

# **AGRICULTURAL REVOLVING LOAN FUND**

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

During CAFR preparation Department of Administration restated 2014 fiscal year end balance to properly record pension liabilities. That affected 2015 beginning and ending balances, and consequently beginning balances for 2016 had to be restated as well. Financial statements for July 2015 through March 2016 have been redone to reflect those changes.

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

1. \$39,012 was recorded as interest income. For comparison, February 2016 interest income was \$24,134. Total interest income for July 2015 through March 2016 is \$345,242.
2. \$(38,328) was recorded as ARLF operating expenses.
3. Bad debt in the amount of \$(20,347) is the loss ARLF incurred on the sale of the property used as collateral on a defaulted loan.
4. Net operating income was \$3,660. Total operating income for the fiscal year to date is \$112,101. Mt. McKinley Meat and Sausage Plant income for March (Non-Operating Activity) was \$37,512.

### **Comparative Balance Sheet**

1. \$10,204,545 was ARLF cash balance on March 31, 2016. For comparison, ARLF cash balance on March 31, 2015 was \$9,013,395.
2. \$7,860,056 was ARLF loans receivable account balance. For comparison, ARLF loans receivable balance on March 31, 2015 was \$9,173,307.

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

1. \$137,383 was recorded as total revenues for the month. For comparison, February 2016 revenue account balance was \$113,628.
2. \$(99,871) was recorded as total expenses for the month. For comparison, February 2016 expenses account balance was \$(129,414).
3. Fiscal year to date loss is \$(34,517).

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

1. \$160,000 is the total amount for the 2 loans approved in FY16.
2. ARLF financed property sale contract for collateral recovered from a defaulted loan for \$275,000.

**AGRICULTURAL REVOLVING LOAN FUND**  
**Statement of Revenues, Expenses, and Changes in Fund Equity**  
**For Month ended March 31, 2016**

	<u>March</u>	<u>Fiscal Year to Date</u>
<b>Operating Revenues</b>		
Interest Income	\$ 39,012	\$ 345,242
Services (legal, clerical, loan fees, sale products)	100	200
Late Payment Penalties	2,876	3,665
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>41,988</b>	<b>353,033</b>
<b>Operating Expenses:</b>		
Personal Services	14,541	117,895
Travel	-	3,974
Contractual Services	22,613	115,234
Commodities	1,174	3,828
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<b>Total Operating Expenses</b>	<b>38,328</b>	<b>240,932</b>
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<b>Net Operating Income (Loss)</b>	<b>3,660</b>	<b>112,101</b>
<b>Non-Operating Income (Expenses):</b>		
MMM&S Revenues	137,383	1,078,967
MMM&S Expenses	(99,871)	(1,113,484)
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Mt. McKinley Meat & Sausage Plant Net Income (loss)	<b>37,512</b>	<b>(34,517)</b>
Income (Loss) Sale of Fixed Assets	-	(2,865,713)
Bad Debt Expense	(20,347)	(20,347)
Depreciation Expense	-	-
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<b>Total Non-Operating Income / (Expenses)</b>	<b>17,165</b>	<b>(2,920,576)</b>
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<b>Current Period Earnings (Loss)</b>	<b>\$ 20,826</b>	<b>\$ (2,808,475)</b>
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<b>Fund Equity, June 30, 2015, Restated</b>		<b>\$22,015,185</b>
<b>Equity Adjustment</b>		<b>\$ (29,106)</b>
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<b>Fund Equity, March 31, 2016</b>		<b>\$19,177,604</b>
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**AGRICULTURAL REVOLVING LOAN FUND**  
**Comparative Balance Sheet**  
**March 31, 2016**

<u>ASSETS</u>	March 2016	February 2016	<u>LIABILITIES</u>	March 2016	February 2016
<b>Current Assets</b>			<b>Short Term Liabilities</b>		
Cash	\$ 10,204,545	\$ 10,037,791	Warrants Outstanding	\$ 11,963	\$ 8,441
Receivables			Accounts Payable	(122)	(122)
ARLF Loans	7,860,056	8,230,124	Accrued Payables	238,980	238,980
Land Sale Contracts	1,485,038	1,229,858	Accrued Vacation Leave	20,605	20,605
Notes Receivable	-	27,518	Trust Account	-	-
Judgments	-	-	<b>Total Short Term Liabilities</b>	<b>271,426</b>	<b>267,904</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- -	-
Protection of Collateral	-	-	Due to School Fund	-3- -	-
Less Allowances:			<b>Total Due to Other Funds</b>	<b>-</b>	<b>-</b>
Doubtful Accounts	-2- (4)	(4)	<b>Long Term Liabilities</b>		
Net Receivables	9,437,642	9,580,048	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>969,613</b>	<b>966,091</b>
<b>Total Current Assets</b>	<b>19,642,187</b>	<b>19,617,839</b>	<b>FUND EQUITY</b>		
<b>Due from Other Funds</b>			Fund Equity, Beginning	22,015,185	22,015,185
Due from GF	-	-	Current Year Earnings (Loss)	(2,837,581)	(2,858,406)
Due from Mental Health	-	-	<b>TOTAL FUND EQUITY</b>	<b>19,177,604</b>	<b>19,156,778</b>
<b>Total Due from Other Funds</b>	<b>-</b>	<b>-</b>	<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$20,147,217</b>	<b>\$20,122,869</b>
<b>Other Assets</b>					
Investments:					
Alaska Farmers Coop	-	-			
Repossessed Property	879,059	879,059			
Less Accum. Deprec	(545,360)	(545,360)			
Other Assets	171,331	171,331			
<b>Net Other Assets</b>	<b>505,030</b>	<b>505,030</b>			
<b>TOTAL ASSETS</b>	<b>\$20,147,217</b>	<b>\$20,122,869</b>			

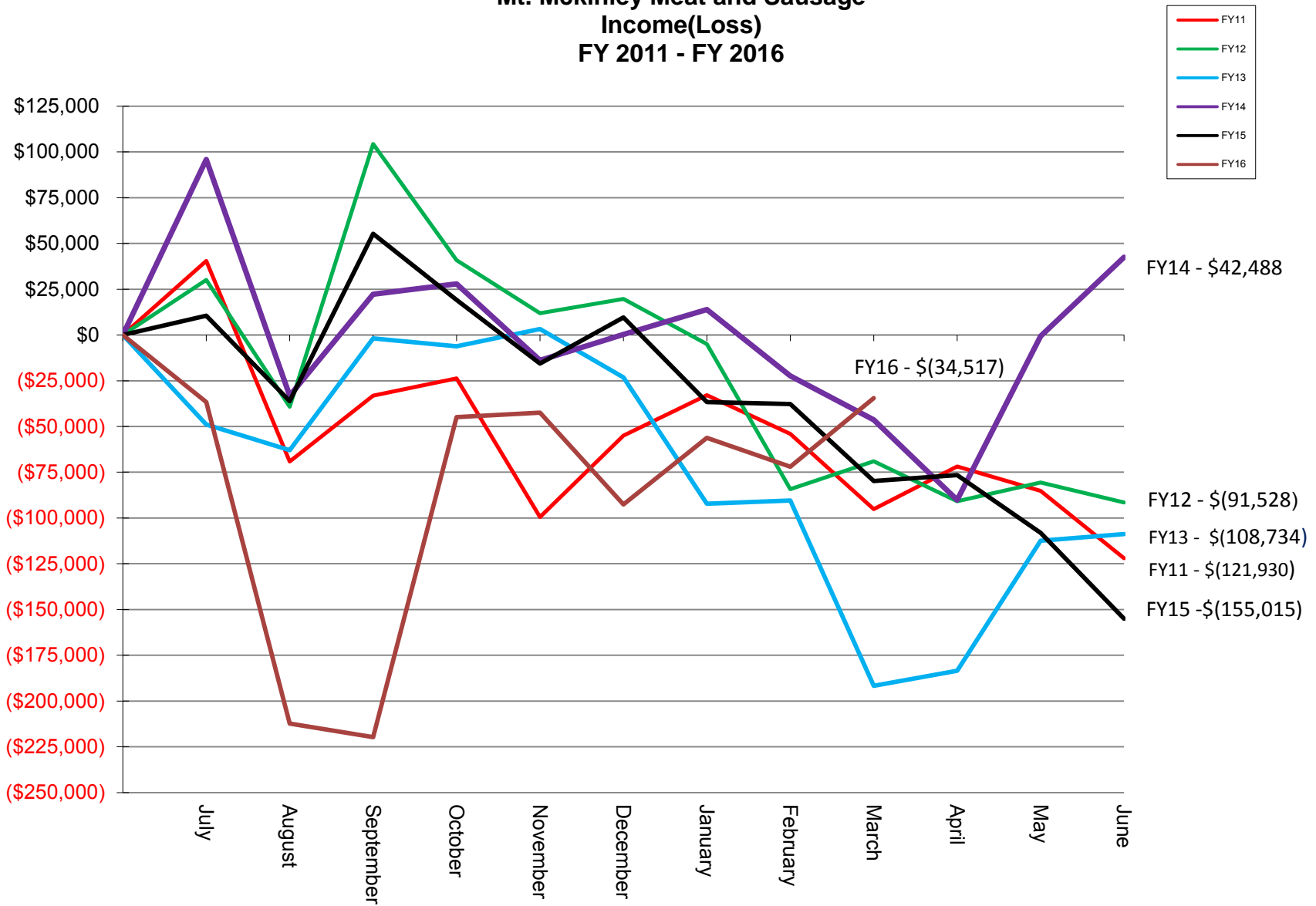
**Footnotes:**

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.

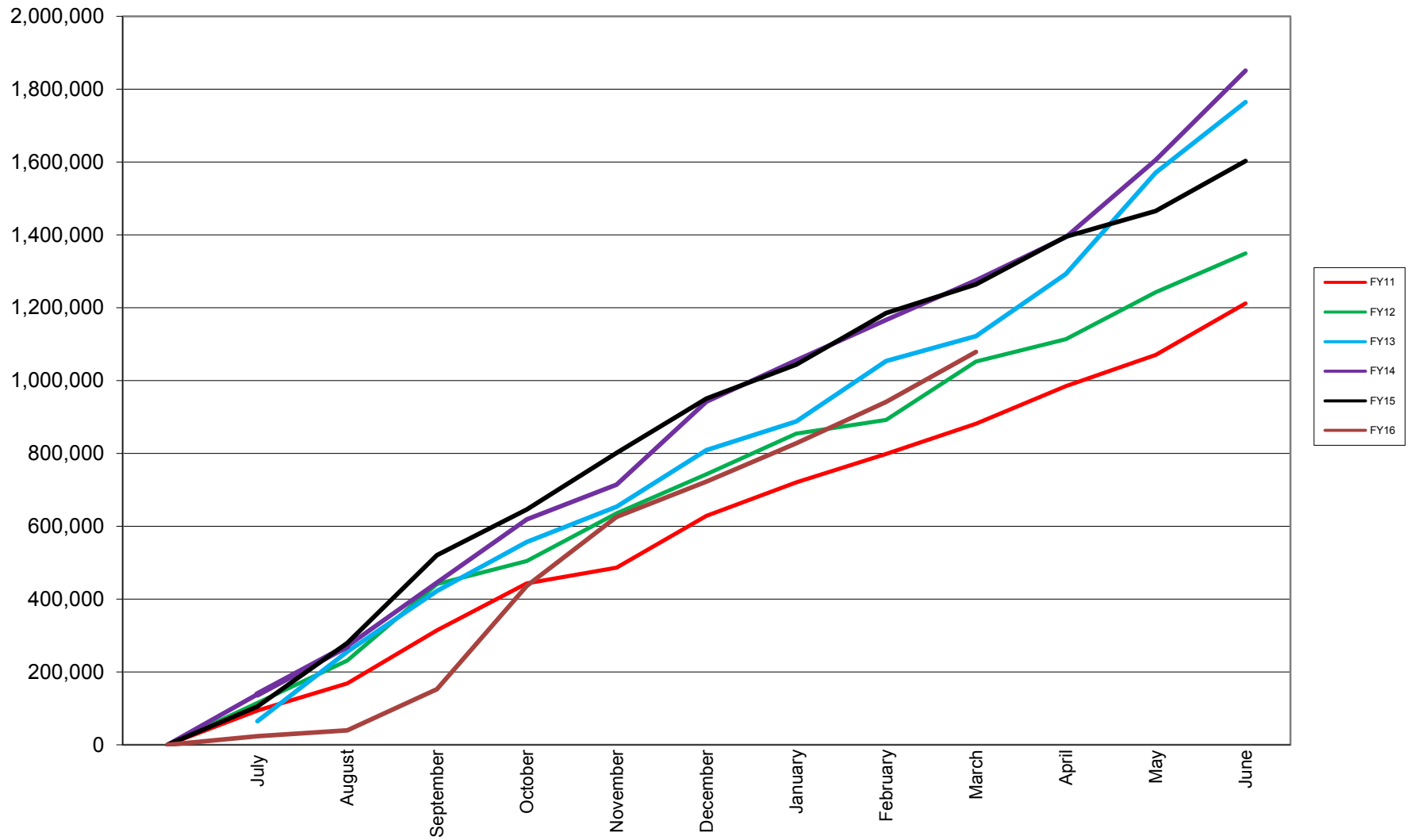
**Mt McKinley Meat and Sausage  
 AGRICULTURAL REVOLVING LOAN FUND  
 Statement of Revenues and Expenses  
 For Month ended March 31, 2016**

	<b>March</b>	<b>Fiscal Year-to-Date</b>
<b>Revenues:</b>		
Services	\$ 17,930	\$ 178,965
Sale of Products	117,052	885,019
Freight	2,400	14,983
	<b>Total Revenues</b>	<b>1,078,967</b>
 <b>Expenses:</b>		
Personal Services	29,515	283,161
Travel	-	-
Contractual Services	10,589	105,242
Commodities	59,766	725,081
	<b>Total Expenses</b>	<b>1,113,484</b>
 <b>Net Earnings / (Loss)</b>	<b>\$ 37,512</b>	<b>\$ (34,517)</b>

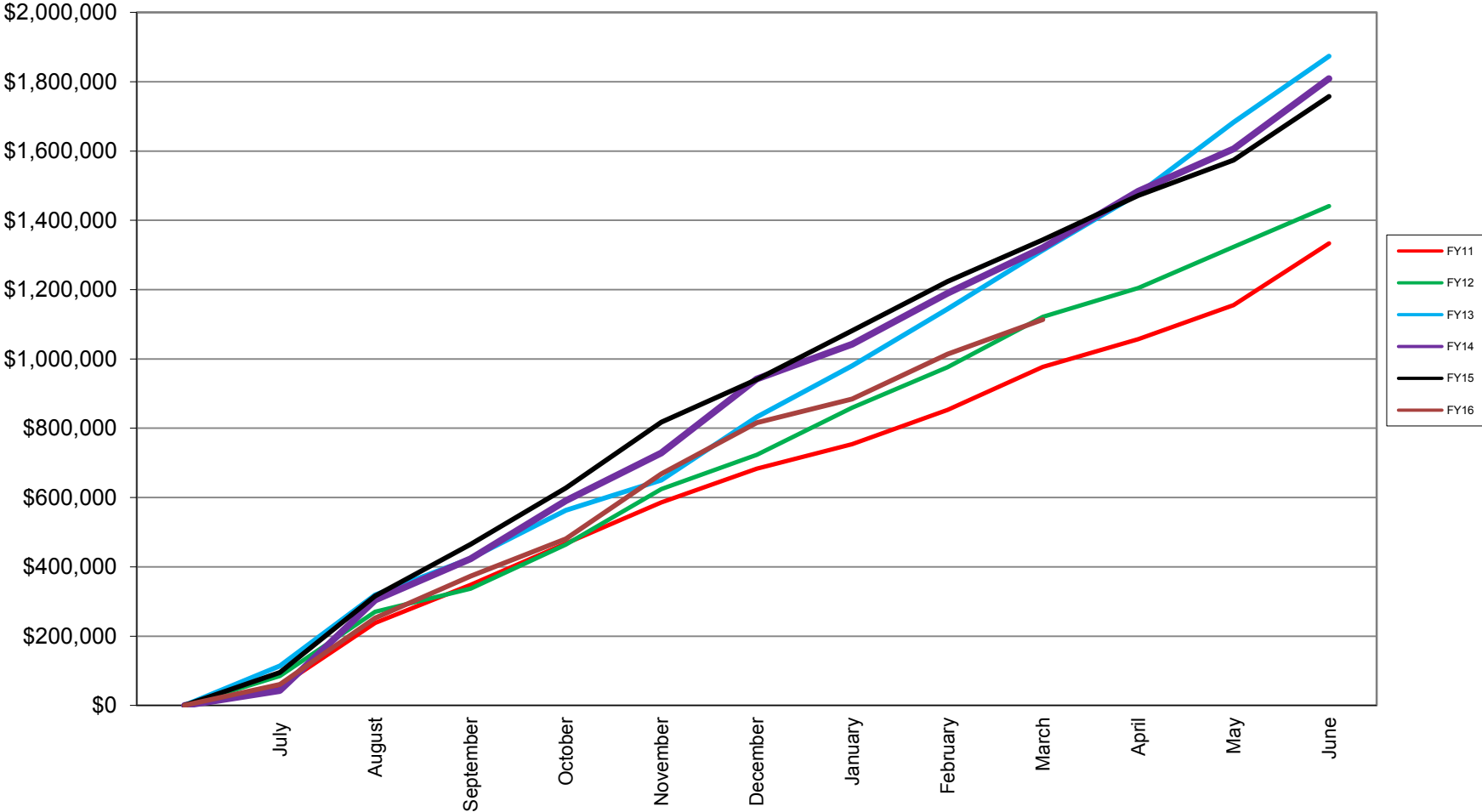
### Mt. Mckinley Meat and Sausage Income(Loss) FY 2011 - FY 2016



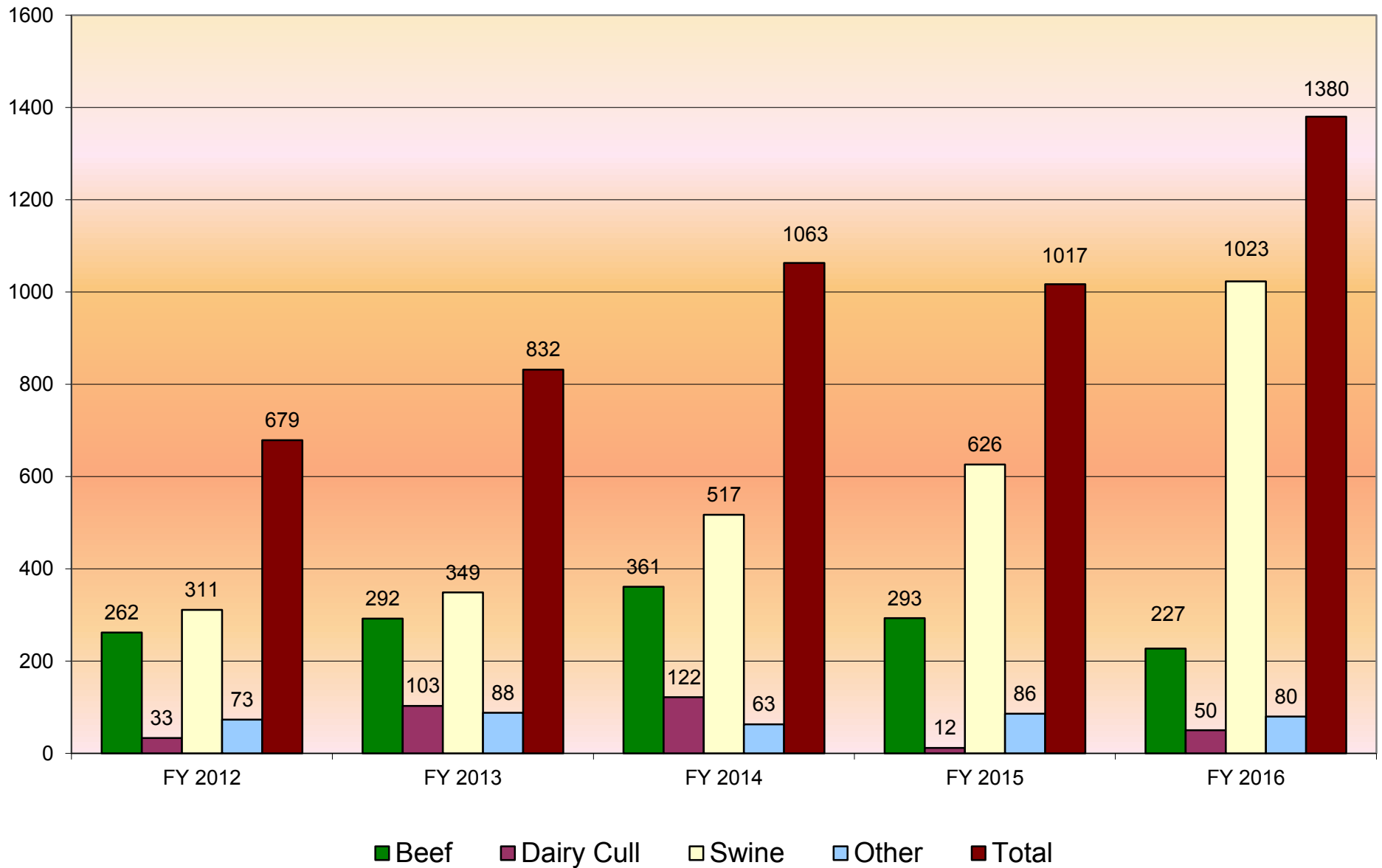
**Mt Mckinley Meat and Sausage  
Revenue Trend  
July 2010 - March 2016**



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

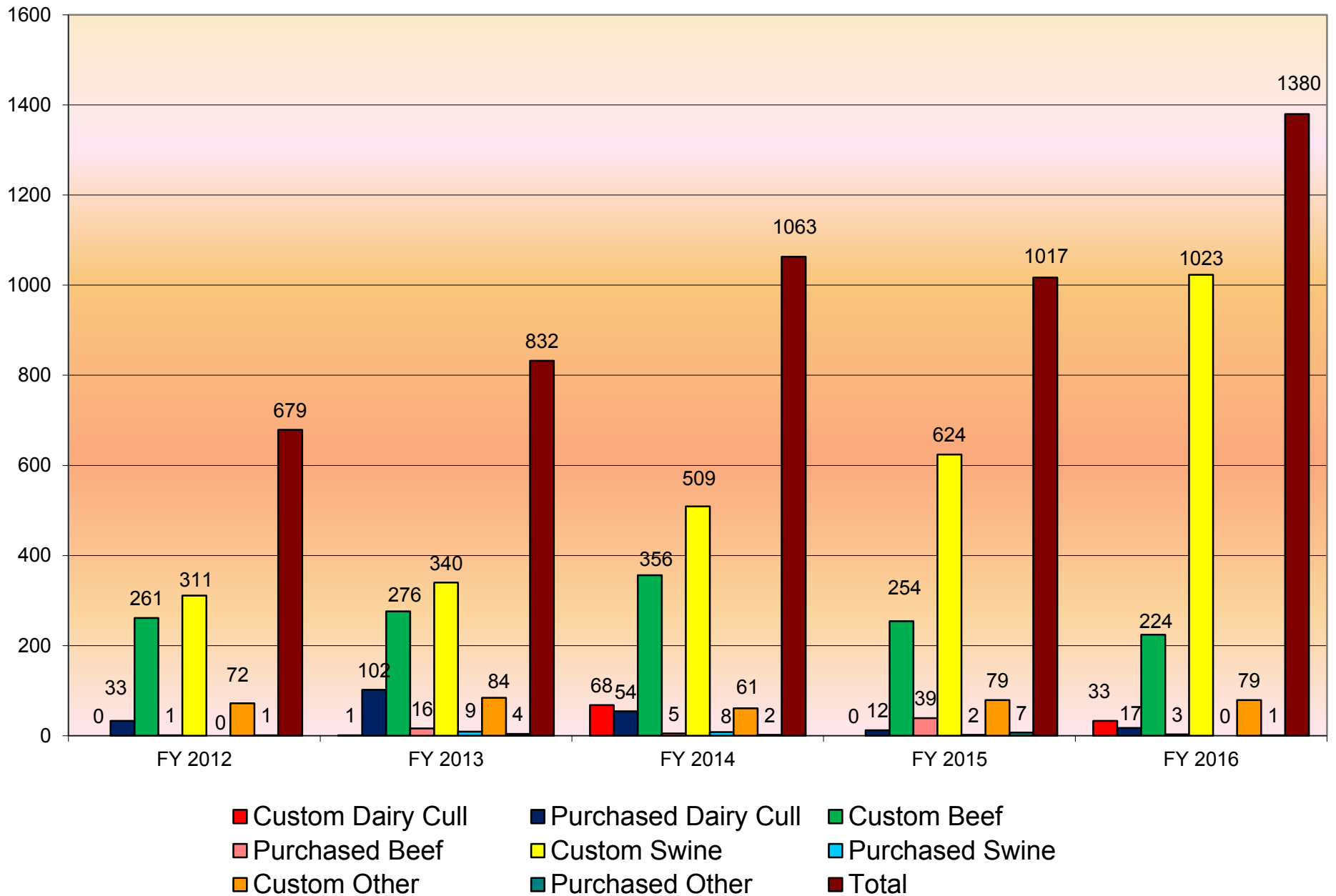


## MMM&S Slaughter Statistics by Fiscal Year and Type As of March 31, 2016 - FY16





**MMM&S Custom and Purchased Statistics by Fiscal Year  
As of March 31, 2016 - FY16**



**AGRICULTURAL REVOLVING LOAN FUND**  
**Loan Activity Report / Undistributed Warrants**  
**As of April 26, 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	\$30,338.00	\$0.00
Brost, Wayne & Veronica	1		3/31/2016		100,000.00					
<b>2 TOTALS</b>					<b>\$160,000.00</b>	<b>\$30,338.00</b>	<b>2</b>	<b>\$29,662.00</b>	<b>\$30,338.00</b>	<b>\$0.00</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**  
**31-Mar-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	16	Tax Assmt	\$405,700		\$405,700	
<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	16	Tax Assmt	411,500		411,500	
<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			3,926.00 /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>\$ 817,200</b>	<b>\$ 50,000</b>	<b>\$ 867,200</b>	