	23%
Less: Treasurer of State Service Charges	(88,477)	-	(88,477)	(196,585)	-	
Net Special Revenue	3,912,837	-	3,912,837	9,338,365	8,702,029	
Federal Grant Reimbursements	1,275,521	-	1,275,521	2,246,988	2,246,988	57%
Sales of Goods and Services	39,354	-	39,354	76,448	76,448	51%
Marketing & Redistribution Sale Proceeds	66	-	66	1,063	1,063	6%
Other Refunds	4,659	-	4,659	121,062	121,062	4%
Permit Incentive Proceeds	-	-	-	-	-	
Motor Vehicle Program Proceeds	91,612	-	91,612	41,220	41,220	222%
Miscellaneous Revenue	167,459	-	167,459	158,789	158,789	105%
Transfers In	1,000,000	24,000	1,024,000	539,802	539,802	190%
			-	-		
Total Resources Provided	10,648,922	24,000	10,672,922	17,897,095	16,044,817	
Cash Expenditures						
Salary and Personnel Expense	4,263,032	-	4,263,032	7,397,930	8,880,869	48%
Maintenance & Operations:			-	-		
Communication & Transportation of Commodities	29,264	-	29,264	117,313		
Printing & Advertising	1,207	-	1,207	19,653		
Repairing & Servicing	406,106	-	406,106	604,751		
Utilities & Rent	130,734	-	130,734	194,837		
Travel & Subsistence	43,195	-	43,195	104,258		
Insurance & Bonds	164,416	-	164,416	117,065		
Other Expenses & Services	106,422	-	106,422	311,024		
Commodities, Materials, & Supplies	969,599	-	969,599	1,167,710		
Refunds Taxes & Claims	12,245	-	12,245	20,252		
Subtotal Maintenance & Operations	1,883,188	-	1,883,188	2,656,864	3,833,277	49%
Professional Services & Fees	63,384	-	63,384	241,515	258,512	25%
Assistance, Grants, & Aid	74,636	24,000	98,636	2,890,520	1,097,000	9%
Capital Outlay	228,617	-	228,617	193,864	791,785	29%
Other Expenses	(34,340)	-	(34,340)	0		
Debt Service	-	-	-	-		
Total Expenditures	6,458,517	24,000	6,482,517	13,380,692	14,861,453	44%
Other Items that Affect Cash Balance:						
Transfers for Claims	2,163,143	-	2,163,143			
Net Effect of Change in Accounts Receivable	500	-	500			
Net Effect of Change in Accounts Payable	34,613	-	34,613			
Cash Ending Balance, December 31, 2025	2,062,376	0	2,062,376			

**ARKANSAS DEPARTMENT OF AGRICULTURE
FORESTRY DIVISION
TRUST FUNDS
FINANCIAL REPORT
FOR THE PERIOD JULY 1, 2025 - DECEMBER 31, 2025**

	Forestry Trust Fund	Total	FY25 Actual	Fiscal Year 26 Budget	Percentage of Budget Received or Consumed compared to FY26 Budget
Cash Resources Provided (Receipts)					
Cash Beginning Balance, July 1, 2025	472,015	472,015	998,924	472,015	
General Revenue	-	-	-	-	
Special Revenue:					
Timber Severance Tax	-	-	-	-	
Acreage Tax	-	-	-	200,000	
Fire Protection/Suppression	-	-	-	-	
Timber Sales	-	-	-	-	
Seedling Sales	-	-	-	162,426	
Less: Treasurer of State Service Charges	-	-	-	-	
Net Special Revenue	-	-	-	-	
Federal Grant Reimbursements	-	-	-	-	
Sales of Goods and Services	-	-	-	-	
Marketing & Redistribution Sale Proceeds	-	-	-	-	
Other Refunds	-	-	-	-	
Permit Incentive Proceeds	-	-	-	-	
Motor Vehicle Program Proceeds	-	-	-	-	
Miscellaneous Revenue	-	-	-	-	
Transfers In	180,100	180,100	-	-	
Total Resources Provided	652,115	652,115	998,924	834,441	78.15%
Cash Expenditures					
Salary and Personnel Expense	-	-	-	-	
Maintenance & Operations:					
Communication & Transportation of Commodities	-	-	-	-	
Printing & Advertising	-	-	-	-	
Repairing & Servicing	-	-	-	-	
Utilities & Rent	7,824	7,824	-	-	
Travel & Subsistence	-	-	-	-	
Insurance & Bonds	-	-	-	-	
Other Expenses & Services	-	-	-	-	
Commodities, Materials, & Supplies	-	-	176,620	-	
Refunds Taxes & Claims	-	-	-	-	
Subtotal Maintenance & Operations	7,824	7,824	176,620	340,000	2%
Professional Services & Fees	4,498	4,498	207,417	305,000	1%
Assistance, Grants, & Aid	-	-	-	-	
Capital Outlay	-	-	6,859	450,000	0%
Other Expenses	-	-	-	-	
Debt Service	-	-	136,013	-	
Total Expenditures	12,322	12,322	526,909	1,095,000	1%
Other Items that Affect Cash Balance:					
Transfers for Claims	-	-	-	-	
Net Effect of Change in Accounts Receivable	-	-	-	-	
Net Effect of Change in Accounts Payable	-	-	-	-	
Cash Ending Balance, December 31, 2025	639,793	639,793	639,793	639,793	

**ARKANSAS DEPARTMENT OF AGRICULTURE
FORESTRY DIVISION
FEDERAL GRANT FUNDS
FINANCIAL REPORT
FOR THE PERIOD JULY 1, 2025 - DECEMBER 31, 2025**

	FY25 Revenue & Expenses	Total	FY25 Actual	Fiscal Year 26 Budget	Percentage of Budget Received or Consumed compared to FY26 Budget
Cash Resources Provided (Receipts)					
Cash Beginning Balance, July 1, 2025	1,935,322	1,935,322	1,746,262	1,935,322	
General Revenue	-	-	-	-	
Special Revenue:	-	-	-	-	
Timber Severance Tax	-	-	-	-	
Acresage Tax	-	-	-	-	
Fire Protection/Suppression	-	-	-	-	
Timber Sales	-	-	-	-	
Seedling Sales	-	-	-	-	
Less: Treasurer of State Service Charges	-	-	-	-	
Net Special Revenue	-	-	-	-	
Federal Grant Reimbursements	255,894	255,894	2,452,189	2,452,189	10%
Sales of Goods and Services	-	-	-	-	
Marketing & Redistribution Sale Proceeds	-	-	14	14	
Other Refunds	-	-	-	-	
Permit Incentive Proceeds	-	-	-	-	
Motor Vehicle Program Proceeds	-	-	206,100	206,100	
Miscellaneous Revenue	1,300	1,300	3,750	3,750	
Interest	-	-	-	-	
Total Resources Provided	2,192,516	2,192,516	4,408,315	4,597,376	48%
Cash Expenditures					
Salary and Personnel Expense	78,441	78,441	149,278	149,777	52%
Maintenance & Operations:					
Communication & Transportation of Commodities	839	839	1,091	-	
Printing & Advertising	3,465	3,465	5,408	-	
Repairing & Servicing	4,440	4,440	11,678	-	
Utilities & Rent	512	512	917	-	
Travel & Subsistence	3,633	3,633	20,482	-	
Professional Services & Fees	268	268	2,640	-	
Insurance & Bonds	-	-	-	-	
Other Expenses & Services	71	71	803	-	
Commodities, Materials, & Supplies	45,782	45,782	117,395	-	
Refunds Taxes & Claims	-	-	-	-	
Subtotal Maintenance & Operations	59,021	59,021	160,415	2,872,215	2%
Assistance, Grants, & Aid	170,790	170,790	1,939,738	1,052,563	16%
Capital Outlay	-	-	219,762	6,788,000	0%
Other Expenses	2,551	2,551	3,800	-	
Total Expenditures	310,802	310,802	2,472,893	10,897,555	3%
Other Items that Affect Cash Balance:					
Transfers for Claims	16,400	16,400	-	-	
Net Effect of Change in Accounts Receivable	-	-	-	-	
Net Effect of Change in Accounts Payable	22,123	22,123	-	-	
Cash Ending Balance, December 31, 2025	1,887,437	1,887,437	-	-	

**ARKANSAS DEPARTMENT OF AGRICULTURE
FORESTRY DIVISION
RURAL FIRE DEPARTMENT LOANS
FINANCIAL REPORT
FOR THE PERIOD JULY 1, 2025 - DECEMBER 31, 2025**

	FY 2025 Revenue & Expenses	Total	Budget	Percentage of Budget Received or Consumed compared to FY26 Budget
Cash Resources Provided (Receipts)				
Cash Beginning Balance, July 1, 2025	411,200	411,200	411,200	
General Revenue				
Sales of Equipment to Volunteer Fire Departments	176,553	176,553	700,000	25%
Acreage Tax		-		
Fire Protection/Suppression		-		
Timber Sales		-		
Seedling Sales		-		
Less: Treasurer of State Service Charges		-		
Net Special Revenue	176,553	176,553	700,000	
Other Refunds		-		
Motor Vehicle Program Proceeds		-		
Interest		-		
Total Resources Provided	587,753	587,753	1,111,200	
Cash Expenditures				
Purchases of Equipment & Materials for Resale	158,340	158,340	1,200,000	13%
Maintenance & Operations:				
Repairing & Servicing		-		
Utilities & Rent		-		
Travel & Subsistence		-		
Professional Services & Fees		-		
Insurance & Bonds		-		
Subtotal Maintenance & Operations	-	-	-	
Professional Services & Fees		-		
Assistance, Grants, & Aid		-		
Total Expenditures	158,340.16	158,340	1,200,000	13%
Other Items that Affect Cash Balance:				
Net Effect of Change in Accounts Receivable Balance	43,727	43,727		
Net Effect of Change in Accounts Payable Balance	-	-		
Cash Ending Balance, December 31, 2025	473,140	473,140		

ARKANSAS FORESTRY DIVISION
YEAR - TO - YEAR CASH POSITION
AS OF DECEMBER 31, 2025

	<u>Balance as of July 1, 2019</u>	<u>Balance as of July 1, 2020</u>	<u>Balance as of July 1, 2021</u>	<u>Balance as of July 1, 2022</u>	<u>Balance as of July 1, 2023</u>	<u>Balance as of June 30, 2024</u>	<u>Balance as of June 30, 2025</u>	<u>Balance as of December 31, 2025</u>
SPECIAL REVENUE FUND	4,202,009	3,823,506	4,656,917	4,533,200	2,933,591	5,473,358	2,977,315	2,062,376
TRUST FUND	2,526,567	1,671,503	1,437,691	1,117,144	1,097,217	998,924	472,015	639,793
TOTAL	<u>6,728,576</u>	<u>5,495,010</u>	<u>6,094,607</u>	<u>5,650,344</u>	<u>4,030,809</u>	<u>6,472,282</u>	<u>3,449,331</u>	<u>2,702,169</u>

**TIMBER SEVERANCE TAX
FISCAL YEAR RECEIPTS
MONTH BY MONTH RESULTS**

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
July	\$361,696	\$377,606	\$335,301	\$329,615	\$359,483	\$350,347	\$289,359	\$306,904
August	\$381,730	\$382,023	\$355,485	\$390,611	\$364,226	\$298,540	\$358,218	\$333,493
September	\$402,102	\$405,931	\$312,875	\$392,007	\$376,213	\$377,223	\$350,148	\$366,952
October	\$373,475	\$381,546	\$352,954	\$379,946	\$387,172	\$343,183	\$340,088	\$323,807
November	\$395,515	\$398,117	\$384,846	\$401,437	\$368,942	\$319,509	\$364,531	\$333,588
December	\$301,903	\$323,056	\$374,456	\$345,675	\$347,060	\$346,236	\$281,861	\$231,884
January	\$268,683	\$395,064	\$357,037	\$402,170	\$282,698	\$326,994	\$317,079	
February	\$332,401	\$300,787	\$282,426	\$354,937	\$279,719	\$231,317	\$252,339	
March	\$339,267	\$474,022	\$250,950	\$298,685	\$244,275	\$308,245	\$277,500	
April	\$337,157	\$273,601	\$322,151	\$318,797	\$297,819	\$300,569	\$344,953	
May	\$286,053	\$262,455	\$303,996	\$275,210	\$254,434	\$291,981	\$268,184	
June	\$311,208	\$307,437	\$288,491	\$276,600	\$320,530	\$287,517	\$276,646	
TOTAL FOR YEAR	\$2,216,420	\$2,268,278	\$2,115,917	\$2,239,291	\$2,203,097	\$2,035,037	\$1,984,204	\$1,896,629

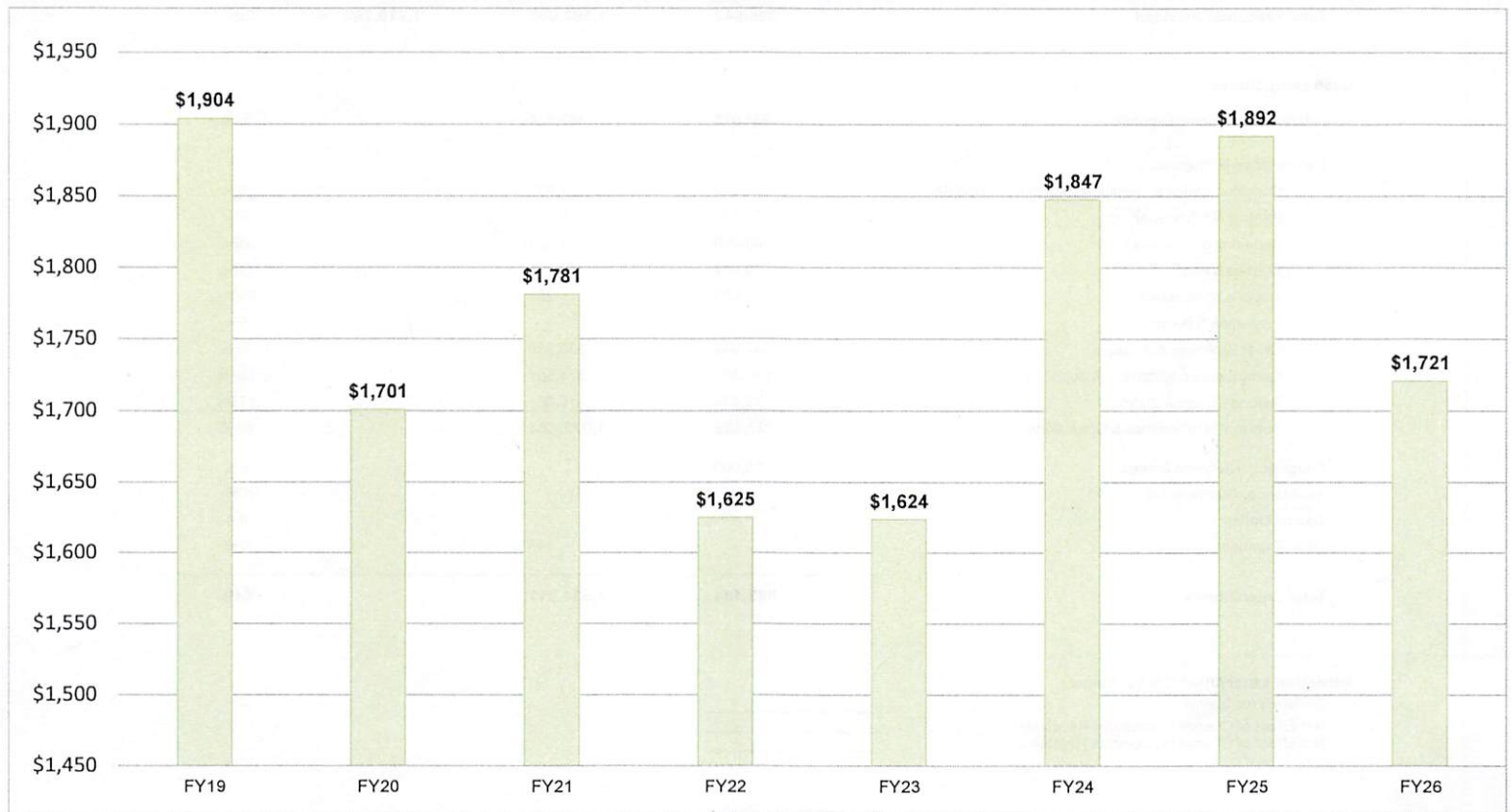
**TIMBER SEVERANCE TAX COLLECTIONS EXPRESSED IN THOUSANDS
YTD JULY THROUGH DECEMBER**



**FIRE PROTECTION/ACREAGE TAX
FISCAL YEAR RECEIPTS
MONTH BY MONTH RESULTS**

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
<i>July</i>	\$103,334	\$125,612	\$140,637	\$133,592	\$139,258	\$141,691	\$120,696	\$121,301
<i>August</i>	\$39,389	\$33,581	\$59,485	\$59,891	\$44,685	\$59,734	\$39,681	\$49,328
<i>September</i>	\$84,007	\$55,125	\$80,827	\$85,343	\$81,690	\$68,993	\$72,671	\$68,432
<i>October</i>	\$206,724	\$282,782	\$244,113	\$268,485	\$259,243	\$232,475	\$327,355	\$237,227
<i>November</i>	\$824,079	\$667,351	\$799,986	\$649,492	\$508,895	\$657,753	\$619,884	\$540,673
<i>December</i>	\$646,537	\$536,199	\$456,052	\$428,228	\$590,027	\$686,795	\$711,455	\$703,785
<i>January</i>	\$417,770	\$665,841	\$643,964	\$750,229	\$563,604	\$495,657	\$393,241	
<i>February</i>	\$33,340	\$14,476	\$11,329	\$13,052	\$194,143	\$28,374	\$53,596	
<i>March</i>	\$16,818	\$16,589	\$23,448	\$20,751	\$19,474	\$43,150	\$34,596	
<i>April</i>	\$140,455	\$118,505	\$134,900	\$147,196	\$169,015	\$195,755	\$182,387	
<i>May</i>	\$166,228	\$135,186	\$184,718	\$208,325	\$192,402	\$159,428	\$154,677	
<i>June</i>	\$122,471	\$117,403	\$113,667	\$127,315	\$114,688	\$152,991	\$159,248	
TOTAL	\$1,904,070	\$1,700,651	\$1,781,099	\$1,625,032	\$1,623,798	\$1,847,441	\$1,891,741	\$1,720,746

**ACREAGE TAX COLLECTIONS -EXPRESSED IN THOUSANDS
YTD JULY THROUGH DECEMBER**



**ARKANSAS DEPARTMENT OF AGRICULTURE
FORESTRY DIVISION
BAUCUM NURSERY
FINANCIAL REPORT
FOR THE PERIOD JULY 1, 2025 - DECEMBER 31, 2025**

	Baucum Nursery FY26 Actual Revenue & Expenses	Baucum Nursery FY25 Actual Revenue & Expenses	Fiscal Year 26 Budget	% of FY25 Actual
Cash Resources Provided (Receipts)				
Cash Beginning Balance, July 1, 2025	55,653	191,835	55,653	
General Revenue				
Special Revenue:				
Timber Severance Tax				
Acreage Tax				
Fire Protection/Suppression				
Timber Sales			21,310	
Seedling Sales	338,062	1,420,945	1,641,806	24%
Less: Treasurer of State Service Charges	(5,071)	(21,314)		
Net Special Revenue	<u>332,991</u>	<u>1,399,631</u>	<u>1,663,116</u>	<u>24%</u>
Federal Grant Reimbursements	-	-	-	
Sales of Goods and Services	-	-	-	
Marketing & Redistribution Sale Proceeds	-	436	-	0%
Other Refunds	-	143	-	0%
Pcard Incentive Proceeds	-	-	-	
Motor Vehicle Program Proceeds	-	-	-	
Miscellaneous Revenue	(2)	44	-	-4%
Interest				
Total Resources Provided	<u>388,642</u>	<u>1,592,090</u>	<u>1,718,769</u>	<u>20%</u>
Cash Expenditures				
Salary and Personnel Expense	234,915	462,324	-	51%
Maintenance & Operations:				
Communication & Transportation of Commodities	1,619	1,677	-	97%
Printing & Advertising	137	1,764	-	8%
Repairing & Servicing	33,099	114,600	-	29%
Utilities & Rent	19,967	38,201	-	52%
Travel & Subsistence	900	281	-	320%
Insurance & Bonds	-	-	-	0%
Other Expenses & Services	42,932	330,738	-	13%
Commodities, Materials, & Supplies	610,362	574,501	-	106%
Refunds Taxes & Claims	18,474	10,681	-	173%
Subtotal Maintenance & Operations	<u>727,489</u>	<u>1,072,444</u>	<u>-</u>	<u>68%</u>
Professional Services & Fees	20,000	-	-	0%
Assistance, Grants, & Aid	-	-	-	0%
Capital Outlay	-	-	-	0%
Other Expenses	-	143	-	0%
Total Expenditures	<u>982,404</u>	<u>1,534,911</u>	<u>-</u>	<u>64%</u>
Other Items that Affect Cash Balance:				
Transfers for Claims	-	-	-	
Net Effect of Change in Accounts Receivable	-	-	-	
Net Effect of Change in Accounts Payable	-	-	-	
Cash Ending Balance, December 31, 2025	<u>(593,762)</u>			

**ARKANSAS DEPARTMENT OF AGRICULTURE
REGISTRATION FOR FORESTERS
CASH FUNDS
FINANCIAL REPORT
FOR THE PERIOD JULY 1, 2025 - DECEMBER 31, 2025**

	Cash Reg Foresters Operation	Total	FY25 Actual	Fiscal Year 26 Budget	Percentage of Budget Received or Consumed compared to FY25 actual
Cash Resources Provided (Receipts)					
Cash Beginning Balance, July 1, 2025	141,568	141,568	124,695	141,568	
General Revenue					
Special Revenue:					
Application Fees	320	320	1,072	1,150	30%
Testing Fees	30	30	270	120	11%
Registration Fees	150	150	310	440	48%
Renewal Fees	8,981	8,981	12,253	11,210	73%
Interest	2,440	2,440	4,532	908	54%
Penalties	21	21	333	240	6%
Less: Treasurer of State Service Charges					
Net Special Revenue	11,942	11,942	18,769	14,068	
Other Fees	-	-	-	3	
Federal Grant Reimbursements	-	-	-	200	
Marketing & Redistribution Sale Proceeds	-	-	-	21	
Pcard Incentive Proceeds	-	-	-	-	
Motor Vehicle Program Proceeds	-	-	-	-	
Miscellaneous Revenue	-	-	-	10	
Transfers In	-	-	-	-	
Total Resources Provided	153,510	153,510	143,464	155,871	
Cash Expenditures					
Salary and Personnel Expense	-	-	-	40,064	
Maintenance & Operations:					
Communication & Transportation of Commodities	-	-	-		
Printing & Advertising	-	-	-		
Repairing & Servicing	-	-	-		
Utilities & Rent	-	-	-		
Travel & Subsistence	-	-	-		
Professional Services & Fees	-	-	-		
Insurance & Bonds	-	-	50		0%
Other Expenses & Services	100	100	-		
Commodities, Materials, & Supplies	-	-	-		
Refunds Taxes & Claims	-	-	10		
Subtotal Maintenance & Operations	100	100	60	6,104	167%
Debt Service	-	-	-		
Capital Outlay	-	-	-		
Assistance, Grants, & Aid	-	-	1,000		
Other Expenses	-	-	-		
Total Expenditures	100	100	1,060	46,168	9%
Other Items:					
Transfers for Claims	254	254			
Net Effect of Change in Accounts Receivable	-	-			
Net Effect of Change in Accounts Payable	-	-			
Cash Ending Balance, December 31, 2025	153,155	153,155			

Internal Control and Compliance Assessment

Arkansas Legislative Audit

Arkansas Department of Agriculture

For the Fiscal Year Ended June 30, 2024



INTRODUCTION

This report is issued to inform the Legislative Joint Auditing Committee of compliance with state fiscal laws and regulations as well as deficiencies in internal controls for the Arkansas Department of Agriculture. As discussed in the Results of Assessment section below, our procedures disclosed an unauthorized payroll disbursement.

SCOPE AND METHODOLOGY

We performed an internal control and compliance assessment of the Arkansas Department of Agriculture, a department of Arkansas state government, as of and for the year ended June 30, 2024, and have issued our report dated August 13, 2025. Management of the Department is responsible for establishing and maintaining internal controls and complying with applicable laws and regulations.

The assessment included cash on deposit, cash receipts, accounts receivable, investments, expenditures, liabilities, capital assets, and data entry to the Arkansas Administrative Statewide Information System (AASIS). The assessment consisted principally of inquiries, observations, analytical procedures, and selected tests of internal control policies and procedures, accounting records, and other relevant documents. We relied on financial data in AASIS recorded by the Department and audit work conducted in the fiscal year 2024 State Annual Comprehensive Financial Report (ACFR) and Single Audit Report.

RESULTS OF ASSESSMENT

Assessment procedures disclosed the following internal control or compliance matters that were discussed with Department officials during the assessment and at the exit conference:

Finding: Prior to ALA fieldwork, the Department discovered an erroneous, unauthorized payroll disbursement of \$1,240 resulting from an employee's paycheck being deposited into an incorrect bank account. Further review revealed that the employee's direct deposit account information was changed without the employee's authorization by an individual who gained access to the employee's email. The Department was unable to recover the funds. Additionally, the Department failed to notify Arkansas Legislative Audit (ALA) of the apparent unauthorized disbursement, theft, or misappropriation of public funds, as required by Ark. Code Ann. § 25-1-124.

We recommend the Department strengthen internal controls to prevent improper changes to employees' direct deposit details and to ensure that payroll disbursements are made to the proper individual. Additionally, we recommend the Department establish procedures to ensure ALA is notified of apparent losses of public funds, in compliance with Arkansas Code.

Management response: The Department agrees with this finding and has implemented additional procedures for verifying the authenticity of payroll changes. In alignment with the recommendations outlined in the Office of Personnel Management memoranda dated March 8, 2024, regarding phishing attempts, and April 22, 2025, concerning direct deposit changes, strict adherence is being maintained.

ARKANSAS LEGISLATIVE AUDIT
500 Woodlane Street, Suite 172, Little Rock, AR 72201
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www.arklegaudit.gov

Report ID: SAC990124

Report Date: August 13, 2025



as a control measure to prevent unauthorized modifications to payroll direct deposits. Additionally, the Department has reiterated with staff that any suspected or actual theft or shortage must be reported immediately to the Department's fiscal leadership to ensure timely and appropriate notification to Arkansas Legislative Audit.

ENABLING LEGISLATION AND ORGANIZATIONAL STRUCTURE

The Arkansas Agriculture Department was created by Act 1978 of 2005 to enhance marketing of the State's agricultural products in state, national, and international markets. The creation of the Department also combined the administrative functions of three existing state agencies (i.e., Arkansas Forestry Commission, Arkansas Livestock and Poultry Commission, and Arkansas State Plant Board) with the Agriculture Department. The Arkansas Natural Resources Commission was established to provide adequate, acceptable water for all users; to plan and coordinate water resource development; to protect individual water rights; to inspect and approve all dam construction; and to perform research to improve water and soil conservation. In accordance with Act 910 of 2019, effective July 1, 2019, these agencies, along with the Arkansas State Board of Registration for Professional Soil Classifiers, the Arkansas State Board of Registration for Foresters, and the Arkansas Veterinary Medical Examining Board, were combined to create the cabinet-level Department of Agriculture. As shown in **Exhibit I on page 3**, the Department has five divisions:

1. **Livestock and Poultry Division** was established to control and eradicate diseases and pests in livestock and poultry and to supervise enforcement actions related to livestock and poultry.
2. **Shared Services Division** administers shared services that are available to and used by all divisions in the Department of Agriculture.
3. **Plant Industries Division** protects the citizens of Arkansas and the agriculture industry by enforcing laws and regulations related to insect and disease control.
4. **Forestry Division**, led by the State Forester, protects Arkansas's forests from wildfires and other natural hazards and promotes forest health, stewardship, development, and conservation.
5. **Natural Resources Division** establishes policy and makes funding and regulatory decisions related to the conservation, development, and management of Arkansas's waters.

As a result of Act 712 of 2023, effective July 1, 2023, the following entities and their administrative functions were transferred to the Department of Agriculture: the Arkansas Catfish Promotion Board, Arkansas Soybean Promotion Board, Arkansas Rice Research and Promotion Board, Arkansas Wheat Promotion Board, Arkansas Corn and Grain Sorghum Promotion Board, and Arkansas Beef Council. Arkansas Farm Bureau, which had performed administrative duties for these agencies, continued to assist with the administration of the agencies until July 31, 2023.

FISCAL ANALYSIS

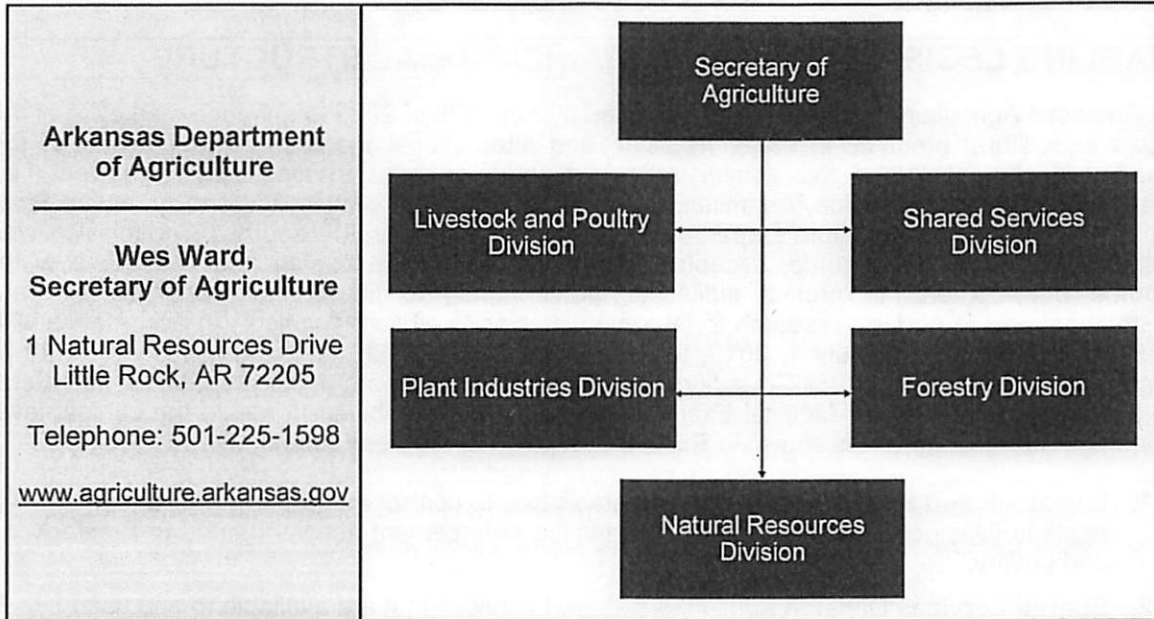
Summary financial information for each business area is presented in **Exhibit II on page 3**.

Revenues, Expenditures, and Transfers

The Department reported \$71.6 million in total revenue for fiscal year 2024. The primary source of these funds was special revenues. Expenditures totaled \$169.4 million for fiscal year 2024, with salaries comprising 24.3%. The Department reported net transfers in of \$87.5 million for fiscal year 2024. Total general revenue transfers in were \$27.2 million. Revenues, expenditures, and transfers for fiscal years 2020 through 2024 are presented in **Exhibit III on page 4**.

Exhibit I

Arkansas Department of Agriculture
Organizational Chart



Source: Arkansas Department of Agriculture

Exhibit II

Arkansas Department of Agriculture
Summary of Financial Information by Business Area
For the Year Ended June 30, 2024

Board/Commission/Division	Assets	Deferred Outflows of Resources	Liabilities	Revenues	Expenditures	Net Transfers In (Out)
Arkansas Agriculture Department	\$ 131,713,378		\$ 5,467,509	\$ 39,045,319	\$ 49,707,007	\$ 14,938,301
Arkansas Natural Resources Commission	235,633,160	\$ 5,203,627	213,260,634	12,434,007	21,291,043	(7,088,345)
Department of Agriculture (cabinet level)	25,911,755		3,019,861	20,075,246	98,381,221	79,649,974
Totals	\$ 393,258,293	\$ 5,203,627	\$ 221,748,004	\$ 71,554,572	\$ 169,379,271	\$ 87,499,930

Source: Arkansas Administrative Statewide Information System Trial Balance (unaudited by Arkansas Legislative Audit)

Exhibit III

**Arkansas Department of Agriculture
Revenues, Expenditures, and Transfers
For the Years Ended June 30, 2020 through 2024**

	Fiscal Year				
	2024	2023	2022	2021	2020
Revenues					
Special revenues	\$ 41,194,625	\$ 23,600,236	\$ 23,294,416	\$ 20,375,491	\$ 20,279,597
Fees	2,167,201	614,440	2,339,621	4,636,290	3,089,424
Other revenues	7,449,757	6,022,418	5,630,236	6,053,670	7,215,211
Federal grants and reimbursements	20,742,989	17,882,152	16,175,129	15,717,176	12,469,080
Total Revenues	\$ 71,554,572	\$ 48,119,246	\$ 47,439,402	\$ 46,782,627	\$ 43,063,312
Expenditures					
Salaries	\$ 41,194,631	\$ 41,061,074	\$ 39,376,966	\$ 38,885,756	\$ 36,107,448
Commodities, materials, and supplies	5,418,637	4,938,002	4,844,134	4,301,637	3,564,784
Assistance, grants, and aids	103,567,140	25,385,747	13,477,819	19,249,211	11,254,507
Other expenses	19,198,863	34,055,452	25,835,040	8,502,036	2,532,280
Total Expenditures	\$ 169,379,271	\$ 105,440,275	\$ 83,533,959	\$ 68,938,640	\$ 53,459,029
Net Transfers In (Out)	\$ 87,499,930	\$ 23,389,052	\$ 16,400,642	\$ 18,704,927	\$ 6,276,399

Note: Amounts prior to fiscal year 2024 do not include promotion boards transferred into the cabinet-level Department of Agriculture.

Source: Arkansas Administrative Statewide Information System Trial Balance (unaudited by Arkansas Legislative Audit)

Assets, Deferred Outflow of Resources, and Liabilities

As of June 30, 2024, the Department's assets totaled \$393.3 million, and liabilities totaled \$221.7 million. A significant portion of assets is related to loan receivables, and a significant portion of liabilities is related to bonds payable, both of which are discussed separately below. Asset and liability balances at year-end for fiscal years 2020 through 2024 are presented in Exhibit IV on page 5.

Loans Receivable

One major Department activity is administering loans for various water, sewer, and wastewater projects of the State. Related to these activities, the Department reported net loans receivable of \$127.5 million: total loans receivable of \$238.3 million less allowance for doubtful accounts and deferred loans of \$110.8 million. Allowance for doubtful accounts refers to loans that meet criteria determined by the Department in the normal course of business. Deferred loans are for irrigation projects with project completion not expected until additional funding from federal sources is available. Payments are not due until project completion. A schedule of loan activity by type for the year ended June 30, 2024, is provided in Exhibit V on page 5.

Bonds Payable and Debt Service

Funding for loans is from general obligation and other bond proceeds. Debt service is from collections on loans, other Department funds, and general revenue. The Department reported \$206.4 million in bonds payable for the fiscal year ended June 30, 2024, as shown in Exhibit VI on page 6. In fiscal year 2024, the Department issued \$30.0 million in new bond debt.

Exhibit IV

**Arkansas Department of Agriculture
Assets, Deferred Outflows of Resources, and Liabilities
For the Years Ended June 30, 2020 through 2024**

	Fiscal Year				
	2024	2023	2022	2021	2020
Assets					
Cash and cash equivalents	\$ 165,842,116	\$ 132,826,704	\$ 123,399,773	\$ 86,689,130	\$ 86,799,514
Receivables	133,187,483	133,163,752	133,202,148	147,087,498	147,011,486
Fixed assets	81,153,735	78,016,568	72,053,628	70,824,692	68,575,788
Other assets	13,074,959	2,930,781	5,931,283	5,871,138	5,844,154
Total Assets	\$ 393,258,293	\$ 346,937,805	\$ 334,586,832	\$ 310,472,458	\$ 308,230,920
Deferred Outflows of Resources					
Related to bond amortization	\$ 5,203,627	\$ 5,651,717	\$ 6,099,806	\$ 6,547,896	\$ 4,744,487
Liabilities					
Bonds payable	\$ 206,365,000	\$ 199,770,000	\$ 174,669,236	\$ 149,695,000	\$ 165,520,000
Payroll liability	722,288	724,860	2,057,889	1,755,290	1,486,029
Due to other state agencies	3,791,810	1,358,422	2,459,999	1,805,628	2,053,887
Unearned income	3,141,888	3,138,484	2,700,810	3,112,441	2,794,859
Other liabilities	7,727,018	7,218,323	7,132,366	6,263,247	6,365,744
Total Liabilities	\$ 221,748,004	\$ 212,210,189	\$ 189,020,302	\$ 162,631,804	\$ 178,200,319

Note: Amounts prior to fiscal year 2024 do not include promotion boards transferred into the cabinet-level Department of Agriculture.

Source: Arkansas Administrative Statewide Information System Trial Balance (unaudited by Arkansas Legislative Audit)

Exhibit V

**Arkansas Natural Resources Commission
Loans Receivable Rollforward
For the Year Ended June 30, 2024**

	WDF	WSSW	CGO	Totals
Beginning Loan Receivable Balance	\$13,252,159	\$16,536,787	\$202,174,411	\$231,963,357
Prior-year adjustment	(16,239)	(55)	(24,022)	(40,316)
Loan disbursements	301,472	566,260	18,364,076	19,231,808
Principal payments	(2,425,603)	(4,209,864)	(6,212,413)	(12,847,880)
Ending Loan Receivable Balance	\$11,111,789	\$12,893,128	\$214,302,052	\$238,306,969

WDF = Water Development Fund

WSSW = Water, Sewer, and Solid Waste Management Systems Program

CGO = Water, Waste, Disposal, and Pollution Abatement Facilities General Obligation Bond Program

Source: Arkansas Natural Resources Commission and Arkansas Administrative Statewide Information System Trial Balance (unaudited by the Arkansas Legislative Audit)

Exhibit VI

**Arkansas Department of Agriculture
Bonds Payable Roll Forward Summary
For the Years Ended June 30, 2024 and 2023**

	Fiscal Year	
	2024	2023
Bonds Payable at Beginning of Year	\$ 199,770,000	\$ 174,170,000
Additions		
· Bond issues	30,000,000	43,000,000
Deletions		
· Scheduled principal payments	(23,405,000)	(17,400,000)
Bonds Payable at Year-End	\$ 206,365,000	\$ 199,770,000

*Source: Arkansas Administrative Statewide Information System Trial Balance
(unaudited by Arkansas Legislative Audit)*

Tariff-Rate Quota (TRQ) Activity by Year

The Tariff-Rate Quota (TRQ) proceeds generated through the export of rice to certain European Union countries have existed since 1999. TRQ proceeds associated with exports to Columbia began in fiscal year 2013. TRQ proceeds are deposited periodically into the investment account maintained by the Rice Foundation. Investment income is also deposited into the account, and disbursements from the account have only been for projects approved by the Arkansas Rice Research and Promotion Board. The Colombia TRQ agreement spans 20 years. In years 1-10, proceeds can only be used for direct research projects. In years 11-20, proceeds can be used for direct projects. At no time can proceeds be used for general administrative purposes. A summary of TRQ activities and balances from their inception until June 30, 2024, is included in **Exhibit VII** on page 7.


Exhibit VII

Arkansas Department of Agriculture — Arkansas Rice Research and Promotion Board
 Tariff-Rate Quota (TRQ) Activities and Balances
 For the Years Ended June 30, 1999 through 2024

Fiscal Year	European Union					Colombia					Combined Total
	Deposits from AARQ	Interest	Research Projects	To-Date Unrealized Gain/(Loss)	Balance	Deposits from COL-RICE	Interest	Research Projects	To-Date Unrealized Gain/(Loss)	Balance	
FY1999	\$ 888,185	\$ 11,939			\$ 808,124						
FY2000	883,571	50,101	\$ (222,804)		1,618,892						
FY2001	857,301	85,282	(135,328)		2,228,127						
FY2002	588,284	34,488	(382,471)		2,488,428						
FY2003	715,915	13,380	(1,443,638)		1,772,063						
FY2004	873,478	8,825	(200,000)		2,454,166						
FY2005	270,263	31,231	(200,000)		2,555,660						
FY2006	102,008	71,300	(200,000)		2,528,858						
FY2007	49,347	127,284	(200,000)		2,505,599						
FY2008	44,468	114,008	(200,000)		2,484,071						
FY2009	111,854	86,827			2,682,852						
FY2010	142,199	5,281	(2,300,000)		510,332						
FY2011	143,164	(2,838)			850,858						
FY2012	159,980	2,118			812,758						
FY2013	93,793	3,170			809,719	\$ 1,444,589	\$ 2,758			\$ 1,447,357	\$ 2,357,076
FY2014	75,178	1,231			986,128	5,257,588	5,861	\$ (527,000)		6,183,608	7,189,734
FY2015	51,664	2,284			1,040,058	7,814,998	17,049	(4,033,703)		9,981,950	11,022,006
FY2016	48,889	6,629			1,095,574	7,534,075	81,166	(613,177)		16,984,014	18,078,588
FY2017	52,954	9,934			1,158,462	6,082,545	146,746	(5,169,000)		18,044,305	19,202,767
FY2018	83,319	13,783	(89,000)		1,166,564	1,381,630	192,281	(4,000,000)		15,618,197	16,784,780
FY2019	97,681	23,309	(30,000)		1,257,554	3,302,440	292,573	(5,544,331)		13,688,879	14,928,433
FY2020	19,541	23,373	(85,500)		1,234,968	7,363,032	224,897	(11,987,482)		9,288,328	10,504,294
FY2021		3,653	(35,000)		1,203,621	204,738	27,793			9,501,857	10,705,477
FY2022		2,302	(35,000)		1,170,923	765,206	19,238	(275,108)		10,011,193	11,182,115
FY2023		13,956			1,184,879	1,772,495	111,128	(4,654,487)		7,240,328	8,425,207
FY2024	75,906	24,539	(70,000)	\$ (3,278)	1,212,048	1,987,805	159,466	(947,584)	\$ (22,724)	8,397,341	9,608,387
Totals	\$ 6,238,940	\$ 767,225	\$ (6,788,841)	\$ (3,278)	\$ 1,212,048	\$ 44,891,152	\$ 1,280,765	\$ (37,751,852)	\$ (22,724)	\$ 8,397,341	\$ 9,608,387

AARQ = Association for the Allocation of Rice Quotas, Inc.
 COL-RICE = Colombia Rice Export Quota, Inc.

Source: Arkansas Department of Agriculture (unaudited by the Arkansas Legislative Audit)

 Baucum Nursery 2025 Seedling Report			
SPECIES	ESTIMATED	LIFTED	ORDERS
PINE	INVENTORY		
3 Star Loblolly Pine *	0	0	0
2 Star Loblolly Pine *	0	0	0
1 Star Loblolly Pine *	0	0	0
Mixed Loblolly Pine Box *	0	0	0
Mixed Loblolly Pine Bundle *	0	0	0
Advanced Gen. Shortleaf Pine *	0	0	0
Cont. 3 Star Loblolly Pine	50,025	4,100	21,300
Cont. 3 Star Loblolly Pine 25 Pk Bdl	0	0	900
Cont. Adv. Gen. Shortleaf Pine	150,000	4,100	150,000
Cont. Imp'd Shortleaf 25 Pk Bdl	0	0	0
TOTAL PINE	200,025	8,200	172,200
OAK			
Improved Cherrybark Oak	45,000	41,150	6,025
Improved Nuttall Oak *	4,000	0	0
Bur Oak	7,000	3,550	6,775
Cherrybark Oak	719,200	381,600	531,325
Chinkapin Oak	8,640	0	22,100
Cow Oak	95,700	85,275	269,350
Northern Red Oak	69,000	29,775	68,225
Nuttall Oak	220,000	327,225	404,250
Overcup Oak	300,000	222,250	358,150
Pin Oak	104,800	173,100	197,275
Post Oak	100,000	61,725	70,050
Shumard Oak	200,000	234,850	197,975
Southern Red Oak	69,000	80,800	118,275
Swamp White Oak	26,000	34,675	25,200
Water Oak	556,800	480,975	717,525
White Oak	250,000	77,900	117,900
Willow Oak	130,500	131,150	340,125
TOTAL OAK	2,905,640	2,366,000	3,450,525

SPECIES OTHER HARDWOOD	ESTIMATED INVENTORY	LIFTED	ORDERS
American Elm	50,000	8,050	5,375
Baldcypress *	0	0	0
Bi-color Lespedeza	2,500	0	175
Bitter Pecan	345,000	228,400	432,400
Black Cherry	250	0	25
Blackgum	5,000	700	700
Black Walnut	57,000	27,850	46,375
Black Willow	0	77,350	20,000
Button Bush	50,000	28,400	11,200
Cedar Elm	50,000	150	75
Chinese Chestnut	0	0	0
Crabapple	0	0	0
Dogwood	500	200	75
Ginko	5,000	2925	150
Hackberry	25,000	9,800	85,025
Hazelnut	5,000	175	100
False Indigo	5,000	0	0
Mayhaw	100	0	100
Paw Paw	9,000	9,550	150
Pecan (native)	208,000	230,425	242,275
Persimmon	425,000	374,025	242,275
Chickasaw Plum	2,000	825	375
Mexican Plum	0	275	0
Redbud	150	0	0
Red Cedar	2,500	5,550	100
Red Maple	0	0	0
Red Mulberry	25,000	167,000	79,825
River Birch	0	0	0
Shagbark Hickory	0	0	0
Sugarberry	275,000	159,700	79,825
Sweet Gum	75,000	7,000	7,000
Sycamore	50,000	43,525	50,000
Tupelo Gum	75,000	17,325	75,000
Yellow Poplar	1,400	0	1,400
Magnolia	0	0	0
TOTAL OTHER HARDWOOD	1,748,400	1,399,200	1,380,000
2 Year Pecan	8,700	0	8,675
Beautifcation Bundle	150	76	125
Wildlife Bundle	150	77	101
	8,700	0	8,675
TOTAL HARDWOOD	4,662,740	3,765,200	4,839,200
TOTAL SEEDLINGS	4,862,765	3,773,400	5,011,400

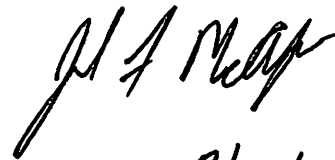
* Injured seedlings. No data for pine and baldcypress.

Remote Attendance Policy

It is the policy of the Arkansas Forestry Commission that Members are permitted to attend meetings of the Commission remotely as provided by Act 505 of 2025, effective on August 5, 2025, and codified as Arkansas Code Annotated § 25-19-106(e). For a Member of the Commission who attends a meeting remotely to be counted for a quorum or to vote, the Commission shall:

1. At the beginning of the meeting, verify the identity of the Member attending remotely;
2. Allow other Members and members of the public, whether physically present at the meeting or attending the meeting remotely, at all times to:
 - a. Hear the Member attending remotely;
 - b. Observe or otherwise understand a vote of the Member attending remotely; and
 - c. Know the identity of the Member attending remotely when that Member is speaking or voting; and
3. Allow a Member attending remotely to hear the other Members in attendance at the meeting and any public comment.

Any Member who attends a Commission meeting remotely, as provided by this policy, shall not receive mileage or per diem for attending the meeting.


2/20/2026