

# **AGRICULTURAL REVOLVING LOAN FUND**

## **Notes to Financial Statements for October, 2012 - FY13**

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

1. \$101,785 was recorded as Interest Income. For comparison, September interest income was \$56,103. The substantial increase was due to a few loan payoffs.  
Total interest income for July through October 2012 is \$242,372.
2. \$(62,061) was recorded as ARLF operating expenses. Contractual Services included \$31,321 paid through RSA for legal services and \$10,804 paid for accounting support for the period of July through September 2012.
3. Net Operating Income was \$42,076.  
Mt. McKinley Meat and Sausage Plant Loss for the period (Non-Operating Activity) was recorded at \$(4,319).

### **Comparative Balance Sheet**

1. \$5,307,762 was ARLF cash balance on October 31, 2012. For comparison, ARLF cash balance on October 31, 2011 was \$4,842,334.
2. \$12,983,260 was ARLF Loans Receivable account balance. For comparison, ARLF loans receivable balance on October 31, 2011 was \$12,282,640.

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

1. \$134,665 was recorded as Total Revenues for the month.
2. \$(138,984) was recorded as Total Expenses for the month.
3. Fiscal Year-to-Date Loss is \$(6,198).

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

1. \$514,460 is the total amount of loans approved since the beginning of the fiscal year 2013.

**AGRICULTURAL REVOLVING LOAN FUND**  
**Statement of Revenues, Expenses, and Changes in Fund Equity**  
**For Month ended October 31, 2012**

	<u>October</u>	<u>Fiscal Year to Date</u>
<b>Operating Revenues</b>		
Interest Income	\$ 101,785	\$ 242,372
Services (legal, clerical, loan fees, sale products)	-	9,057
Late Payment Penalties	952	3,970
Rents, including leasehold credits	1,400	7,000
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>104,137</b>	<b>262,400</b>
<b>Operating Expenses:</b>		
Personal Services	12,293	39,585
Travel	668	2,266
Contractual Services	48,996	58,568
Commodities	104	805
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<b>Total Operating Expenses</b>	<b>62,061</b>	<b>101,224</b>
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<b>Net Operating Income (Loss)</b>	<b>42,076</b>	<b>161,176</b>
<b>Non-Operating Income (Expenses):</b>		
MMM&S Revenues	134,665	556,934
Mt. McKinley Meat & Sausage Plant	(138,984)	(563,132)
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Mt. McKinley Meat & Sausage Plant Net Income (loss)	<b>(4,319)</b>	<b>(6,198)</b>
Income (Loss) Investment in Mat Maid	-	-
Income (Loss) Sale of Fixed Assets	-	-
Bad Debt Expense	-	-
Depreciation Expense	-	-
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<b>Total Non-Operating Income / (Expenses)</b>	<b>(4,319)</b>	<b>(6,198)</b>
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<b>Current Period Earnings (Loss)</b>	<b>\$ 37,757</b>	<b>\$ 154,978</b>
	<hr/>	<hr/>
<b>Fund Equity, June 30, 2012</b>		<b>\$ 22,864,474</b>
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<b>Fund Equity, October 31, 2012</b>		<b>\$ 23,019,452</b>
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**AGRICULTURAL REVOLVING LOAN FUND**  
**Comparative Balance Sheet**  
**October 31, 2012**

<u><b>ASSETS</b></u>	<u>October 2012</u>	<u>September 2012</u>	<u><b>LIABILITIES</b></u>	<u>October 2012</u>	<u>September 2012</u>
<b>Current Assets</b>			<b>Short Term Liabilities</b>		
Cash	\$ 5,307,762	\$ 5,069,231	Warrants Outstanding	\$ 14,468	\$ 308,041
Receivables			Accounts Payable	295	884
ARLF Loans	12,983,260	13,184,251	Accrued Payables	134,621	134,621
Land Sale Contracts	1,332,848	1,338,793	Accrued Vacation Leave	41,291	41,291
Notes Receivable	54,922	54,922	Trust Account	-	-
Judgments	-	-			
Accrued Interest -1-	118,472	118,472	<b>Total Short Term Liabilities</b>	<b>190,675</b>	<b>484,836</b>
Accrued Penalties -1-	2,493	2,493			
Leases/Accounts Receivable -1-	-	-	<b>Due to Other Funds</b>		
Protection of Collateral	-	-	Due to General Fund -4-	(1,044,421)	(1,044,421)
Less Allowances:			Allow for AFC stock -4-	1,044,421	1,044,421
Doubtful Accounts -2-	-	-	Due to School Fund -4-	-	-
Net Receivables	14,491,996	14,698,932			
			<b>Total Due to Other Funds</b>	<b>-</b>	<b>-</b>
Outstanding Loan Warrants	25.45	288,025.45			
Repossessed Inventory	29,000	29,000	<b>Long Term Liabilities</b>		
			Accrued Pension Adjustment	-	-
<b>Total Current Assets</b>	<b>19,828,783</b>	<b>20,085,188</b>	<b>Total Long Term Liabilities</b>	<b>-</b>	<b>-</b>
<b>Due from Other Funds</b>			<b>TOTAL LIABILITIES</b>	<b>190,675</b>	<b>484,836</b>
Due from GF	-	-			
Due from Mental Health	-	-	<b>FUND EQUITY</b>		
			Fund Equity, Beginning	22,864,474	22,864,474
<b>Total Due from Other Funds</b>	<b>-</b>	<b>-</b>	Current Year Earnings (Loss)	154,978	117,221
<b>Other Assets</b>					
Investments: -3-			<b>TOTAL FUND EQUITY</b>	<b>23,019,452</b>	<b>22,981,695</b>
Alaska Farmers Coop	2,787,153	2,787,153			
Mat Maid	43,774	43,774	<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$23,210,127</b>	<b>\$23,466,532</b>
Repossessed Property	1,299,075	1,299,075			
Less Accum. Deprec	(748,658)	(748,658)			
Other Assets	-	-			
<b>Net Other Assets</b>	<b>3,381,344</b>	<b>3,381,344</b>			
<b>TOTAL ASSETS</b>	<b>\$23,210,127</b>	<b>\$23,466,532</b>			

**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. Adjustments to record changes in Mat Maid's equity are posted only on June 30.
4. 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.

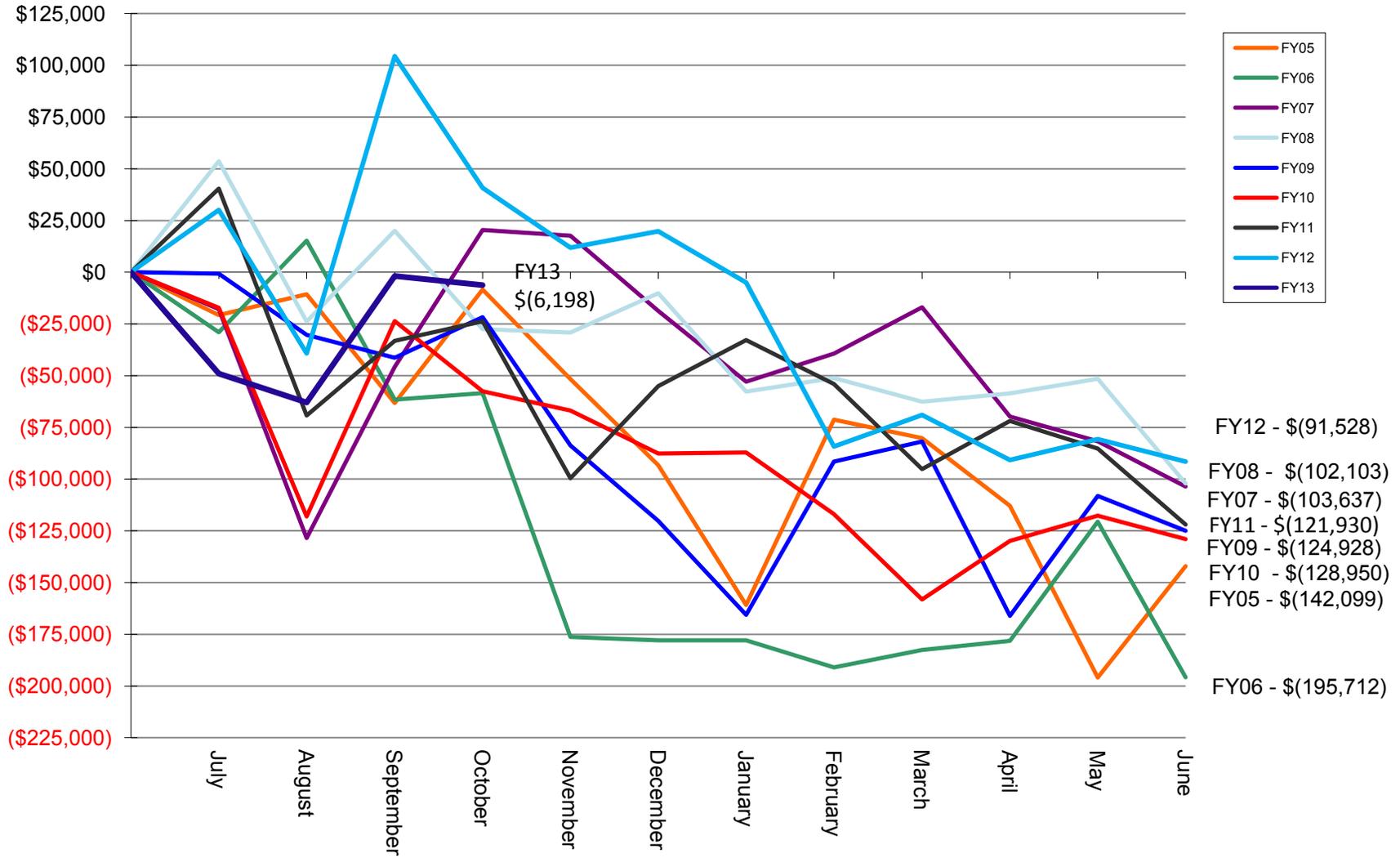
**Mt McKinley Meat and Sausage  
AGRICULTURAL REVOLVING LOAN FUND**

**Statement of Revenues and Expenses**

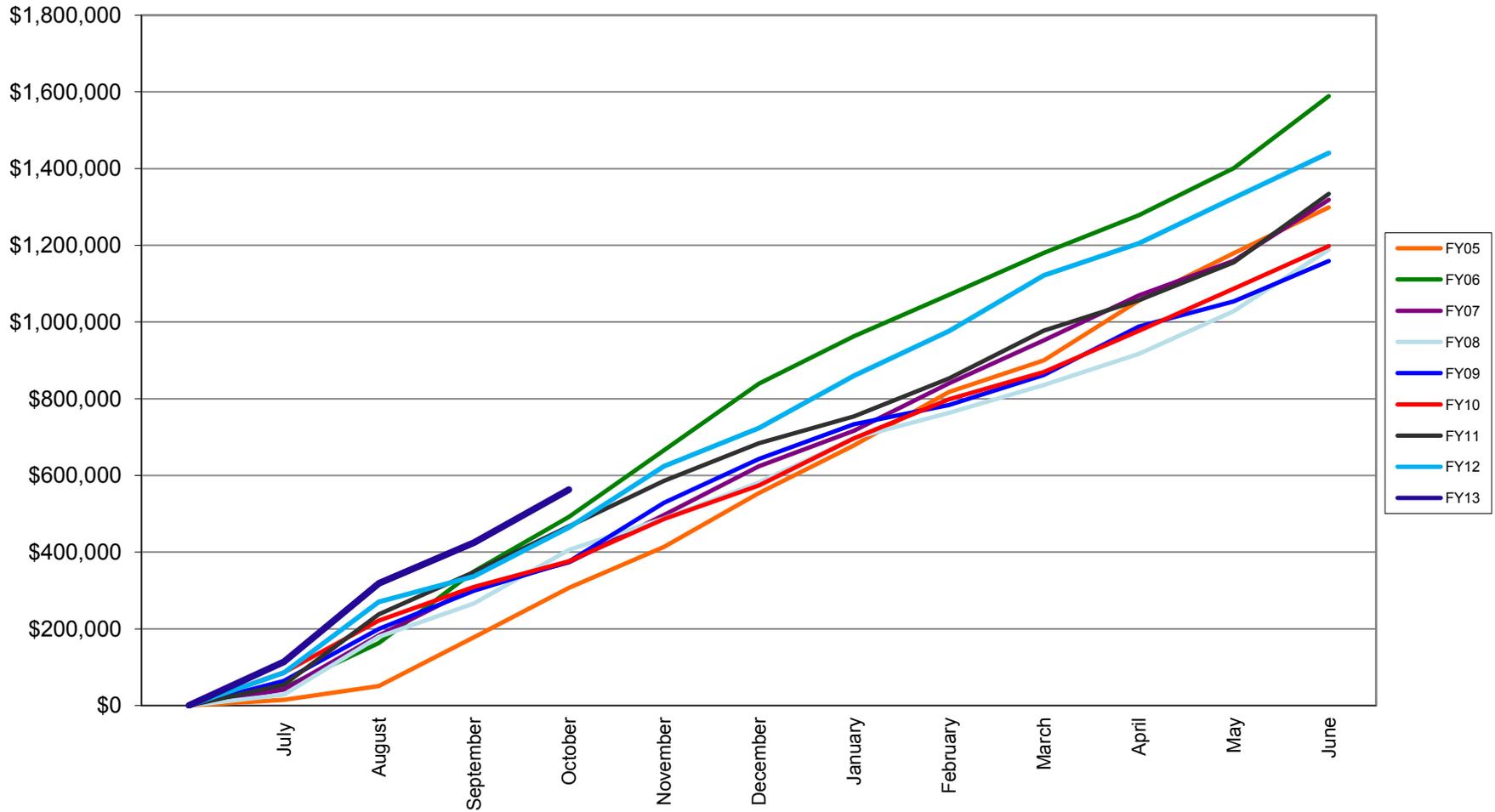
**For Month ended October 31, 2012**

	October	Fiscal Year-to-Date
<b>Revenues:</b>		
Services	\$ 22,631	\$ 41,335
Sale of Products	111,083	511,605
Freight	951	3,994
	<b>Total Revenues</b>	<b>556,934</b>
 <b>Expenses:</b>		
Personal Services	28,472	93,352
Travel	-	-
Contractual Services	15,251	40,957
Commodities	95,262	428,823
	<b>Total Expenses</b>	<b>563,132</b>
	<b>Net Earnings / (Loss)</b>	<b>\$ (4,319)</b>
		<b>\$ (6,198)</b>

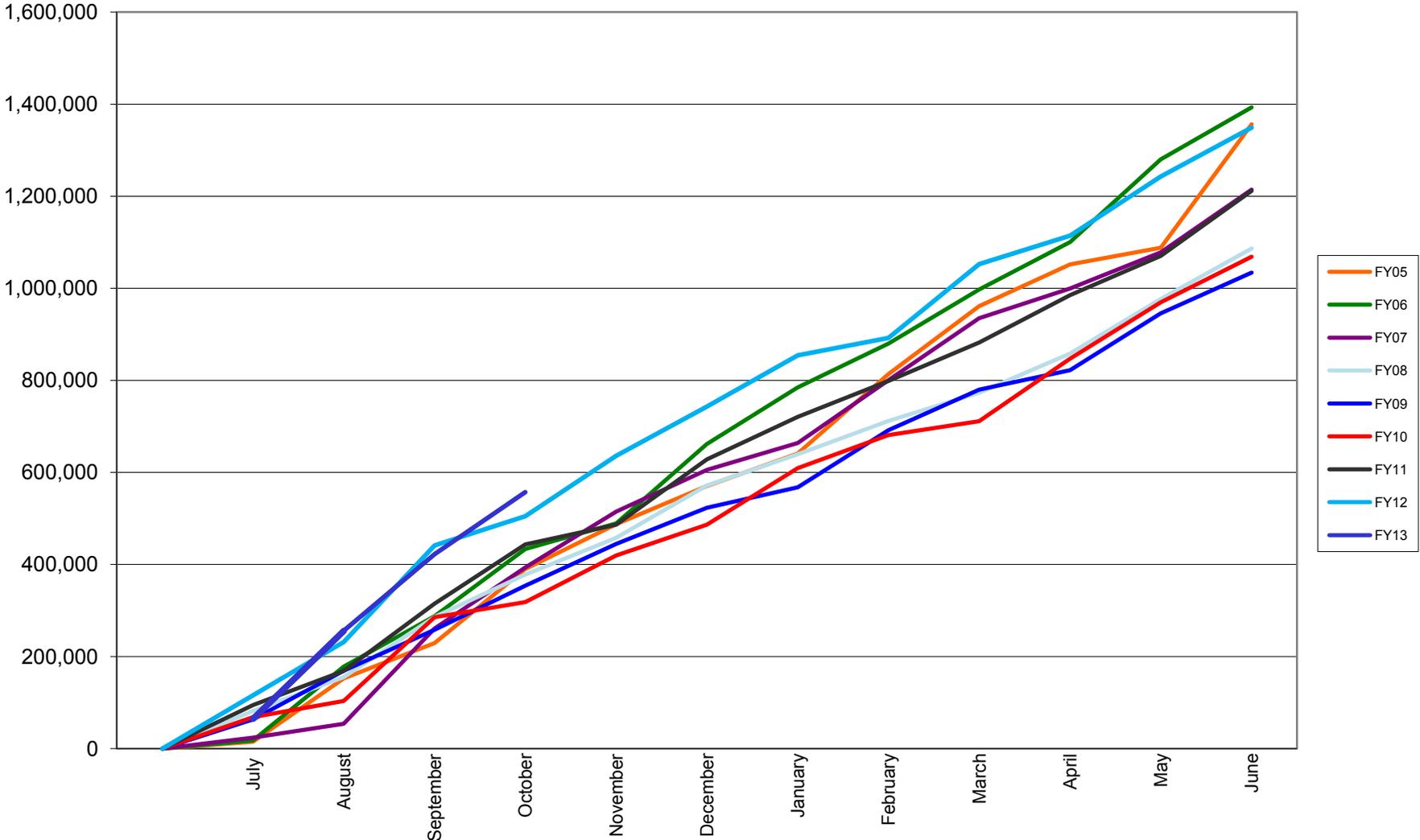
**Mt. Mckinley Meat and Sausage  
Income(Loss)  
FY 2005 - FY 2013**



**Mt McKinley Meat and Sausage  
Cumulative Expenses  
July 2004 - October 2012**



**Mt Mckinley Meat and Sausage  
Revenue Trend  
July 2004 - October 2012**



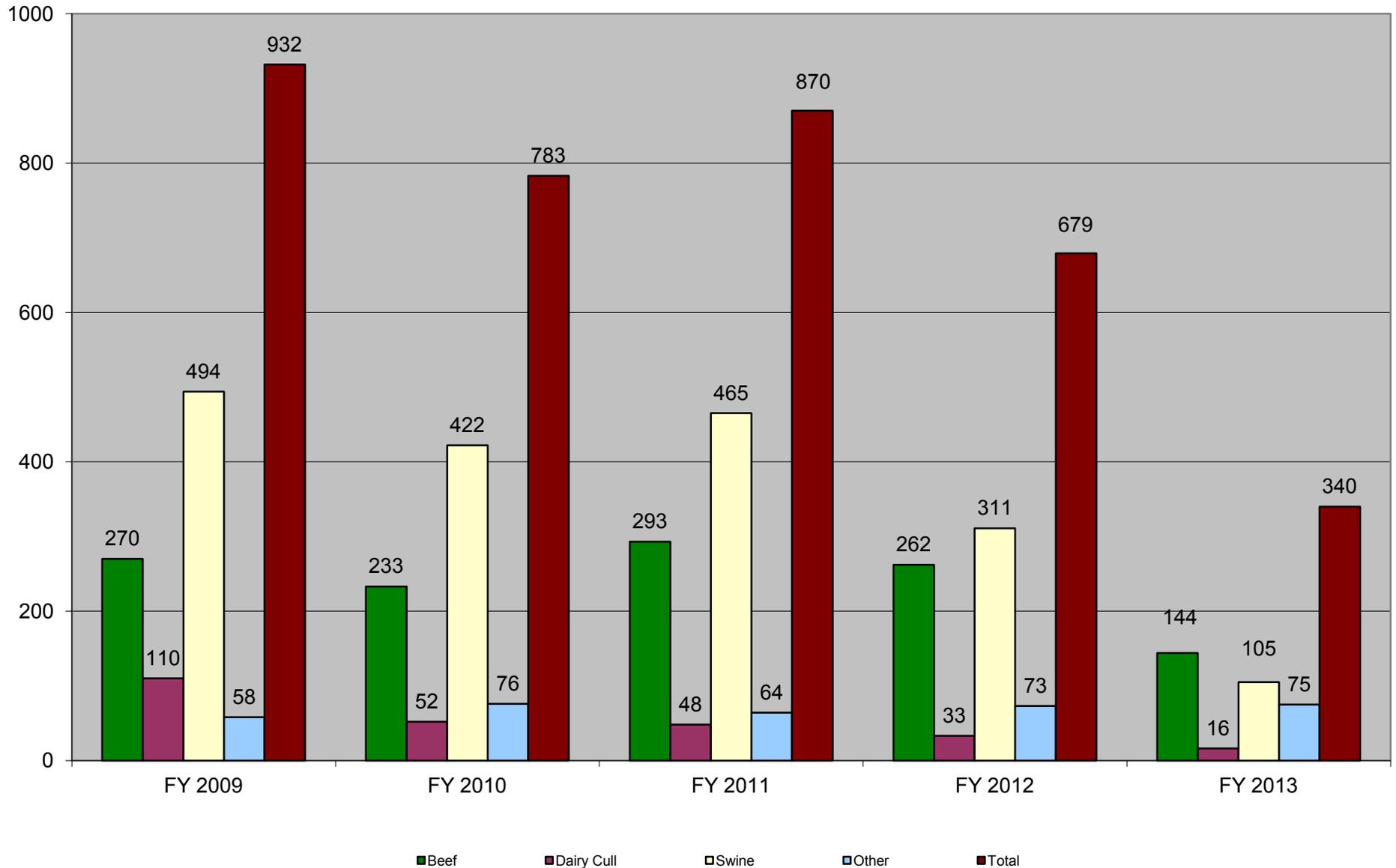
**AGRICULTURAL REVOLVING LOAN FUND**  
**Loan Activity Report / Undistributed Warrants**  
**As of November 20, 2012 - FY 13**

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
								0.00		0.00
<b>TOTALS</b>					<b>\$514,460.00</b>	<b>\$288,000.00</b>	<b>1</b>	<b>\$226,460.00</b>	<b>\$288,000.00</b>	<b>\$0.00</b>

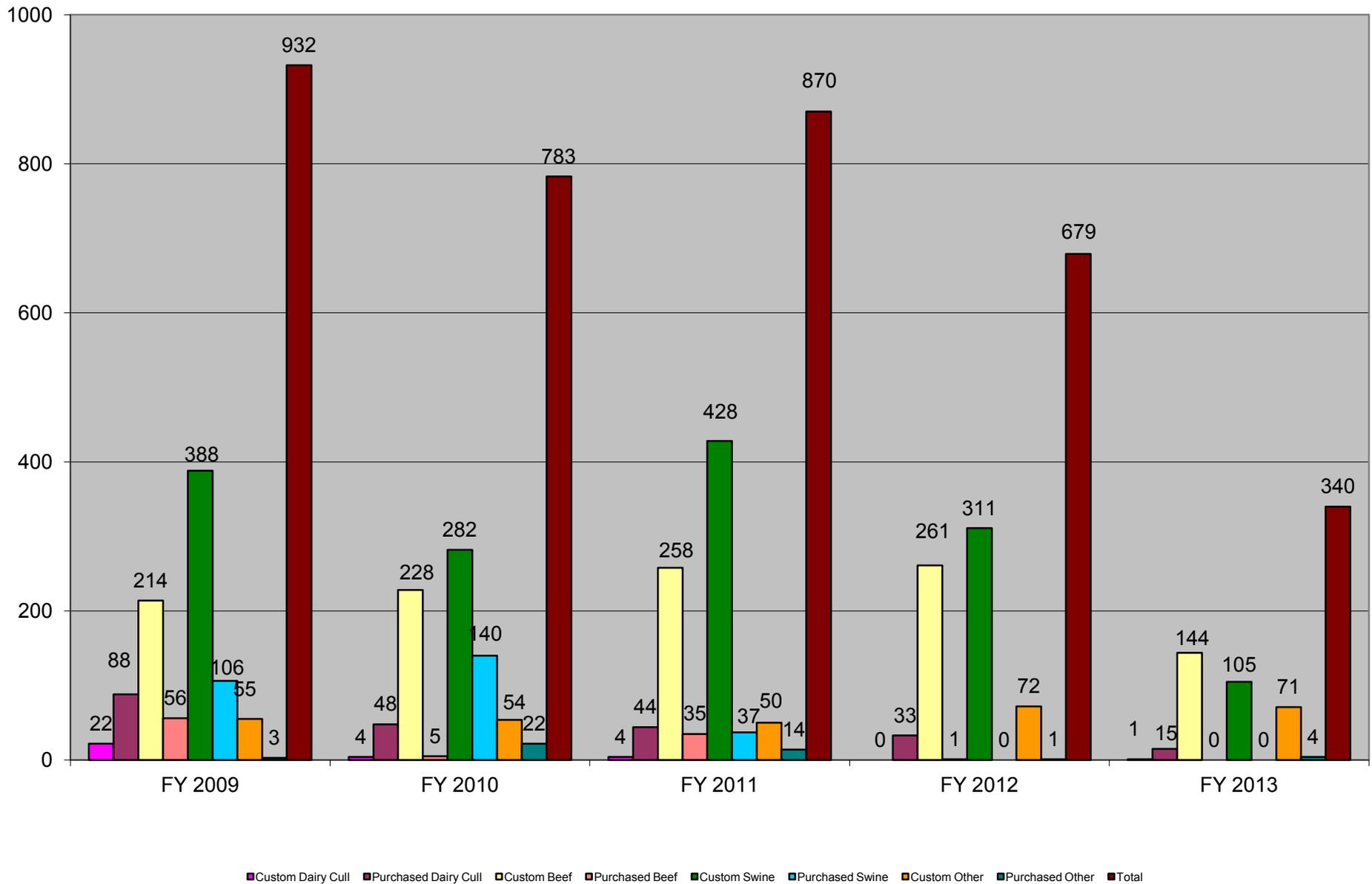
**AGRICULTURAL REVOLVING LOAN FUND**  
**Loan Activity Report / Undistributed Warrants**  
**As of November 20, 2012 - FY 12**

Borrower	LO	Loan #	Date Approved	Note Date	Amount Approved	Warrants		Available Balance	Amount Distributed to Borrower	Undistributed Warrants
						Issued	#			
Church of the Living Word, Inc.	1	F-5202	6/22/2011	7/1/2011	75,000.00	75,000.00	2	0.00	75,000.00	0.00
Wrigley Farms, LLC	1	P-1007	8/4/2011	8/15/2011	175,000.00	175,000.00	5	0.00	175,000.00	0.00
Brost	1	C-5265	8/24/2011	9/1/2011	18,000.00	18,000.00	2	0.00	18,000.00	0.00
Havemeister	1	S-5460	8/24/2011	10/21/2011	100,000.00	100,000.00	4	0.00	100,000.00	0.00
Havemeister	1	F-5205	8/24/2011	10/21/2011	400,000.00	400,000.00	5	0.00	400,000.00	0.00
Roushar	1	C-5264	10/3/2011	10/15/2011	20,000.00	20,000.00	1	0.00	20,000.00	0.00
Meurer	1	F-5203	10/3/2011	10/15/2011	164,800.00	164,800.00	1	0.00	164,800.00	0.00
Amberg	1	F-5204	10/3/2011	10/15/2011	80,000.00	48,451.60	3	31,548.40	48,451.60	0.00
Alaska Chip Co., LLC	1	S-5461	1/30/2012	2/29/2012	50,000.00	50,000.00	7	0.00	50,000.00	0.00
Havemeister	1	F-5207	3/21/2012	3/22/2012	200,000.00	200,000.00	3	0.00	200,000.00	0.00
Hawks Farm & Garden Center, Inc	1	S-5463	3/21/2012	4/15/2012	50,000.00	25,305.75	2	0.00	25,305.75	0.00
Veach	1	F-5206	3/21/2012	4/15/2012	77,745.63	75,943.32	2	0.00	75,943.32	0.00
Williams	1	S-5462	3/21/2012	4/15/2012	60,000.00	60,000.00	2	0.00	60,000.00	0.00
Butte Farms	1	S-5465	4/27/2012	5/1/2012	145,000.00	145,000.00	2	0.00	145,000.00	0.00
Butte Farms	1	F-5209	4/27/2012	5/1/2012	40,000.00	40,000.00	2	0.00	40,000.00	0.00
Wrigley Farms	1	S-5467	4/27/2012	5/2/2012	75,000.00	75,000.00	1	0.00	75,000.00	0.00
Gold Nugget Farms	1	S-5464	4/27/2012	5/15/2012	175,000.00	175,000.00	1	0.00	175,000.00	0.00
Brost	1	S-5466	4/27/2012	5/1/2012	120,000.00	91,588.84	2	0.00	91,588.84	0.00
Phillips	1	F-5210	6/13/2012	6/20/2012	120,000.00	120,000.00	1	0.00	120,000.00	0.00
Cully Corp	1	F-5211	6/13/2012	6/27/2012	350,000.00	256,516.81	9	93,483.19	256,516.81	0.00
<b>TOTALS</b>					<b>\$2,495,545.63</b>	<b>\$2,315,606.32</b>	<b>57</b>	<b>\$125,031.59</b>	<b>\$2,315,606.32</b>	<b>\$0.00</b>

## MMM&S Slaughter Statistics by Fiscal Year and Type As of October 31, 2012 - FY13



### MMM&S Custom and Purchased Statistics by Fiscal Year As of October 31, 2012 - FY13





**Subsidiary Ledger**  
**ARLF - Machinery, Equipment, and Building Inventory**  
**October 31, 2012**

**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			
<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>Mertz Dairy</b>										
Milk tank, 1000	1	1	Mertz	01-Nov-92		1,000.00	1,000.00			
<b>Subtotal Mach &amp; Equip</b>							<b>1,000.00</b>			
Building	1	1	Mertz	24-Jul-91	24-Jul-91	304,850.00	304,850.00	255,608.00		
<b>Subtotal Building</b>							<b>304,850.00</b>	<b>255,608.00</b>		
<b>Total Mertz Dairy</b>							<b>305,850.00</b>	<b>255,608.00</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		
<b>Subtotal Mach &amp; Equip</b>							<b>5,363.00</b>	<b>5,363.00</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	9,000.00		
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		
<b>Subtotal Building</b>							<b>595,592.00</b>	<b>480,801.72</b>		
<b>Total Mt. McKinley Meats</b>							<b>600,955.00</b>	<b>486,164.72</b>		

<b>Umnak Slaughter Facility</b>										
Building	1	1	Umnak Slghtr Fac.	01-Mar-95	01-Mar-95	10,000.00	10,000.00	6,885.00		
<b>Subtotal Building</b>							<b>10,000.00</b>	<b>6,885.00</b>		
<b>Total Umnak Slaughter Facility</b>							<b>10,000.00</b>	<b>6,885.00</b>		

**Total Accumulated Depreciation**

**748,658**