

# **AGRICULTURAL REVOLVING LOAN FUND**

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

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

1. \$27,239 was recorded as interest income. For comparison, January 2014 interest income was \$43,645. Total interest income for July 2013 through February 2014 is \$399,183.
2. \$(21,390) was recorded as ARLF operating expenses.
3. Net operating income was \$6,054.  
Mt. McKinley Meat and Sausage Plant loss for the period (Non-Operating Activity) was recorded at \$(36,216).

### **Comparative Balance Sheet**

1. \$7,497,738 was ARLF cash balance on February 28, 2014. For comparison, ARLF cash balance on February 28, 2013 was \$6,260,452.
2. \$11,369,133 was ARLF loans receivable account balance. For comparison, ARLF loans receivable balance on February 28, 2013 was \$12,359,928.

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

1. \$110,569 was recorded as Total Revenues for the month. For comparison, January 2014 revenue account balance was \$113,592.
2. \$(146,784) was recorded as Total Expenses for the month. For comparison, January 2014 expenses account balance was \$(100,056).
3. Fiscal Year-to-Date Loss is \$(22,342).

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

1. \$1,269,292 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 February 28, 2014**

	<b>February</b>	<b>Fiscal Year to Date</b>
<b>Operating Revenues</b>		
Interest Income	\$ 27,239	\$ 399,183
Services (legal, clerical, loan fees, sale products)	50	250
Late Payment Penalties	155	3,107
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>27,445</b>	<b>406,465</b>
<b>Operating Expenses:</b>		
Personal Services	12,536	93,709
Travel	102	2,083
Contractual Services	8,660	81,558
Commodities	92	2,804
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<b>Total Operating Expenses</b>	<b>21,390</b>	<b>180,154</b>
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<b>Net Operating Income (Loss)</b>	<b>6,054</b>	<b>226,311</b>
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<b>Non-Operating Income (Expenses):</b>		
MMM&S Revenues	110,569	1,166,778
Mt. McKinley Meat & Sausage Plant	(146,784)	(1,189,120)
	<hr/>	<hr/>
Mt. McKinley Meat & Sausage Plant Net Income (loss)	<b>(36,216)</b>	<b>(22,342)</b>
Income (Loss) Sale of Fixed Assets	-	-
Bad Debt Expense	-	-
Depreciation Expense	-	-
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<b>Total Non-Operating Income / (Expenses)</b>	<b>(36,216)</b>	<b>(22,342)</b>
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<b>Current Period Earnings (Loss)</b>	<b>\$ (30,161)</b>	<b>\$ 203,969</b>
	<hr/>	<hr/>
<b>Fund Equity, June 30, 2013</b>		<b>\$ 22,351,315</b>
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<b>Fund Equity, February 28, 2014</b>		<b>\$ 22,555,284</b>
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**AGRICULTURAL REVOLVING LOAN FUND**  
**Comparative Balance Sheet**  
**February 28, 2014**

<b><u>ASSETS</u></b>	<b>February 2014</b>	<b>January 2014</b>	<b><u>LIABILITIES</u></b>	<b>February 2014</b>	<b>January 2014</b>
<b>Current Assets</b>			<b>Short Term Liabilities</b>		
Cash	\$ 7,497,738	\$ 7,476,993	Warrants Outstanding	\$ 24,903	\$ 4,414
Receivables			Accounts Payable	568	-
ARLF Loans	11,369,133	10,979,181	Accrued Payables	171,079	171,079
Land Sale Contracts	1,300,726	1,300,942	Accrued Vacation Leave	36,012	36,012
Notes Receivable	35,611	35,611	Trust Account	-	-
Judgments	-	-			
Accrued Interest	-1- 107,588	107,588	<b>Total Short Term Liabilities</b>	<b>232,562</b>	<b>211,505</b>
Accrued Penalties	-1- 1,424	1,424			
Leases/Accounts Recvbl	-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- (850,232)	(850,232)	Due to School Fund	-	-
Net Receivables	11,964,251	11,574,515			
			<b>Total Due to Other Funds</b>	<b>-</b>	<b>-</b>
Outstanding Loan Warrants	-	419,586			
Repossessed Inventory	29,000	29,000	<b>Long Term Liabilities</b>		
			Accrued Pension Adjustment	-	-
<b>Total Current Assets</b>	<b>19,490,989</b>	<b>19,500,093</b>	<b>Total Long Term Liabilities</b>	<b>-</b>	<b>-</b>
<b>Due from Other Funds</b>			<b>TOTAL LIABILITIES</b>	<b>232,562</b>	<b>211,505</b>
Due from GF	-	-			
Due from Mental Health	-	-			
			<b><u>FUND EQUITY</u></b>		
<b>Total Due from Other Funds</b>	<b>-</b>	<b>-</b>	Fund Equity, Beginning	22,351,315	22,351,315
			Current Year Earnings (Loss)	203,969	234,130
<b>Other Assets</b>					
Investments:			<b>TOTAL FUND EQUITY</b>	<b>22,555,284</b>	<b>22,585,445</b>
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>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$22,787,846</b>	<b>\$22,796,950</b>
<b>Net Other Assets</b>	<b>3,296,857</b>	<b>3,296,857</b>			
<b>TOTAL ASSETS</b>	<b>\$22,787,846</b>	<b>\$22,796,950</b>			

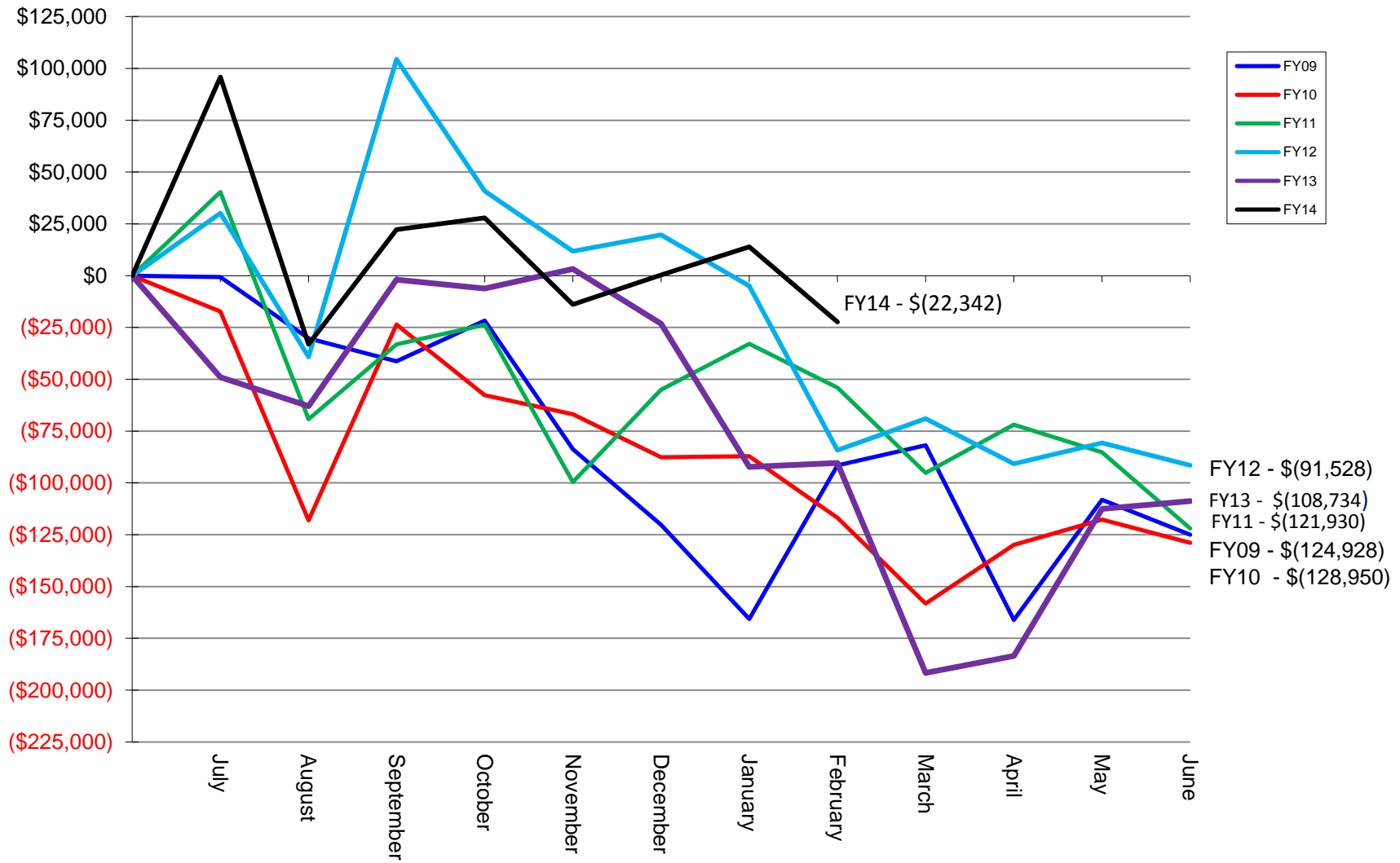
**Footnotes:**

- Adjustments to Accrued Interest, Accrued Penalties, and Leases Receivable are posted only on June 30.
- The Allowance for Doubtful Accounts applies only to the principal balance.
- 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.

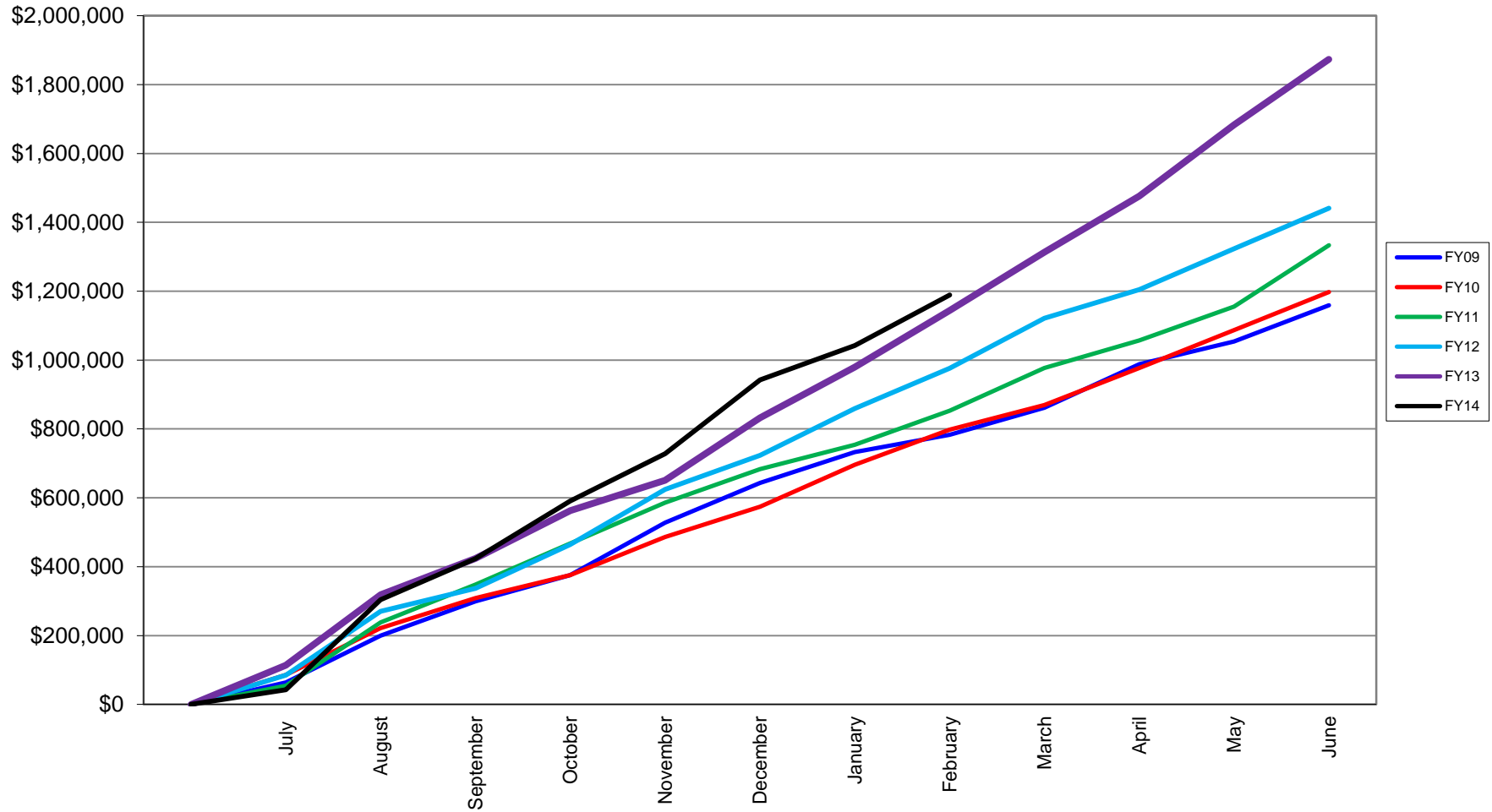
**Mt McKinley Meat and Sausage Plant**  
**AGRICULTURAL REVOLVING LOAN FUND**  
**Statement of Revenues and Expenses**  
**For Month ended February 28, 2014**

	<u>February</u>	<u>Fiscal Year-to-Date</u>
<b>Revenues:</b>		
Services	\$ 6,549	\$ 116,398
Sale of Products	102,512	1,040,950
Freight	1,507	9,430
<b>Total Revenues</b>	<b>110,569</b>	<b>1,166,778</b>
<b>Expenses:</b>		
Personal Services	25,730	236,010
Travel	-	-
Contractual Services	14,085	141,173
Commodities	106,969	811,936
<b>Total Expenses</b>	<b>146,784</b>	<b>1,189,120</b>
<b>Net Earnings / (Loss)</b>	<b>\$ (36,216)</b>	<b>\$ (22,342)</b>

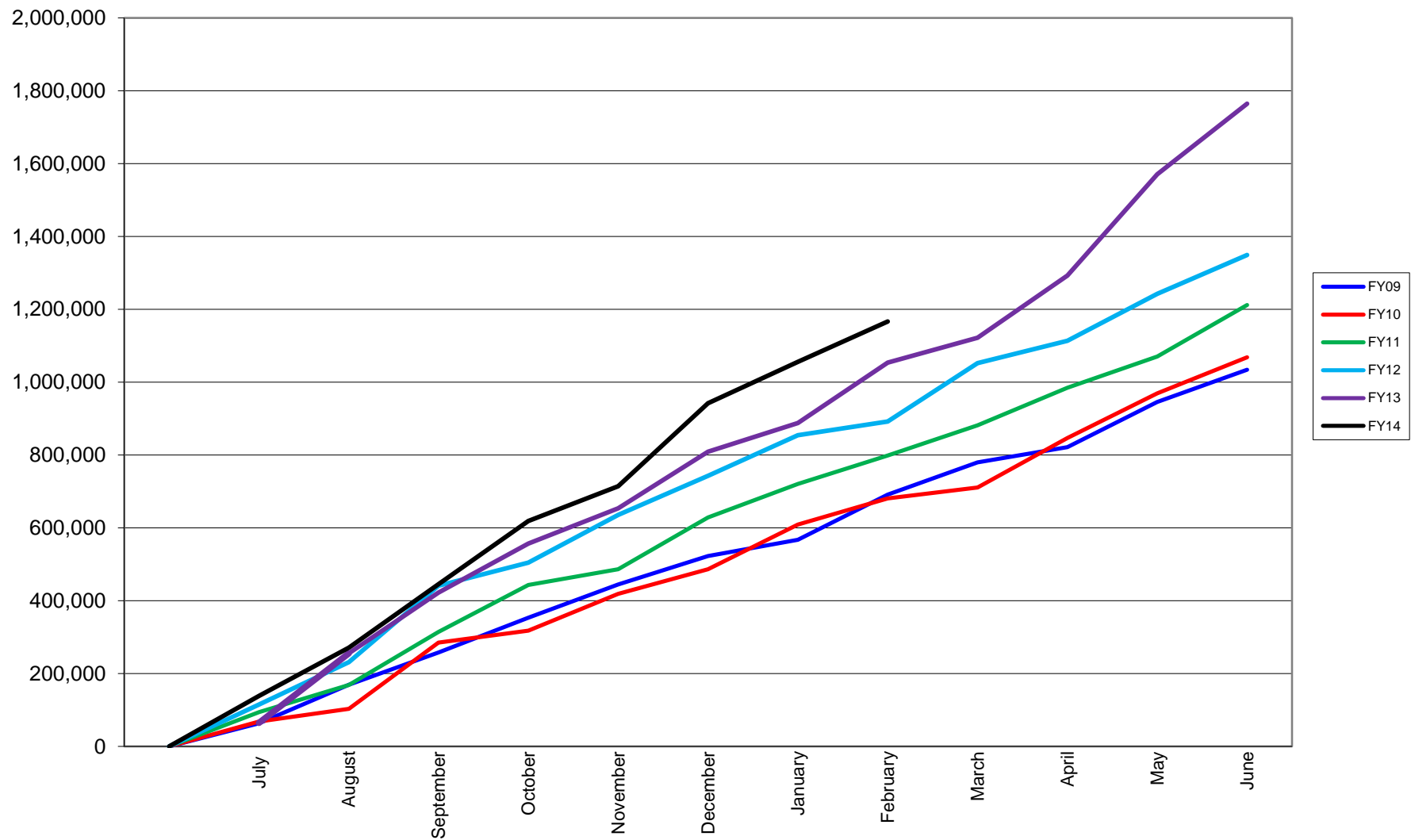
**Mt. McKinley Meat and Sausage  
Income(Loss)  
FY 2009 - FY 2014**



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



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

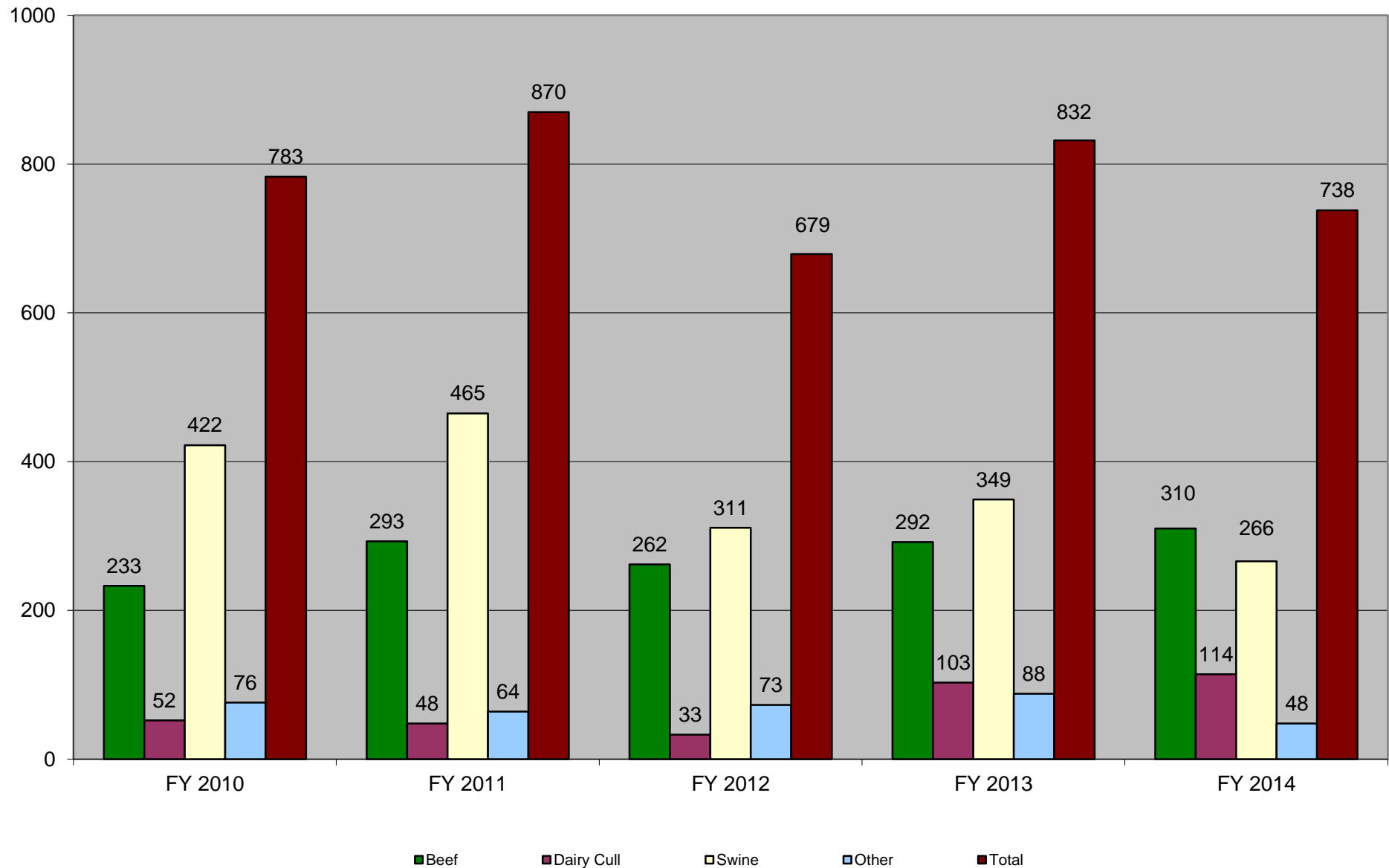


**AGRICULTURAL REVOLVING LOAN FUND**  
**Loan Activity Report / Undistributed Warrants**  
**As of March 14, 2014 - FY 14**

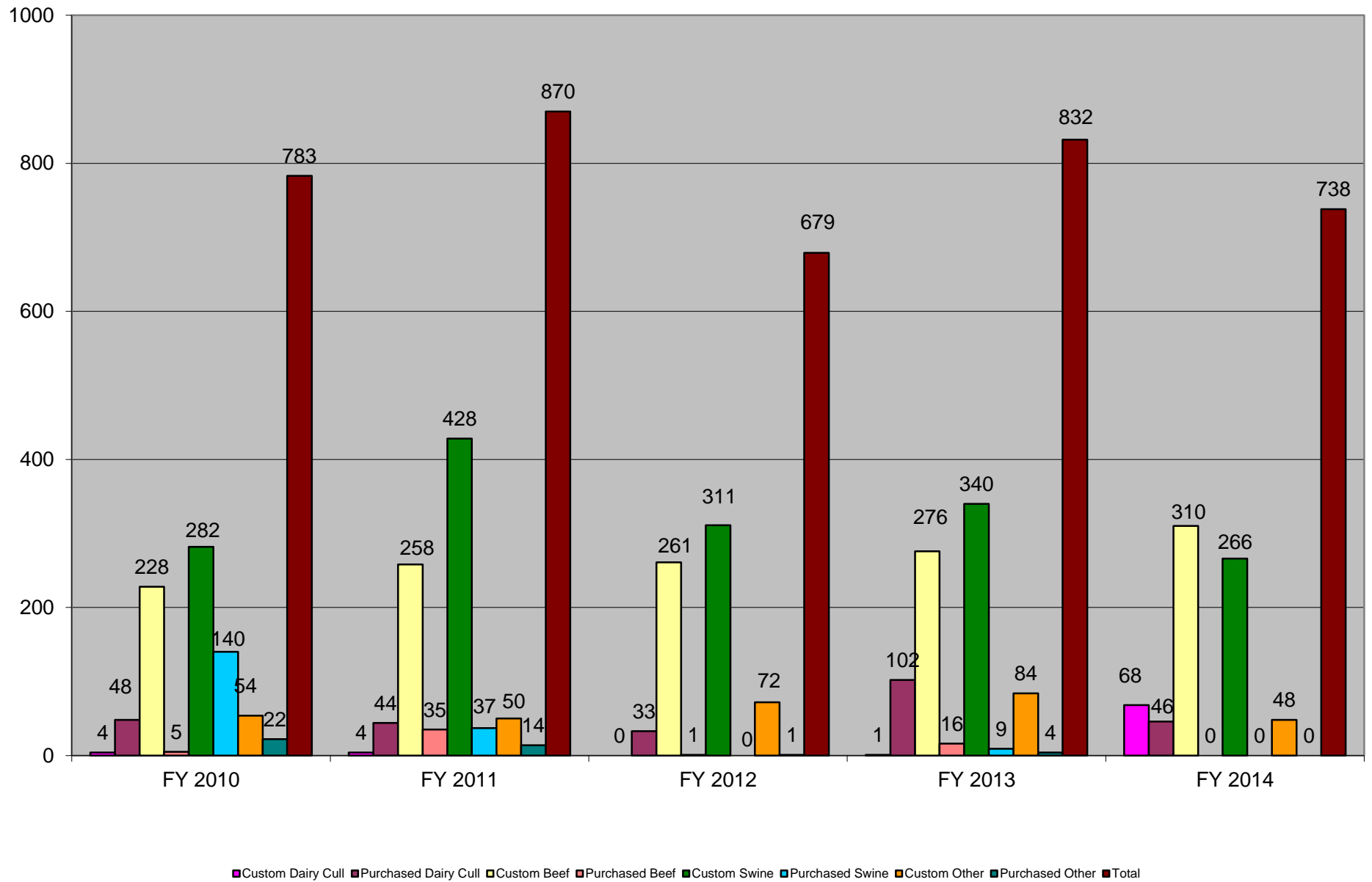
Borrower	LO	Loan #	Date Approved	Note Date	Amount Approved	Warrants		Available Balance	Amount Distributed to Borrower	Undistributed Warrants
						Issued	#			
Oathout, Sharmin & Mark	1	F-5213	7/15/2013	7/16/2013	55,000.00	55,000.00	3	0.00	55,000.00	0.00
Polar Peonies, LLC	1	C-5268	7/15/2013	7/31/2013	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	419,585.64	0.00
Mugrage, Scott & Julia	1	S-5474	12/19/2013	1/10/2014	200,000.00			200,000.00		0.00
Fluetsch, Bradley & Dye, Kathy	1	F-	1/23/2014		173,775.00			173,775.00		0.00
								0.00		0.00
<b>10 TOTALS</b>					<b>\$1,269,292.46</b>	<b>\$768,278.72</b>	<b>17</b>	<b>\$501,013.74</b>	<b>\$768,278.72</b>	<b>\$0.00</b>



## MMM&S Slaughter Statistics by Fiscal Year and Type As of February 28, 2014 - FY14



**MMM&S Custom and Purchased Statistics by Fiscal Year  
As of February 28, 2014 - FY14**



**AGRICULTURAL REVOLVING LOAN FUND**  
**Real and Personal Property Inventory**  
**28-Feb-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				Inspect Date	Remarks	YR	Method	Fair Market Value		Total Value			
					Land	Buildings	Mach / Equip	Total Value		Amt 6/30/13	Owed To	Amount	Lessee	Lease #	Exp Date					Land/ Structures	Improve- ments				
Reposessed 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					29,000.00			29,000.00												32,600		32,600			
Reposessed 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					\$ 368,680	\$ 619,632	\$ 55,602	\$ 1,043,914	\$ 505,210														\$933,400	\$863,680	\$1,797,080

<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**  
**February 28, 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>										
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>										
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**