

# **AGRICULTURAL REVOLVING LOAN FUND**

## **Notes to Financial Statements for May, 2014 - FY14**

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

1. \$36,925 was recorded as interest income. For comparison, April 2014 interest income was \$35,259. Total interest income for July 2013 through May 2014 is \$514,009.
2. \$(29,717) was recorded as ARLF operating expenses.
3. Net operating income was \$8,586.
4. Mt. McKinley Meat and Sausage Plant income for the period (Non-Operating Activity) was recorded at \$89,544.

### **Comparative Balance Sheet**

1. \$7,258,808 was ARLF cash balance on May 31, 2014. For comparison, ARLF cash balance on May 31, 2013 was \$6,281,465.
2. \$11,593,472 was ARLF loans receivable account balance. For comparison, ARLF loans receivable balance on May 31, 2013 was \$12,337,705.

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

1. \$211,553 was recorded as Total Revenues for the month. For comparison, April 2014 revenue account balance was \$118,664.
2. \$(122,009) was recorded as Total Expenses for the month. For comparison, April 2014 expenses account balance was \$(162,531).
3. Fiscal Year-to-Date Loss is \$(680).

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

1. \$1,509,292 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 May 31, 2014**

	<u>May</u>	<u>Fiscal Year to Date</u>
<b>Operating Revenues</b>		
Interest Income	\$ 36,925	\$ 514,009
Services (legal, clerical, loan fees, sale products)	1,211	1,611
Late Payment Penalties	167	3,694
Rents, including leasehold credits	-	3,926
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	-
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
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<b>Total Operating Revenues</b>	<b>38,303</b>	<b>523,240</b>
<b>Operating Expenses:</b>		
Personal Services	12,327	130,972
Travel	523	4,034
Contractual Services	16,867	141,358
Commodities	-	3,879
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<b>Total Operating Expenses</b>	<b>29,717</b>	<b>280,243</b>
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<b>Net Operating Income (Loss)</b>	<b>8,586</b>	<b>242,997</b>
<b>Non-Operating Income (Expenses):</b>		
MMM&S Revenues	211,553	1,605,363
Mt. McKinley Meat & Sausage Plant	(122,009)	(1,606,043)
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Mt. McKinley Meat & Sausage Plant Net Income (loss)	<b>89,544</b>	<b>(680)</b>
Income (Loss) Sale of Fixed Assets	-	(18,148)
Bad Debt Expense	-	-
Depreciation Expense	-	-
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<b>Total Non-Operating Income / (Expenses)</b>	<b>89,544</b>	<b>(18,828)</b>
	<hr/>	<hr/>
<b>Current Period Earnings (Loss)</b>	<b>\$ 98,130</b>	<b>\$ 224,170</b>
<b>Fund Equity, June 30, 2013</b>		<b>\$ 22,351,315</b>
<b>Fund Equity, May 31, 2014</b>		<b>\$ 22,575,484</b>

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

<u>ASSETS</u>	<u>May 2014</u>	<u>April 2014</u>	<u>LIABILITIES</u>	<u>May 2014</u>	<u>April 2014</u>
<b>Current Assets</b>			<b>Short Term Liabilities</b>		
Cash	\$ 7,258,808	\$ 7,369,846	Warrants Outstanding	\$ 46,091	\$ 1,139
Receivables			Accounts Payable	987	-
ARLF Loans	11,593,472	11,424,892	Accrued Payables	171,079	171,079
Land Sale Contracts	1,296,124	1,299,599	Accrued Vacation Leave	36,012	36,012
Notes Receivable	35,611	35,611	Trust Account	-	-
Judgments	-	-	<b>Total Short Term Liabilities</b>	<b>254,169</b>	<b>208,230</b>
Accrued Interest	-1- 107,588	107,588	<b>Due to Other Funds</b>		
Accrued Penalties	-1- 1,424	1,424	Due to General Fund	-3- (1,044,421)	(1,044,421)
Leases/Accounts Receivable	-1- -	-	Allow for AFC stock	-3- 1,044,421	1,044,421
Protection of Collateral	-	-	Due to School Fund	-3- -	-
Less Allowances:			<b>Total Due to Other Funds</b>	<b>-</b>	<b>-</b>
Doubtful Accounts	-2- (850,232)	(850,232)	<b>Long Term Liabilities</b>		
Net Receivables	12,183,988	12,018,882	Accrued Pension Adjustment	-	-
Outstanding Loan Warrants	90,000	-	<b>Total Long Term Liabilities</b>	<b>-</b>	<b>-</b>
Repossessed Inventory	-	-	<b>TOTAL LIABILITIES</b>	<b>254,169</b>	<b>208,230</b>
<b>Total Current Assets</b>	<b>19,532,796</b>	<b>19,388,728</b>			
<b>Due from Other Funds</b>			<b>FUND EQUITY</b>		
Due from GF	-	-	Fund Equity, Beginning	22,351,315	22,351,315
Due from Mental Health	-	-	Current Year Earnings (Loss)	224,170	126,040
<b>Total Due from Other Funds</b>	<b>-</b>	<b>-</b>	<b>TOTAL FUND EQUITY</b>	<b>22,575,484</b>	<b>22,477,355</b>
<b>Other Assets</b>			<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$ 22,829,653</b>	<b>\$ 22,685,585</b>
Investments:					
Alaska Farmers Coop	2,787,153	2,787,153			
Repossessed Property	1,014,914	1,014,914			
Less Accum. Deprec	(505,210)	(505,210)			
Other Assets	-	-			
<b>Net Other Assets</b>	<b>3,296,857</b>	<b>3,296,857</b>			
<b>TOTAL ASSETS</b>	<b>\$ 22,829,653</b>	<b>\$ 22,685,585</b>			

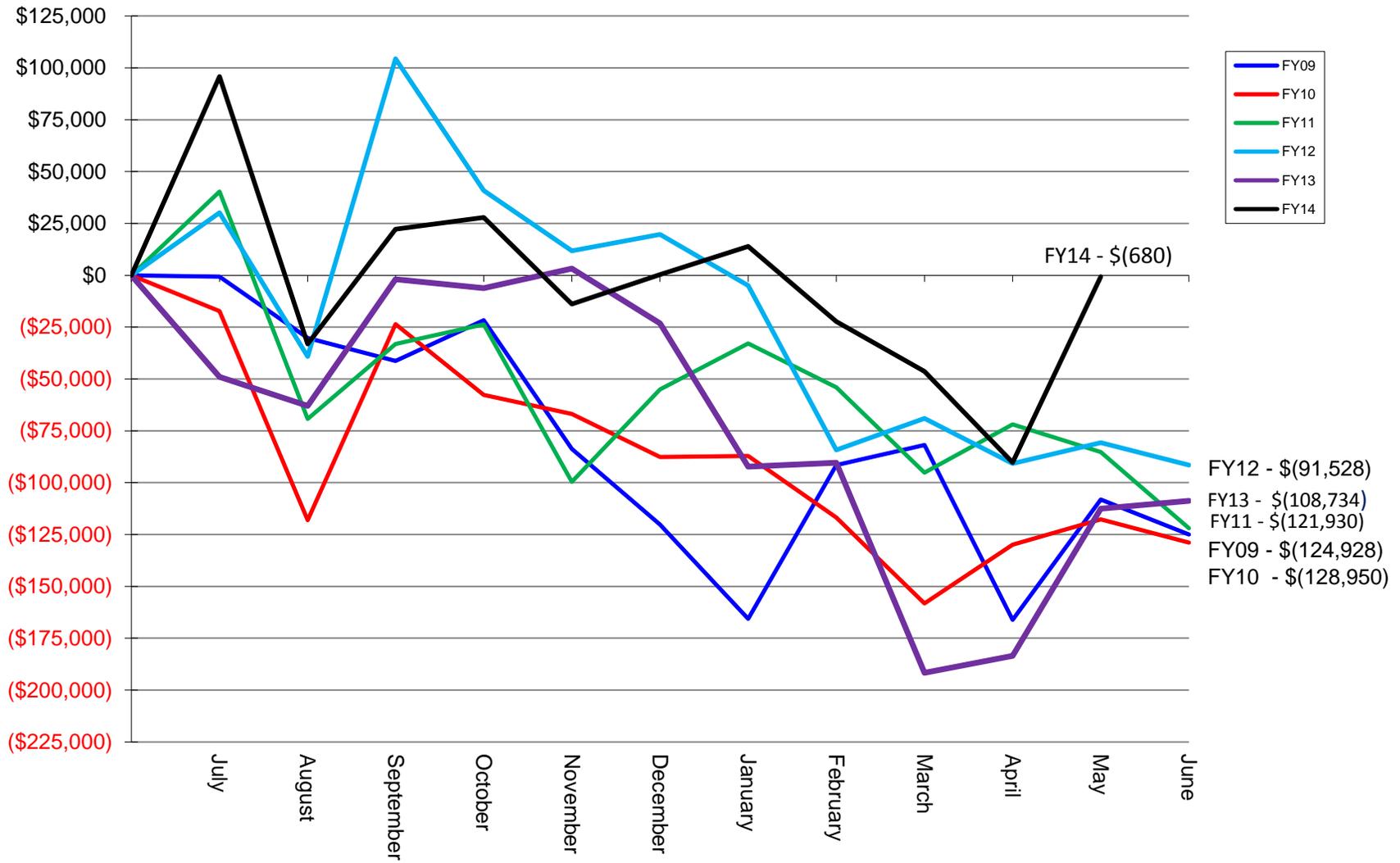
**Footnotes:**

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.

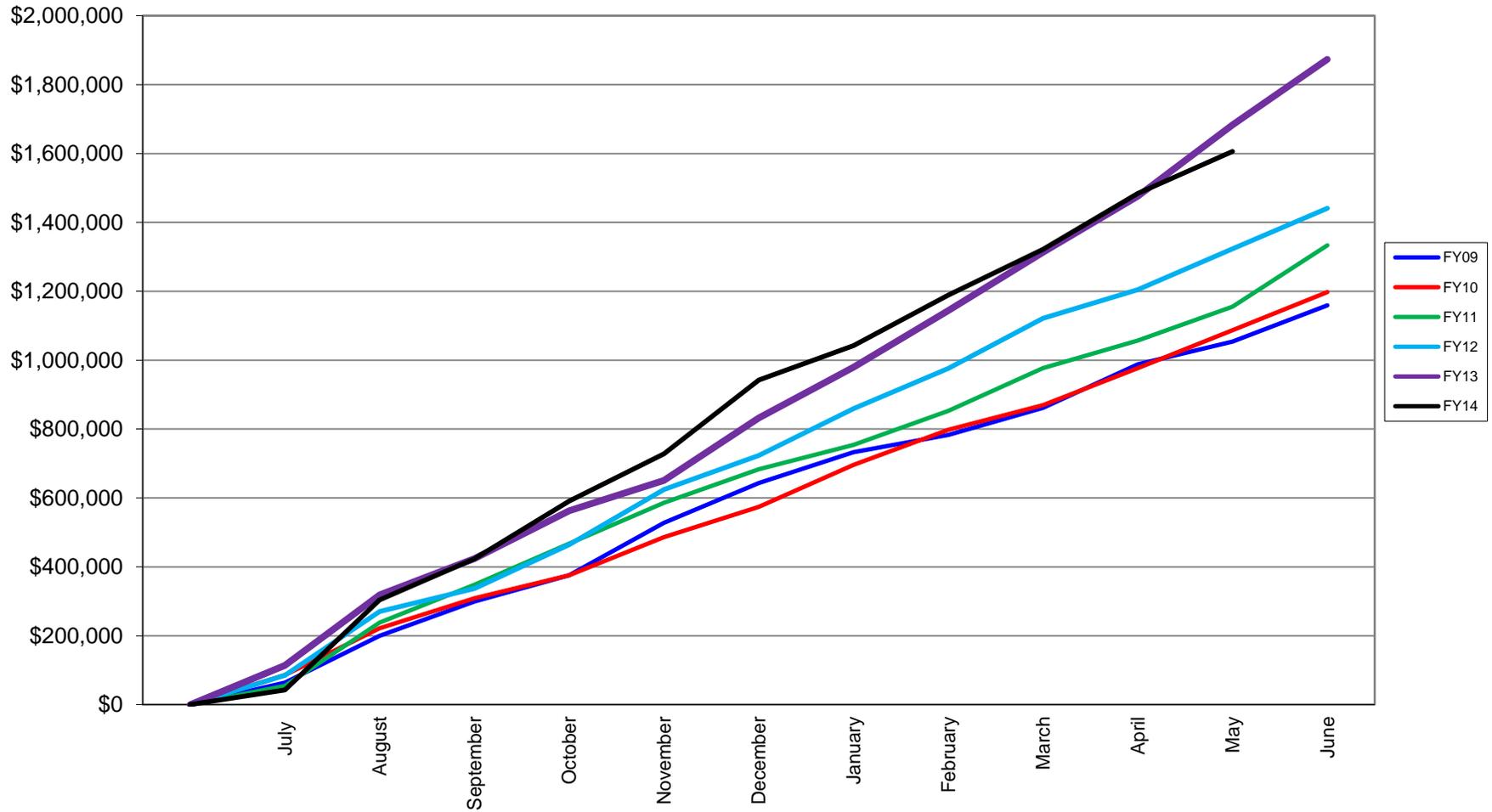
**Mt McKinley Meat and Sausage  
 AGRICULTURAL REVOLVING LOAN FUND  
 Statement of Revenues and Expenses  
 For Month ended May 31, 2014**

	<b>May</b>	<b>Fiscal Year-to-Date</b>
<b>Revenues:</b>		
Services	\$ 12,844	\$ 140,301
Sale of Products	196,092	1,449,563
Freight	2,617	15,499
<b>Total Revenues</b>	<b>211,553</b>	<b>1,605,363</b>
 <b>Expenses:</b>		
Personal Services	27,316	318,954
Travel	-	-
Contractual Services	15,178	183,448
Commodities	79,515	1,103,641
<b>Total Expenses</b>	<b>122,009</b>	<b>1,606,043</b>
 <b>Net Earnings / (Loss)</b>	<b>\$ 89,544</b>	<b>\$ (680)</b>

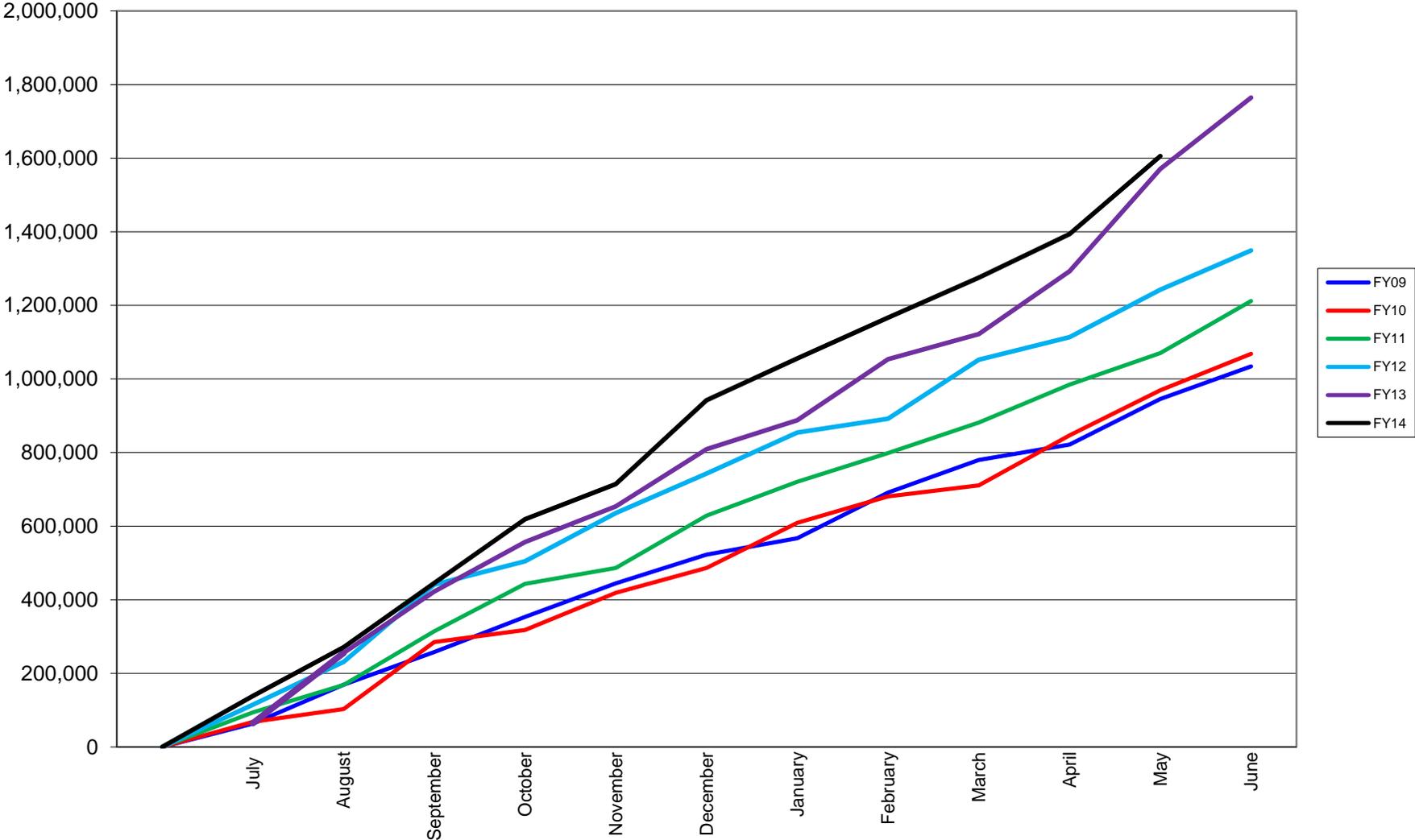
**Mt. Mckinley Meat and Sausage  
Income(Loss)  
FY 2009 - FY 2014**



**Mt McKinley Meat and Sausage  
Cumulative Expenses  
July 2008 - May 2014**



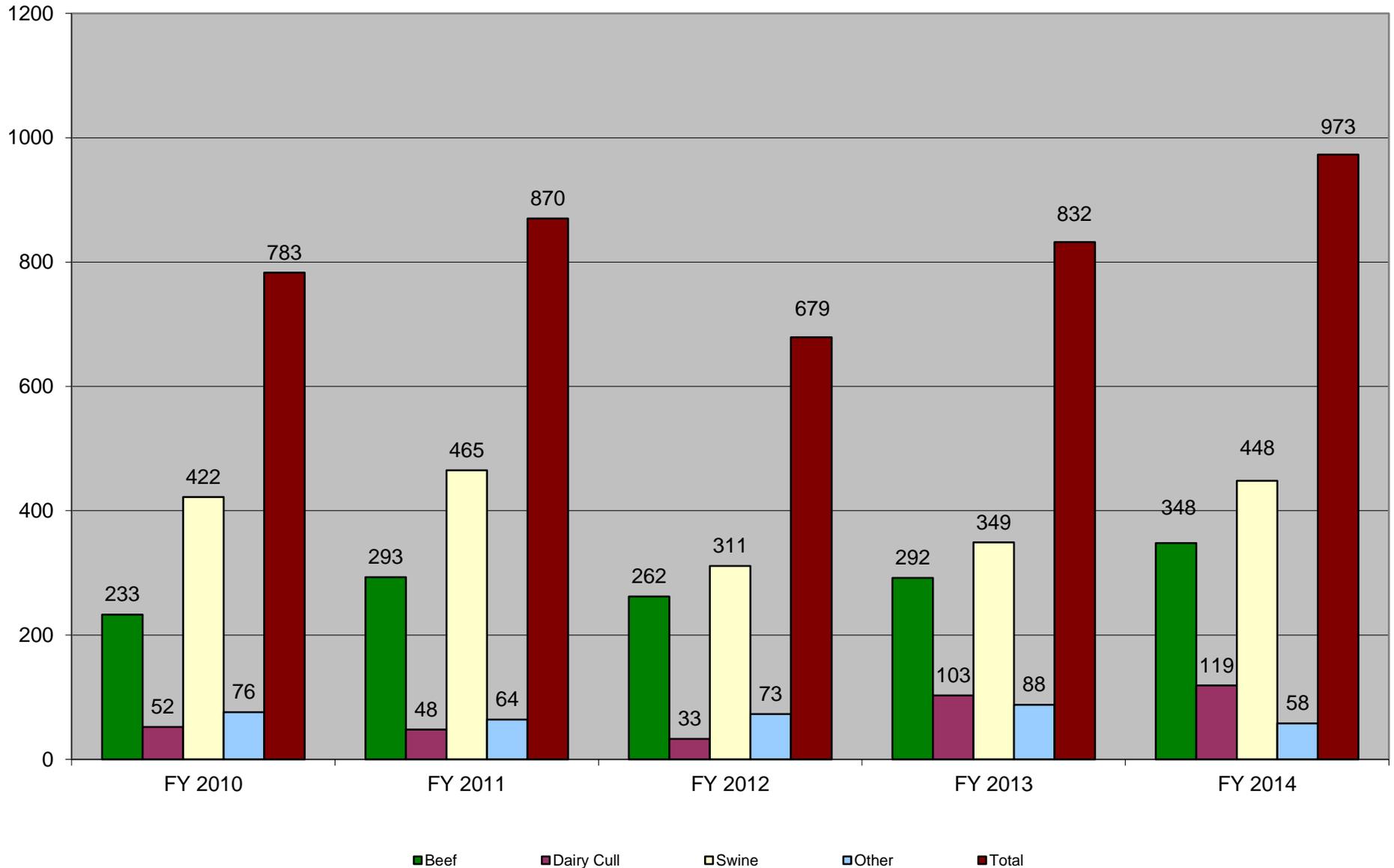
**Mt Mckinley Meat and Sausage  
Revenue Trend  
July 2008 - May 2014**



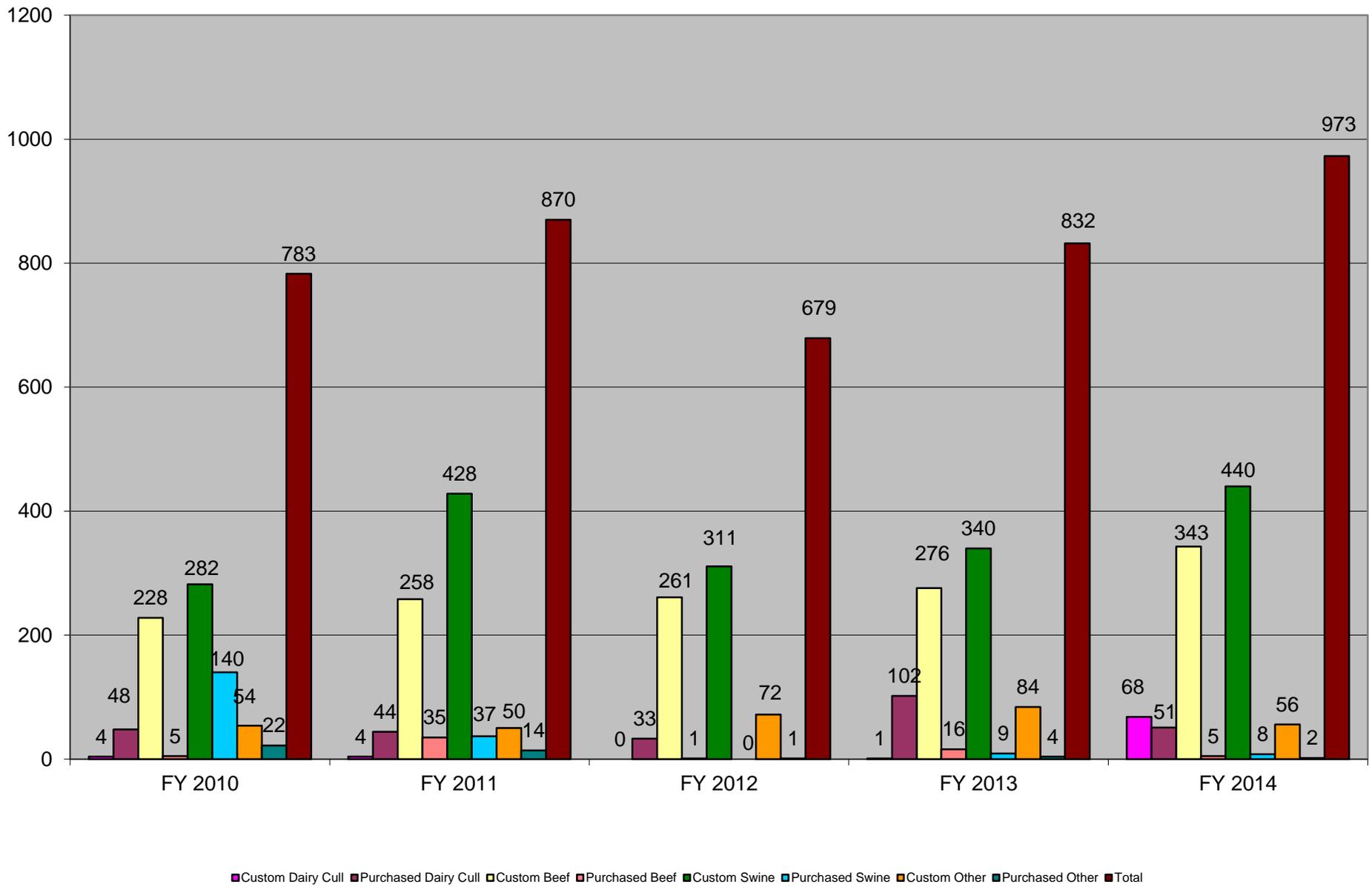
**AGRICULTURAL REVOLVING LOAN FUND**  
**Loan Activity Report / Undistributed Warrants**  
**As of June 20, 2014 - FY 14**

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	31,929.06	2	23,725.14	31,929.06	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	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-	1/23/2014		173,775.00			173,775.00		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
								0.00		0.00
<b>14 TOTALS</b>					<b>\$1,509,292.46</b>	<b>\$1,224,928.72</b>	<b>28</b>	<b>\$284,363.74</b>	<b>\$1,224,928.72</b>	<b>\$0.00</b>

## MMM&S Slaughter Statistics by Fiscal Year and Type As of May 31, 2014 - FY14



**MMM&S Custom and Purchased Statistics by Fiscal Year  
As of May 31, 2014 - FY14**



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

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
<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	129,120.00	14,040.00	14,400.00	157,560.00							2012	ARLF OTC #09-01	13	Tax Assmt	\$401,600		\$401,600	
<b>ASSETS with ASSOCIATED PERMITS</b>																						
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	
<b>LONG TERM LEASES</b>																						
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	
<b>Sub-total Long Term Leases</b>					<b>\$168,560.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$168,560.00</b>	<b>\$0.00</b>	<b>\$0.00</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		10,000.00	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	
<b>Total - Repossessed Property</b>					<b>\$ 339,680</b>	<b>\$ 619,632</b>	<b>\$ 55,602</b>	<b>\$ 1,014,914</b>	<b>\$ 505,210</b>	rounded										900,800	863,680	1,764,480

<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**  
**May 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 6/30/2013	Location	Remarks
						Each	Total			
Equipment, misc	1		Feed Mill, Tract A-1	01-Apr-84	01-Apr-84	14,400.00	14,400.00			
<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>										
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		
<b>Subtotal Mach &amp; Equip</b>							<b>5,363.00</b>	<b>6,363.97</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	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		
<b>Subtotal Building</b>							<b>595,592.00</b>	<b>491,561.40</b>		
<b>Total Mt. McKinley Meats</b>							<b>600,955.00</b>	<b>497,925.37</b>		

<b>Umnak Slaughter Facility</b>										
Item	LO	Qty	Former Owner	Date Acquired by ARLF	Date Placed in Service	Each	Total	Accum Depr 6/30/2013	Location	Remarks
Building	1	1	Umnak Slghtr Fac.	01-Mar-95	01-Mar-95	10,000.00	10,000.00	7,285.00		
<b>Subtotal Building</b>							<b>10,000.00</b>	<b>7,285.00</b>		
<b>Total Umnak Slaughter Facility</b>							<b>10,000.00</b>	<b>7,285.00</b>		

**Total Accumulated Depreciation**

**505,210**