

# **AGRICULTURAL REVOLVING LOAN FUND**

## **Notes to Financial Statements for October, 2014 - FY15**

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

1. \$66,064 was recorded as interest income. For comparison, September 2014 interest income was \$49,196. Total interest income for July 2014 through October 2014 is \$197,352.

2. \$(39,474) was recorded as ARLF operating expenses.

3. Net operating income was \$26,710.

Mt. McKinley Meat and Sausage Plant loss for the period (Non-Operating Activity) was recorded at \$(36,167).

### **Comparative Balance Sheet**

1. \$8,009,696 was ARLF cash balance on October 31, 2014. For comparison, ARLF cash balance on October 31, 2013 was \$7,622,776.

2. \$10,262,928 was ARLF loans receivable account balance. For comparison, ARLF loans receivable balance on October 31, 2013 was \$11,198,473.

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

1. \$125,882 was recorded as Total Revenues for the month. For comparison, September 2014 revenue account balance was \$240,677.

2. \$(162,049) was recorded as Total Expenses for the month. For comparison, September 2014 expenses account balance was \$(149,206).

3. Fiscal Year-to-Date Earnings are \$19,148.

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

1. \$100,000 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 October 31, 2014**

	<u>October</u>	<u>Fiscal Year to Date</u>
<b>Operating Revenues</b>		
Interest Income	\$ 66,064	\$ 197,352
Services (legal, clerical, loan fees, sale products)	50	150
Late Payment Penalties	70	706
Rents, including leasehold credits	-	-
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	-
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
	<hr/>	<hr/>
<b>Total Operating Revenues</b>	<b>66,184</b>	<b>198,208</b>
<b>Operating Expenses:</b>		
Personal Services	13,252	43,747
Travel	964	2,850
Contractual Services	24,561	44,150
Commodities	696	1,663
	<hr/>	<hr/>
<b>Total Operating Expenses</b>	<b>39,474</b>	<b>92,410</b>
	<hr/>	<hr/>
<b>Net Operating Income (Loss)</b>	<b>26,710</b>	<b>105,798</b>
<b>Non-Operating Income (Expenses):</b>		
MMM&S Revenues	125,882	646,507
Mt. McKinley Meat & Sausage Plant	(162,049)	(627,359)
	<hr/>	<hr/>
Mt. McKinley Meat & Sausage Plant Net Income (loss)	<b>(36,167)</b>	<b>19,148</b>
Income (Loss) Sale of Fixed Assets	-	-
Bad Debt Expense	-	-
Depreciation Expense	-	-
	<hr/>	<hr/>
<b>Total Non-Operating Income / (Expenses)</b>	<b>(36,167)</b>	<b>19,148</b>
	<hr/>	<hr/>
<b>Current Period Earnings (Loss)</b>	<b>\$ (9,457)</b>	<b>\$ 124,946</b>
<b>Fund Equity, June 30, 2014</b>		<b>\$ 22,554,944</b>
<b>Fund Equity, October 31, 2014</b>		<b>\$ 22,679,890</b>

**AGRICULTURAL REVOLVING LOAN FUND**  
**Comparative Balance Sheet**  
**October 31, 2014**

<b><u>ASSETS</u></b>	<b><u>October 2014</u></b>	<b><u>September 2014</u></b>	<b><u>LIABILITIES</u></b>	<b><u>October 2014</u></b>	<b><u>September 2014</u></b>
<b>Current Assets</b>			<b>Short Term Liabilities</b>		
Cash	\$ 8,009,696	\$ 7,820,538	Warrants Outstanding	\$ 66,088	\$ 16,627
Receivables			Accounts Payable	2,582	-
ARLF Loans	10,262,928	10,393,899	Accrued Payables	195,690	195,690
Land Sale Contracts	1,274,139	1,278,283	Accrued Vacation Leave	32,663	32,663
Notes Receivable	35,611	35,611	Trust Account	-	88
Judgments	-	-			
Accrued Interest	-1- 80,495	80,495	<b>Total Short Term Liabilities</b>	<b>297,022</b>	<b>245,067</b>
Accrued Penalties	-1- 186	186			
Leases/Accounts Receivable	-	-	<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- (2)	(2)	Due to School Fund	-3- -	-
Net Receivables	11,653,357	11,788,472	<b>Total Due to Other Funds</b>	-	-
Outstanding Loan Warrants	4,372	15,917			
Repossessed Inventory	-	-	<b>Long Term Liabilities</b>		
			Accrued Pension Adjustment	-	-
<b>Total Current Assets</b>	<b>19,667,425</b>	<b>19,624,927</b>	<b>Total Long Term Liabilities</b>	-	-
<b>Due from Other Funds</b>			<b>TOTAL LIABILITIES</b>	<b>297,022</b>	<b>245,067</b>
Due from GF	-	-			
Due from Mental Health	-	-	<b><u>FUND EQUITY</u></b>		
<b>Total Due from Other Funds</b>	-	-	Fund Equity, Beginning	22,554,944	22,554,944
			Current Year Earnings (Loss)	124,946	134,403
<b>Other Assets</b>			<b>TOTAL FUND EQUITY</b>	<b>22,679,890</b>	<b>22,689,347</b>
Investments:					
Alaska Farmers Coop	2,787,153	2,787,153	<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>22,976,912</b>	<b>22,934,414</b>
Repossessed Property	1,047,619	1,047,619			
Less Accum. Deprec	(525,285)	(525,285)			
Other Assets	-	-			
<b>Net Other Assets</b>	<b>3,309,487</b>	<b>3,309,487</b>			
<b>TOTAL ASSETS</b>	<b>\$22,976,912</b>	<b>\$22,934,414</b>			

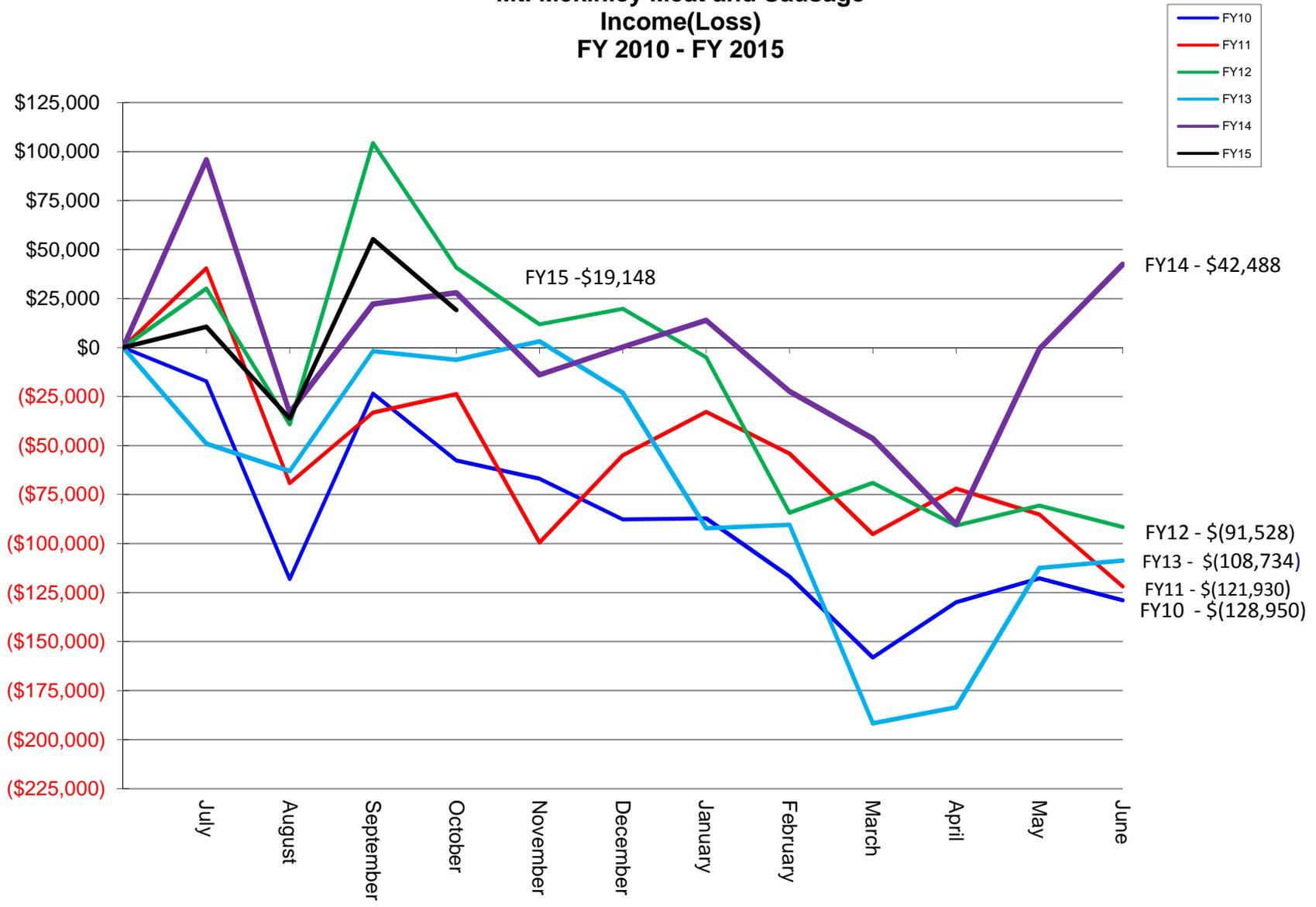
**Footnotes:**

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 for ARLF and General Fund loans.

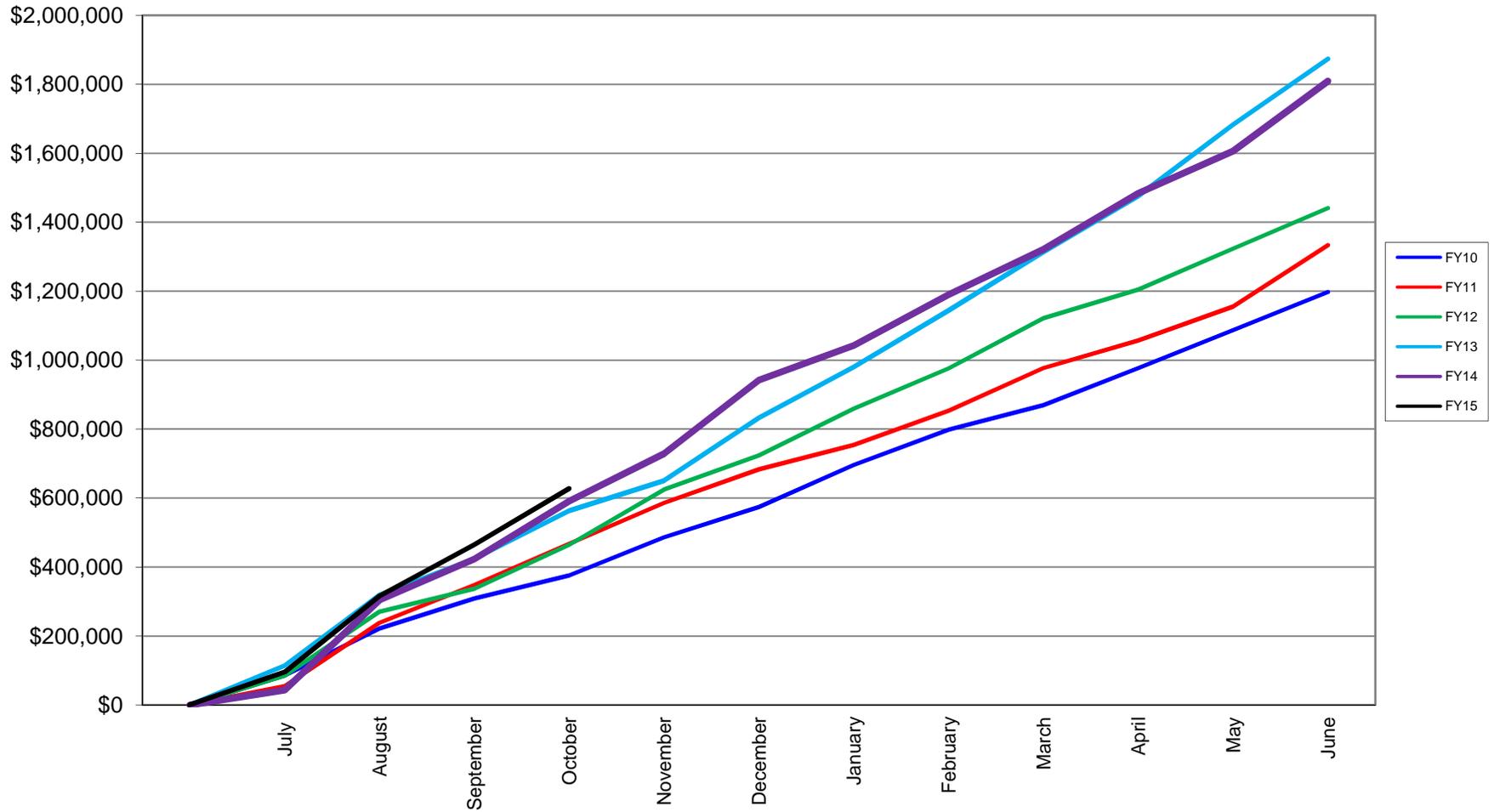
**Mt McKinley Meat and Sausage  
 AGRICULTURAL REVOLVING LOAN FUND  
 Statement of Revenues and Expenses  
 For Month ended October 31, 2014**

	<b>October</b>	<b>Fiscal Year-to-Date</b>
<b>Revenues:</b>		
Services	\$ 18,596	\$ 61,681
Sale of Products	105,882	578,986
Freight	1,403	5,839
	<b>Total Revenues</b>	<b>646,507</b>
	<b>125,882</b>	<b>646,507</b>
 <b>Expenses:</b>		
Personal Services	30,047	99,102
Travel	-	-
Contractual Services	12,675	41,741
Commodities	119,327	486,516
	<b>Total Expenses</b>	<b>627,359</b>
	<b>162,049</b>	<b>627,359</b>
 <b>Net Earnings / (Loss)</b>	<b>\$ (36,167)</b>	<b>\$ 19,148</b>

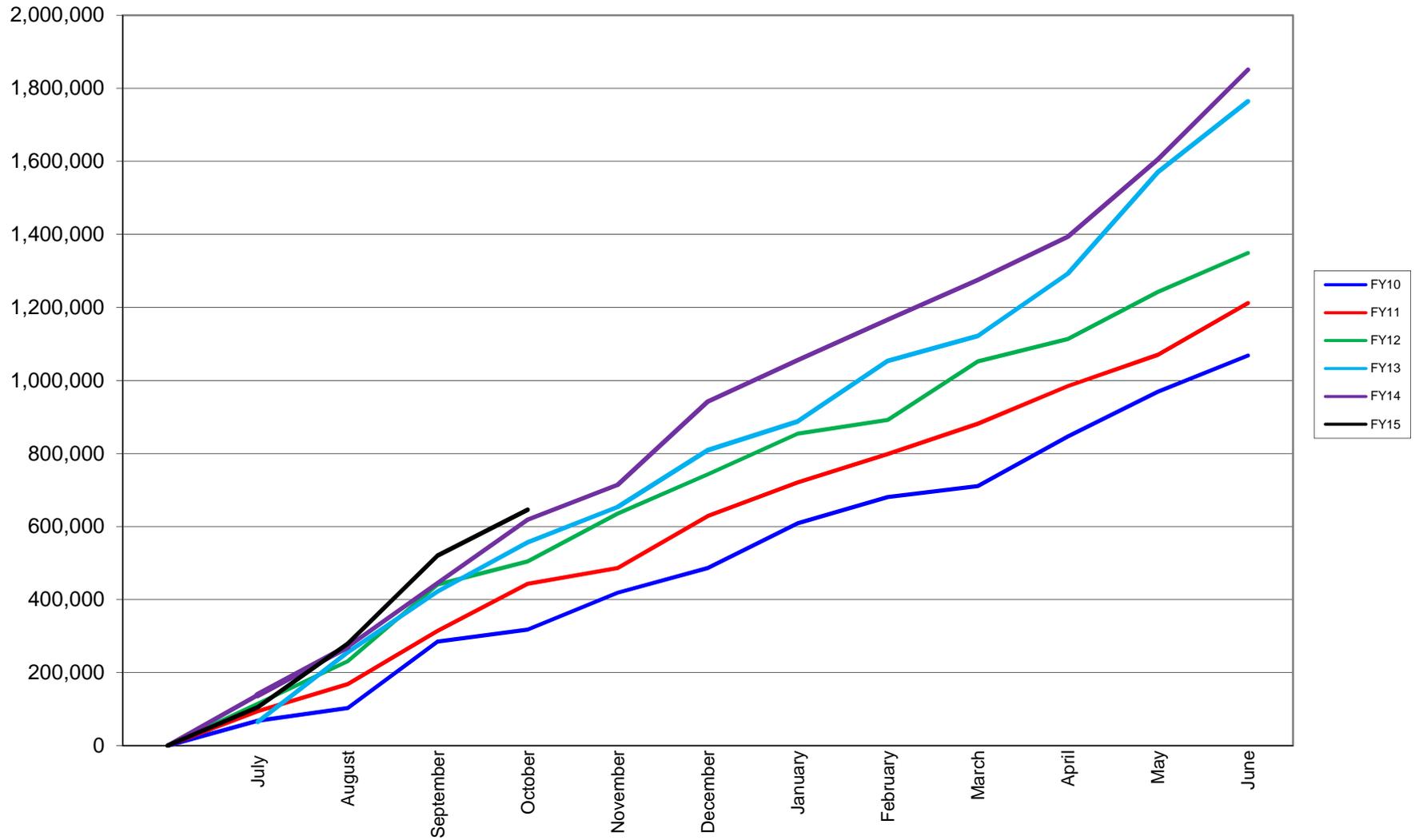
**Mt. Mckinley Meat and Sausage  
Income(Loss)  
FY 2010 - FY 2015**



**Mt McKinley Meat and Sausage  
Cumulative Expenses  
July 2009 - October 2014**



**Mt Mckinley Meat and Sausage  
Revenue Trend  
July 2009 - October 2014**



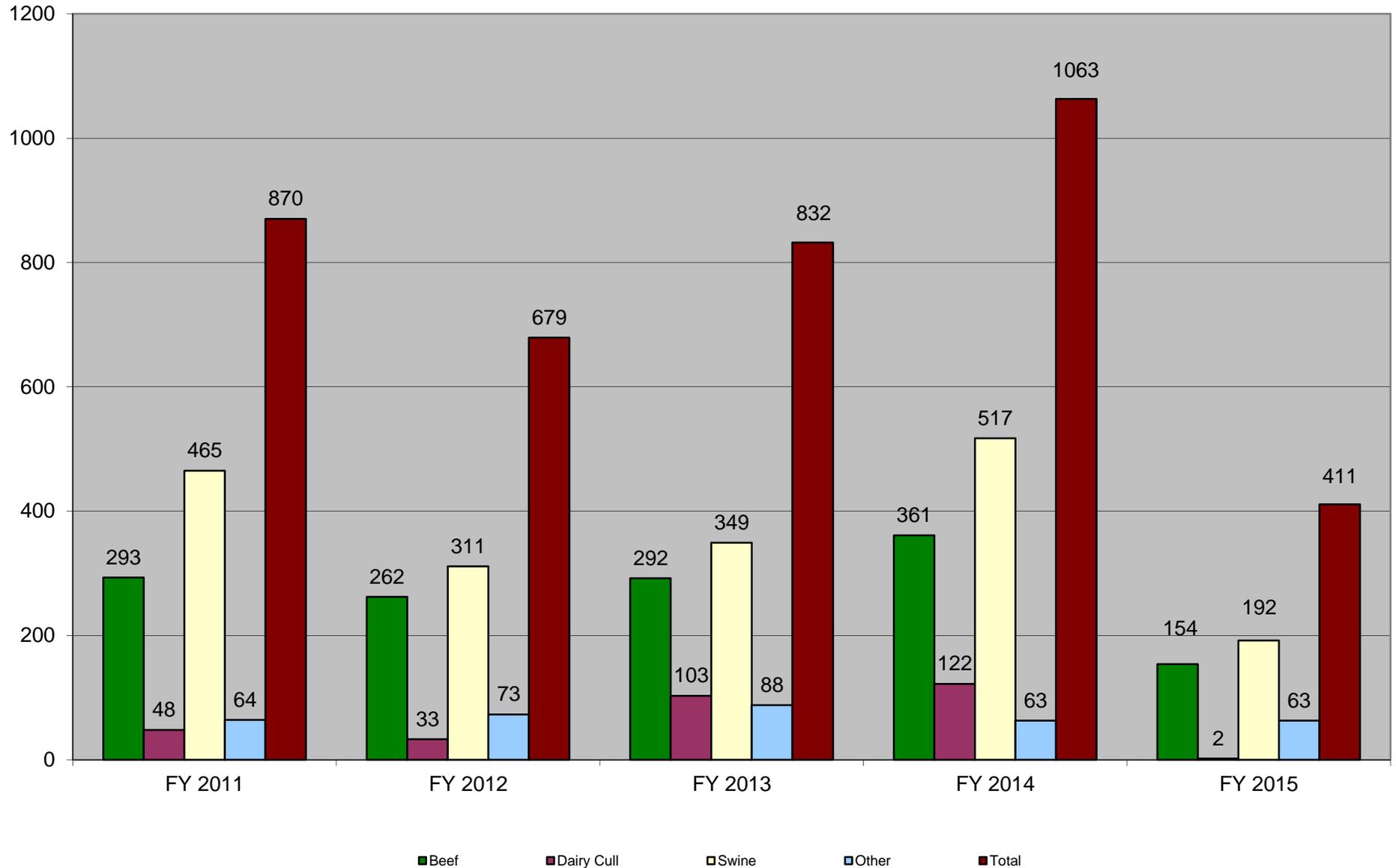
**AGRICULTURAL REVOLVING LOAN FUND**  
**Loan Activity Report / Undistributed Warrants**  
**As of December 4, 2014 - FY 14**

Borrower	LO	Loan #	Date Approved	Note Date	Amount Approved	Warrants		Available Balance	Amount Distributed to Borrower	Undistributed Warrants
						Issued	#			
Oathout, Sharmin & Mark	1	F-5213	7/15/2013	7/16/2013	55,000.00	55,000.00	3	0.00	55,000.00	0.00
Polar Peonies, LLC	1	C-5268	7/15/2013	7/31/2013	3,500.00	3,500.00	1	0.00	3,500.00	0.00
Polar Peonies, LLC	1	F-5214	7/15/2013	7/31/2013	24,925.00	24,925.00	2	0.00	24,925.00	0.00
Hoover, Rodney	1	C-5270	7/15/2013	7/20/2013	55,654.20	55,654.20	3	0.00	55,654.20	0.00
Amberg, William	1	S-5473	7/15/2013	7/16/2013	42,627.32	42,627.32	1	0.00	42,627.32	0.00
Amberg, William	1	C-5269	7/15/2013	7/31/2013	52,280.57	41,033.89	3	11,246.68	41,033.89	0.00
Amberg, William	1	F-5215	7/15/2013	7/31/2013	241,530.37	166,327.81	4	75,202.56	166,327.81	0.00
Mugrage, Scott & Julia	1	F-5216	12/19/2013	1/10/2014	420,000.00	419,585.64	2	414.36	419,585.64	0.00
Mugrage, Scott & Julia	1	S-5474	12/19/2013	1/10/2014	200,000.00	200,000.00	2	0.00	200,000.00	0.00
Fluetsch, Bradley & Dye, Kathy	1	F-5217	1/23/2014	7/23/2014	173,775.00	106,709.62	30	67,065.38	106,709.62	0.00
Hawks Farms & Garden	1	S-5475	3/27/2014	4/1/2014	50,000.00	50,000.00	3	0.00	50,000.00	0.00
Brost, Wayne & Veronica	1	S-5476	3/27/2014	5/15/2014	100,000.00	100,000.00	1	0.00	100,000.00	0.00
Wrigley Farms, LLC	1	S-5477	5/8/2014	5/15/2014	40,000.00	40,000.00	1	0.00	40,000.00	0.00
Williams, Thomas	1	S-5478	5/8/2014	5/12/2014	50,000.00	50,000.00	3	0.00	50,000.00	0.00
Blake, Kyle	1	S-5479	6/9/2014	6/13/2014	10,000.00	10,000.00	1	0.00	10,000.00	0.00
<b>15 TOTALS</b>					<b>\$1,519,292.46</b>	<b>\$1,365,363.48</b>	<b>60</b>	<b>\$153,928.98</b>	<b>\$1,365,363.48</b>	<b>\$0.00</b>

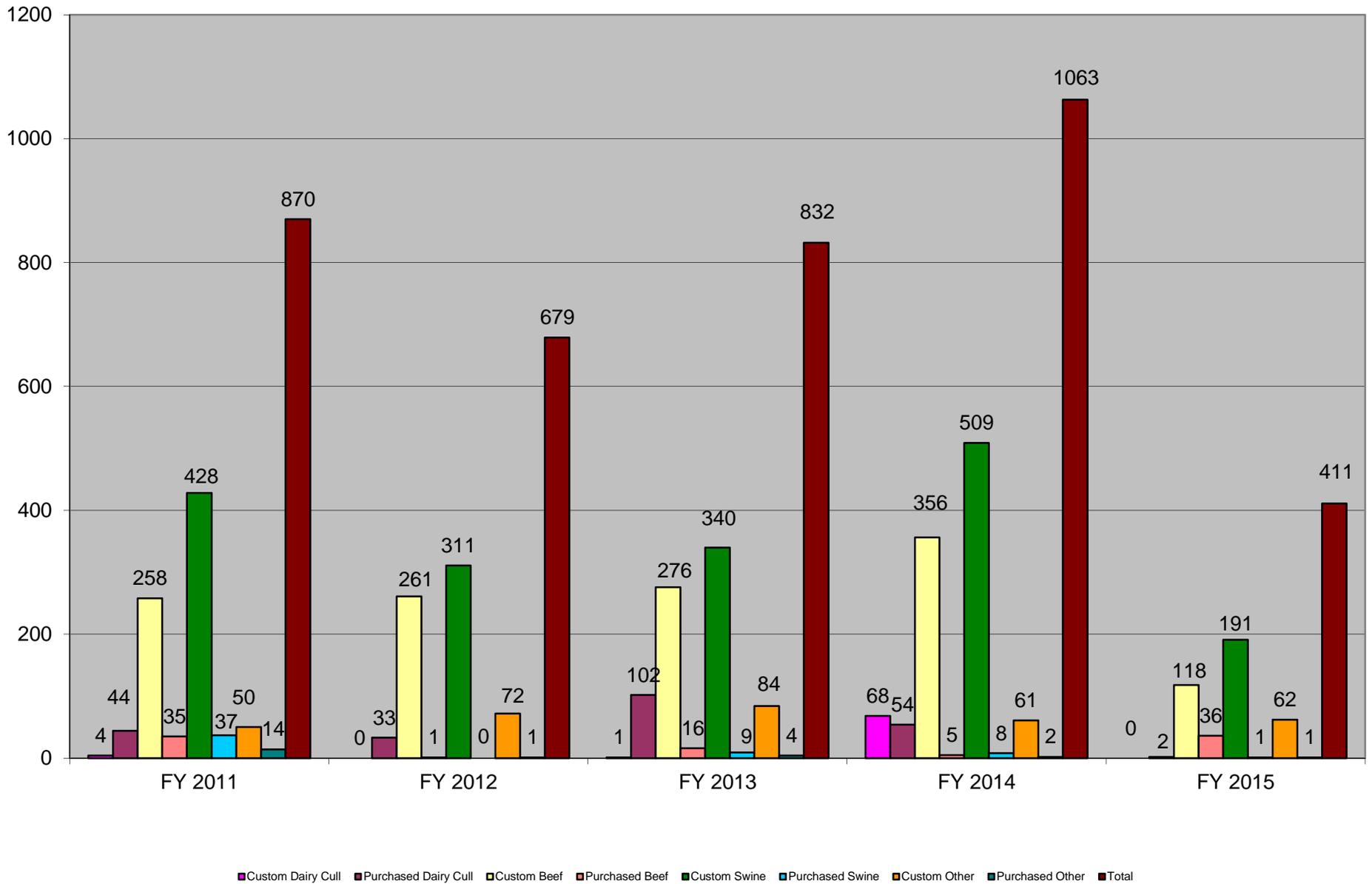
**AGRICULTURAL REVOLVING LOAN FUND**  
**Loan Activity Report / Undistributed Warrants**  
**As of December 4, 2014 - FY 15**

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	26,967.46	3	73,032.54	26,967.46	0.00
<b>1</b>					<b>TOTALS</b>					
					<b>\$100,000.00</b>	<b>\$26,967.46</b>	<b>3</b>	<b>\$73,032.54</b>	<b>\$26,967.46</b>	<b>\$0.00</b>

## MMM&S Slaughter Statistics by Fiscal Year and Type As of October 31, 2014 - FY15



### MMM&S Custom and Purchased Statistics by Fiscal Year As of October 31, 2014 - FY15



**AGRICULTURAL REVOLVING LOAN FUND**  
**Real and Personal Property Inventory**  
**31-Oct-14**

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				Remarks	Fair Market Value					
					Land	Buildings	Mach / Equip	Total Value		Amt 6/30/14	Owed To	Amount	Lessee	Lease #	Exp Date		Inspect Date	YR	Method	Land/ Structures	Improve- ments	Total Value
<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	14	Tax Assmt	\$404,000		\$404,000	
<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	14	Tax Assmt	428,300		428,300	
<b>LONG TERM LEASES</b>																						
Alaska Farm Coop	1	Delta	20	9/3/93	94,080			94,080			0.50 /Yr	AK Farm Co	LSE-021	6/30/18	Apr-09	FS; Hanson Rd/98% ownrsh	05	Est	30,000	777,680	807,680	
Alaska Farm Coop	1	Delta	1	9/3/93	74,480			74,480			0.50 /Yr	AK Farm Co	LSE-022	6/30/18	Apr-09	FS; Delta/98% ownrshp	05	Est	40,000	36,000	76,000	
<b>Sub-total Long Term Leases</b>					<b>168,560</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>168,560</b>	<b>-</b>	<b>-</b>									<b>\$70,000</b>	<b>\$813,680</b>	<b>\$883,680</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 & ANM	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										902,300	863,680	1,765,980

<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**  
**October 31, 2014**

**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**