

# **AGRICULTURAL REVOLVING LOAN FUND**

## **Notes to Financial Statements for February 2016 - FY16**

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

1. \$24,134 was recorded as interest income. For comparison, January 2016 interest income was \$35,670. Total interest income for July 2015 through February 2016 is \$306,230.
2. \$(26,362) was recorded as ARLF operating expenses.
3. Net operating loss was \$(2,228).  
Mt. McKinley Meat and Sausage Plant loss for the period (Non-Operating Activity) was recorded at \$(15,786).

### **Comparative Balance Sheet**

1. \$10,255,578 was ARLF cash balance on February 29, 2016. For comparison, ARLF cash balance on February 28, 2015 was \$8,991,166.
2. \$8,230,124 was ARLF loans receivable account balance. For comparison, ARLF loans receivable balance on February 28, 2015 was \$9,238,943.

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

1. \$113,628 was recorded as total revenues for the month. For comparison, January 2016 revenue account balance was \$104,882.
2. \$(129,414) was recorded as total expenses for the month. For comparison, January 2016 expenses account balance was \$(68,487).
3. Fiscal year to date loss is \$(56,243).

**AGRICULTURAL REVOLVING LOAN FUND**  
**Statement of Revenues, Expenses, and Changes in Fund Equity**  
**For Month ended February 29, 2016**

	<u>February</u>	<u>Fiscal Year to Date</u>
<b>Operating Revenues</b>		
Interest Income	\$ 24,134	\$ 306,230
Services (legal, clerical, loan fees, sale products)	-	100
Late Payment Penalties	-	789
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>24,134</b>	<b>311,045</b>
<b>Operating Expenses:</b>		
Personal Services	14,066	103,355
Travel	684	3,974
Contractual Services	11,178	92,621
Commodities	434	2,654
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<b>Total Operating Expenses</b>	<b>26,362</b>	<b>202,604</b>
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<b>Net Operating Income (Loss)</b>	<b>(2,228)</b>	<b>108,441</b>
<b>Non-Operating Income (Expenses):</b>		
MMM&S Revenues	113,628	941,585
Mt. McKinley Meat & Sausage Plant	(129,414)	(1,013,613)
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Mt. McKinley Meat & Sausage Plant Net Income (loss)	<b>(15,786)</b>	<b>(72,029)</b>
Income (Loss) Sale of Fixed Assets	-	(2,865,713)
Bad Debt Expense	-	-
Depreciation Expense	-	-
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<b>Total Non-Operating Income / (Expenses)</b>	<b>(15,786)</b>	<b>(2,937,742)</b>
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<b>Current Period Earnings (Loss)</b>	<b>\$ (18,014)</b>	<b>\$ (2,829,301)</b>
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<b>Fund Equity, June 30, 2015</b>		<b>\$ 21,882,233</b>
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<b>Fund Equity, February 29, 2016</b>		<b>\$ 19,052,932</b>
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**AGRICULTURAL REVOLVING LOAN FUND**  
**Comparative Balance Sheet**  
**February 29, 2016**

<b><u>ASSETS</u></b>	<b>February 2016</b>	<b>January 2016</b>	<b><u>LIABILITIES</u></b>	<b>February 2016</b>	<b>January 2016</b>
<b>Current Assets</b>			<b>Short Term Liabilities</b>		
Cash	\$ 10,255,578	\$ 10,222,718	Warrants Outstanding	\$ 58,740	\$ 58,740
Receivables			Accounts Payable	51,186	51,308
ARLF Loans	8,230,124	8,277,954	Accrued Payables	-1- 289,279	289,279
Land Sale Contracts	1,229,858	1,233,024	Accrued Vacation Leave	-1- 20,605	20,605
Notes Receivable	27,518	27,518	Trust Account	-	-
Judgments	-	-	<b>Total Short Term Liabilities</b>	<b>419,810</b>	<b>419,932</b>
Accrued Interest	-1- 92,053	92,053	<b>Due to Other Funds</b>		
Accrued Penalties	-1- 499	499	Due to General Fund	-3- -	-
Leases/Accounts Receivable	-1- -	-	Allow for AFC stock	-3- 68,745	68,745
Protection of Collateral	-	-	Due to School Fund	-3- -	-
Less Allowances:	-	-	<b>Total Due to Other Funds</b>	<b>68,745.20</b>	<b>68,745.20</b>
Doubtful Accounts	-2- (4)	(4)	<b>Long Term Liabilities</b>		
Net Receivables	9,580,048	9,631,044	Accrued Pension Adjustment	698,187	698,187
Outstanding Loan Warrants	-	-	<b>Total Long Term Liabilities</b>	<b>698,187</b>	<b>698,187</b>
Repossessed Inventory	-	-	<b>TOTAL LIABILITIES</b>	<b>1,186,742</b>	<b>1,186,864</b>
<b>Total Current Assets</b>	<b>19,835,626</b>	<b>19,853,762</b>	<b>FUND EQUITY</b>		
<b>Due from Other Funds</b>			Fund Equity, Beginning	21,882,233	21,882,233
Due from GF	31,969	31,969	Current Year Earnings (Loss)	(2,829,301)	(2,811,287)
Due from Mental Health	-	-	<b>TOTAL FUND EQUITY</b>	<b>19,052,932</b>	<b>19,070,945</b>
<b>Total Due from Other Funds</b>	<b>31,969</b>	<b>31,969</b>	<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$20,239,674</b>	<b>\$20,257,809</b>
<b>Other Assets</b>					
Investments:					
Alaska Farmers Coop	-	-			
Repossessed Property	879,059	879,059			
Less Accum. Deprec	(545,360)	(545,360)			
Other Assets	38,379	38,379			
<b>Net Other Assets</b>	<b>372,078</b>	<b>372,078</b>			
<b>TOTAL ASSETS</b>	<b>\$20,239,674</b>	<b>\$20,257,809</b>			

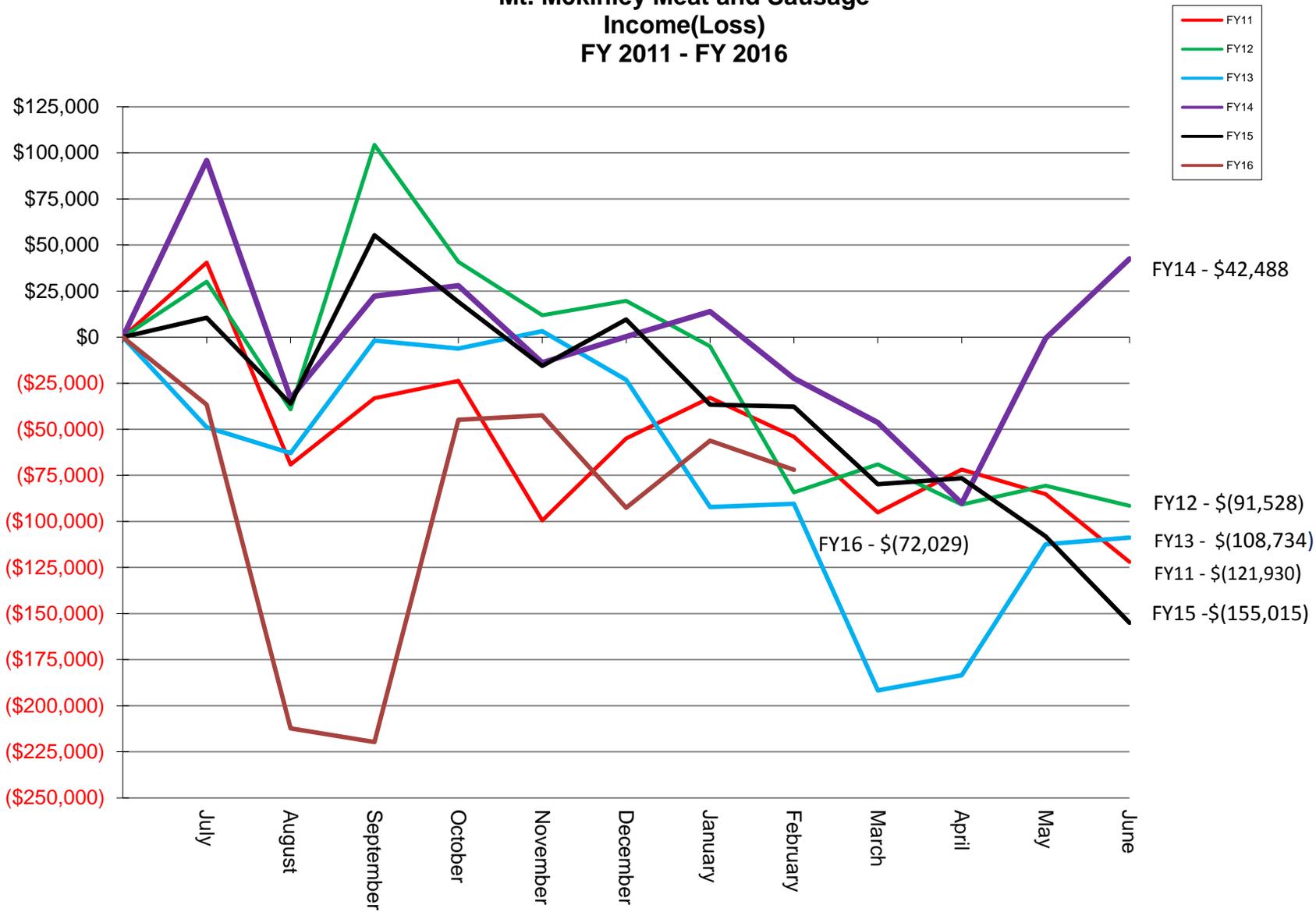
**Footnotes:**

1. Adjustments to Accrued Interest, Accrued Penalties, Leases Receivable, Accrued Payables, and Accrued Vacation Leave 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.

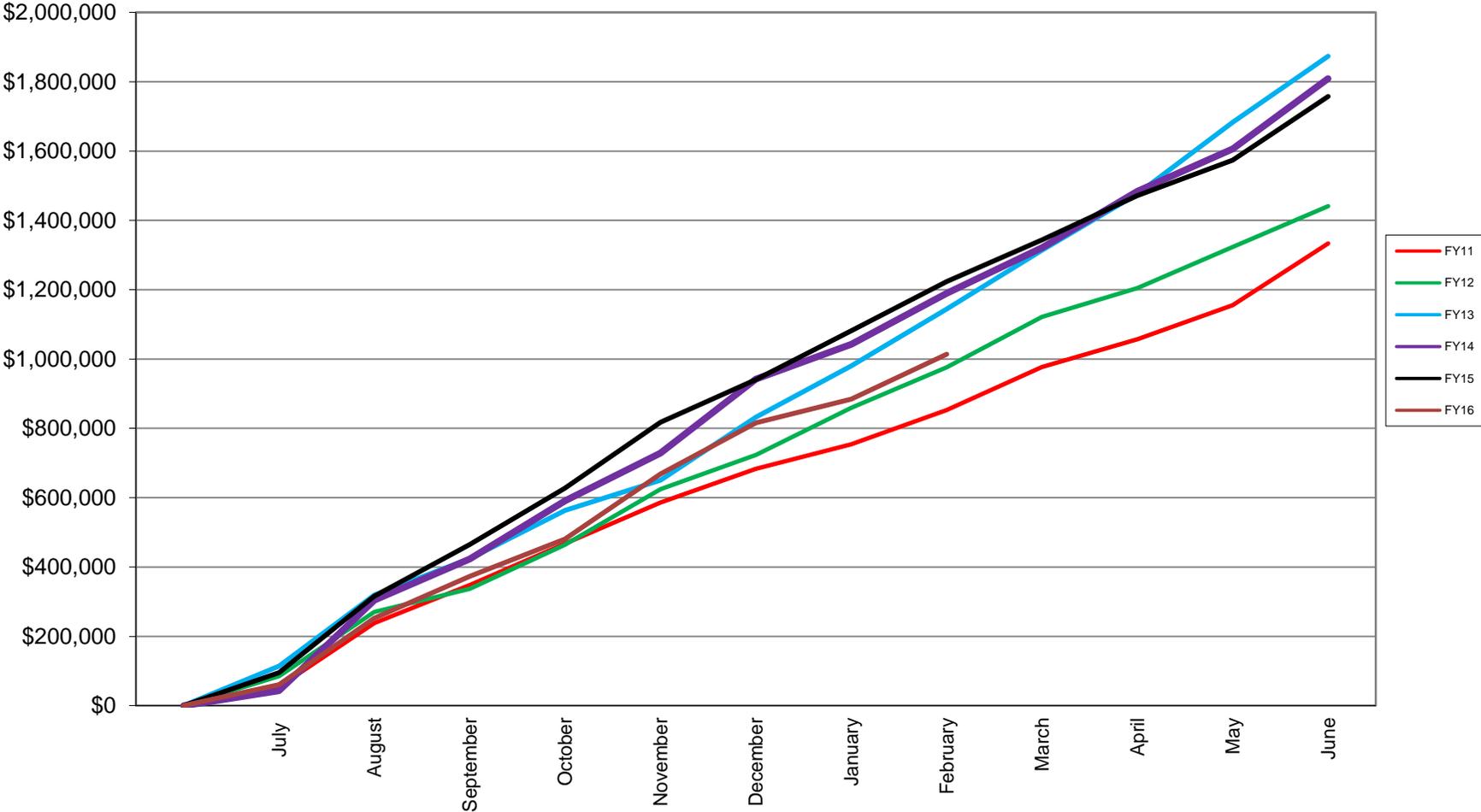
**Mt McKinley Meat and Sausage  
 AGRICULTURAL REVOLVING LOAN FUND  
 Statement of Revenues and Expenses  
 For Month ended February 29, 2016**

	<b>February</b>	<b>Fiscal Year-to-Date</b>
<b>Revenues:</b>		
Services	\$ 10,106	\$ 161,035
Sale of Products	102,531	767,967
Freight	991	12,583
	<b>113,628</b>	<b>941,585</b>
	<b>Total Revenues</b>	<b>941,585</b>
 <b>Expenses:</b>		
Personal Services	30,229	253,646
Travel	-	-
Contractual Services	13,027	94,652
Commodities	86,158	665,315
	<b>129,414</b>	<b>1,013,613</b>
	<b>Total Expenses</b>	<b>1,013,613</b>
 <b>Net Earnings / (Loss)</b>	<b>\$ (15,786)</b>	<b>\$ (72,029)</b>

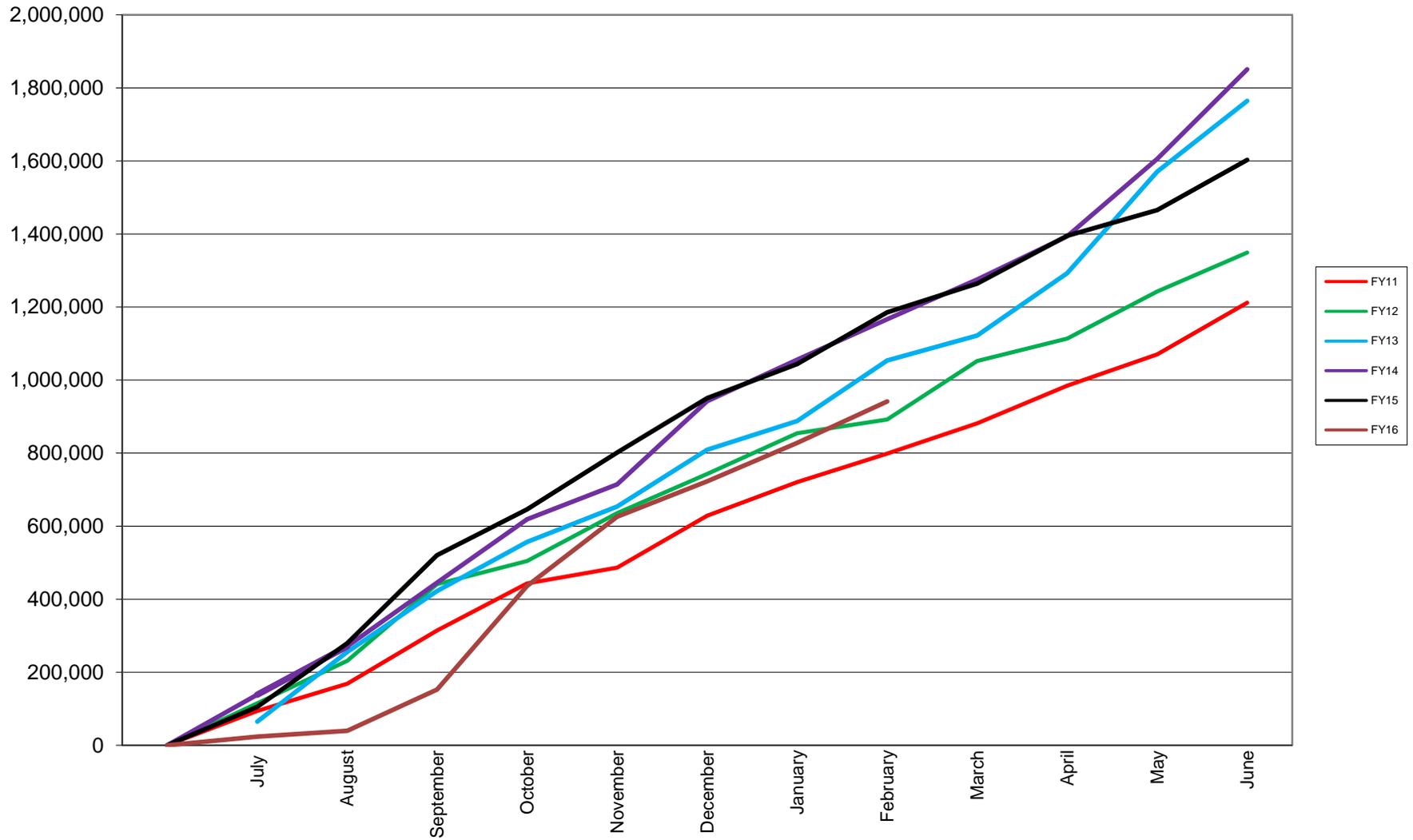
### Mt. Mckinley Meat and Sausage Income(Loss) FY 2011 - FY 2016



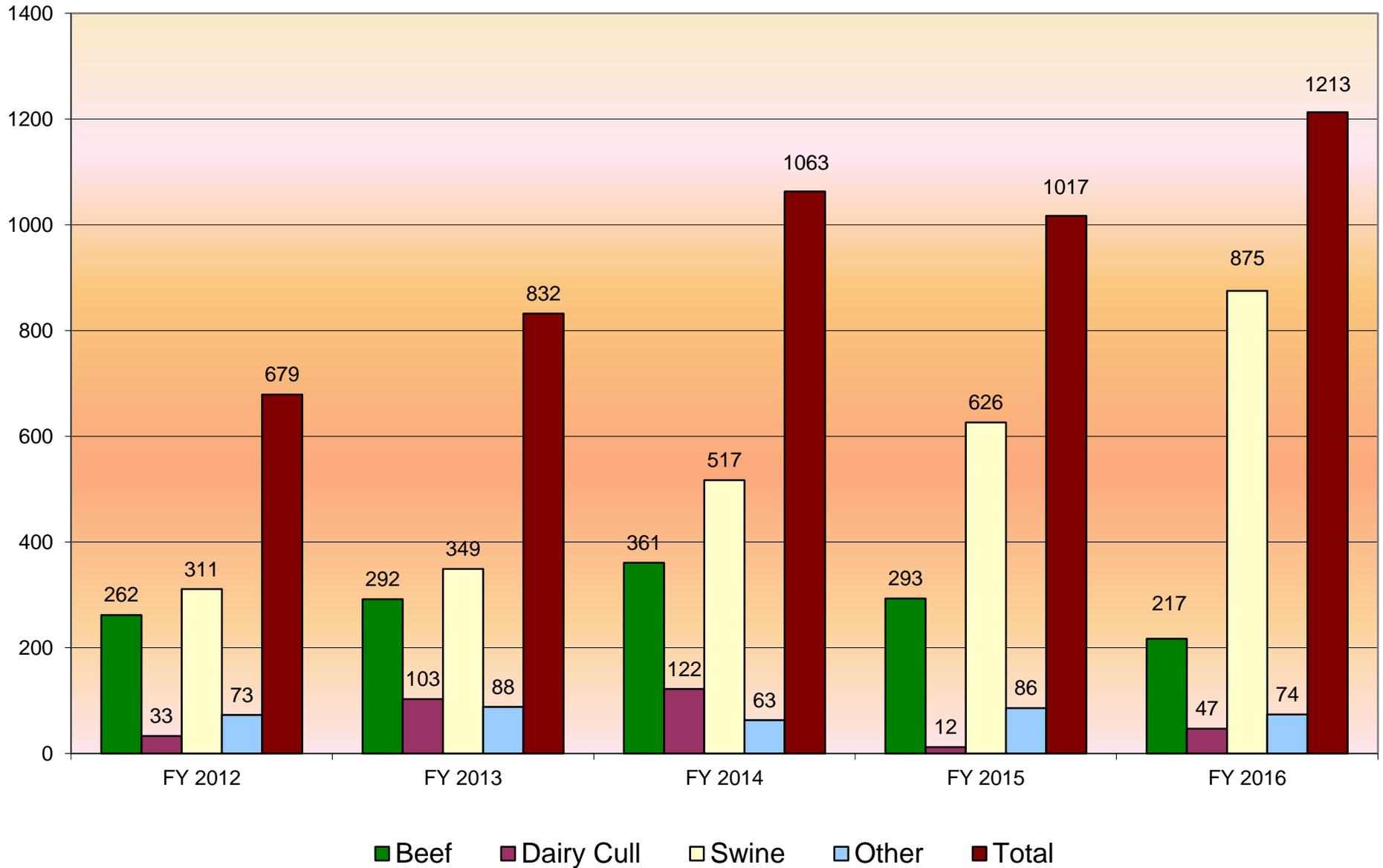
**Mt McKinley Meat and Sausage  
Cumulative Expenses  
July 2010 - February 2016**



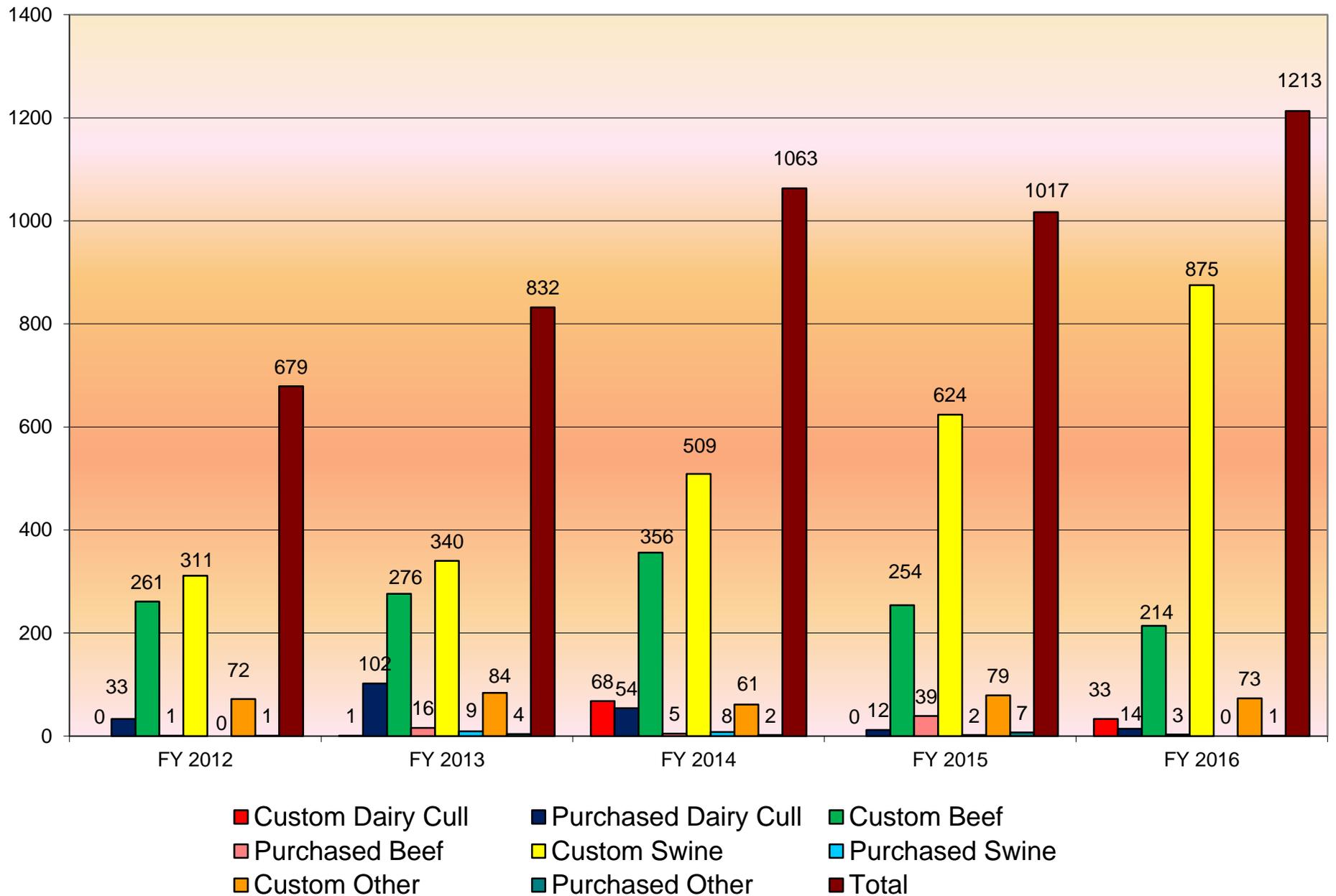
### Mt Mckinley Meat and Sausage Revenue Trend July 2010 - February 2016



## MMM&S Slaughter Statistics by Fiscal Year and Type As of February 29, 2016 - FY16



### MMM&S Custom and Purchased Statistics by Fiscal Year As of February 29, 2016 - FY16



**AGRICULTURAL REVOLVING LOAN FUND**  
**Loan Activity Report / Undistributed Warrants**  
**As of March 16, 2016 - FY16**

Borrower	LO	Loan #	Date Approved	Note Date	Amount Approved	Warrants		Available Balance	Amount Distributed to Borrower	Undistributed Warrants
						Issued	#			
Hawks Farm & Garden, Inc	1	S-5485	2/18/2016	2/25/2016	\$60,000.00	\$30,338.00	2	\$29,662.00	\$338.00	\$30,000.00
	1		<b>TOTALS</b>		<b>\$60,000.00</b>	<b>\$30,338.00</b>	<b>2</b>	<b>\$29,662.00</b>	<b>\$338.00</b>	<b>\$30,000.00</b>

**ARLF PROPERTY SALE CONTRACT**

	#	Date Approved	Note Date	Downpayment	Financed Amount	
Bates, Matthew & Tangy	1	40055	2/18/2016	2/26/2016	\$25,000.00	\$275,000.00

**AGRICULTURAL REVOLVING LOAN FUND**  
**Real and Personal Property Inventory**  
**29-Feb-16**

Former Borrower/ Prospective New Owner	LO	Location	Acres	Date Placed in Service	Fair Market Value at Repossession			Accum Dep. 6/30/2015	Liabilities		Lease Information				Remarks	YR	Method	Fair Market Value						
					Land	Buildings	Mach / Equip		Total Value	Amt 6/30/15	Owed To	Amount	Lessee	Lease #				Exp Date	Inspect Date	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	15	Tax Assmt	\$405,100		\$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	537,275						2012	No planned disposal	15	Tax Assmt	424,100		424,100			
<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	8,085			##### /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>\$ 171,120</b>	<b>\$ 619,632</b>	<b>\$ 88,307</b>	<b>\$879,059</b>	<b>\$ 545,360</b>	rounded											<b>\$ 829,200</b>	<b>\$ 50,000</b>	<b>\$ 879,200</b>	

**Subsidiary Ledger**  
**ARLF - Machinery, Equipment, and Building Inventory**  
**February 29, 2016**

**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 6/30/2015	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	2,731.24		
Water Tanks	1	3	Mt. McKinley Meats	08-May-13	01-Jun-13	14,481.00	14,481.00	6,033.75		
Sanitation Tank	1	1	Mt. McKinley Meats	16-Mar-13	16-Mar-13	700.00	700.00	534.67		
Vacuum Sealer	1	1	Mt. McKinley Meats	16-Mar-13	16-Mar-13	3,100.00	3,100.00	2,368.06		
Freezer Evaporator	1	1	Mt. McKinley Meats	15-Oct-13	01-Nov-13	9,331.00	9,331.00	2,488.27		
Vacuum Stuffer	1	1	Mt. McKinley Meats	02-Dec-13	01-Jan-14	18,750.00	18,750.00	3,750.00		
Gas Boiler	1	1	Mt. McKinley Meats	06-Dec-13	01-Jan-14	4,624.00	4,624.00	924.80		
<b>Subtotal Mach &amp; Equip</b>							<b>73,907.00</b>	<b>24,193.78</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	10,800.00		
Boiler upgrade	1	1	Mt. McKinley Meats	25-Aug-97	01-Oct-97	41,236.40	41,236.40	29,690.19		
Boiler upgrade	1	1	Mt. McKinley Meats	01-Nov-97	01-Feb-98	48,931.70	48,931.70	35,230.88		
Boiler upgrade	1	1	Mt. McKinley Meats	01-Feb-98	01-Feb-98	8,849.90	8,849.90	6,371.97		
Boiler upgrade	1	1	Mt. McKinley Meats	30-Jun-03	30-Jun-03	4,974.00	4,974.00	2,387.72		
Roof	1	1	Mt. McKinley Meats	30-Sep-98	01-Oct-98	150,000.00	150,000.00	102,000.00		
<b>Subtotal Building</b>							<b>595,592.00</b>	<b>513,080.76</b>		
<b>Total Mt. McKinley Meats</b>							<b>669,499.00</b>	<b>537,274.54</b>		
<b>Umnak Slaughter Facility</b>										
Building	1	1	Umnak Slghtr Fac.	01-Mar-95	01-Mar-95	10,000.00	10,000.00	8,085.00		
<b>Subtotal Building</b>							<b>10,000.00</b>	<b>8,085.00</b>		
<b>Total Umnak Slaughter Facility</b>							<b>10,000.00</b>	<b>8,085.00</b>		

**Total Accumulated Depreciation**

**545,360**