

# **AGRICULTURAL REVOLVING LOAN FUND**

## **Notes to Financial Statements for March, 2015 - FY15**

### **Statement of Revenues, Expenses, and Changes in Fund Equity**

1. \$42,864 was recorded as interest income. For comparison, February 2015 interest income was \$25,425. Total interest income for July 2014 through March 2015 is \$393,563.
2. \$(33,587) was recorded as ARLF operating expenses.
3. Net operating income was \$9,327.  
Mt. McKinley Meat and Sausage Plant loss for the period (Non-Operating Activity) was recorded at \$(42,049).

### **Comparative Balance Sheet**

1. \$9,013,395 was ARLF cash balance on March 31, 2015. For comparison, ARLF cash balance on March 31, 2014 was \$7,416,074.
2. \$9,173,307 was ARLF loans receivable account balance. For comparison, ARLF loans receivable balance on March 31, 2014 was \$11,325,854.

### **Mt. McKinley Meat and Sausage Plant Statement of Revenues and Expenses**

1. \$78,363 was recorded as total revenues for the month. For comparison, February 2015 revenue account balance was \$141,166.
2. \$(120,412) was recorded as total expenses for the month. For comparison, February 2015 expenses account balance was \$(142,235).
3. Fiscal Year-to-Date Loss was \$(79,788).

### **Loan Activity/Cash outflows**

1. \$260,000 is the total amount of loans approved since the beginning of the fiscal year 2015.

**AGRICULTURAL REVOLVING LOAN FUND**  
**Statement of Revenues, Expenses, and Changes in Fund Equity**  
**For Month ended March 31, 2015**

	<u>March</u>	<u>Fiscal Year to Date</u>
<b>Operating Revenues</b>		
Interest Income	\$ 42,864	\$ 393,563
Services (legal, clerical, loan fees, sale products)	50	350
Late Payment Penalties	-	1,272
Rents, including leasehold credits	-	3,926
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	6,733
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
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<b>Total Operating Revenues</b>	<b>42,914</b>	<b>405,843</b>
<b>Operating Expenses:</b>		
Personal Services	13,601	111,089
Travel	601	4,800
Contractual Services	17,952	125,867
Commodities	1,433	3,790
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<b>Total Operating Expenses</b>	<b>33,587</b>	<b>245,546</b>
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<b>Net Operating Income (Loss)</b>	<b>9,327</b>	<b>160,297</b>
<b>Non-Operating Income (Expenses):</b>		
MMM&S Revenues	78,363	1,263,941
Mt. McKinley Meat & Sausage Plant	(120,412)	(1,343,729)
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Mt. McKinley Meat & Sausage Plant Net Income (loss)	<b>(42,049)</b>	<b>(79,788)</b>
Income (Loss) Investment in Mat Maid	-	-
Income (Loss) Sale of Fixed Assets	-	-
Bad Debt Expense	-	-
Depreciation Expense	-	-
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<b>Total Non-Operating Income / (Expenses)</b>	<b>(42,049)</b>	<b>(79,788)</b>
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<b>Current Period Earnings (Loss)</b>	<b>\$ (32,722)</b>	<b>\$ 80,509</b>
	<hr/>	<hr/>
<b>Fund Equity, June 30, 2014</b>		<b>\$22,554,944</b>
		<hr/>
<b>Fund Equity, March 31, 2015</b>		<b>\$22,635,453</b>
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**AGRICULTURAL REVOLVING LOAN FUND**  
**Comparative Balance Sheet**  
**March 31, 2015**

<u><b>ASSETS</b></u>	<u><b>March 2015</b></u>	<u><b>February 2015</b></u>	<u><b>LIABILITIES</b></u>	<u><b>March 2015</b></u>	<u><b>February 2015</b></u>
<b>Current Assets</b>			<b>Short Term Liabilities</b>		
Cash	\$ 9,013,395	\$ 8,991,166	Warrants Outstanding	\$ 18,298	\$ 36,658
Receivables			Accounts Payable	355	-
ARLF Loans	9,173,307	9,238,943	Accrued Payables	195,690	195,690
Land Sale Contracts	1,263,637	1,265,957	Accrued Vacation Leave	32,663	32,663
Notes Receivable	27,518	27,518	Trust Account	625	625
Judgments	-	-			
Accrued Interest	-1- 80,495	80,495	<b>Total Short Term Liabilities</b>	<b>247,631</b>	<b>265,636</b>
Accrued Penalties	-1- 186	186			
Leases/Accounts Receivable	-1- -	-	<b>Due to Other Funds</b>		
Protection of Collateral	-	-	Due to General Fund	-3- (1,044,421)	(1,044,421)
Less Allowances:			Allow for AFC stock	-3- 1,044,421	1,044,421
Doubtful Accounts	-2- 60	60	Due to School Fund	-3- -	-
Net Receivables	10,545,202	10,613,159	<b>Total Due to Other Funds</b>	-	-
Outstanding Loan Warrants	15,000	20,000			
Repossessed Inventory	-	-	<b>Long Term Liabilities</b>		
<b>Total Current Assets</b>	<b>19,573,597</b>	<b>19,624,325</b>	Accrued Pension Adjustment	-	-
<b>Due from Other Funds</b>			<b>Total Long Term Liabilities</b>	-	-
Due from GF	-	-	<b>TOTAL LIABILITIES</b>	<b>247,631</b>	<b>265,636</b>
Due from Mental Health	-	-			
<b>Total Due from Other Funds</b>	-	-	<b>FUND EQUITY</b>		
<b>Other Assets</b>			Fund Equity, Beginning	22,554,944	22,554,944
Investments:			Current Year Earnings (Loss)	80,509	113,232
Alaska Farmers Coop	2,787,153	2,787,153	<b>TOTAL FUND EQUITY</b>	<b>22,635,453</b>	<b>22,668,175</b>
Repossessed Property	1,047,619	1,047,619			
Less Accum. Deprec	(525,285)	(525,285)	<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$22,883,084</b>	<b>\$22,933,812</b>
Other Assets	-	-			
<b>Net Other Assets</b>	<b>3,309,487</b>	<b>3,309,487</b>			
<b>TOTAL ASSETS</b>	<b>\$22,883,084</b>	<b>\$22,933,812</b>			

**Footnotes:**

1. Adjustments to Accrued Interest, Accrued Penalties, and Leases Receivable are posted only on June 30.
2. The Allowance for Doubtful Accounts applies only to the principal balance.
3. Includes amounts due to other funds from: a) outstanding land sale contracts on repossessed property; and b) preferred stock issued to ARLF and General Fund loans.

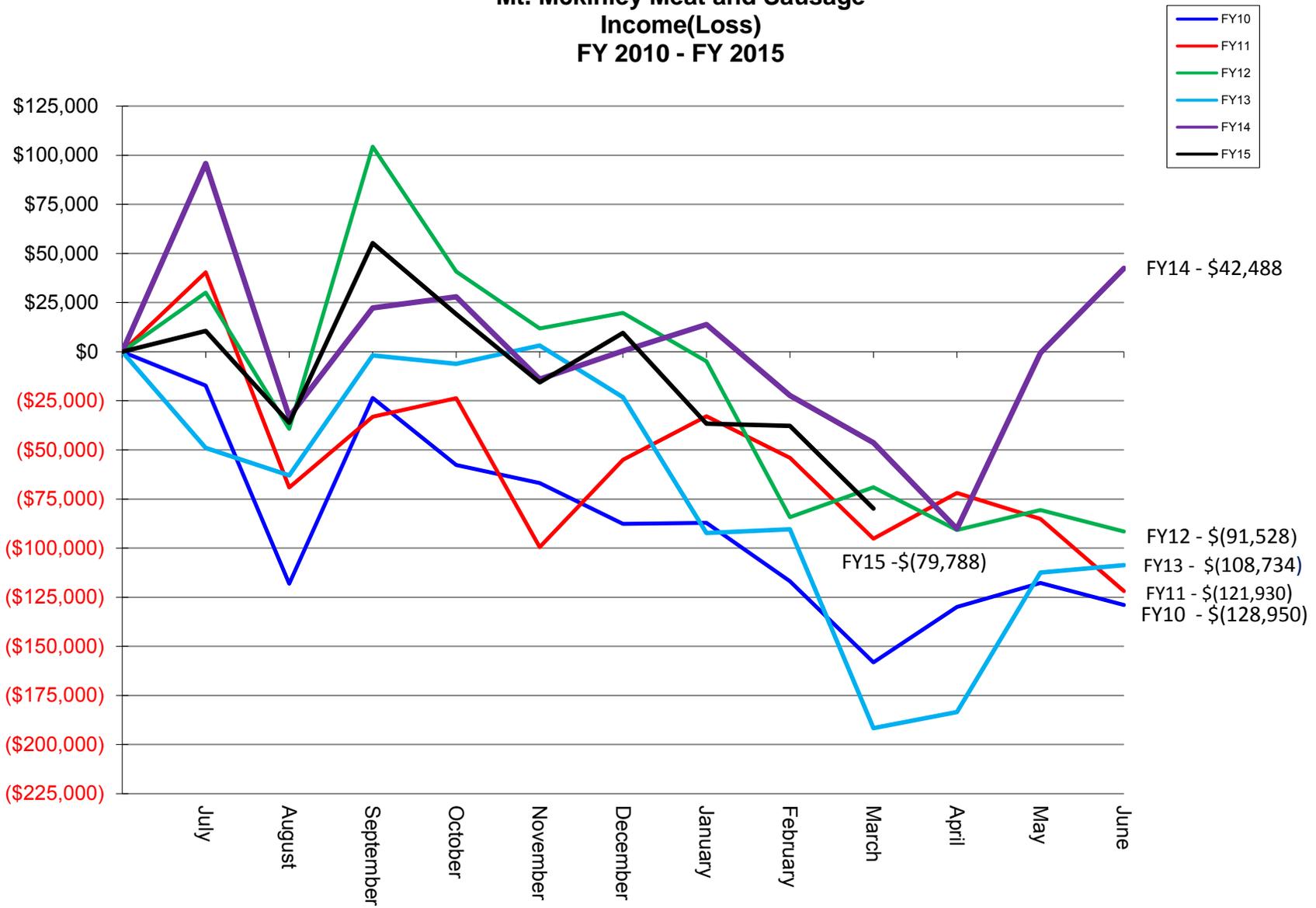
**Mt McKinley Meat and Sausage  
 AGRICULTURAL REVOLVING LOAN FUND  
 Statement of Revenues and Expenses  
 For Month ended March 31, 2015**

	March	Fiscal Year-to-Date
<b>Revenues:</b>		
Services	\$ 12,065	\$ 136,391
Sale of Products	64,409	1,113,581
Freight	1,890	13,970
	<b>78,363</b>	<b>1,263,941</b>
	<b>Total Revenues</b>	<b>1,263,941</b>
 <b>Expenses:</b>		
Personal Services	29,134	261,782
Travel	-	-
Contractual Services	13,146	132,021
Commodities	78,133	949,926
	<b>120,412</b>	<b>1,343,729</b>
	<b>Total Expenses</b>	<b>1,343,729</b>
 <b>Net Earnings / (Loss)</b>	<b>\$ (42,049)</b>	<b>\$ (79,788)</b>

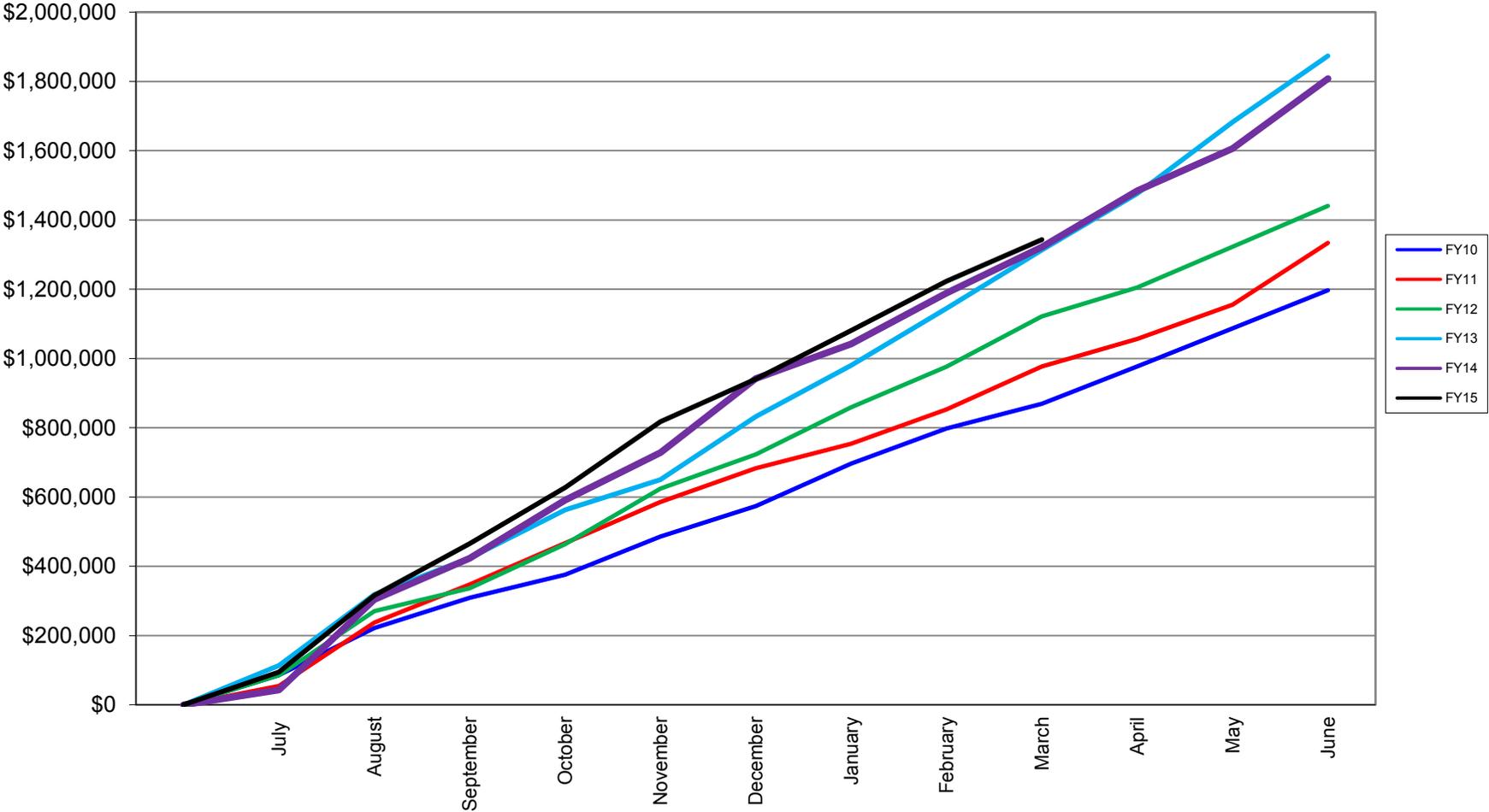
**AGRICULTURAL REVOLVING LOAN FUND**  
**Loan Activity Report / Undistributed Warrants**  
**As of April 10, 2015 - FY 15**

Borrower	LO	Loan #	Date Approved	Note Date	Amount Approved	Warrants		Available Balance	Amount Distributed to Borrower	Undistributed Warrants	
						Issued	#				
Wrigley Farms, LLC	1	P-1008	8/26/2014	9/2/2014	100,000.00	48,338.46	4	51,661.54	48,338.46	0.00	
Mugrage, Scott & Julia	1	S-5480	2/26/2015	3/6/2015	100,000.00	15,386.00	2	84,614.00	15,386.00	0.00	
Hawks Farm & Garden, Inc	1	S-5481	2/26/2015	3/2/2015	60,000.00	15,338.00	2	44,662.00	15,338.00	0.00	
<b>3</b>					<b>TOTALS</b>						
					<b>\$260,000.00</b>	<b>\$79,062.46</b>	<b>8</b>	<b>\$180,937.54</b>	<b>\$79,062.46</b>	<b>\$0.00</b>	

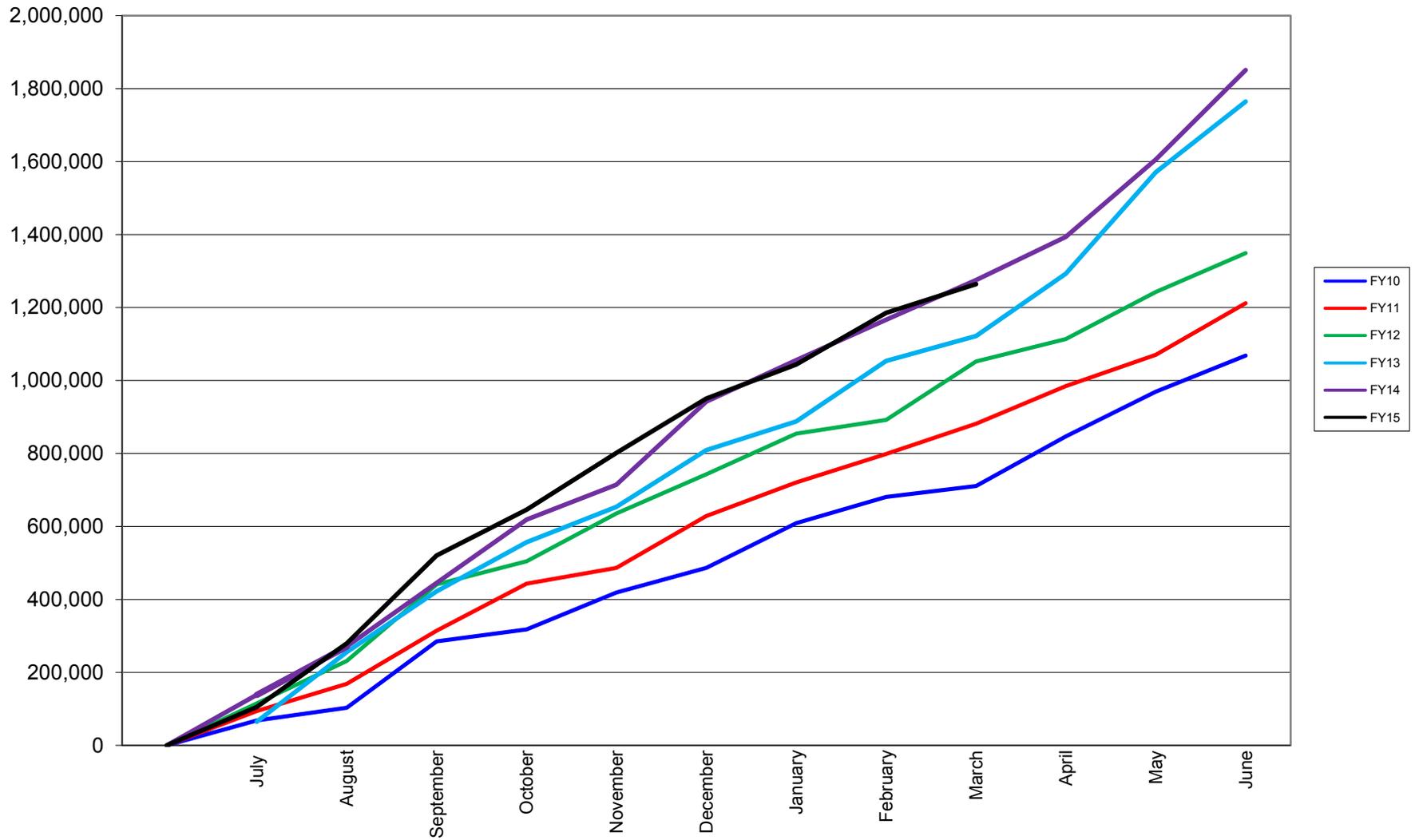
### Mt. Mckinley Meat and Sausage Income(Loss) FY 2010 - FY 2015



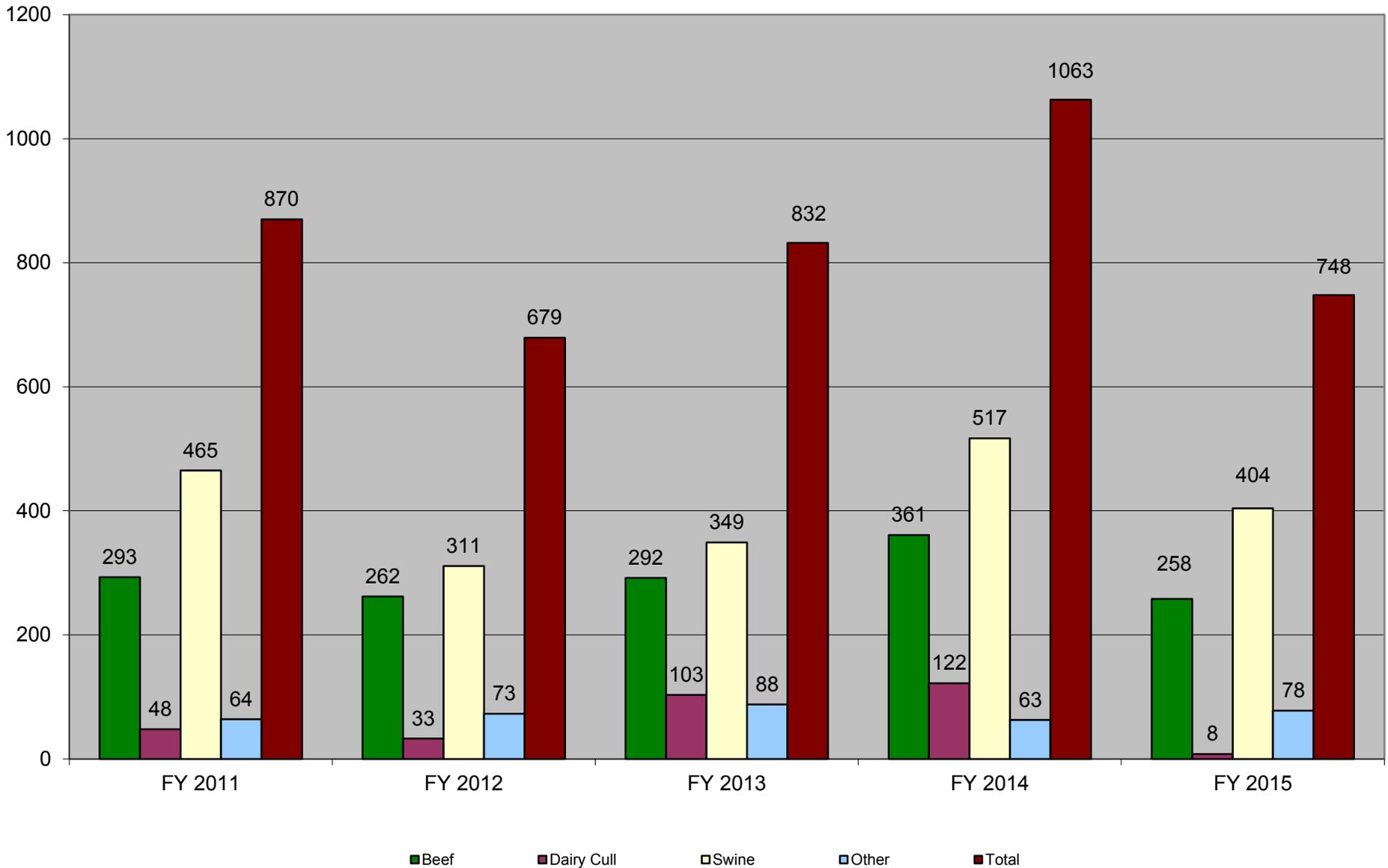
**Mt McKinley Meat and Sausage  
Cumulative Expenses  
July 2009 - March 2015**



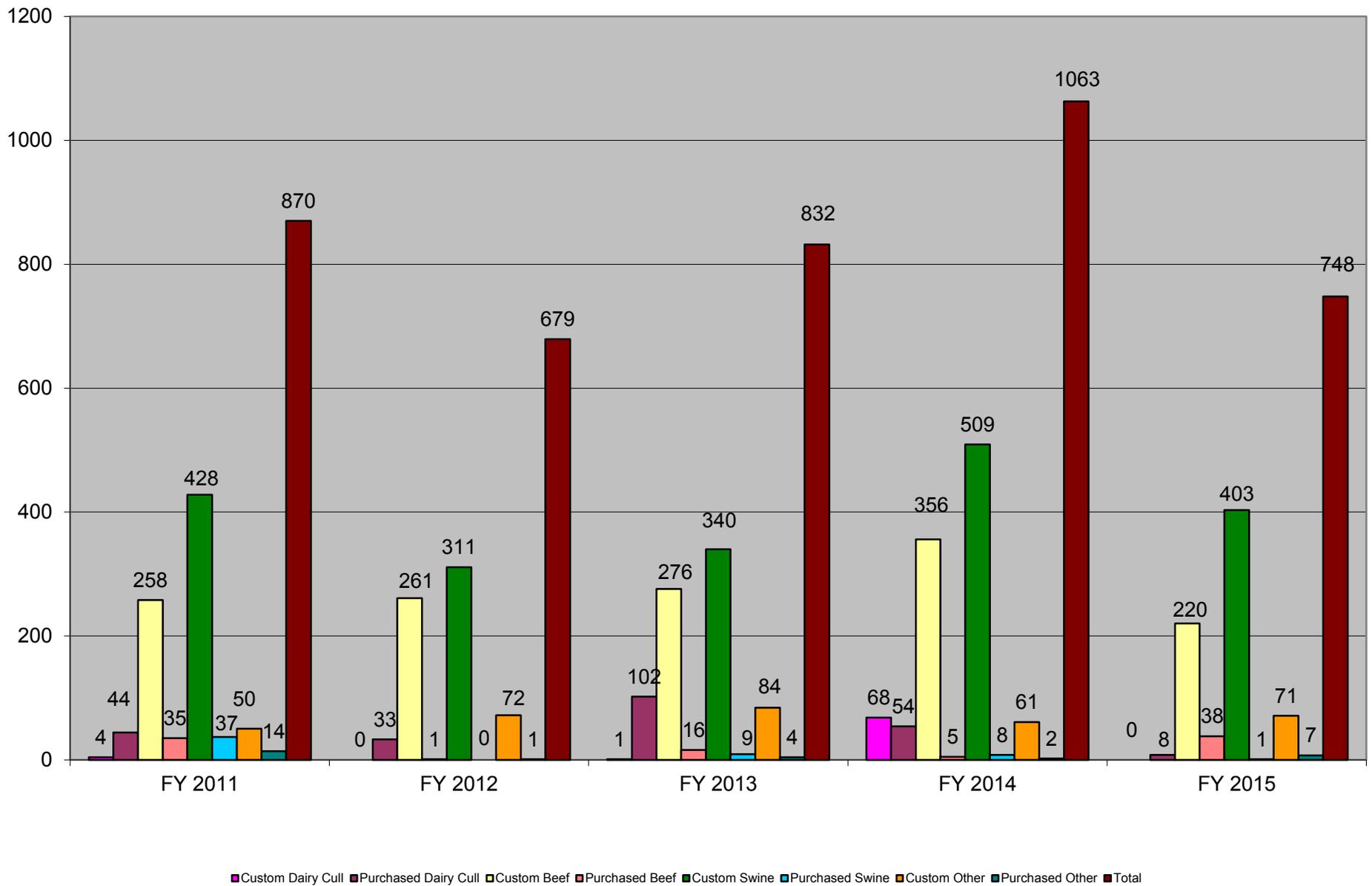
**Mt Mckinley Meat and Sausage  
Revenue Trend  
July 2009 - March 2015**



## MMM&S Slaughter Statistics by Fiscal Year and Type As of March 31, 2015 - FY15



**MMM&S Custom and Purchased Statistics by Fiscal Year  
As of March 31, 2015 - FY15**



**AGRICULTURAL REVOLVING LOAN FUND**  
**Real and Personal Property Inventory**  
**31-Jan-15**

Former Borrower/ Prospective New Owner	LO	Location	Acres	Date Placed in Service	Fair Market Value at Repossession				Accum Dep. 6/30/2014	Liabilities		Lease Information					Fair Market Value				
					Land	Buildings	Mach / Equip	Total Value		Amt 6/30/14	Owed To	Amount	Lessee	Lease #	Exp Date	Inspect Date	Remarks	YR	Method	Land/ Structures	Improve- ments
<b>Repossessed Property (Account # 10860 and Accum Depr # 10862)</b>																					
<b>UNENCUMBERED ASSETS</b>																					
Feed Mill, Tract A-1 (10860)	1	Palmer	3	4/1/84	\$129,120	\$14,040	\$14,400	\$157,560							2012	ARLF OTC #09-01	15	Tax Assmt	\$362,300	\$42,800	\$405,100
<b>ASSETS with ASSOCIATED PERMITS</b>																					
Mt. McKinley Meat	1	Palmer	4	12/1/86	42,000	595,592.00	73,907.00	711,499	517,600						2012	No planned disposal	15	Tax Assmt	152,500	271,600	424,100
<b>LONG TERM LEASES</b>																					
Alaska Farm Coop	1	Delta	20	9/3/93	94,080			94,080			0.50 /Yr	AK Farm C	LSE-021	6/30/18	Apr-09	FS: Hanson Rd/98% ownr	15	Tax Assmt	48,000	687,000	735,000
Alaska Farm Coop	1	Delta	1	9/3/93	74,480			74,480			0.50 /Yr	AK Farm C	LSE-022	6/30/18	Apr-09	FS: Delta/98% ownrshp	15	Tax Assmt	45,000	109,000	154,000
<b>Sub-Total Long Term Leases</b>					<b>168,560</b>	<b>-</b>	<b>-</b>	<b>168,560</b>	<b>-</b>	<b>-</b>									<b>93,000</b>	<b>796,000</b>	<b>889,000</b>
<b>LAND OWNED BY OTHER STATE AGENCIES - REVENUE RIGHTS ONLY</b>																					
Umnak Slaughter Fac	1	Umnak Is	6,598	1/1/07		10,000.00		10,000	7,685		3,926.00 /Yr	BPR & ANI	20043	12/31/31	Jul-99	Land owned by DOT, Bldg owned by ARLF	05	Est		50,000.00	50,000.00
<b>Total - Repossessed Property</b>					<b>\$ 339,680</b>	<b>\$ 619,632</b>	<b>\$ 88,307</b>	<b>\$ 1,047,619</b>	<b>\$ 525,285</b>	rounded									<b>\$ 607,800</b>	<b>\$1,160,400</b>	<b>\$1,768,200</b>

<b>LEGEND</b>	<b>AMTA:</b> Agriculture Marketing Transaction Act
<b>FCP:</b> Farm Conservation Plan	<b>FS:</b> Fee Simple
<b>CRP:</b> Conservation Recovery Program	<b>RFP:</b> Request for Proposal

**Subsidiary Ledger**  
**ARLF - Machinery, Equipment, and Building Inventory**  
**March 31, 2015**

**ASSETS with ASSOCIATED PERMITS, AGREEMENTS OR LEASES 10860**

Item	LO	Qty	Former Owner	Date Acquired by ARLF	Date Placed in Service	Booked FMV on Date Acquired		Accum Depr 6/30/2014	Location	Remarks
						Each	Total			
Equipment, misc	1		Feed Mill, Tract A-1	01-Apr-84	01-Apr-84	14,400.00	14,400.00			
<b>Subtotal Mach &amp; Equip</b>							<b>14,400.00</b>			
Building	1	1	Feed Mill, Tract A-1	01-Apr-84	01-Apr-84	14,040.00	14,040.00			
<b>Subtotal Building</b>							<b>14,040.00</b>			
<b>Total Feed Mill, Tract A-1</b>							<b>28,440.00</b>			

<b>Mt McKinley Meats</b>										
Compressor	1	1	Mt. McKinley Meats	19-Aug-97	01-Oct-97	5,363.00	5,363.00	5,363.00		
Water Heater	1	1	Mt. McKinley Meats	01-Mar-13	01-Mar-13	17,558.00	17,558.00	1,560.71		
Water Tanks	1	3	Mt. McKinley Meats	08-May-13	01-Jun-13	14,481.00	14,481.00	3,137.55		
Sanitation Tank	1	1	Mt. McKinley Meats	16-Mar-13	16-Mar-13	700.00	700.00	301.33		
Vacuum Sealer	1	1	Mt. McKinley Meats	16-Mar-13	16-Mar-13	3,100.00	3,100.00	1,334.72		
Freezer Evaporator	1	1	Mt. McKinley Meats	15-Oct-13	01-Nov-13	9,331.00	9,331.00	1,244.13		
Vacuum Stuffer	1	1	Mt. McKinley Meats	02-Dec-13	01-Jan-14	18,750.00	18,750.00	1,875.00		
Gas Boiler	1	1	Mt. McKinley Meats	06-Dec-13	01-Jan-14	4,624.00	4,624.00	462.40		
<b>Subtotal Mach &amp; Equip</b>							<b>73,907.00</b>	<b>15,278.85</b>		
Building	1	1	Mt. McKinley Meats	01-Dec-86	01-Dec-86	326,600.00	326,600.00	326,600.00		
Boiler upgrade	1	1	Mt. McKinley Meats	01-May-97	01-Oct-97	15,000.00	15,000.00	10,200.00		
Boiler upgrade	1	1	Mt. McKinley Meats	25-Aug-97	01-Oct-97	41,236.40	41,236.40	28,040.74		
Boiler upgrade	1	1	Mt. McKinley Meats	01-Nov-97	01-Feb-98	48,931.70	48,931.70	33,273.61		
Boiler upgrade	1	1	Mt. McKinley Meats	01-Feb-98	01-Feb-98	8,849.90	8,849.90	6,017.98		
Boiler upgrade	1	1	Mt. McKinley Meats	30-Jun-03	30-Jun-03	4,974.00	4,974.00	2,188.76		
Roof	1	1	Mt. McKinley Meats	30-Sep-98	01-Oct-98	150,000.00	150,000.00	96,000.00		
<b>Subtotal Building</b>							<b>595,592.00</b>	<b>502,321.08</b>		
<b>Total Mt. McKinley Meats</b>							<b>669,499.00</b>	<b>517,599.93</b>		
<b>Umnak Slaughter Facility</b>										
Building	1	1	Umnak Slghtr Fac.	01-Mar-95	01-Mar-95	10,000.00	10,000.00	7,685.00		
<b>Subtotal Building</b>							<b>10,000.00</b>	<b>7,685.00</b>		
<b>Total Umnak Slaughter Facility</b>							<b>10,000.00</b>	<b>7,685.00</b>		

**Total Accumulated Depreciation**

**525,285**