

AGRICULTURAL REVOLVING LOAN FUND

Notes to Financial Statements for December, 2013 - FY14

Statement of Revenues, Expenses, and Changes in Fund Equity

1. \$61,497 was recorded as interest income. For comparison, November 2013 interest income was \$56,517. Total interest income for July 2013 through December 2013 is \$328,298.
2. \$(22,023) was recorded as ARLF operating expenses.
3. Net operating income was \$43,457.
Mt. McKinley Meat and Sausage Plant income for the period (Non-Operating Activity) was recorded at \$14,274.

Comparative Balance Sheet

1. \$7,867,445 was ARLF cash balance on December 31, 2013. For comparison, ARLF cash balance on December 31, 2012 was \$5,593,078.
2. \$11,035,704 was ARLF loans receivable account balance. For comparison, ARLF loans receivable balance on December 31, 2012 was \$12,757,211.

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

1. \$228,200 was recorded as Total Revenues for the month. For comparison, November 2013 revenue account balance was \$95,698.
2. \$(213,925) was recorded as Total Expenses for the month. For comparison, November 2013 expenses account balance was \$(137,573).
3. Fiscal Year-to-Date Income is \$337.

Loan Activity/Cash outflows

1. \$1,095,517 is the total amount of loans approved since the beginning of the fiscal year 2014.

AGRICULTURAL REVOLVING LOAN FUND
Statement of Revenues, Expenses, and Changes in Fund Equity
For Month ended December 31, 2013

	<u>December</u>	<u>Fiscal Year to Date</u>
Operating Revenues		
Interest Income	\$ 61,497	\$ 328,298
Services (legal, clerical, loan fees, sale products)	-	200
Late Payment Penalties	56	2,131
Rents, including leasehold credits	3,926	3,926
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	-
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
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Total Operating Revenues	65,479	334,555
Operating Expenses:		
Personal Services	12,352	68,636
Travel	29	1,523
Contractual Services	9,635	67,375
Commodities	6	1,509
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Total Operating Expenses	22,023	139,044
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Net Operating Income (Loss)	43,457	195,511
Non-Operating Income (Expenses):		
MMM&S Revenues	228,200	942,617
Mt. McKinley Meat & Sausage Plant	(213,925)	(942,280)
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Mt. McKinley Meat & Sausage Plant Net Income (loss)	14,274	337
Income (Loss) Sale of Fixed Assets	-	-
Bad Debt Expense	-	-
Depreciation Expense	-	-
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Total Non-Operating Income / (Expenses)	14,274	337
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Current Period Earnings (Loss)	\$ 57,731	\$ 195,848
Fund Equity, June 30, 2013		\$ 22,351,315
Fund Equity, December 31, 2013		\$ 22,547,163

AGRICULTURAL REVOLVING LOAN FUND
Comparative Balance Sheet
December 31, 2013

<u>ASSETS</u>	<u>December 2013</u>	<u>November 2013</u>	<u>LIABILITIES</u>	<u>December 2013</u>	<u>November 2013</u>
Current Assets			Short Term Liabilities		
Cash	\$ 7,867,445	\$ 7,685,796	Warrants Outstanding	\$ 49,565	\$ 8,976
Receivables			Accounts Payable	25,837	983
ARLF Loans	11,035,704	11,083,449	Accrued Payables	171,079	171,079
Land Sale Contracts	1,306,258	1,309,507	Accrued Vacation Leave	36,012	36,012
Notes Receivable	35,611	43,093	Trust Account	-	-
Judgments	-	-			
Accrued Interest	-1- 107,588	107,588	Total Short Term Liabilities	282,493	217,050
Accrued Penalties	-1- 1,424	1,424			
Leases/Accounts Receiv	-1- -	-	Due to Other Funds		
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- (850,232)	(850,232)	Due to School Fund	-3- -	-
Net Receivables	11,636,354	11,694,829	Total Due to Other Funds	-	-
Outstanding Loan Warrants	-	-			
Repossessed Inventory	29,000	29,000	Long Term Liabilities		
Total Current Assets	19,532,799	19,409,625	Accrued Pension Adjustment	-	-
Due from Other Funds			Total Long Term Liabilities	-	-
Due from GF	-	-	TOTAL LIABILITIES	282,493	217,050
Due from Mental Health	-	-			
Total Due from Other Funds	-	-	FUND EQUITY		
Other Assets			Fund Equity, Beginning	22,351,315	22,351,315
Investments:			Current Year Earnings (Loss)	195,848	138,118
Alaska Farmers Coop	2,787,153	2,787,153	TOTAL FUND EQUITY	22,547,163	22,489,432
Repossessed Property	1,014,914	1,014,914			
Less Accum. Deprec	(505,210)	(505,210)	TOTAL LIABILITIES & FUND EQUITY	\$22,829,656	\$22,706,482
Other Assets	-	-			
Net Other Assets	3,296,857	3,296,857			
TOTAL ASSETS	\$22,829,656	\$22,706,482			

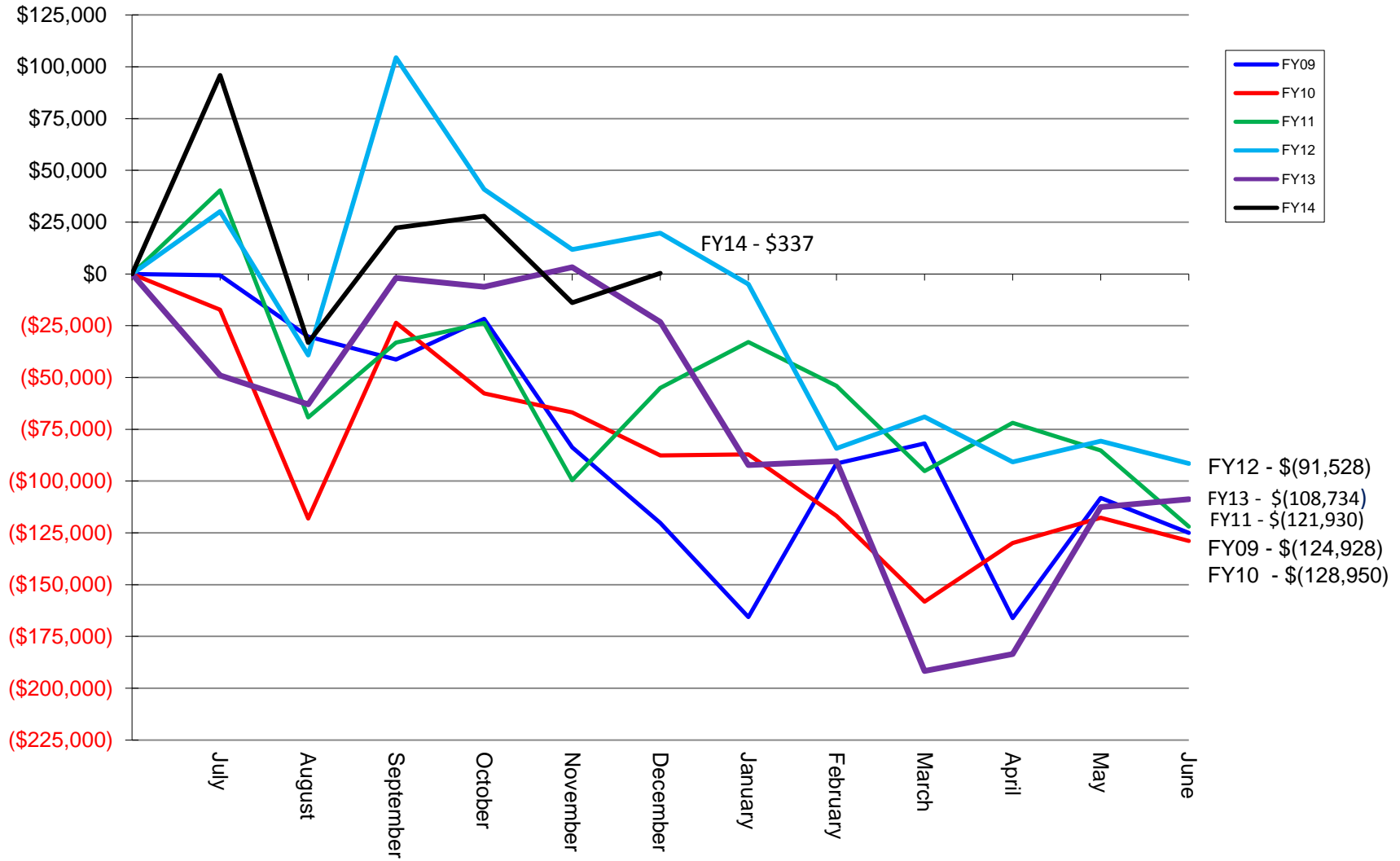
Footnotes:

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.

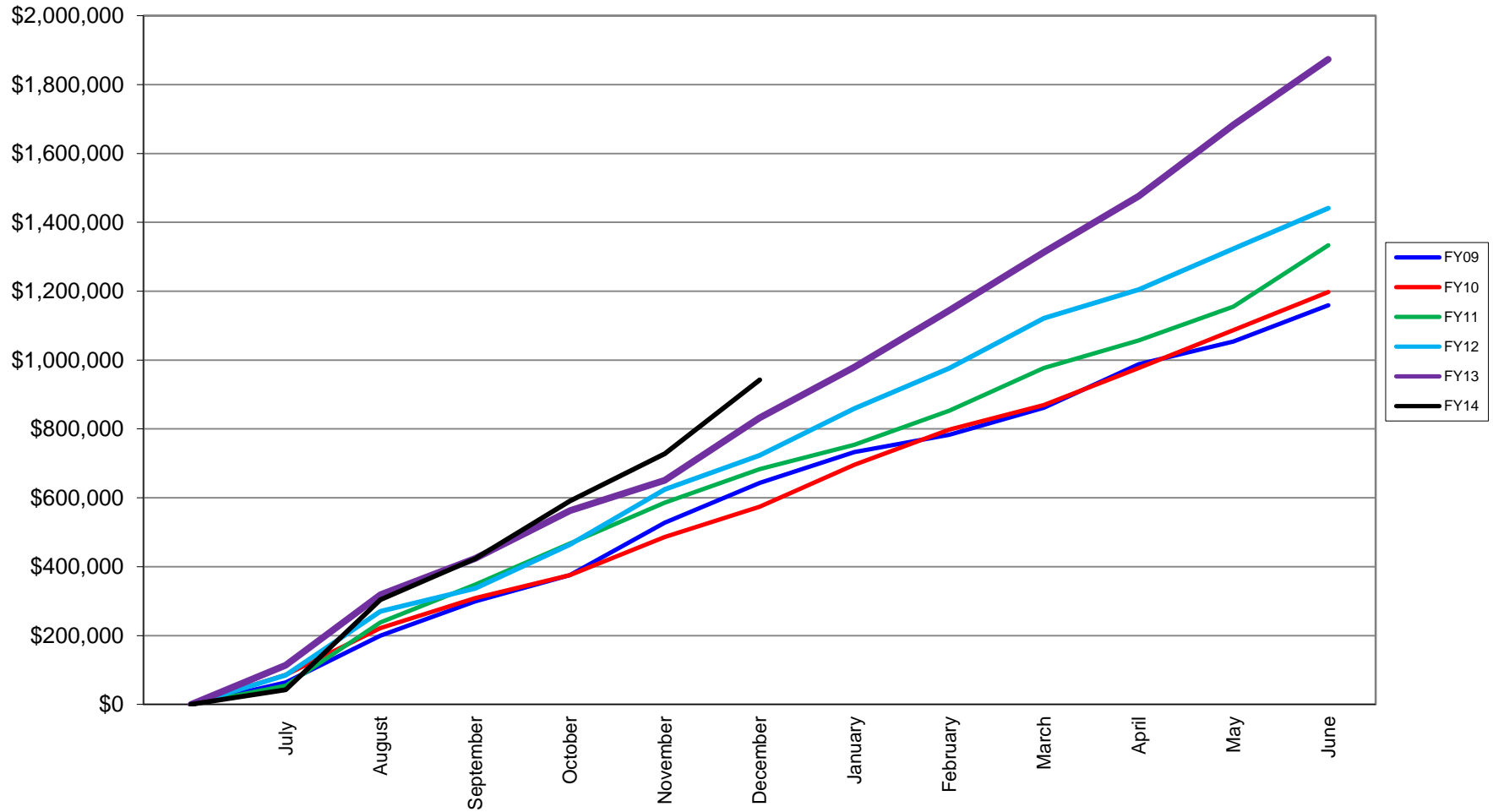
**Mt McKinley Meat and Sausage
 AGRICULTURAL REVOLVING LOAN FUND
 Statement of Revenues and Expenses
 For Month ended December 31, 2013**

	December	Fiscal Year-to-Date
Revenues:		
Services	\$ 14,876	\$ 98,896
Sale of Products	212,043	837,215
Freight	1,281	6,506
Total Revenues	228,200	942,617
 Expenses:		
Personal Services	36,284	180,335
Travel	-	-
Contractual Services	47,960	108,442
Commodities	129,681	653,503
Total Expenses	213,925	942,280
 Net Earnings / (Loss)	\$ 14,274	\$ 337

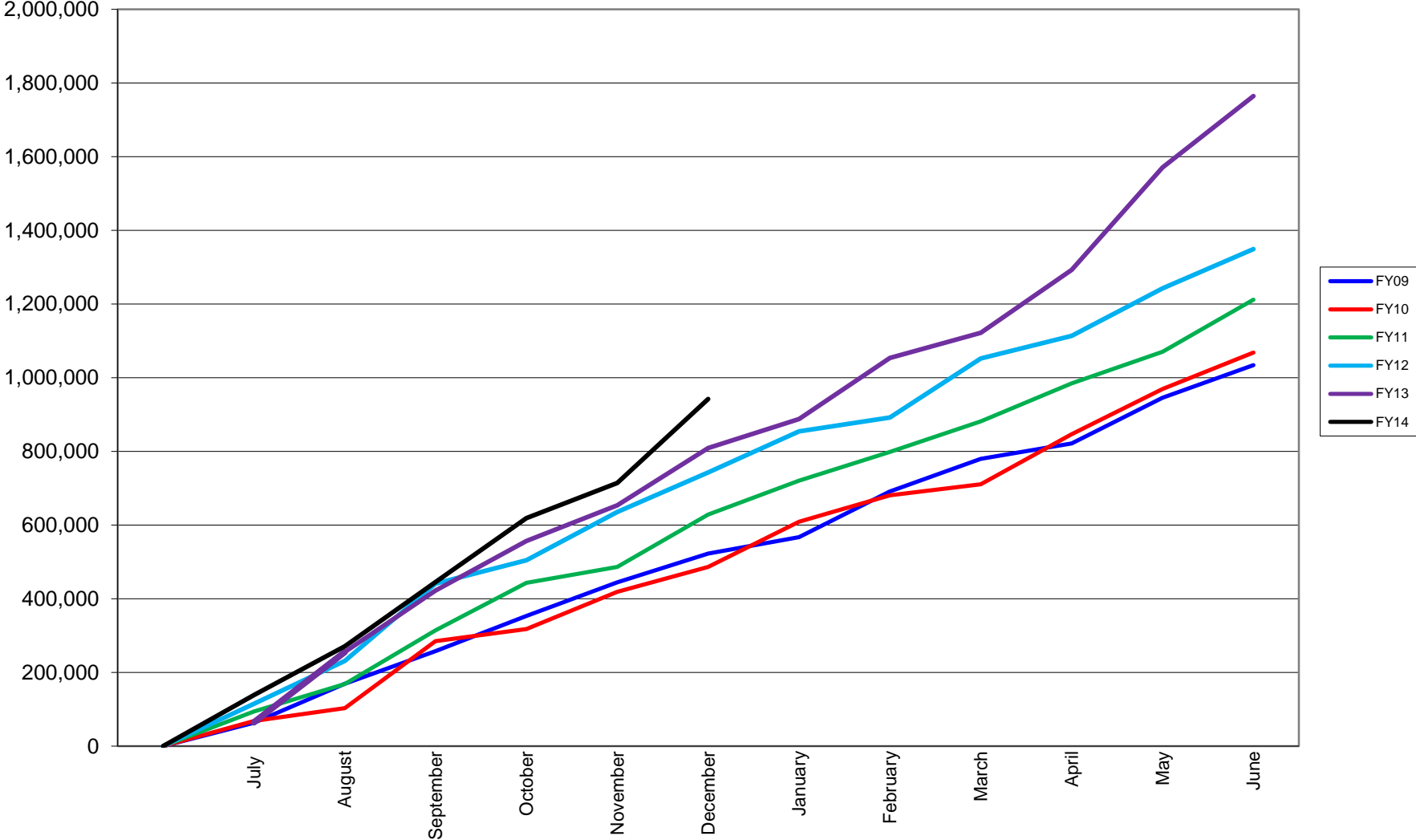
**Mt. Mckinley Meat and Sausage
Income(Loss)
FY 2009 - FY 2014**



**Mt McKinley Meat and Sausage
Cumulative Expenses
July 2008 - December 2013**



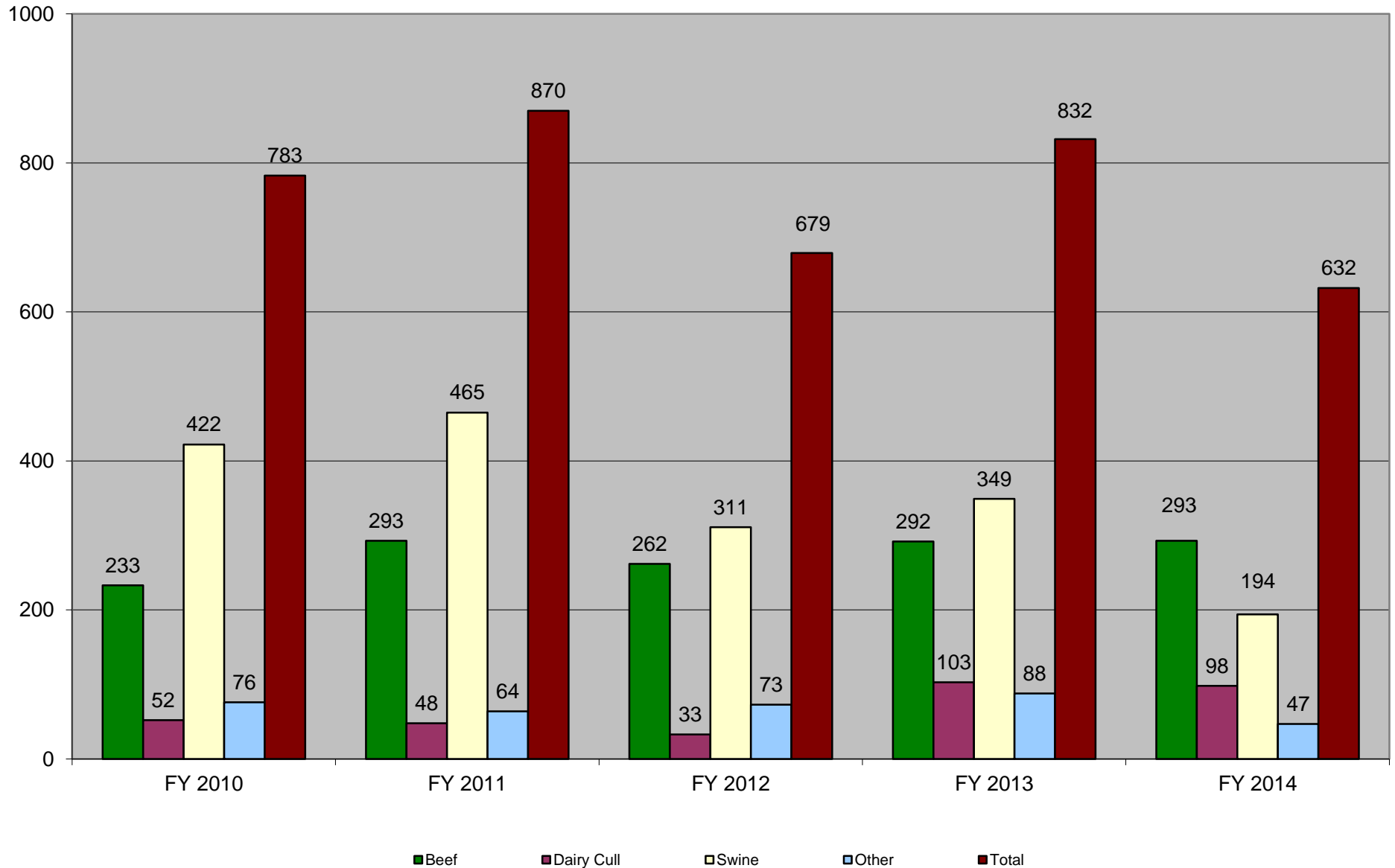
**Mt Mckinley Meat and Sausage
Revenue Trend
July 2008 - December 2013**



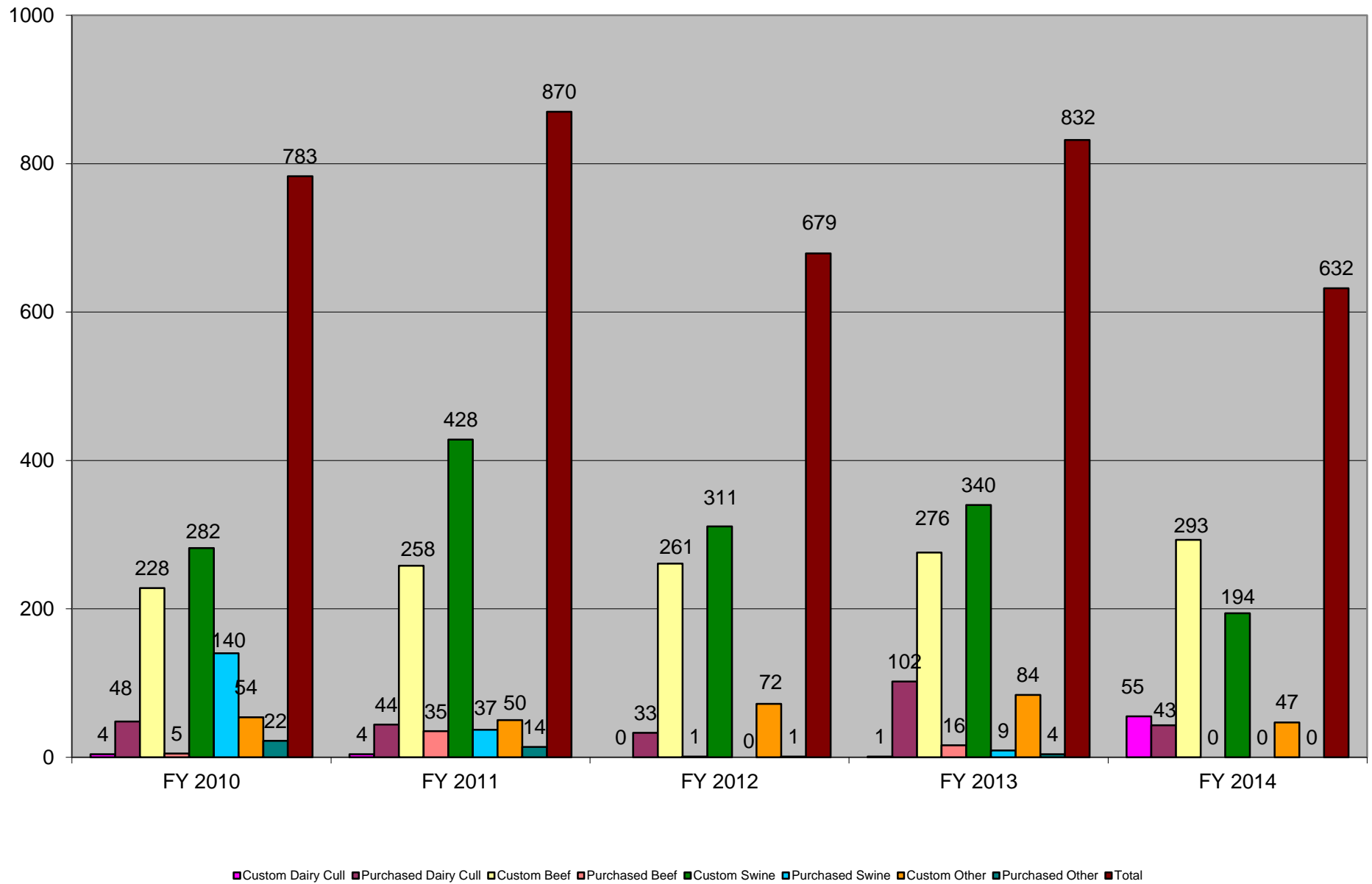
AGRICULTURAL REVOLVING LOAN FUND
Loan Activity Report / Undistributed Warrants
As of January 13, 2014 - FY 14

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	15,279.06	1	40,375.14	15,279.06	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	0.00	419,585.64	
Mugrage, Scott & Julia	1	S-5474	12/19/2013	1/10/2014	200,000.00			200,000.00	0.00	0.00	
9					TOTALS						
					\$1,095,517.46	\$768,278.72	17	\$327,238.74	\$348,693.08	\$419,585.64	

MMM&S Slaughter Statistics by Fiscal Year and Type As of December 31, 2013 - FY14



MMM&S Custom and Purchased Statistics by Fiscal Year As of December 31, 2013 - FY14



AGRICULTURAL REVOLVING LOAN FUND
Real and Personal Property Inventory
31-Dec-13

Former Borrower/ Prospective New Owner	LO	Location	Acres	Date Placed in Service	Fair Market Value at Repossession				Accum Dep. 6/30/2013	Liabilities		Lease Information					Fair Market Value						
					Land	Buildings	Mach/ Equip	Total Value		Amt 6/30/13	Owed To	Amount	Lessee	Lease #	Exp Date	Inspect Date	Remarks	YR	Method	Land/ Structures	Improve- ments	Total Value	
Repossessed Inventory (account # 10626)																							
UNENCUMBERED ASSETS																							
Thompson, Kenai Spur Hwy	1	Kenai	7	6/3/89	29,000.00			29,000.00								2012	ARLF Sale OTC #11-01	13	Tax Assmt	\$32,600	NONE	\$32,600	
Total Repossessed Inventory					<u>29,000.00</u>			<u>29,000.00</u>													<u>32,600</u>		<u>32,600</u>
Repossessed Property (Account # 10860 and Accum Depr # 10862)																							
UNENCUMBERED ASSETS																							
Feed Mill, Tract A-1 (10860)	1	Palmer	3	4/1/84	129,120.00	14,040.00	14,400.00	157,560.00								2012	ARLF OTC #09-01	13	Tax Assmt	\$401,600		\$401,600	
ASSETS with ASSOCIATED PERMITS																							
Mt. McKinley Meat	1	Palmer	4	12/1/86	42,000.00	595,592.00	41,202.00	678,794.00	497,925.37							2012	No planned disposal	13	Tax Assmt	429,200		429,200	
LONG TERM LEASES																							
Alaska Farm Coop	1	Delta	20	9/3/93	94,080.00			94,080.00			0.50 /Yr	AK Farm C	LSE-021	6/30/18	Apr-09	FS; Hanson Rd/98% ownr	05	Est		\$30,000	\$777,680	\$807,680	
Alaska Farm Coop	1	Delta	1	9/3/93	74,480.00			74,480.00			0.50 /Yr	AK Farm C	LSE-022	6/30/18	Apr-09	FS; Delta/98% ownrshp	05	Est		40,000	36,000	76,000	
Sub-total Long Term Leases					\$168,560.00	\$0.00	\$0.00	\$168,560.00	\$0.00	\$0.00											\$70,000	\$813,680	\$883,680
LAND OWNED BY OTHER STATE AGENCIES - REVENUE RIGHTS ONLY																							
Umnak Slaughter Fac	1	Umnak Is	6,598	1/1/07		10,000.00		10,000.00	7,285.00		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	
Total - Repossessed Property					\$ 339,680	\$ 619,632	\$ 55,602	\$ 1,014,914	\$ 505,210	rounded											900,800	863,680	1,764,480
GRAND TOTAL					<u>\$ 368,680</u>	<u>\$ 619,632</u>	<u>\$ 55,602</u>	<u>\$ 1,043,914</u>	<u>\$ 505,210</u>												<u>\$933,400</u>	<u>\$863,680</u>	<u>\$1,797,080</u>

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

Subsidiary Ledger
ARLF - Machinery, Equipment, and Building Inventory
December 31, 2013

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 6/30/2013	Location	Remarks
						Each	Total			
Equipment, misc	1		Feed Mill, Tract A-1	01-Apr-84	01-Apr-84	14,400.00	14,400.00			
Subtotal Mach & Equip							14,400.00			
Building	1	1	Feed Mill, Tract A-1	01-Apr-84	01-Apr-84	14,040.00	14,040.00			
Subtotal Building							14,040.00			
Total Feed Mill, Tract A-1							28,440.00			

Mt McKinley Meats										
Item	LO	Qty	Former Owner	Date Acquired by ARLF	Date Placed in Service	Each	Total	Accum Depr 6/30/2013	Location	Remarks
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	390.18		
Water Tanks	1	3	Mt. McKinley Meats	08-May-13	01-Jun-13	14,481.00	14,481.00	241.35		
Sanitation Tank	1	1	Mt. McKinley Meats	16-Mar-13	16-Mar-13	700.00	700.00	68.06		
Vacuum Sealer	1	1	Mt. McKinley Meats	16-Mar-13	16-Mar-13	3,100.00	3,100.00	301.39		
Subtotal Mach & Equip							5,363.00	6,363.97		
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	9,600.00		
Boiler upgrade	1	1	Mt. McKinley Meats	25-Aug-97	01-Oct-97	41,236.40	41,236.40	26,391.28		
Boiler upgrade	1	1	Mt. McKinley Meats	01-Nov-97	01-Feb-98	48,931.70	48,931.70	31,316.34		
Boiler upgrade	1	1	Mt. McKinley Meats	01-Feb-98	01-Feb-98	8,849.90	8,849.90	5,663.98		
Boiler upgrade	1	1	Mt. McKinley Meats	30-Jun-03	30-Jun-03	4,974.00	4,974.00	1,989.80		
Roof	1	1	Mt. McKinley Meats	30-Sep-98	01-Oct-98	150,000.00	150,000.00	90,000.00		
Subtotal Building							595,592.00	491,561.40		
Total Mt. McKinley Meats							600,955.00	497,925.37		
Umnak Slaughter Facility										
Building	1	1	Umnak Slghtr Fac.	01-Mar-95	01-Mar-95	10,000.00	10,000.00	7,285.00		
Subtotal Building							10,000.00	7,285.00		
Total Umnak Slaughter Facility							10,000.00	7,285.00		

Total Accumulated Depreciation

505,210