

AGRICULTURAL REVOLVING LOAN FUND

Notes to Financial Statements for May 2013 - FY13

Statement of Revenues, Expenses, and Changes in Fund Equity

1. \$40,288 was recorded as interest income. For comparison, April 2013 interest income was \$47,734. Total interest income for July 2012 through May 2013 is \$552,898.
2. \$(23,252) was recorded as ARLF operating expenses.
3. Net operating income was \$17,517.
Mt. McKinley Meat and Sausage Plant income for the period (Non-Operating Activity) was recorded at \$71,041.

Comparative Balance Sheet

1. \$6,281,465 was ARLF cash balance on May 31, 2013. For comparison, ARLF cash balance on May 31, 2012 was \$5,588,231.
2. \$12,337,705 was ARLF loans receivable account balance. For comparison, ARLF loans receivable balance on May 31, 2012 was \$12,294,392.

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

1. \$277,878 was recorded as Total Revenues for the month. For comparison, April 2013 revenue account balance was \$171,019.
2. \$(206,837) was recorded as Total Expenses for the month. For comparison, April 2013 expenses account balance was \$(162,829).
3. Fiscal Year-to-Date Loss is \$(112,471).

Loan Activity/Cash outflows

1. \$638,000 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 May 31, 2013

	<u>May</u>	<u>Fiscal Year to Date</u>
Operating Revenues		
Interest Income	\$ 40,288	\$ 552,898
Services (legal, clerical, loan fees, sale products)	50	9,407
Late Payment Penalties	431	5,727
Rents, including leasehold credits	-	15,126
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	-
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
	<hr/>	<hr/>
Total Operating Revenues	40,769	583,158
Operating Expenses:		
Personal Services	11,899	121,406
Travel	405	6,114
Contractual Services	10,838	273,439
Commodities	109	6,147
	<hr/>	<hr/>
Total Operating Expenses	23,252	407,106
	<hr/>	<hr/>
Net Operating Income (Loss)	17,517	176,052
Non-Operating Income (Expenses):		
MMM&S Revenues	277,878	1,570,751
Mt. McKinley Meat & Sausage Plant	(206,837)	(1,683,222)
Mt. McKinley Meat & Sausage Plant Net Income (loss)	<hr/> 71,041	<hr/> (112,471)
Income (Loss) Investment in Mat Maid	-	(9,605)
Income (Loss) Sale of Fixed Assets	-	204,008
Bad Debt Expense	-	-
Depreciation Expense	-	-
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Total Non-Operating Income / (Expenses)	71,041	81,932
	<hr/>	<hr/>
Current Period Earnings (Loss)	\$ 88,558	\$ 257,984
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Fund Equity, June 30, 2012		\$ 22,864,474
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Fund Equity, May 31, 2013		\$ 23,122,458
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AGRICULTURAL REVOLVING LOAN FUND
Comparative Balance Sheet
May 31, 2013

<u>ASSETS</u>	<u>May</u> <u>2013</u>	<u>April</u> <u>2013</u>	<u>LIABILITIES</u>	<u>May</u> <u>2013</u>	<u>April</u> <u>2013</u>
Current Assets			Short Term Liabilities		
Cash	\$ 6,281,465	\$ 6,245,455	Warrants Outstanding	\$ 19,696	\$ 55,386
Receivables			Accounts Payable	279	-
ARLF Loans	12,337,705	12,296,061	Accrued Payables	134,621	134,621
Land Sale Contracts	1,324,592	1,325,151	Accrued Vacation Leave	41,291	41,291
Notes Receivable	47,986	47,986	Trust Account	117,906	117,906
Judgments	-	-			
Accrued Interest	-1- 118,472	118,472	Total Short Term Liabilities	313,792	349,203
Accrued Penalties	-1- 2,493	2,493			
Leases/Accounts Receivable	-1- -	-	Due to Other Funds		
Protection of Collateral	-	-	Due to General Fund	-3- (1,044,421)	(1,044,421)
Less Allowances:			Allow for AFC stock	-3- 1,044,421	1,044,421
Doubtful Accounts	-2- -	-	Due to School Fund	-3- -	-
Net Receivables	13,831,249	13,790,164	Total Due to Other Funds	-	-
Outstanding Loan Warrants	-	45,306			
Repossessed Inventory	29,000	29,000	Long Term Liabilities		
Total Current Assets	20,141,714	20,109,925	Accrued Pension Adjustmen	-	-
Due from Other Funds			Total Long Term Liabilities	-	-
Due from GF	-	-	TOTAL LIABILITIES	313,792	349,203
Due from Mental Health	-	-			
Total Due from Other Funds	-	-	FUND EQUITY		
			Fund Equity, Beginning	22,864,474	22,864,474
Other Assets			Current Year Earnings (Loss)	257,984	169,426
Investments:			TOTAL FUND EQUITY	23,122,458	23,033,900
Alaska Farmers Coop	2,787,153	2,787,153			
Repossessed Property	1,000,433	979,075	TOTAL LIABILITIES & FUND EQUITY	\$ 23,436,250	\$ 23,383,103
Less Accum. Deprec	(493,050)	(493,050)			
Other Assets	-	-			
Net Other Assets	3,294,536	3,273,178			
TOTAL ASSETS	\$ 23,436,250	\$ 23,383,103			

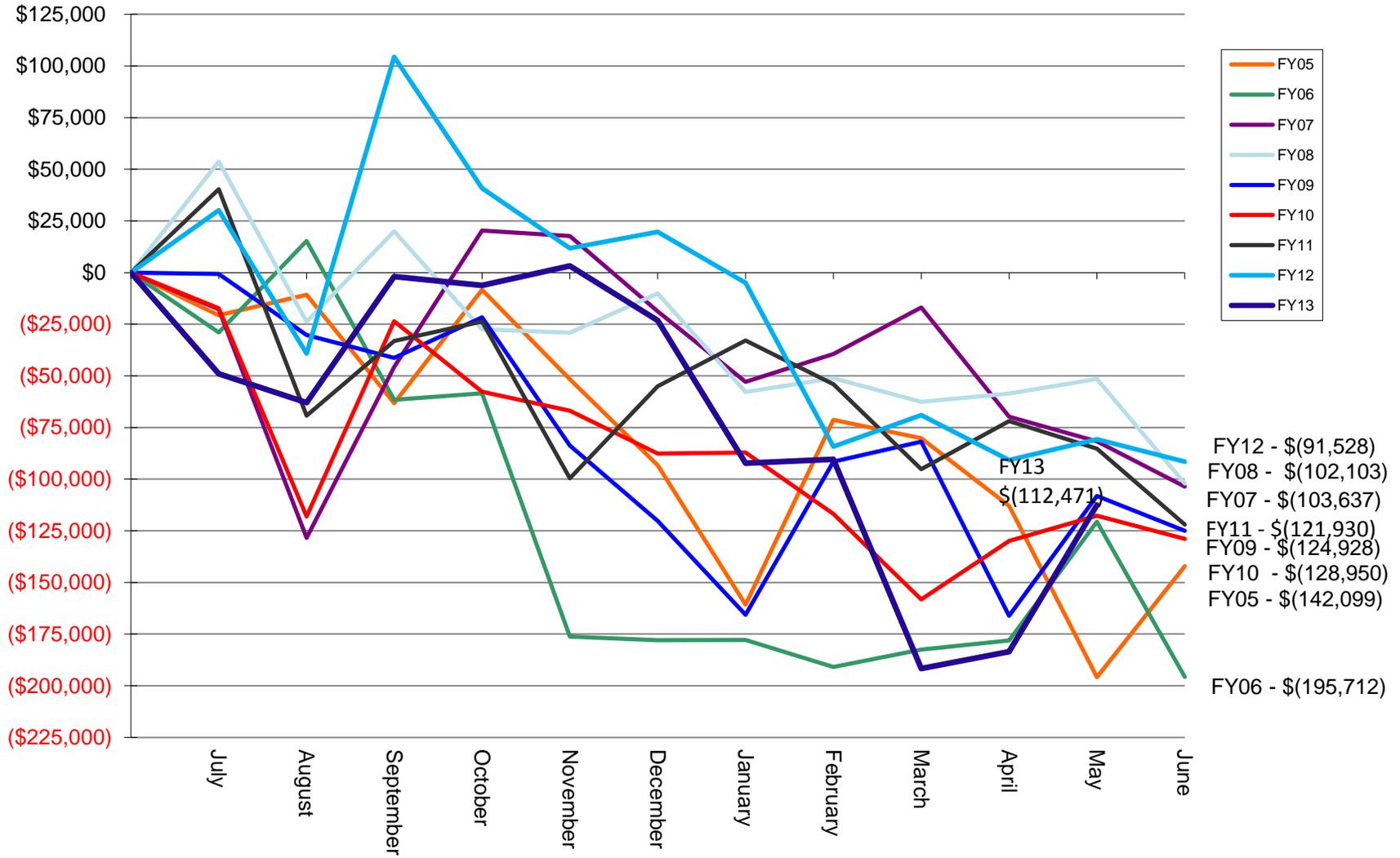
Footnotes:

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.

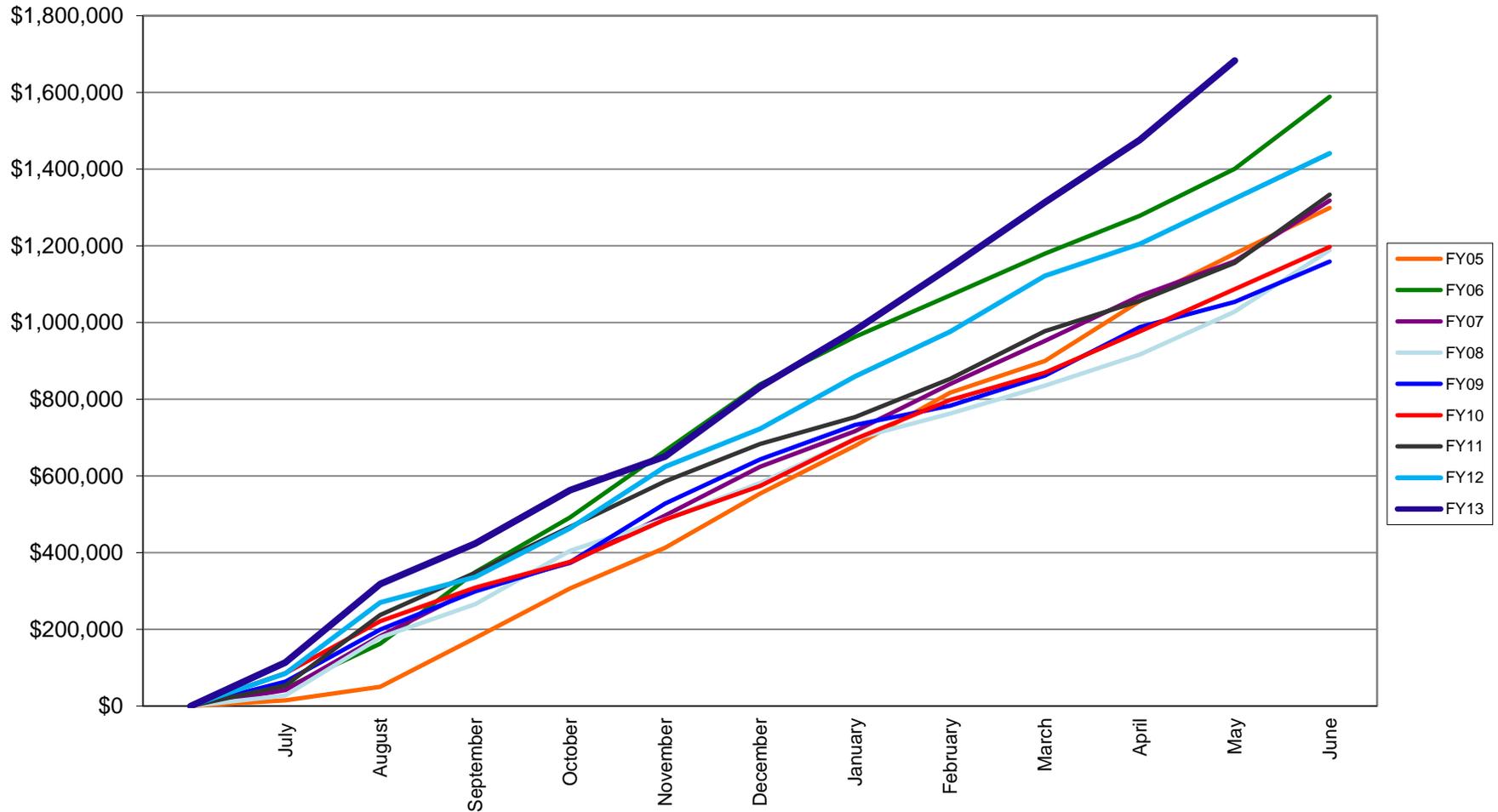
**Mt McKinley Meat and Sausage
 AGRICULTURAL REVOLVING LOAN FUND
 Statement of Revenues and Expenses
 For Month ended May 31, 2013**

	May	Fiscal Year-to-Date
Revenues:		
Services	\$ 1,738	\$ 110,476
Sale of Products	274,517	1,448,305
Freight	1,623	11,970
	277,878	1,570,751
Expenses:		
Personal Services	26,842	298,776
Travel	-	-
Contractual Services	7,208	150,540
Commodities	172,787	1,233,907
	206,837	1,683,222
 Net Earnings / (Loss)	\$ 71,041	\$ (112,471)

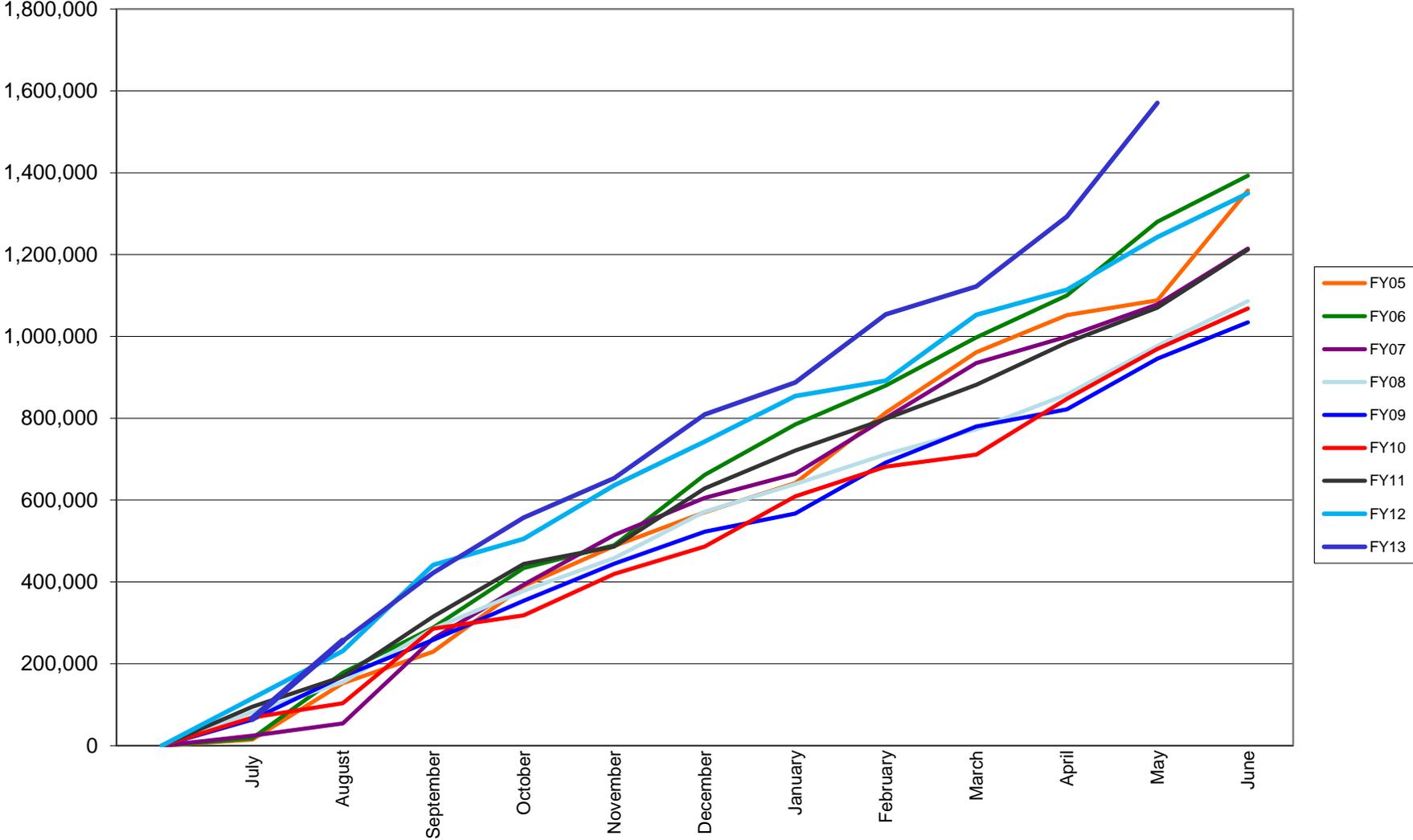
**Mt. Mckinley Meat and Sausage
Income(Loss)
FY 2005 - FY 2013**



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



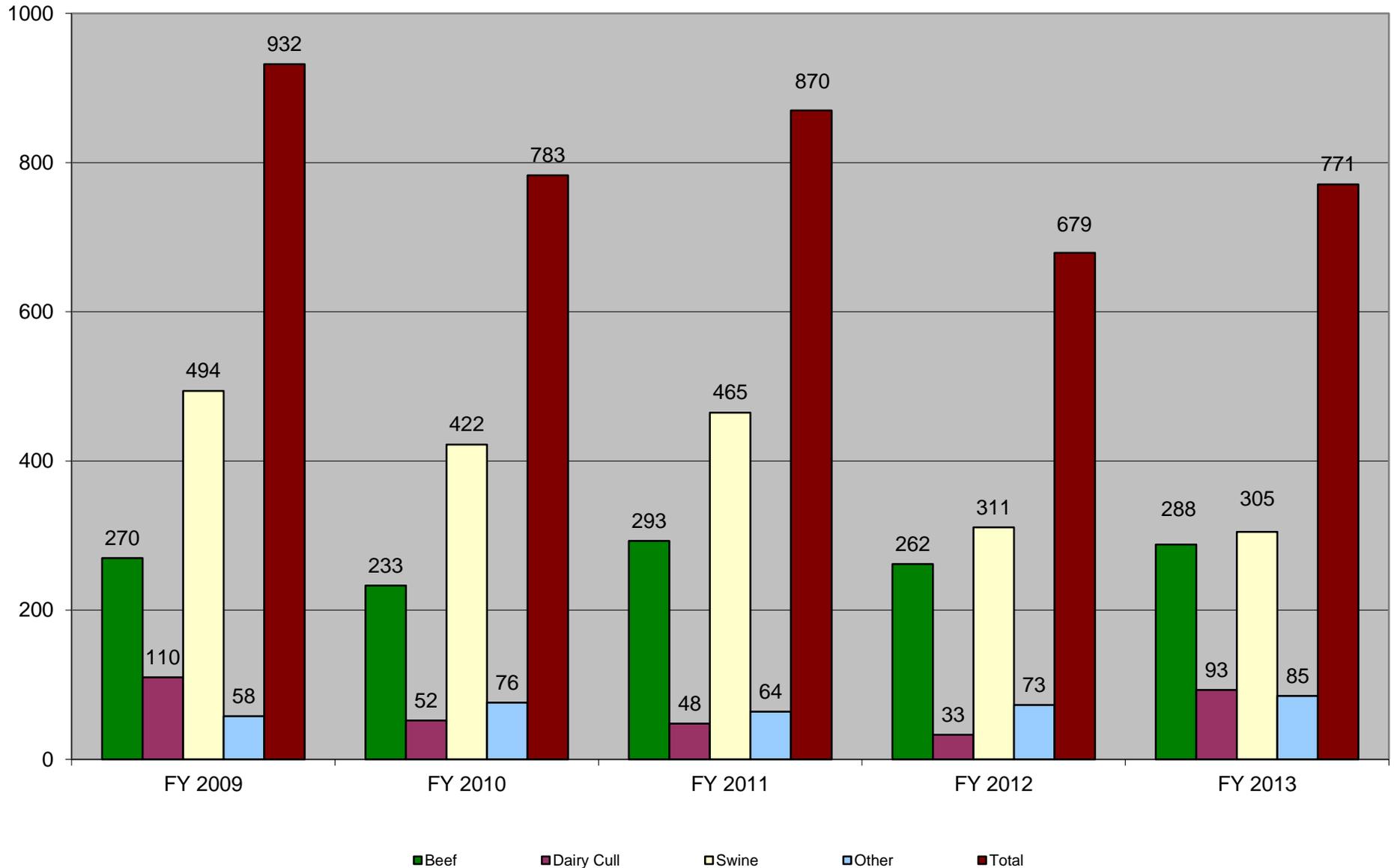
**Mt Mckinley Meat and Sausage
Revenue Trend
July 2004 - May 2013**



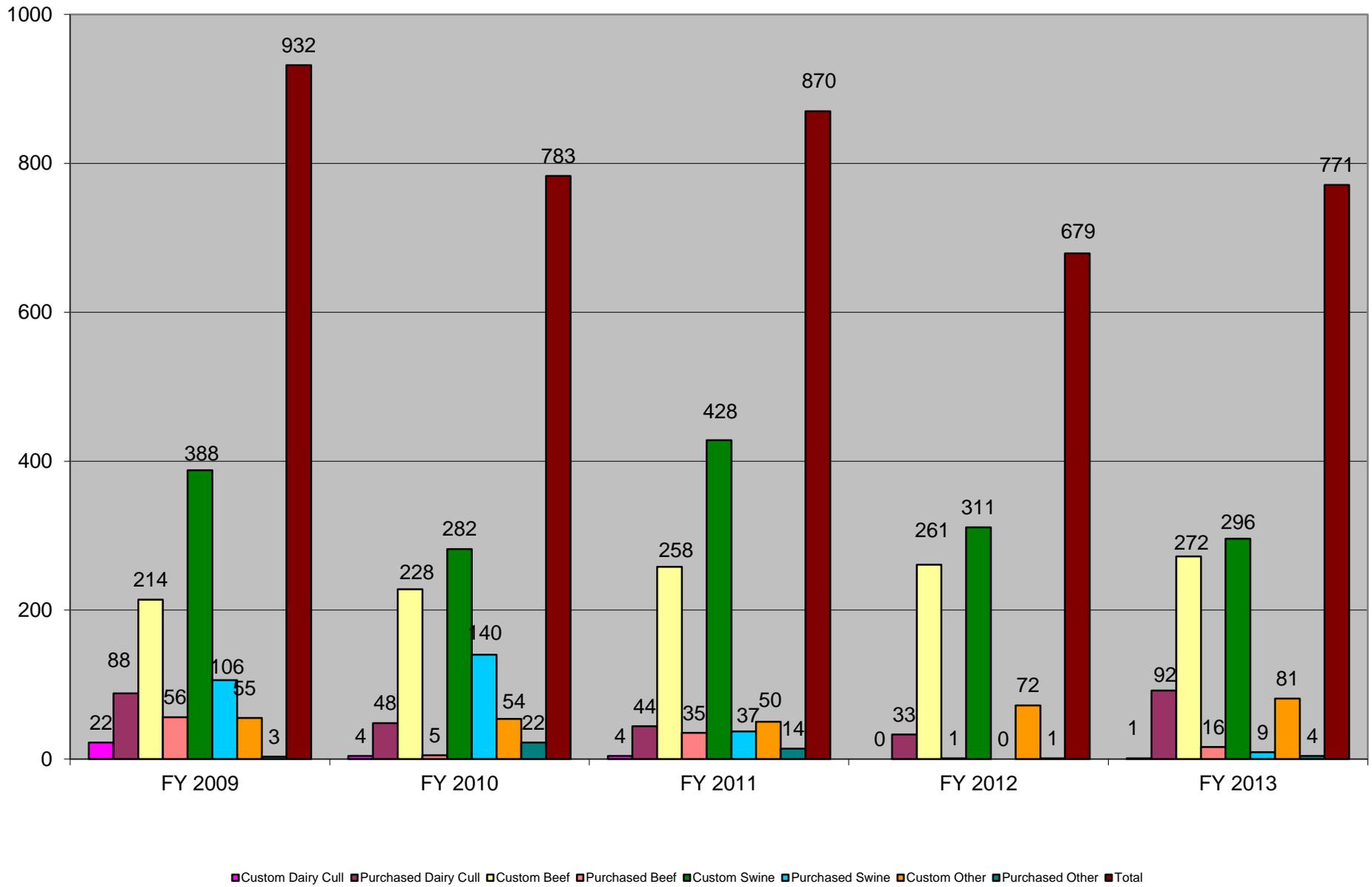
AGRICULTURAL REVOLVING LOAN FUND
Loan Activity Report / Undistributed Warrants
As of June 30, 2013 - FY 13

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					
Note - did not need ARLF financing					(226,460.00)					
Havemeisters, Bob & Jean	1	S-5468	12/5/2012	3/5/2013	50,000.00	20,000.00	2	30,000.00	20,000.00	0.00
East, Dulce & Michael	1	C-5267	4/9/2013	4/15/2013	20,000.00	20,000.00	1	0.00	20,000.00	0.00
Hawks Farm & Garden Cent	1	S-5469	4/9/2013	4/15/2013	50,000.00	25,306.00	2	24,694.00	25,306.00	0.00
Brost, Wayne & Veronica	1	S-5470	4/9/2013	5/13/2013	100,000.00	100,000.00	2	0.00	100,000.00	0.00
Williams, Thomas	1	S-5471	5/10/2013	5/15/2013	60,000.00	60,000.00	2	0.00	60,000.00	0.00
Wrigley Farms, LLC	1		5/10/2013		70,000.00			70,000.00		
TOTALS					\$638,000.00	\$513,306.00	10	\$124,694.00	\$513,306.00	\$0.00

MMM&S Slaughter Statistics by Fiscal Year and Type As of May 31, 2013 - FY13



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



AGRICULTURAL REVOLVING LOAN FUND
Real and Personal Property Inventory
31-May-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	26,721.00	664,313.00	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	41,121.00	1,000,433.00	493,050.00	<i>rounded</i>											900,800	863,680	1,764,480
GRAND TOTAL					<u>\$368,680.00</u>	<u>\$619,632.00</u>	<u>\$41,121.00</u>	<u>\$1,029,433.00</u>	<u>\$493,050.00</u>												<u>\$933,400</u>	<u>\$863,680</u>	<u>\$1,797,080</u>

LEGEND		AMTA: Agriculture Marketing Transaction Act
FCP: Farm Conservation Plan	FS: Fee Simple	
CRP: Conservation Recovery Program	RFP: Request for Proposal	

Subsidiary Ledger
ARLF - Machinery, Equipment, and Building Inventory
May 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			
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		
Water Heater	1	1	Mt. McKinley Meats	01-Mar-13	01-Mar-13	17,558.00	17,558.00			
Sanitation Tank	1	1	Mt. McKinley Meats	16-Mar-13	16-Mar-13	700.00	700.00			
Vacuum Sealer	1	1	Mt. McKinley Meats	16-Mar-13	16-Mar-13	3,100.00	3,100.00			
Subtotal Mach & Equip							26,721.00	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						622,313.00		486,164.72		
Umnak Slaughter Facility										
Building	1	1	Umnak Sighr 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		