

AGRICULTURAL REVOLVING LOAN FUND

Notes to Financial Statements for March, 2014 - FY14

Statement of Revenues, Expenses, and Changes in Fund Equity

1. \$42,642 was recorded as interest income. For comparison, February 2014 interest income was \$27,239. Total interest income for July 2013 through March 2014 is \$441,825.
2. \$(45,268) was recorded as ARLF operating expenses.
3. Net operating loss was \$(2,190).
4. Mt. McKinley Meat and Sausage Plant loss for the period (Non-Operating Activity) was recorded at \$(24,015).

Comparative Balance Sheet

1. \$7,416,074 was ARLF cash balance on March 31, 2014. For comparison, ARLF cash balance on March 31, 2013 was \$6,092,162.
2. \$11,325,854 was ARLF loans receivable account balance. For comparison, ARLF loans receivable balance on March 31, 2013 was \$12,320,923.

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

1. \$108,369 was recorded as Total Revenues for the month. For comparison, February 2014 revenue account balance was \$110,569.
2. \$(132,384) was recorded as Total Expenses for the month. For comparison, February 2014 expenses account balance was \$(146,784).
3. Fiscal Year-to-Date Loss is \$(46,357).

Loan Activity/Cash outflows

1. \$1,419,292 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 March 31, 2014

	<u>March</u>	<u>Fiscal Year to Date</u>
Operating Revenues		
Interest Income	\$ 42,642	\$ 441,825
Services (legal, clerical, loan fees, sale products)	50	300
Late Payment Penalties	385	3,492
Rents, including leasehold credits	-	3,926
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	-
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
	<hr/>	<hr/>
Total Operating Revenues	43,077	449,543
Operating Expenses:		
Personal Services	12,536	106,245
Travel	-	2,083
Contractual Services	31,657	113,215
Commodities	1,074	3,879
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Total Operating Expenses	45,268	225,422
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Net Operating Income (Loss)	(2,190)	224,121
Non-Operating Income (Expenses):		
MMM&S Revenues	108,369	1,275,147
Mt. McKinley Meat & Sausage Plant	(132,384)	(1,321,503)
	<hr/>	<hr/>
Mt. McKinley Meat & Sausage Plant Net Income (loss)	(24,015)	(46,357)
Income (Loss) Sale of Fixed Assets	-	-
Bad Debt Expense	-	-
Depreciation Expense	-	-
	<hr/>	<hr/>
Total Non-Operating Income / (Expenses)	(24,015)	(46,357)
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Current Period Earnings (Loss)	\$ (26,205)	\$ 177,764
Fund Equity, June 30, 2013		\$22,351,315
Fund Equity, March 31, 2014		\$22,529,079

AGRICULTURAL REVOLVING LOAN FUND
Comparative Balance Sheet
March 31, 2014

<u>ASSETS</u>	<u>March</u> <u>2014</u>	<u>February</u> <u>2014</u>	<u>LIABILITIES</u>	<u>March</u> <u>2014</u>	<u>February</u> <u>2014</u>
Current Assets			Short Term Liabilities		
Cash	\$ 7,416,074	\$ 7,497,738	Warrants Outstanding	\$ 14,755	\$ 24,903
Receivables			Accounts Payable	391	568
ARLF Loans	11,325,854	11,369,133	Accrued Payables	171,079	171,079
Land Sale Contracts	1,299,992	1,300,726	Accrued Vacation Leave	36,012	36,012
Notes Receivable	35,611	35,611	Trust Account	10,852	-
Judgments	-	-	Total Short Term Liabilities	233,089	232,562
Accrued Interest	-1- 107,588	107,588	Due to Other Funds		
Accrued Penalties	-1- 1,424	1,424	Due to General Fund	-3- (1,044,421)	(1,044,421)
Leases/Accounts Receiv	-1- -	-	Allow for AFC stock	-3- 1,044,421	1,044,421
Protection of Collateral	-	-	Due to School Fund	-3- -	-
Less Allowances:			Total Due to Other Funds	-	-
Doubtful Accounts	-2- (850,232)	(850,232)	Long Term Liabilities		
Net Receivables	11,920,237	11,964,251	Accrued Pension Adjustment	-	-
Outstanding Loan Warrants	100,000	-	Total Long Term Liabilities	-	-
Repossessed Inventory	29,000	29,000	TOTAL LIABILITIES	233,089	232,562
Total Current Assets	19,465,311	19,490,989			
Due from Other Funds			FUND EQUITY		
Due from GF	-	-	Fund Equity, Beginning	22,351,315	22,351,315
Due from Mental Health	-	-	Current Year Earnings (Loss)	177,764	203,969
Total Due from Other Funds	-	-	TOTAL FUND EQUITY	22,529,079	22,555,284
Other Assets			TOTAL LIABILITIES & FUND EQUITY	\$22,762,168	\$22,787,846
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	-	-			
Net Other Assets	3,296,857	3,296,857			
TOTAL ASSETS	\$22,762,168	\$22,787,846			

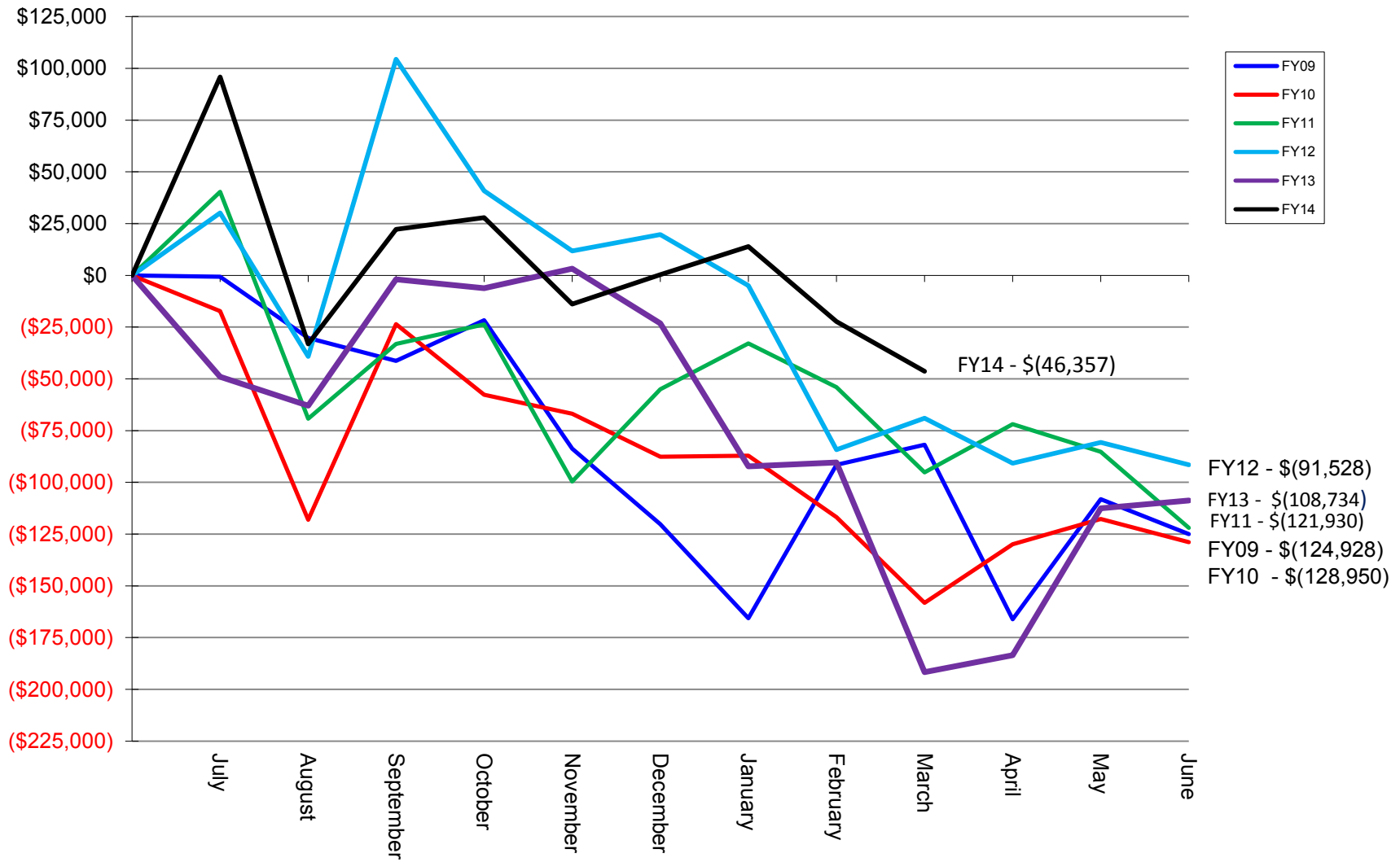
Footnotes:

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.

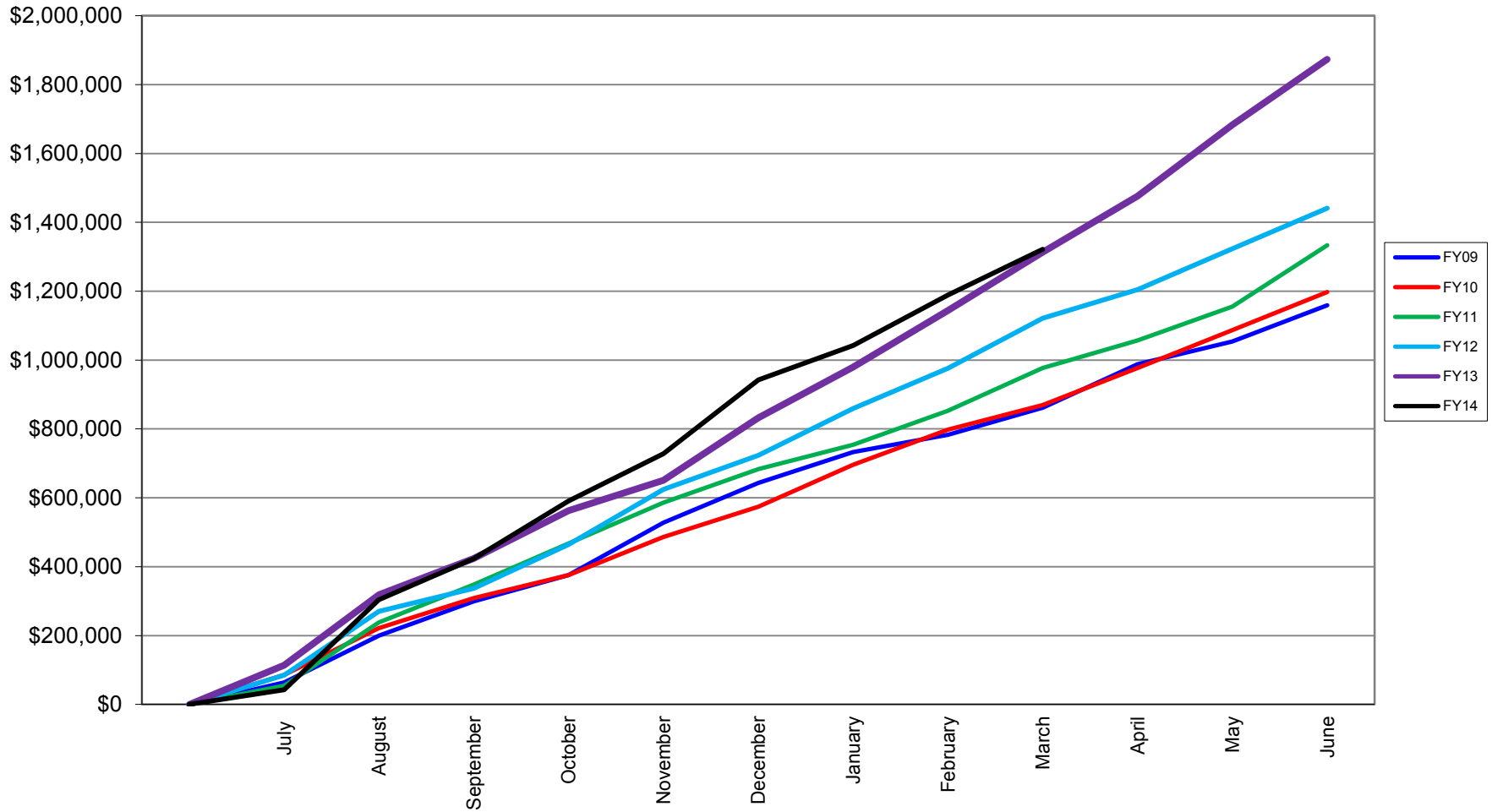
**Mt McKinley Meat and Sausage
 AGRICULTURAL REVOLVING LOAN FUND
 Statement of Revenues and Expenses
 For Month ended March 31, 2014**

	March	Fiscal Year-to-Date
Revenues:		
Services	\$ 3,780	\$ 120,178
Sale of Products	102,407	1,143,357
Freight	2,182	11,612
	108,369	1,275,147
Expenses:		
Personal Services	27,981	263,991
Travel	-	-
Contractual Services	12,643	153,816
Commodities	91,760	903,696
	132,384	1,321,503
 Net Earnings / (Loss)	\$ (24,015)	\$ (46,357)

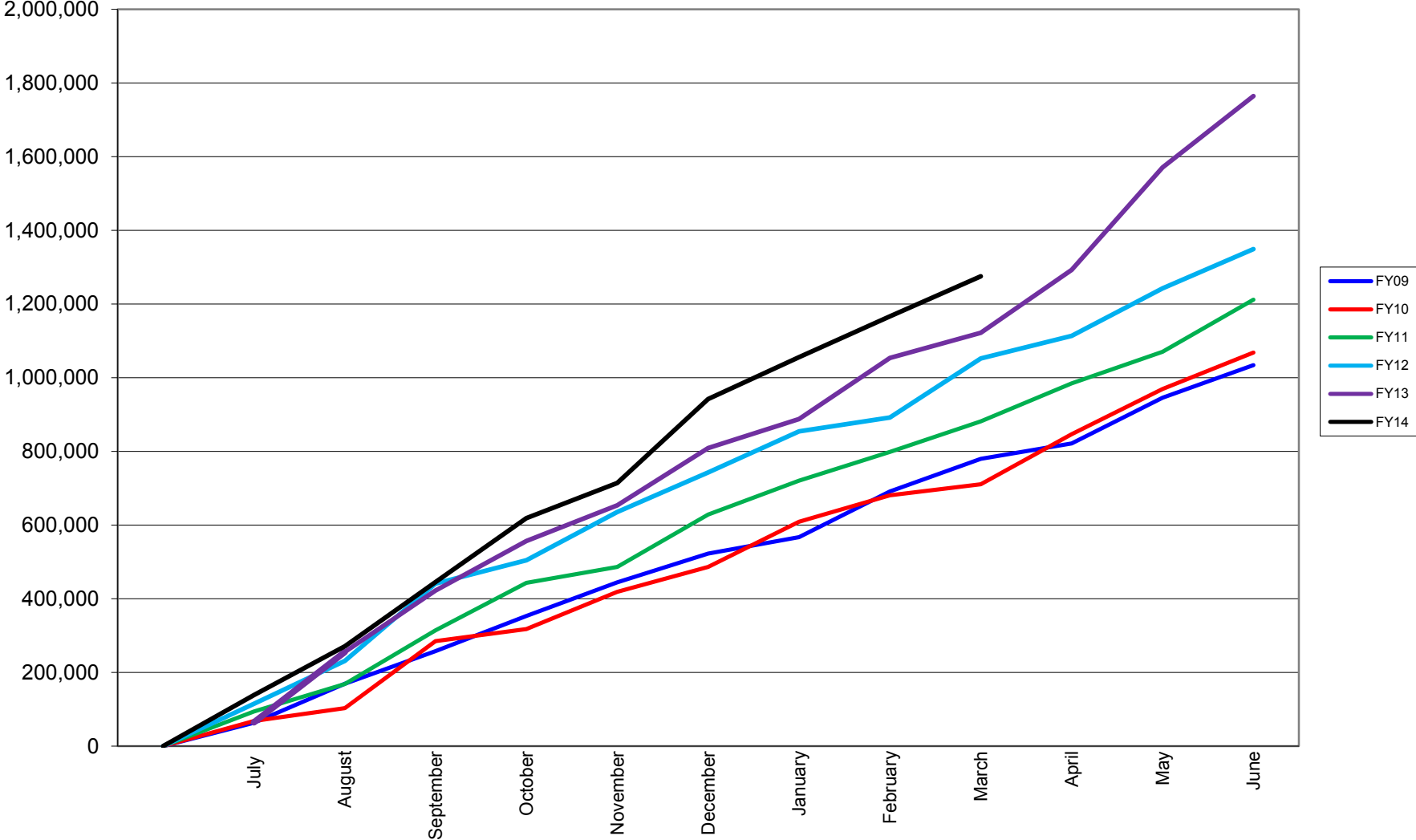
**Mt. Mckinley Meat and Sausage
Income(Loss)
FY 2009 - FY 2014**



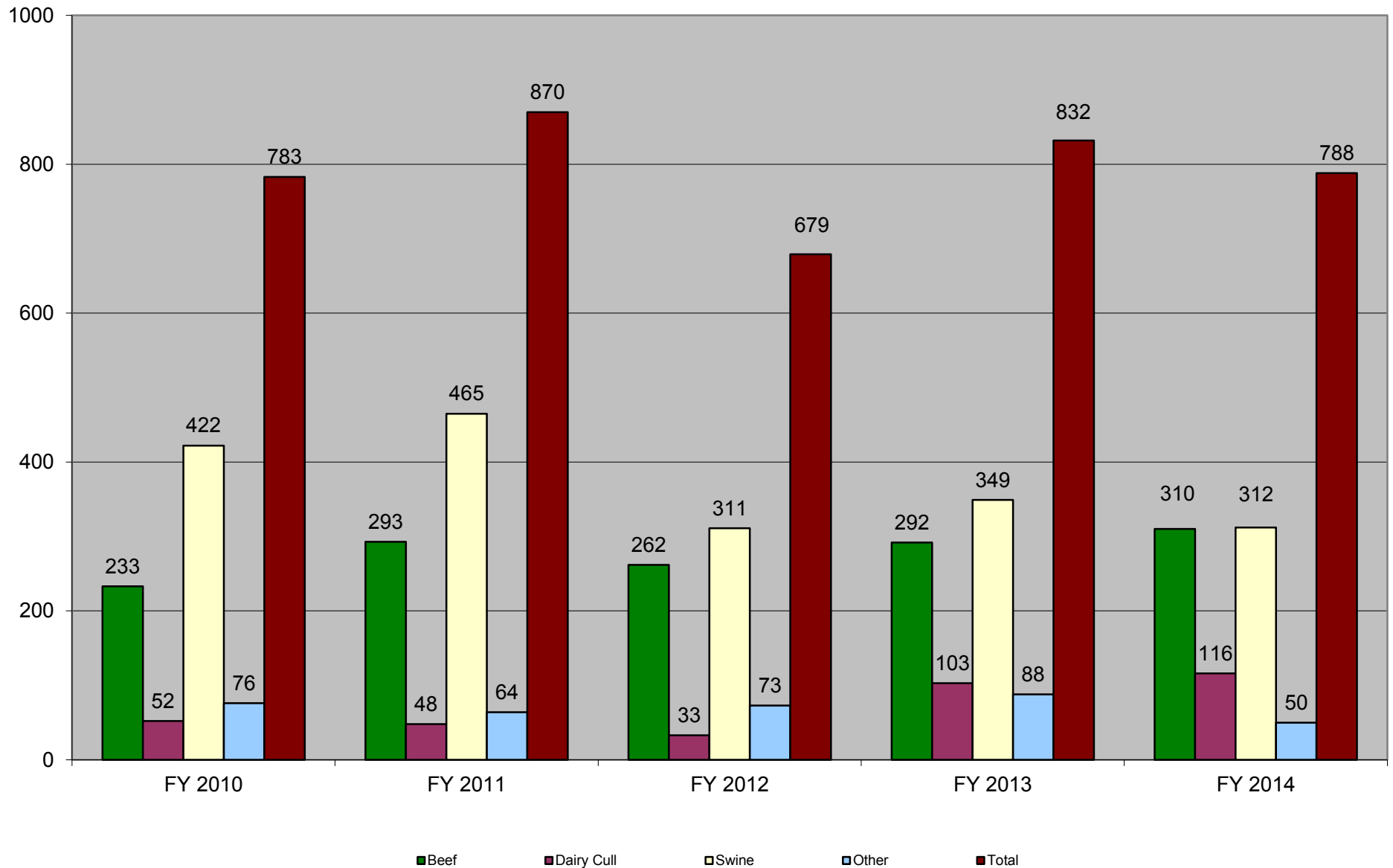
**Mt McKinley Meat and Sausage
Cumulative Expenses
July 2008 - March 2014**



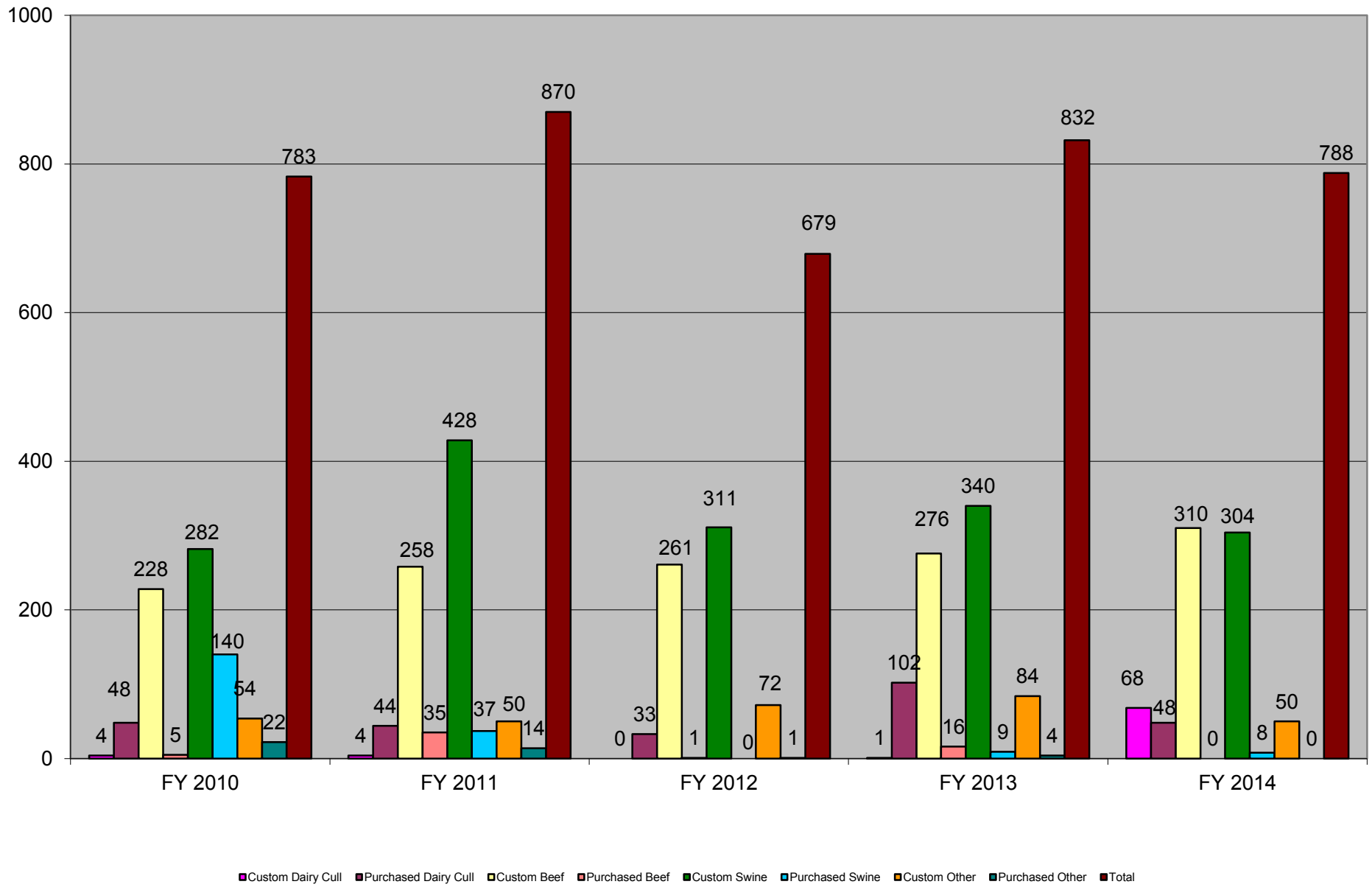
**Mt Mckinley Meat and Sausage
Revenue Trend
July 2008 - March 2014**



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



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



AGRICULTURAL REVOLVING LOAN FUND
Loan Activity Report / Undistributed Warrants
As of April 25, 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	100,000.00	1	100,000.00	100,000.00	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	25,306.00	2	24,694.00	25,306.00	0.00
Brost, Wayne & Veronica	1	S-	3/27/2014		100,000.00			100,000.00		0.00
								0.00		0.00
12 TOTALS					\$1,419,292.46	\$910,234.72	21	\$509,057.74	\$910,234.72	\$0.00

AGRICULTURAL REVOLVING LOAN FUND
Real and Personal Property Inventory
31-Mar-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		
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
March 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			
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										
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		
Subtotal Building							10,000.00	7,285.00		
Total Umnak Slaughter Facility							10,000.00	7,285.00		

Total Accumulated Depreciation

505,210