

AGRICULTURAL REVOLVING LOAN FUND

Notes to Financial Statements for February, 2013 - FY13

Statement of Revenues, Expenses, and Changes in Fund Equity

1. \$28,042 was recorded as interest income. For comparison, January 2013 interest income was \$56,815. Total interest income for July 2012 through February 2013 is \$426,215.
2. \$(43,540) was recorded as ARLF operating expenses. Contractual services included \$15,481 paid through RSA for legal services and \$10,789 for accounting support.
3. Net operating loss was \$(14,841).
Mt. McKinley Meat and Sausage Plant income for the period (Non-Operating Activity) was recorded at \$1,813. Sale of a repossessed property in Delta resulted in a gain of \$204,008.

Comparative Balance Sheet

1. \$6,260,452 was ARLF cash balance on February 28, 2013. For comparison, ARLF cash balance on February 29, 2012 was \$4,813,967.
2. \$12,359,928 was ARLF loans receivable account balance. For comparison, ARLF loans receivable balance on February 29, 2012 was \$12,407,772.

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

1. \$166,179 was recorded as Total Revenues for the month. For comparison, January 2013 revenue account balance was \$78,519.
2. \$(164,365) was recorded as Total Expenses for the month. For comparison, January 2013 expenses account balance was \$(147,604).
3. Fiscal Year-to-Date Loss is \$(90,439).

Loan Activity/Cash outflows

1. \$338,000 is the total amount of loans approved since the beginning of the fiscal year 2013. \$226,460 approved earlier for financing a sale of a leased asset is excluded from the total after the buyer chose another method of financing.

AGRICULTURAL REVOLVING LOAN FUND
Statement of Revenues, Expenses, and Changes in Fund Equity
For Month ended February 28, 2013

	<u>February</u>	<u>Fiscal Year to Date</u>
Operating Revenues		
Interest Income	\$ 28,042	\$ 426,215
Services (legal, clerical, loan fees, sale products)	-	9,107
Late Payment Penalties	656	4,826
Rents, including leasehold credits	-	15,126
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	-
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
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Total Operating Revenues	28,699	455,274
Operating Expenses:		
Personal Services	11,833	85,702
Travel	244	4,625
Contractual Services	31,436	159,055
Commodities	27	4,659
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Total Operating Expenses	43,540	254,041
	<hr/>	<hr/>
Net Operating Income (Loss)	(14,841)	201,233
Non-Operating Income (Expenses):		
MMM&S Revenues	166,179	1,053,834
Mt. McKinley Meat & Sausage Plant	(164,365)	(1,144,273)
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Mt. McKinley Meat & Sausage Plant Net Income (loss)	1,813	(90,439)
Income (Loss) Investment in Mat Maid	-	(9,605)
Income (Loss) Sale of Fixed Assets	204,008	204,008
Bad Debt Expense	-	-
Depreciation Expense	-	-
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Total Non-Operating Income / (Expenses)	205,821	103,964
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Current Period Earnings (Loss)	\$ 190,980	\$ 305,197
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Fund Equity, June 30, 2012		\$ 22,864,474
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Fund Equity, February 28, 2013		\$ 23,169,671
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AGRICULTURAL REVOLVING LOAN FUND
Comparative Balance Sheet
February 28, 2013

<u>ASSETS</u>	February 2013	January 2013	<u>LIABILITIES</u>	February 2013	January 2013
Current Assets			Short Term Liabilities		
Cash	\$ 6,260,452	\$ 6,015,550	Warrants Outstanding	\$ 45,067	\$ 1,996
Receivables			Accounts Payable	27,269	606
ARLF Loans	12,359,928	12,547,727	Accrued Payables	134,621	134,621
Land Sale Contracts	1,326,408	1,326,805	Accrued Vacation Leave	41,291	41,291
Notes Receivable	47,986	47,986	Trust Account	-	268,400
Judgments	-	-	Total Short Term Liabilities	248,247	446,913
Accrued Interest	-1- 118,472	118,472	Due to Other Funds		
Accrued Penalties	-1- 2,493	2,493	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	0.00	0.00
Doubtful Accounts	-2- -	-	Long Term Liabilities		
Net Receivables	13,855,288	14,043,484	Accrued Pension Adjustment	-	-
Outstanding Loan Warrants	-	-	Total Long Term Liabilities	-	-
Repossessed Inventory	29,000	29,000	TOTAL LIABILITIES	248,247	446,913
Total Current Assets	20,144,740	20,088,034	FUND EQUITY		
Due from Other Funds			Fund Equity, Beginning	22,864,474	22,864,474
Due from GF	-	-	Current Year Earnings (Loss)	305,197	114,217
Due from Mental Health	-	-	TOTAL FUND EQUITY	23,169,671	22,978,691
Total Due from Other Funds	-	-	TOTAL LIABILITIES & FUND EQUITY	\$23,417,918	\$23,425,604
Other Assets					
Investments:					
Alaska Farmers Coop	2,787,153	2,787,153			
Repossessed Property	979,075	1,299,075			
Less Accum. Deprec	(493,050)	(748,658)			
Other Assets	-	-			
Net Other Assets	3,273,178	3,337,570			
TOTAL ASSETS	\$23,417,918	\$23,425,604			

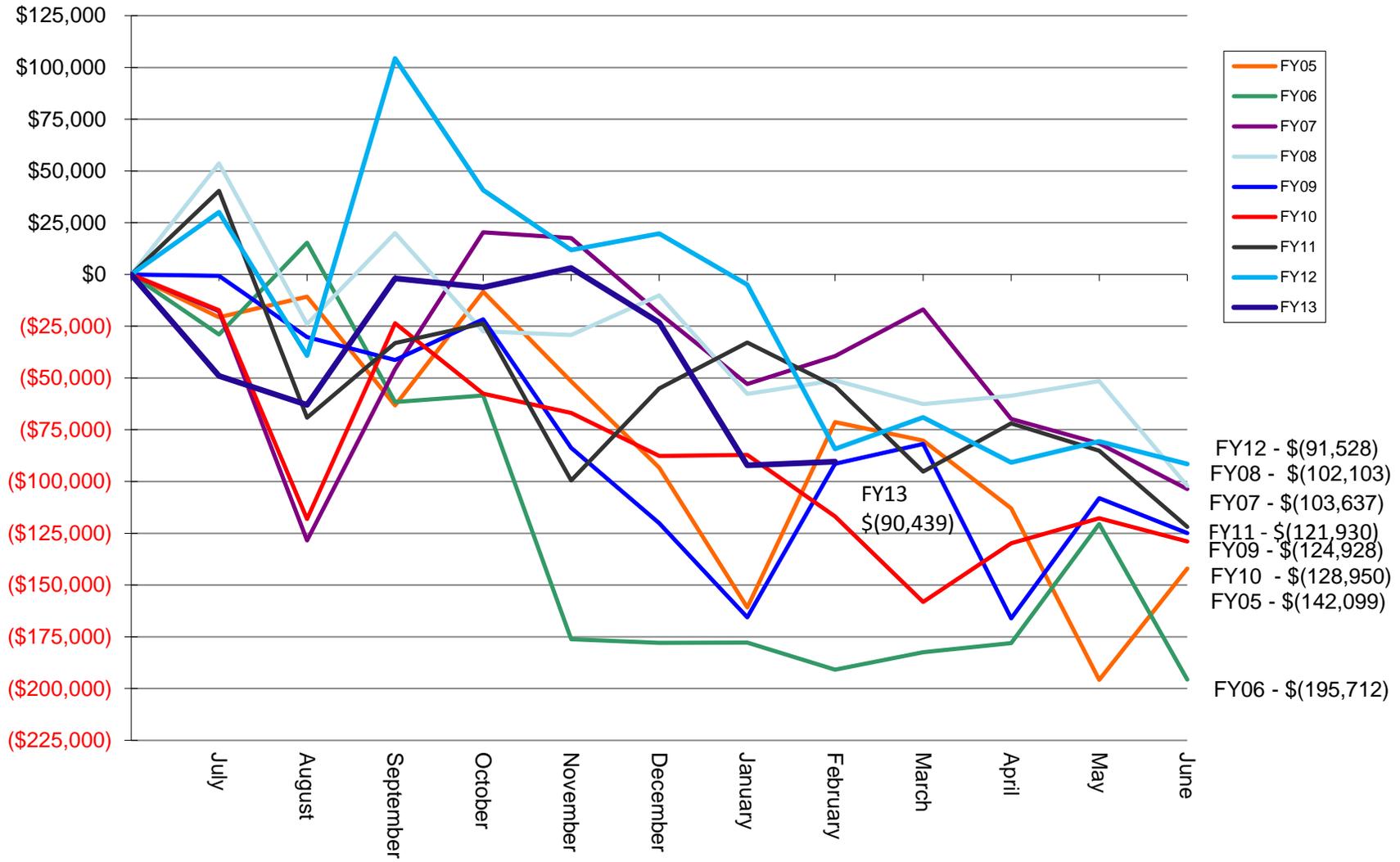
Footnotes:

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.

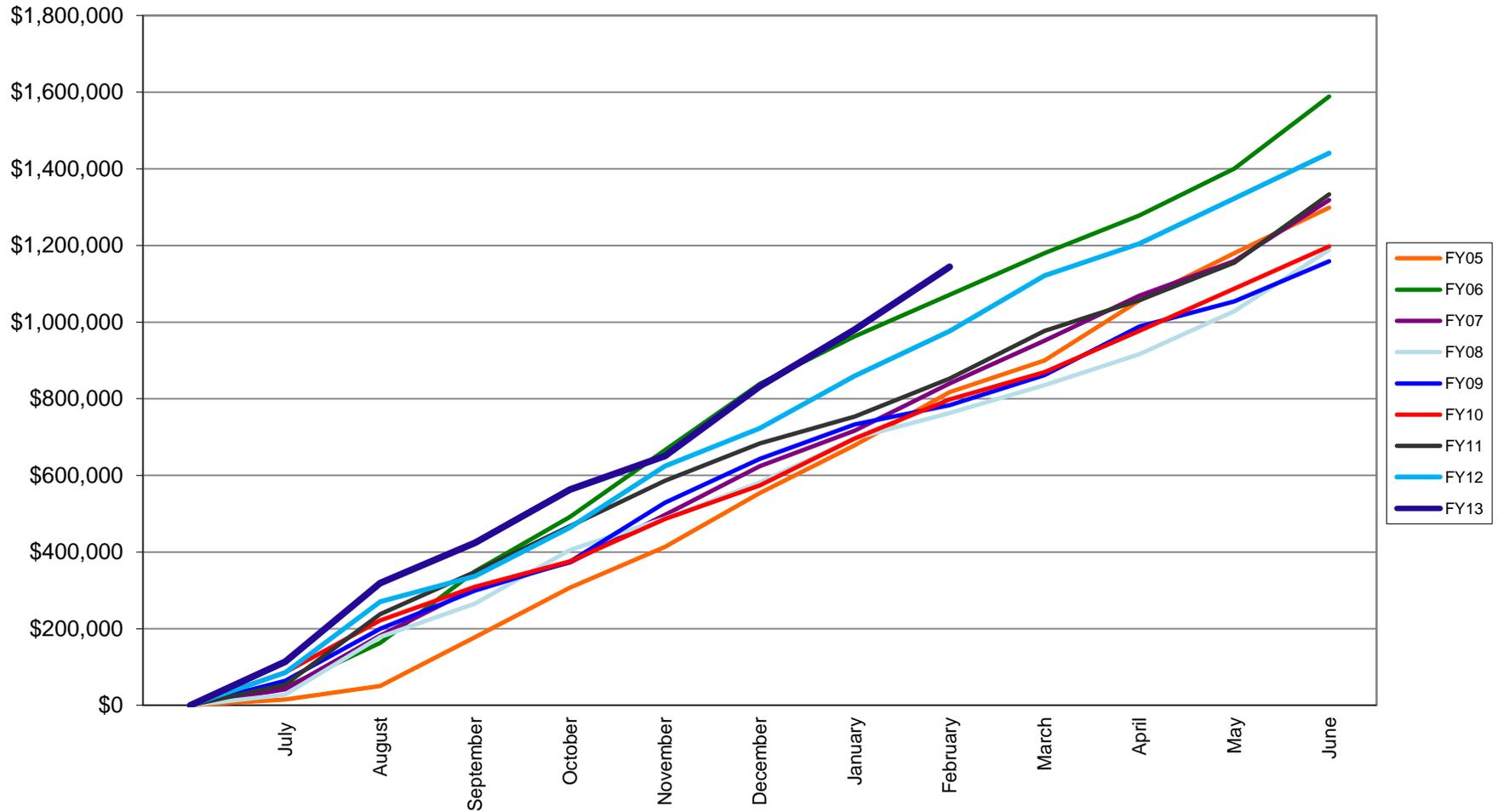
**Mt McKinley Meat and Sausage
 AGRICULTURAL REVOLVING LOAN FUND
 Statement of Revenues and Expenses
 For Month ended February 28, 2013**

	February	Fiscal Year-to-Date
Revenues:		
Services	\$ 8,887	\$ 91,579
Sale of Products	156,165	954,338
Freight	1,127	7,917
Total Revenues	166,179	1,053,834
 Expenses:		
Personal Services	27,473	217,772
Travel	-	-
Contractual Services	8,669	93,166
Commodities	128,223	833,335
Total Expenses	164,365	1,144,273
 Net Earnings / (Loss)	\$ 1,813	\$ (90,439)

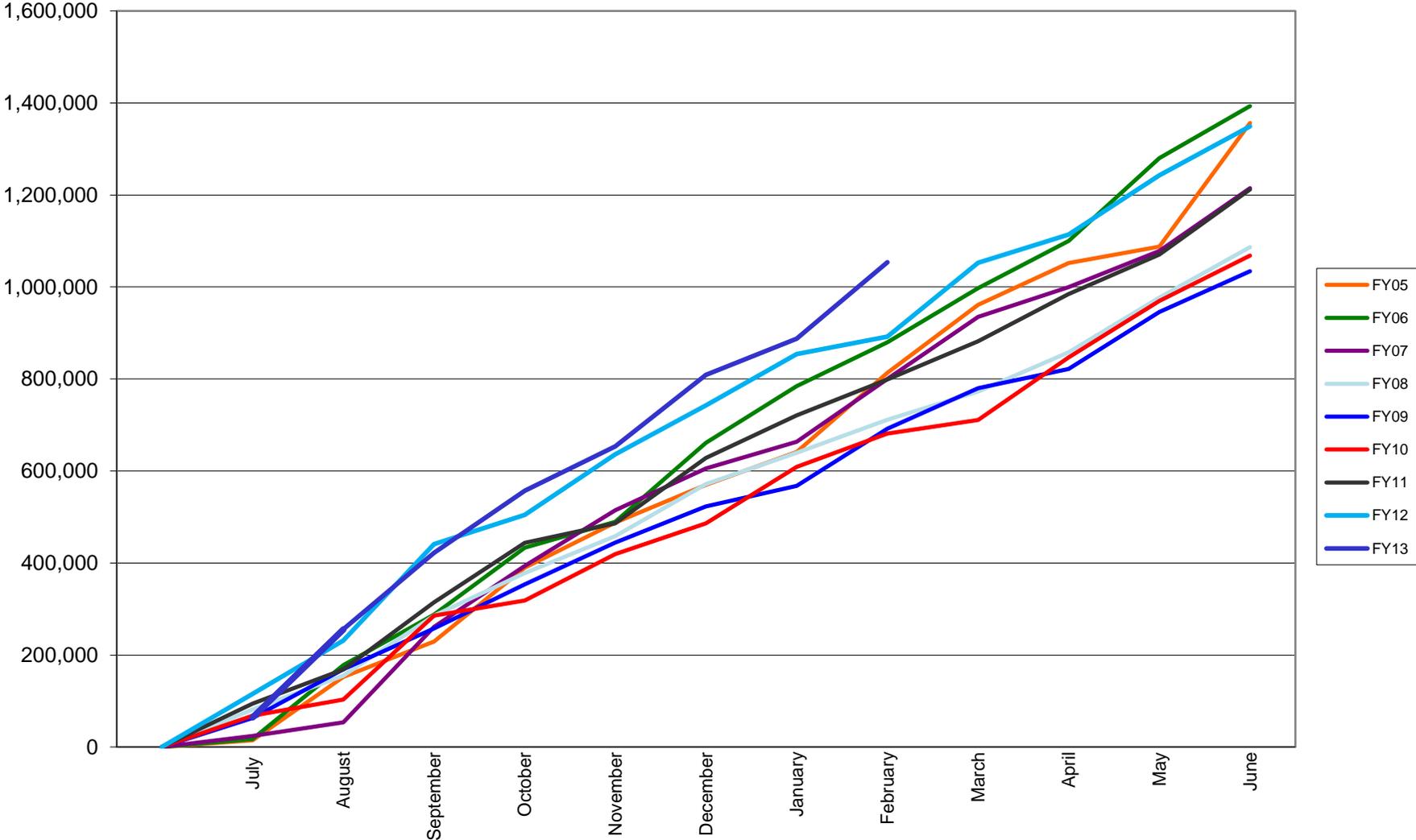
**Mt. Mckinley Meat and Sausage
Income(Loss)
FY 2005 - FY 2013**



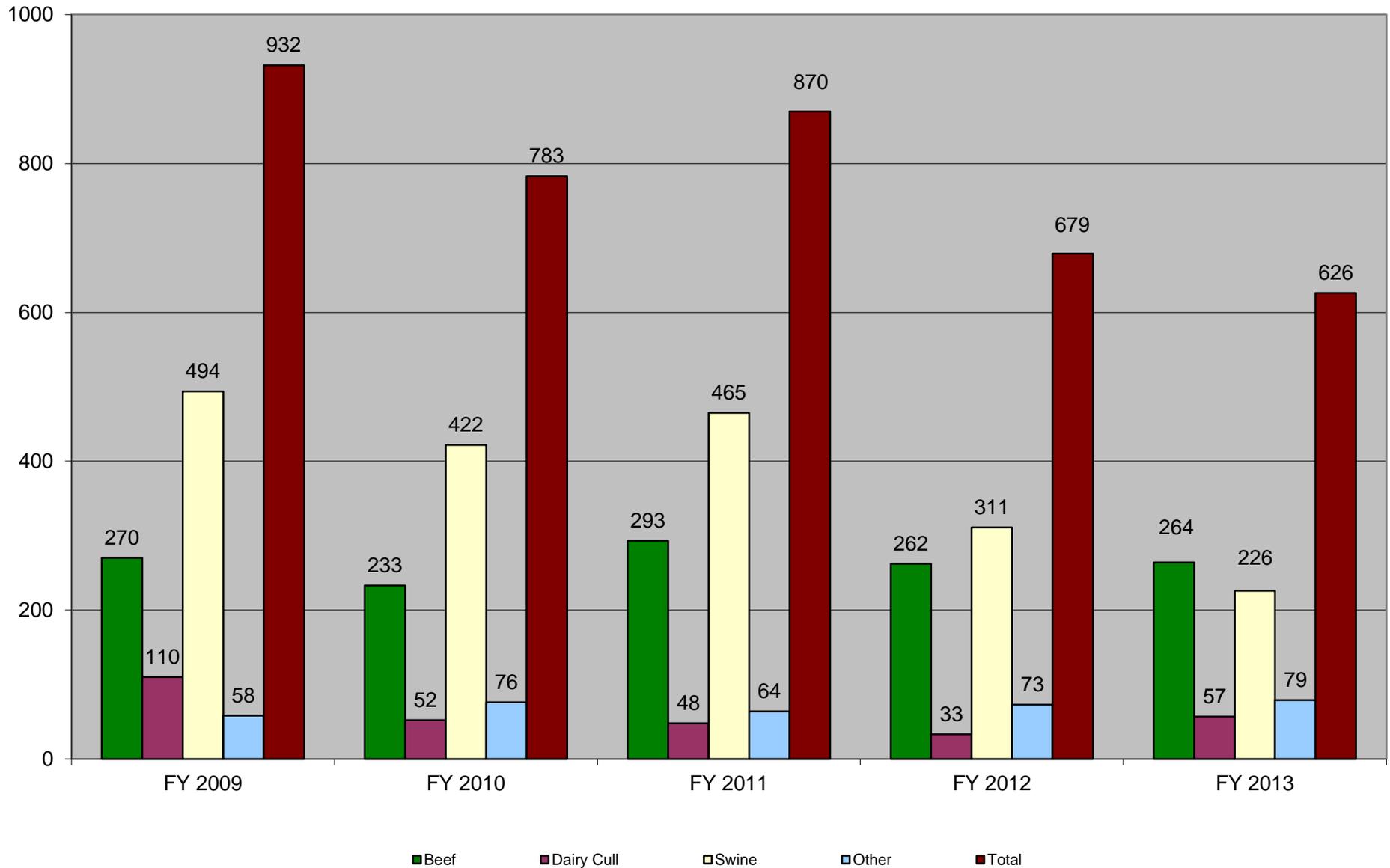
**Mt McKinley Meat and Sausage
Cumulative Expenses
July 2004 - February 2013**



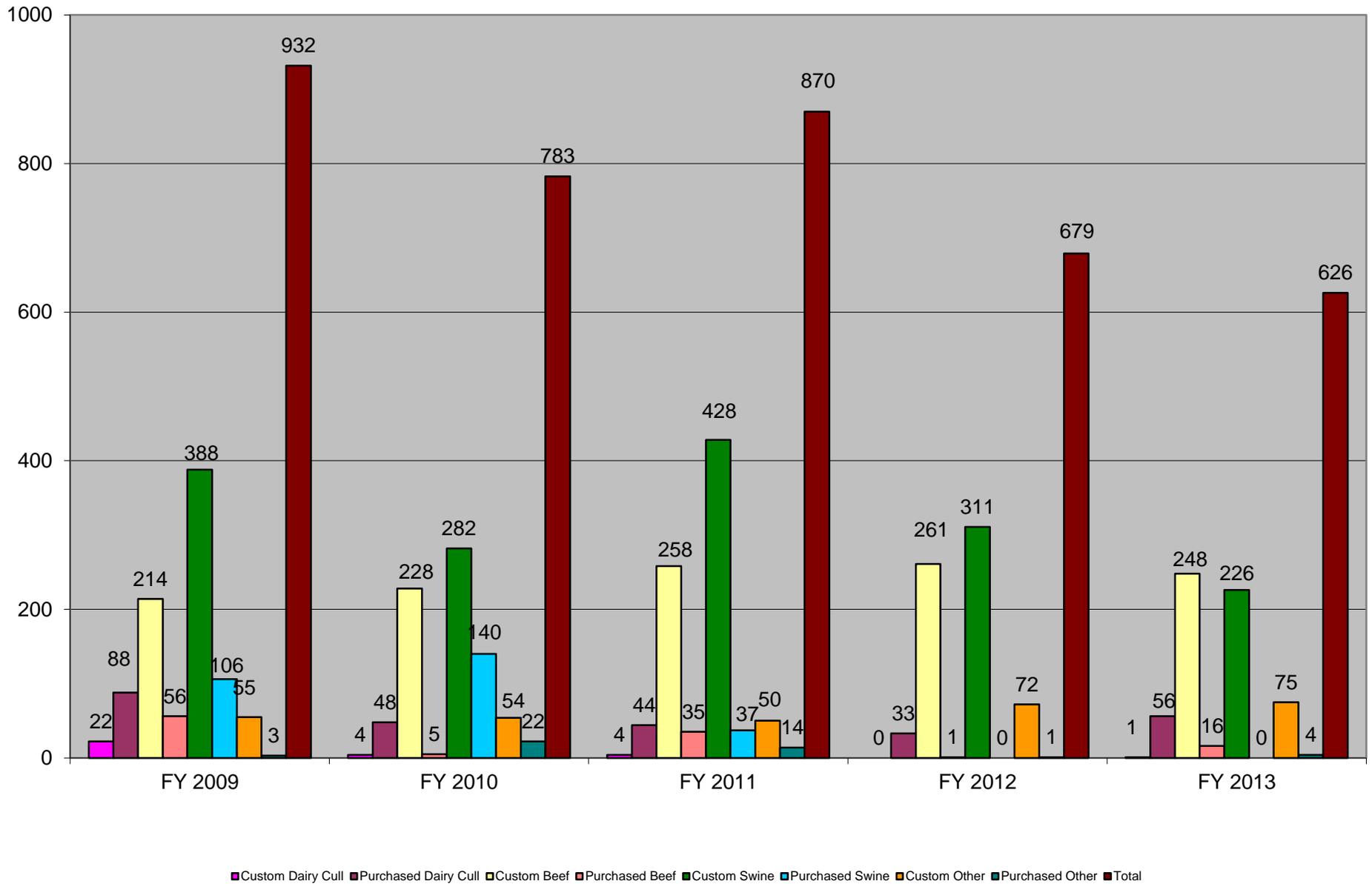
**Mt Mckinley Meat and Sausage
Revenue Trend
July 2004 - February 2013**



MMM&S Slaughter Statistics by Fiscal Year and Type As of February 28, 2013 - FY13



MMM&S Custom and Purchased Statistics by Fiscal Year As of February 28, 2013 - FY13



AGRICULTURAL REVOLVING LOAN FUND
Loan Activity Report / Undistributed Warrants
As of March 28, 2013 - FY 13

Borrower	LO	Loan #	Date Approved	Note Date	Amount Approved	Warrants		Available Balance	Amount Distributed to Borrower	Undistributed Warrants
						Issued	#			
Williams, Thomas	1	F-5212	8/29/2012	9/7/2012	288,000.00	288,000.00	1	0.00	288,000.00	0.00
Knopp, Paul	1		10/17/2012		226,460.00			226,460.00	0.00	0.00
Note - did not need ARLF financing					(226,460.00)			(226,460.00)		
Havemeisters, Bob & Jean	1	S-5468	12/5/2012	3/5/2013	50,000.00			50,000.00		
								0.00		0.00
TOTALS					\$338,000.00	\$288,000.00	1	\$50,000.00	\$288,000.00	\$0.00

AGRICULTURAL REVOLVING LOAN FUND
Real and Personal Property Inventory
28-Feb-13

Former Borrower/ Prospective New Owner	LO	Location	Acres	Date Placed in Service	Fair Market Value at Repossession				Accum Dep. 6/30/2012	Liabilities		Lease Information					Fair Market Value					
					Land	Buildings	Mach/ Equip	Total Value		Amt 6/30/12	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	12	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	5,363.00	642,955.00	486,165.00						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	6,885.00		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					339,680.00	619,632.00	19,763.00	979,075.00	493,050.00	rounded										900,800	863,680	1,764,480
GRAND TOTAL					<u>\$368,680.00</u>	<u>\$619,632.00</u>	<u>\$19,763.00</u>	<u>\$1,008,075.00</u>	<u>\$493,050.00</u>											\$933,400	\$863,680	\$1,797,080

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
February 28, 2013

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 6/30/2012	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										
Compressor	1	1	Mt. McKinley Meats	19-Aug-97	01-Oct-97	5,363.00	5,363.00	5,363.00		
Subtotal Mach & Equip							5,363.00	5,363.00		
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	9,000.00		
Boiler upgrade	1	1	Mt. McKinley Meats	25-Aug-97	01-Oct-97	41,236.40	41,236.40	24,741.82		
Boiler upgrade	1	1	Mt. McKinley Meats	01-Nov-97	01-Feb-98	48,931.70	48,931.70	29,359.07		
Boiler upgrade	1	1	Mt. McKinley Meats	01-Feb-98	01-Feb-98	8,849.90	8,849.90	5,309.98		
Boiler upgrade	1	1	Mt. McKinley Meats	30-Jun-03	30-Jun-03	4,974.00	4,974.00	1,790.84		
Roof	1	1	Mt. McKinley Meats	30-Sep-98	01-Oct-98	150,000.00	150,000.00	84,000.00		
Subtotal Building							595,592.00	480,801.72		
Total Mt. McKinley Meats						600,955.00		486,164.72		
Umnak Slaughter Facility										
Building	1	1	Umnak Sightr Fac.	01-Mar-95	01-Mar-95	10,000.00	10,000.00	6,885.00		
Subtotal Building							10,000.00	6,885.00		
Total Umnak Slaughter Facility						10,000.00		6,885.00		
Total Accumulated Depreciation								493,050		