

# **AGRICULTURAL REVOLVING LOAN FUND**

## **Notes to Financial Statements for January, 2013 - FY13**

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

1. \$56,815 was recorded as interest income. For comparison, December 2012 interest income was \$44,697. Total interest income for July 2012 through January 2013 is \$398,173.
2. \$(29,018) was recorded as ARLF operating expenses. Contractual services included \$12,133 paid through RSA for legal services.
3. Net operating income was \$29,396. For comparison, December 2012 operating income was \$4,046. Mt. McKinley Meat and Sausage Plant loss for the period (Non-Operating Activity) was recorded at \$(69,085).

### **Comparative Balance Sheet**

1. \$6,015,550 was ARLF cash balance on January 31, 2013. For comparison, ARLF cash balance on January 31, 2012 was \$5,038,844.
2. \$12,547,727 was ARLF loans receivable account balance. For comparison, ARLF loans receivable balance on January 31, 2012 was \$12,158,687.

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

1. \$78,519 was recorded as Total Revenues for the month. For comparison, December 2012 revenues account balance was \$155,503.
2. \$(147,604) was recorded as Total Expenses for the month. For comparison, December 2012 expenses account balance was \$(181,859).
3. Fiscal Year-to-Date Loss is \$(92,252).

### **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 January 31, 2013**

	January	Fiscal Year to Date
<b>Operating Revenues:</b>		
Interest Income	\$ 56,815	\$ 398,173
Services (legal, clerical, loan fees, sale products)	-	9,107
Late Payment Penalties	199	4,169
Rents, including leasehold credits	1,400	15,126
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	-
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
	<hr/>	<hr/>
<b>Total Operating Revenues</b>	<b>58,414</b>	<b>426,575</b>
<b>Operating Expenses:</b>		
Personal Services	11,690	73,868
Travel	263	4,381
Contractual Services	15,303	127,619
Commodities	1,762	4,632
	<hr/>	<hr/>
<b>Total Operating Expenses</b>	<b>29,018</b>	<b>210,501</b>
	<hr/>	<hr/>
<b>Net Operating Income (Loss)</b>	<b>29,396</b>	<b>216,074</b>
<b>Non-Operating Income (Expenses):</b>		
MMM&S Revenues	78,519	887,655
Mt. McKinley Meat & Sausage Plant	(147,604)	(979,907)
	<hr/>	<hr/>
Mt. McKinley Meat & Sausage Plant Net Income (loss)	<b>(69,085)</b>	<b>(92,252)</b>
Income (Loss) Investment in Mat Maid	(9,605)	(9,605)
Income (Loss) Sale of Fixed Assets	-	-
Bad Debt Expense	-	-
Depreciation Expense	-	-
	<hr/>	<hr/>
<b>Total Non-Operating Income / (Expenses)</b>	<b>(78,691)</b>	<b>(101,858)</b>
	<hr/>	<hr/>
<b>Current Period Earnings (Loss)</b>	<b>\$ (49,294)</b>	<b>\$ 114,217</b>
	<hr/>	<hr/>
<b>Fund Equity, June 30, 2012</b>		<b>\$ 22,864,474</b>
		<hr/>
<b>Fund Equity, January 31, 2013</b>		<b>\$ 22,978,691</b>
		<hr/> <hr/>

**AGRICULTURAL REVOLVING LOAN FUND**  
**Comparative Balance Sheet**  
**January 31, 2013**

<u>ASSETS</u>	January 2013	December 2012	<u>LIABILITIES</u>	January 2013	December 2012
<b>Current Assets</b>			<b>Short Term Liabilities</b>		
Cash	\$ 6,015,550	\$ 5,593,078	Warrants Outstanding	\$ 1,996	\$ 42,244
Receivables			Accounts Payable	606	14,098
ARLF Loans	12,547,727	12,757,211	Accrued Payables	134,621	134,621
Land Sale Contracts	1,326,805	1,330,655	Accrued Vacation Leave	41,291	41,291
Notes Receivable	47,986	47,986	Trust Account	268,400	-
Judgments	-	-	<b>Total Short Term Liabilities</b>	<b>446,913</b>	<b>232,255</b>
Accrued Interest	-1- 118,472	118,472	<b>Due to Other Funds</b>		
Accrued Penalties	-1- 2,493	2,493	Due to General Fund	-4- (1,044,421)	(1,044,421)
Leases/Accounts Receivable	-1- -	-	Allow for AFC stock	-4- 1,044,421	1,044,421
Protection of Collateral	-	-	Due to School Fund	-4- -	-
Less Allowances:			<b>Total Due to Other Funds</b>	<b>-</b>	<b>-</b>
Doubtful Accounts	-2- -	-	<b>Long Term Liabilities</b>		
Net Receivables	14,043,484	14,256,818	Accrued Pension Adjustment	-	-
Outstanding Loan Warrants	-	-	<b>Total Long Term Liabilities</b>	<b>-</b>	<b>-</b>
Repossessed Inventory	29,000	29,000	<b>TOTAL LIABILITIES</b>	<b>446,913</b>	<b>232,255</b>
<b>Total Current Assets</b>	<b>20,088,034</b>	<b>19,878,896</b>	<b>FUND EQUITY</b>		
<b>Due from Other Funds</b>			Fund Equity, Beginning	22,864,474	22,864,474
Due from GF	-	-	Current Year Earnings (Loss)	114,217	163,511
Due from Mental Health	-	-	<b>TOTAL FUND EQUITY</b>	<b>22,978,691</b>	<b>23,027,985</b>
<b>Total Due from Other Funds</b>	<b>-</b>	<b>-</b>	<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$23,425,604</b>	<b>\$23,260,240</b>
<b>Other Assets</b>					
Investments:	-3-				
Alaska Farmers Coop	2,787,153	2,787,153			
Mat Maid	-	43,774			
Repossessed Property	1,299,075	1,299,075			
Less Accumulated Depreciation	(748,658)	(748,658)			
Other Assets	-	-			
<b>Net Other Assets</b>	<b>3,337,570</b>	<b>3,381,344</b>			
<b>TOTAL ASSETS</b>	<b>\$23,425,604</b>	<b>\$23,260,240</b>			

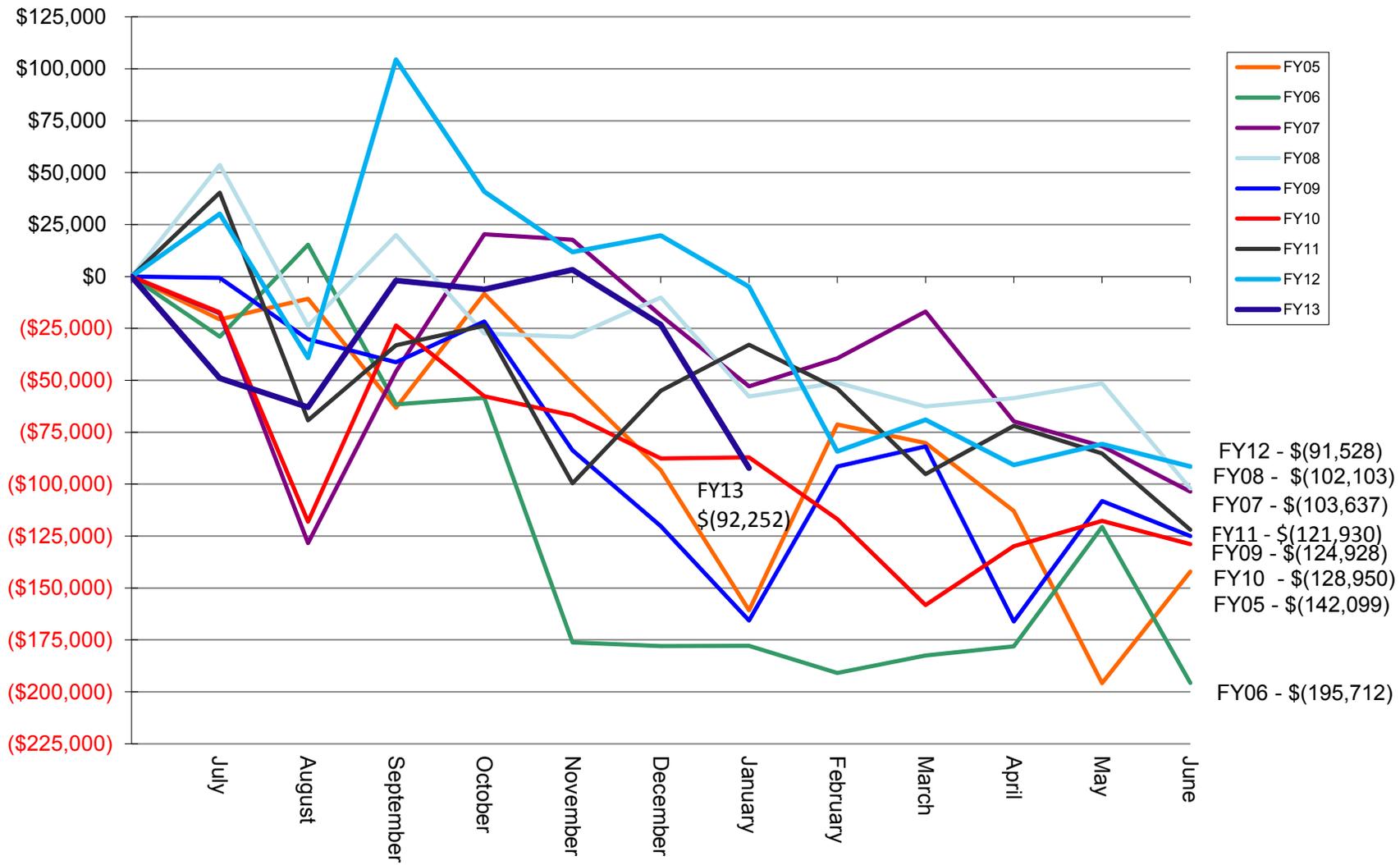
**Footnotes:**

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.

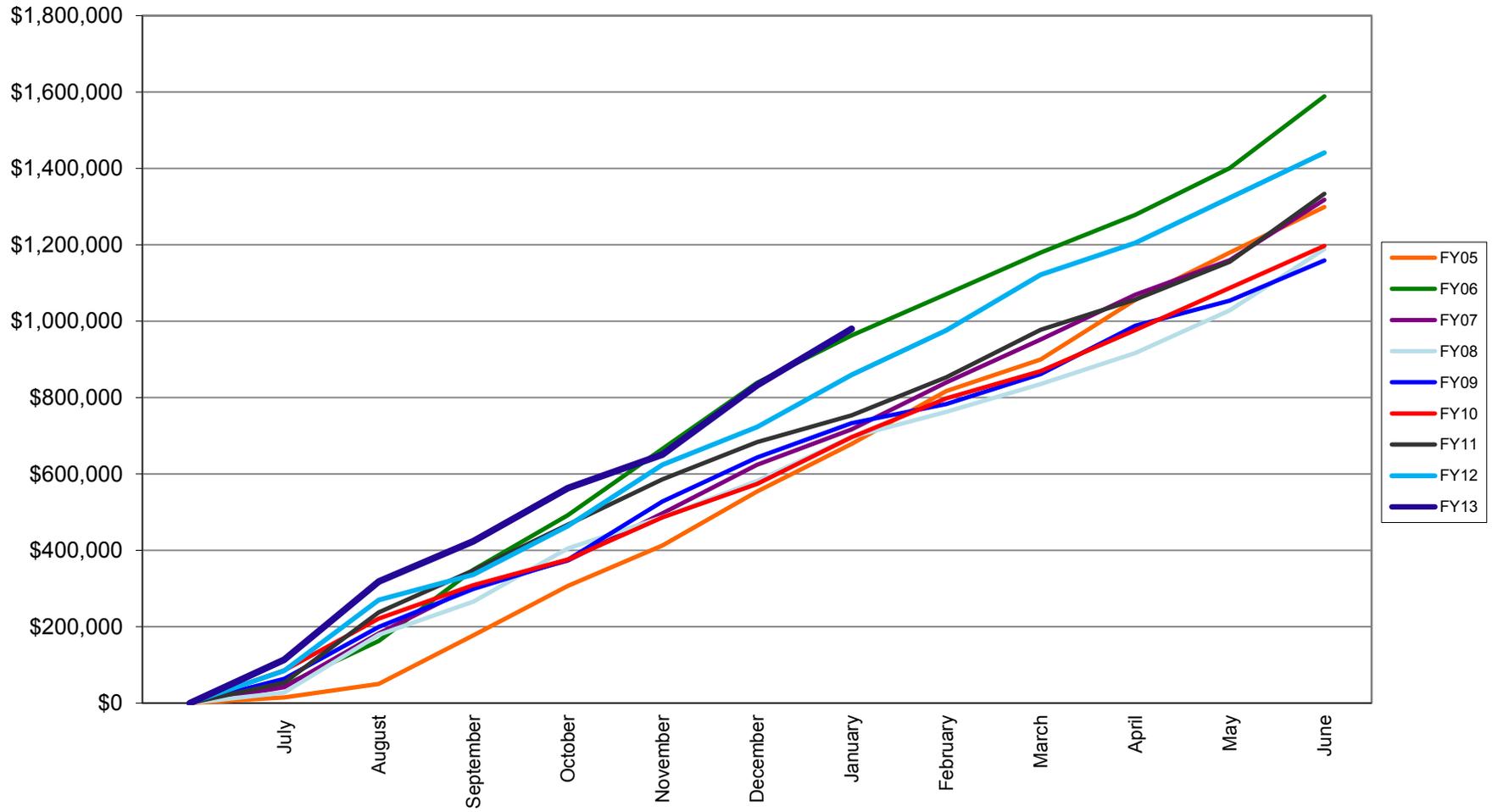
**Mt McKinley Meat and Sausage Plant  
 AGRICULTURAL REVOLVING LOAN FUND  
 Statement of Revenues and Expenses  
 For Month ended January 31, 2013**

	January	Fiscal Year-to-Date
<b>Revenues:</b>		
Services	\$ 7,609	\$ 82,692
Sale of Products	70,039	798,173
Freight	870	6,790
	<b>Total Revenues</b>	<b>887,655</b>
 <b>Expenses:</b>		
Personal Services	27,906	190,299
Travel	-	-
Contractual Services	19,657	84,497
Commodities	100,041	705,112
	<b>Total Expenses</b>	<b>979,907</b>
	<b>Net Earnings / (Loss)</b>	<b>\$ (69,085)</b>
		<b>\$ (92,252)</b>

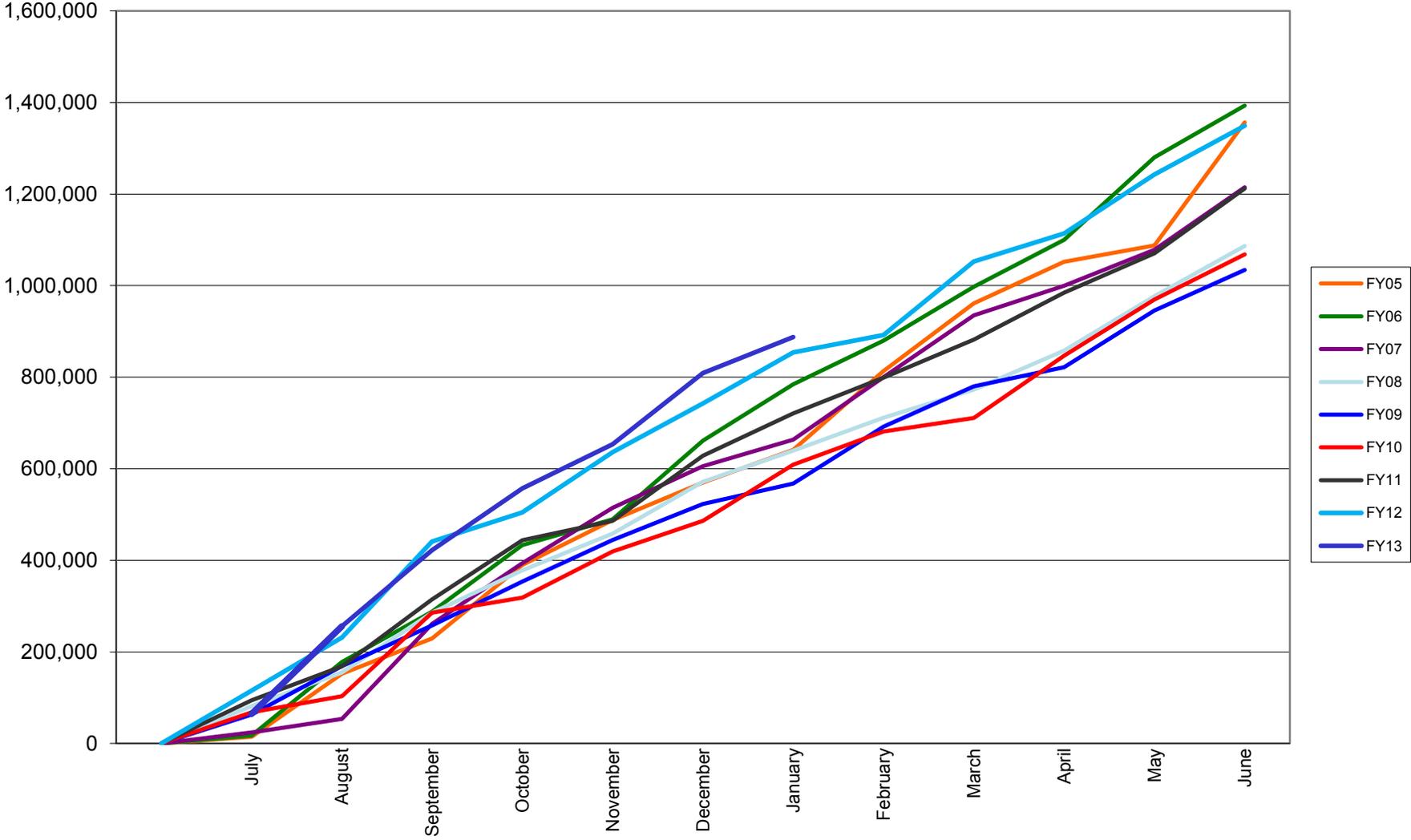
**Mt. Mckinley Meat and Sausage  
Income(Loss)  
FY 2005 - FY 2013**



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



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



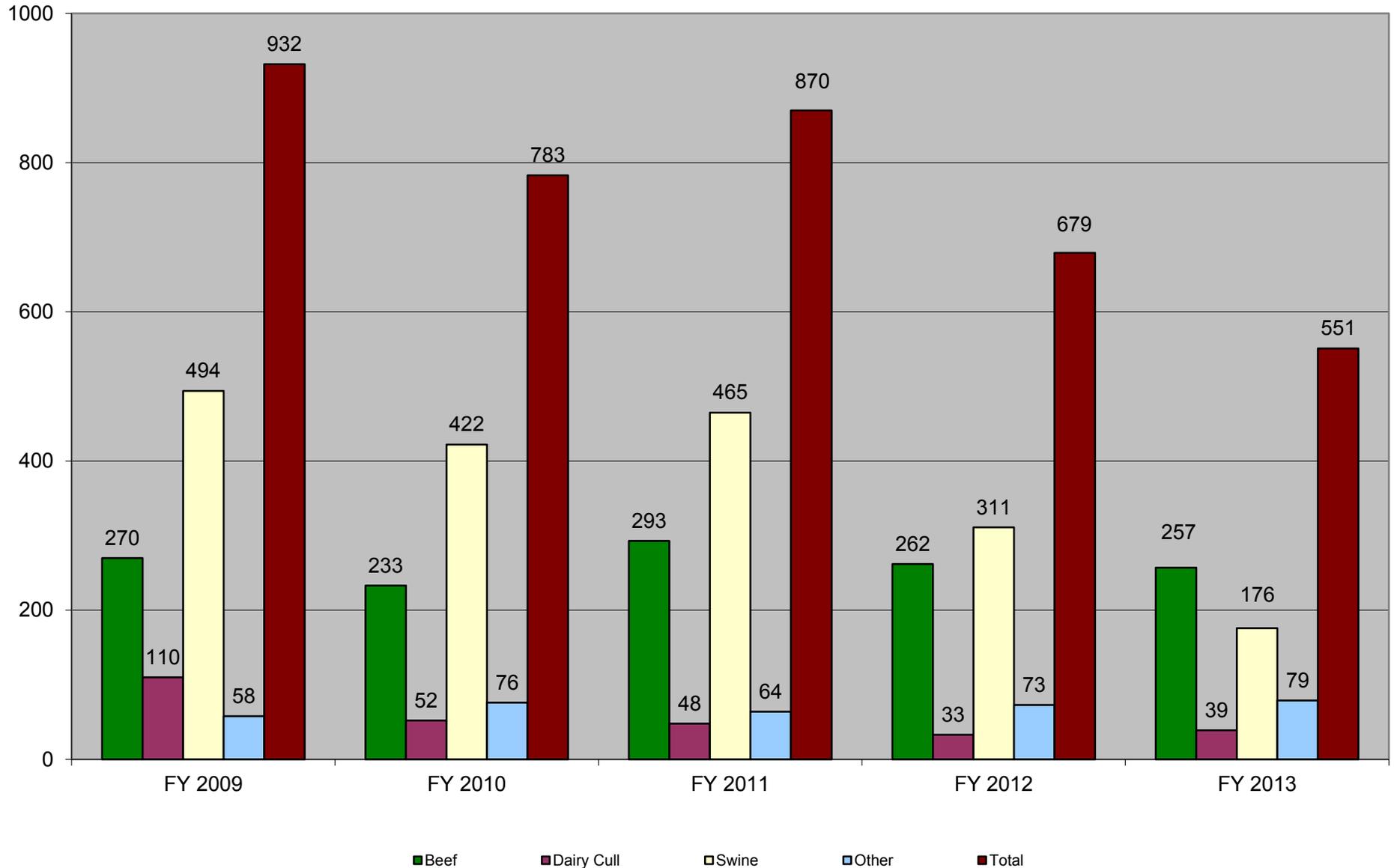
**AGRICULTURAL REVOLVING LOAN FUND**  
**Loan Activity Report / Undistributed Warrants**  
**As of February 14, 2013 - FY 13**

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		12/5/2012		50,000.00			50,000.00		
								0.00		0.00
<b>TOTALS</b>					<b>\$338,000.00</b>	<b>\$288,000.00</b>	<b>1</b>	<b>\$50,000.00</b>	<b>\$288,000.00</b>	<b>\$0.00</b>

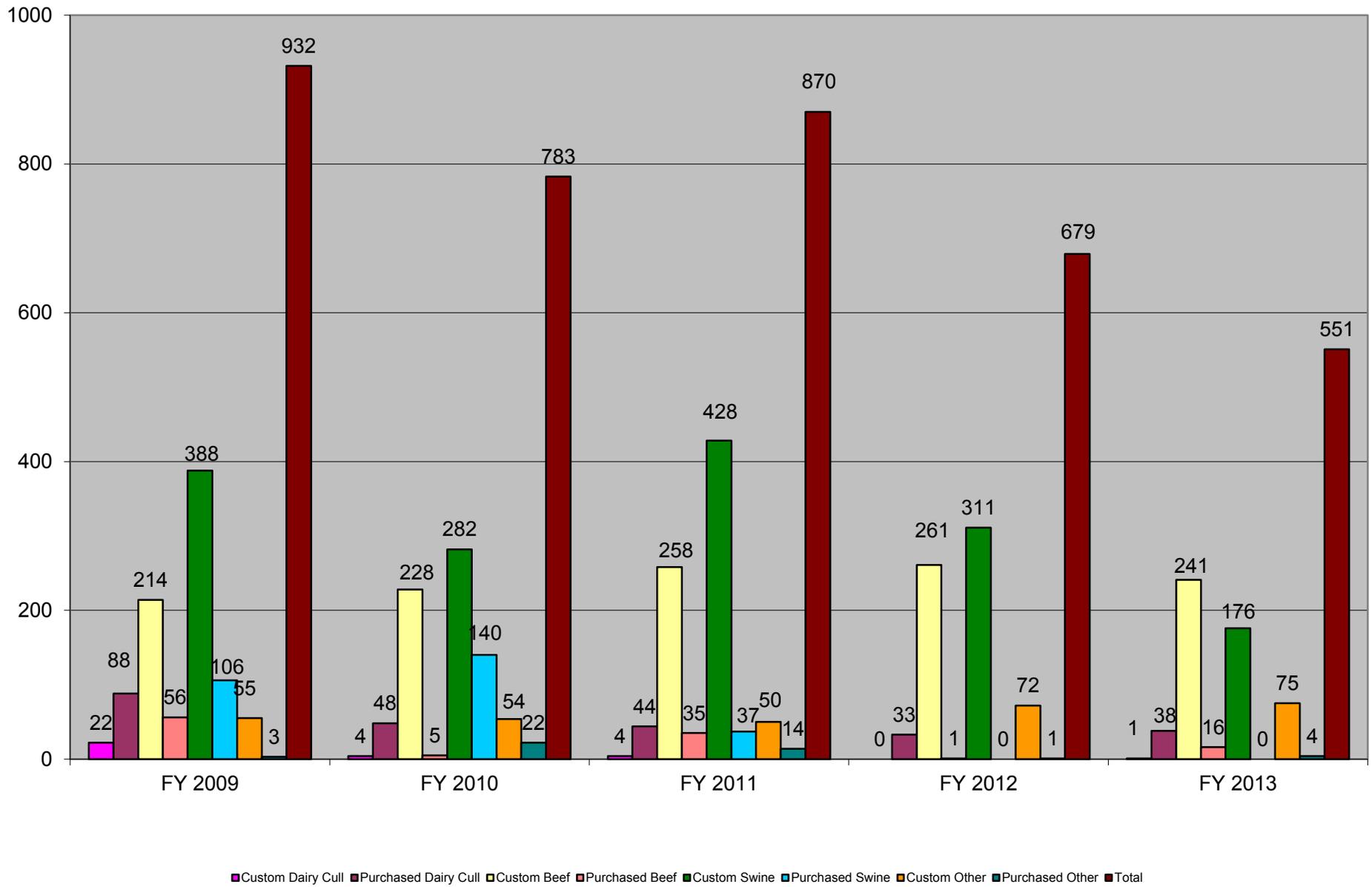
**AGRICULTURAL REVOLVING LOAN FUND**  
**Loan Activity Report / Undistributed Warrants**  
**As of February 14, 2013 - FY 12**

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
								0.00		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 January 31, 2013 - FY13



### MMM&S Custom and Purchased Statistics by Fiscal Year As of January 31, 2013 - FY13





**Subsidiary Ledger**  
**ARLF - Machinery, Equipment, and Building Inventory**  
**January 31, 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			
<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 Slaughter 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**