

# **AGRICULTURAL REVOLVING LOAN FUND**

## **Notes to Financial Statements for February, 2010 - FY10**

### **Comparative Balance Sheet**

1. A few warrants were issued to borrowers, and that increased amounts recorded in Outstanding Loan Warrants account and Warrants Outstanding account.
2. \$500 was recorded in the Trust Account as a deposit for equipment purchase by Hans Geier.

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

1. \$41,480 was recorded as Interest Income.
2. \$13,608 was recorded as Personal Services expense.
3. \$11,711 was recorded as Current Period Loss.

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

1. \$68,910 was recorded as revenue for Sale of Products, a decrease compared with \$113,575 recorded sales for January 2010.
2. \$29,705 was recorded as Net Loss.

**AGRICULTURAL REVOLVING LOAN FUND**  
**Comparative Balance Sheet**  
**February 28, 2010**

<u>ASSETS</u>	February 2010	January 2010	<u>LIABILITIES</u>	February 2010	January 2010
<b>Current Assets</b>			<b>Short Term Liabilities</b>		
Cash	\$ 5,624,398	\$ 5,682,893	Warrants Outstanding	141,420	121,090
Receivables			Accounts Payable	72	266
ARLF Loans	10,345,448	10,311,928	Accrued Payables	105,462	105,462
Land Sale Contracts	1,517,451	1,519,206	Accrued Vacation Leave	35,585	35,585
Notes Receivable	79,802	79,802	Trust Account	500	-
Judgments	123,800	123,800			
Accrued Interest	-1- 87,394	87,394	<b>Total Short Term Liabilities</b>	<b>283,039</b>	<b>262,403</b>
Accrued Penalties	-1- 789	789			
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- (123,794)	(123,794)	Due to School Fund	-4- -	-
Net Receivables	12,030,890	11,999,125			
Outstanding Loan Warrants	112,346	76,691	<b>Total Due to Other Funds</b>	-	-
Repossessed Inventory	29,000	29,000			
			<b>Long Term Liabilities</b>		
<b>Total Current Assets</b>	<b>17,796,634</b>	<b>17,787,709</b>	Accrued Pension Adjustment	0	0
			<b>Total Long Term Liabilities</b>	<b>0</b>	<b>0</b>
<b>Due from Other Funds</b>			<b>TOTAL LIABILITIES</b>	<b>283,039</b>	<b>262,403</b>
Due from GF (Court System)	-	-			
Due from Mental Health	-	-	<b>FUND EQUITY</b>		
			Fund Equity, Beginning	-5- 20,065,643	20,065,643
<b>Total Due from Other Funds</b>	-	-	Current Year Earnings (Loss)	1,765,317	1,777,028
<b>Other Assets</b>			<b>TOTAL FUND EQUITY</b>	<b>21,830,959</b>	<b>21,842,671</b>
Investments:	-3-				
Alaska Farmers Coop	2,787,153	2,787,153	<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$22,113,998</b>	<b>\$22,105,073</b>
Mat Maid	871,227	871,227			
Repossessed Property	1,299,075	1,299,075			
Less Accum. Deprec	(640,091)	(640,091)			
Other Assets	0	0			
<b>Net Other Assets</b>	<b>4,317,364</b>	<b>4,317,364</b>			
<b>TOTAL ASSETS</b>	<b>\$22,113,998</b>	<b>\$22,105,073</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.
5. After close of FY09, equity account adjusted by Department of Administration for compensated absences.

**AGRICULTURAL REVOLVING LOAN FUND**  
**Statement of Revenues, Expenses, and Changes in Fund Equity**  
**For Month ended February 28, 2010**

	February	Fiscal Year to Date
<b>Operating Revenues</b>		
Interest Income	\$ 41,480	387,262
Services (legal, clerical, loan fees, sale products)	400	1,050
Late Payment Penalties	120	3,350
Rents, including leasehold credits	1,400	19,326
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	-
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
<b>Total Operating Revenues</b>	<b>\$ 43,400</b>	<b>\$ 410,988</b>
<b>Operating Expenses:</b>		
Personal Services	13,608	99,763
Travel	-	2,489
Contractual Services	11,523	80,204
Commodities	275	3,106
<b>Total Operating Expenses</b>	<b>\$ 25,407</b>	<b>\$ 185,561</b>
<b>Net Operating Income (Loss)</b>	<b>\$ 17,993</b>	<b>\$ 225,427</b>
<b>Non-Operating Income (Expenses):</b>		
MMM&S Revenues	72,185	681,341
Mt. McKinley Meat & Sausage Plant	(101,889)	(798,201)
Mt. McKinley Meat & Sausage Plant Net Income (loss)	<b>\$ (29,705)</b>	<b>\$ (116,861)</b>
Income (Loss) Investment in Mat Maid	-	1,531,750
Income (Loss) Sale of Fixed Assets	-	125,000
Bad Debt Expense	-	-
Depreciation Expense	-	-
<b>Total Non-Operating Income / (Expenses)</b>	<b>\$ (29,705)</b>	<b>\$ 1,539,890</b>
<b>Current Period Earnings (Loss)</b>	<b>\$ (11,711)</b>	<b>\$ 1,765,317</b>
<b>Fund Equity, June 30, 2009</b>		<b>20,065,643</b>
<b>Fund Equity, February 28, 2010</b>		<b>21,830,959</b>

**Mt McKinley Meat and Sausage  
 AGRICULTURAL REVOLVING LOAN FUND  
 Statement of Revenues and Expenses  
 For Month ended February 28, 2010**

	February	Fiscal Year-to-Date
<b>Revenues:</b>		
Services	\$ 2,276	\$ 89,708
Sale of Products	68,910	567,368
Freight	999	24,264
<b>Total Revenues</b>	<b>\$ 72,185</b>	<b>\$ 681,341</b>
 <b>Expenses:</b>		
Personal Services	\$ 25,014	\$ 186,311
Travel	-	-
Contractual Services	11,603	110,442
Commodities	65,273	501,448
<b>Total Expenses</b>	<b>\$ 101,889</b>	<b>\$ 798,201</b>
 <b>Net Earnings / (Loss)</b>	 <b>\$ (29,705)</b>	 <b>\$ (116,861)</b>

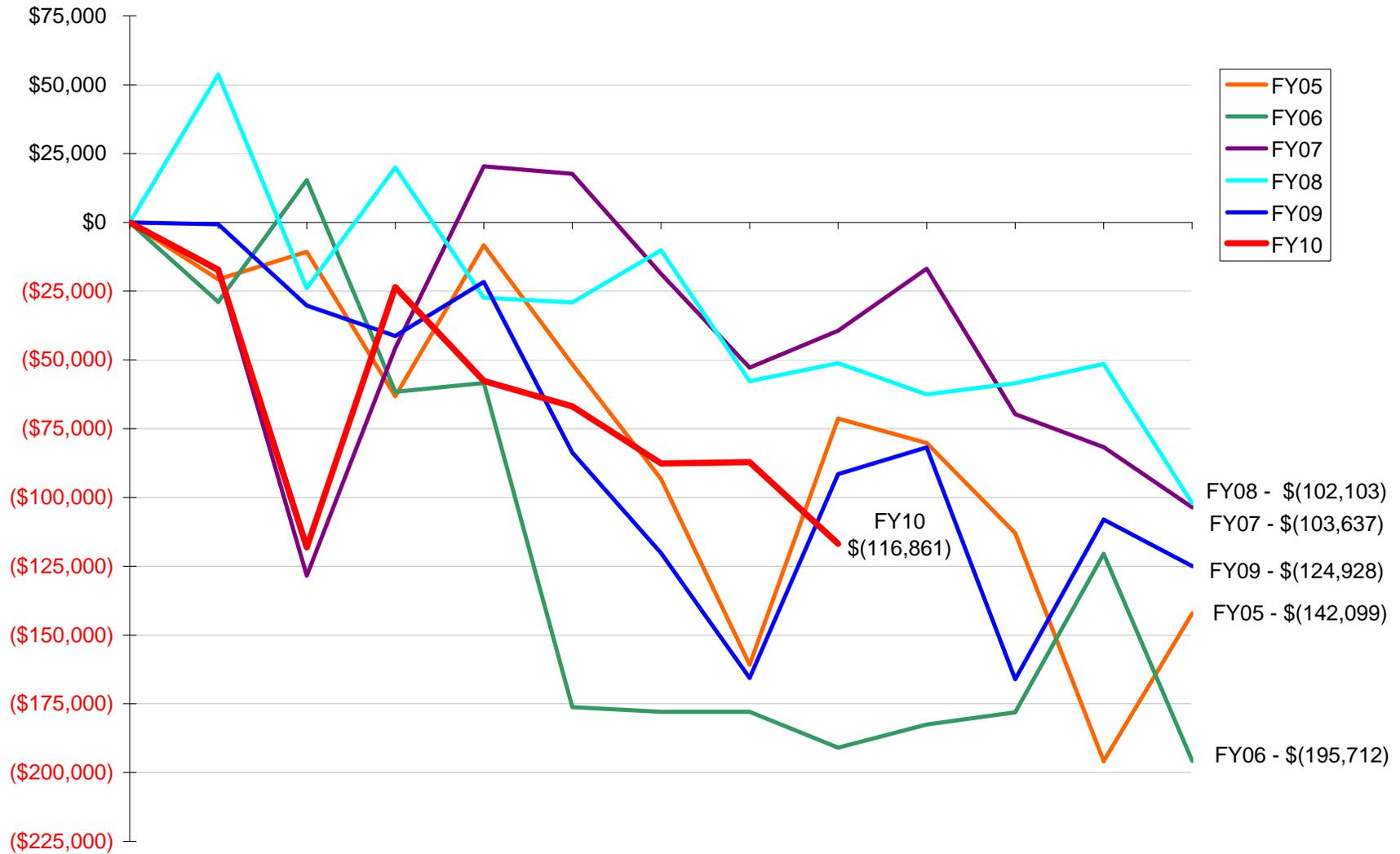
**AGRICULTURAL REVOLVING LOAN FUND**  
**Loan Activity Report / Undistributed Warrants**  
**As of March 22, 2010 - FY 10**

Borrower	LO	Loan #	Date Approved	Note Date	Amount Approved	Warrants		Available Balance	Amount Distributed to Borrower	Undistributed Warrants
						Issued	#			
Brost	1	F-5180	7/9/2009	7/15/2009	530,000.00	462,922.08	2	67,077.92	462,922.08	0.00
Hoover	1	F-5182	7/9/2009	7/15/2009	319,000.00	319,000.00	3	0.00	319,000.00	0.00
Debenham	1	F-5181	7/9/2009	7/15/2009	630,000.00	630,000.00	3	0.00	630,000.00	0.00
Miller	1	S-5442	7/9/2009	7/15/2009	60,000.00	60,000.00	3	0.00	60,000.00	0.00
Miller	1	C-5254	7/9/2009	7/15/2009	75,000.00	75,000.00	3	0.00	75,000.00	0.00
Dubois	1	S-5441	7/9/2009		8,000.00			0.00		0.00
Amberg	1	F-5183	8/6/2009	8/15/2009	130,000.00	130,000.00	3	0.00	130,000.00	0.00
Amberg	1	C-5255	8/6/2009	8/15/2009	40,000.00			40,000.00		0.00
East	1	F-5184	8/6/2009	8/15/2009	135,000.00	135,000.00	13	0.00	135,000.00	0.00
Carlson	1	F-5185	10/15/2009	11/1/2009	300,000.00	272,677.90	2	27,322.10	272,677.90	0.00
P&M Garden Services	1	F-5186	10/15/2009	11/20/2009	400,000.00	400,000.00	2	0.00	400,000.00	0.00
Sutton	1	F-5187	11/12/2009	11/30/2009	105,000.00	105,000.00	4	0.00	105,000.00	0.00
Simineo	1	F-5188	1/21/2010	2/1/2010	235,000.00	235,000.00	3	0.00	235,000.00	0.00
Roushar	1	F-5189	1/21/2010	2/1/2010	56,000.00	56,000.00	1	0.00	56,000.00	0.00
Agricultural Investors	1	F-5190	1/21/2010	2/15/2010	186,500.00	186,500.00	22	0.00	186,500.00	0.00
Hoover	1	C-5256	3/4/2010	3/15/2010	55,650.00	324.80	1	55,325.20	324.80	0.00
Hawks	1	S-5443	3/4/2010	3/15/2010	50,000.00	12,230.00	2	37,770.00	12,230.00	0.00
Warbelow-Tack	1	F-5191	3/4/2010	3/15/2010	113,000.00	113,000.00	4	0.00	113,000.00	0.00
The Plant Kingdom	1	F-5192	3/4/2010	3/15/2010	125,000.00	30,657.00	2	94,343.00	30,657.00	0.00
East	1	F-5193	3/4/2010	3/15/2010	180,000.00	160,562.64	4	19,437.36	160,562.64	0.00
East	1	P-1006	3/4/2010	3/15/2010	27,500.00	27,500.00	1	0.00	27,500.00	0.00
Byers	3	S-5445	3/4/2010		25,000.00					
Valley Dairy	3	S-5444	3/4/2010	3/15/2010	200,000.00	200,000.00	6	0.00	182,000.00	18,000.00
Agricultural Investors	3	S-5446	3/4/2010	3/10/2010	50,000.00	50,000.00	1	0.00	50,000.00	0.00
								0.00		0.00
								0.00		0.00
<b>TOTALS</b>					<b>\$4,035,650.00</b>	<b>\$3,661,374.42</b>	<b>85</b>	<b>\$341,275.58</b>	<b>\$3,643,374.42</b>	<b>\$18,000.00</b>

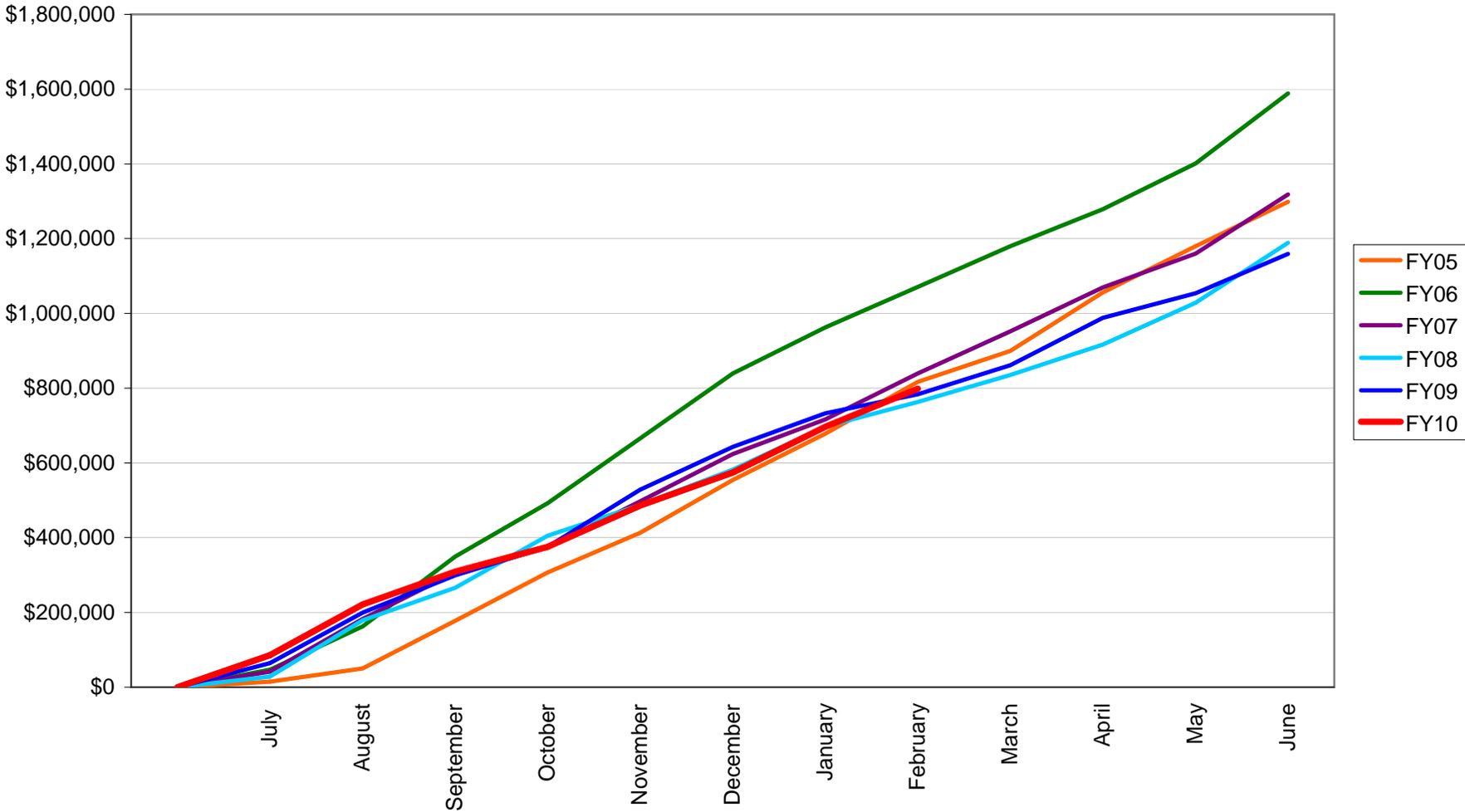
**AGRICULTURAL REVOLVING LOAN FUND**  
**Loan Activity Report / Undistributed Warrants**  
**As of March 25, 2010 - FY 09**

Borrower	LO	Loan #	Date Approved	Note Date	Amount Approved	Warrants		Available Balance	Amount Distributed to Borrower	Undistributed Warrants
						Issued	#			
Looney	1	C-5246	10/9/2008	10/15/2008	16,800.00	16,800.00	1	0.00	16,800.00	0.00
Debenham & Rita, LLC.	1	F-5171	11/13/2008	12/1/2008	625,000.00	625,000.00	3	0.00	625,000.00	0.00
Scott	1	C-5248	11/13/2008	4/15/2009	36,000.00	36,000.00	4	0.00	36,000.00	0.00
Valley Dairy, Inc.	3	S-5432	11/13/2008	12/10/2008	200,000.00	200,000.00	12	0.00	200,000.00	0.00
Valley Dairy, Inc.	3	F-5172	11/13/2008	12/10/2008	430,000.00	430,000.00	19	0.00	430,000.00	0.00
AK Chip Co, LLC.	1	S- 5434	1/22/2009	3/1/2009	50,000.00	50,000.00	9	0.00	50,000.00	0.00
AK Chip Co, LLC.	1	P- 1004	1/22/2009	3/1/2009	250,000.00	250,000.00	7	0.00	250,000.00	0.00
Hawks Farm Garden, Inc	1	S-5433	2/26/2009	3/1/2009	50,000.00	25,230.00	2	0.00	25,230.00	0.00
Church Living Word, Inc.	1	C-5247	2/26/2009	3/1/2009	25,000.00	25,000.00	1	0.00	25,000.00	0.00
Byers	1	S-5435	2/26/2009	4/15/2009	50,000.00	43,191.95	3	6,808.05	43,191.95	0.00
Butte Farms, Inc.	1	C-5251	4/9/2009	4/15/2009	11,000.00	11,000.00	2	0.00	11,000.00	0.00
Butte Farms, Inc.	1	S-5437	4/9/2009	4/15/2009	95,000.00	95,000.00	1	0.00	95,000.00	0.00
Butte Farms, Inc.	1	P-1005	4/9/2009	10/1/2009	150,000.00					0.00
Gattis	1	C-5252	4/9/2009	4/20/2009	90,000.00	90,000.00	2	0.00	90,000.00	0.00
Gattis	1	F-5174	4/9/2009	4/20/2009	167,000.00	167,000.00	2	0.00	167,000.00	0.00
Gattis	1	F-5175	4/9/2009	4/20/2009	463,000.00	463,000.00	3	0.00	463,000.00	0.00
Gattis	1	S-5438	4/9/2009	4/20/2009	50,000.00	50,000.00	1	0.00	50,000.00	0.00
Gold Nugget Farms, Inc.	1	C-5249	4/9/2009	4/15/2009	30,000.00	30,000.00	1	0.00	30,000.00	0.00
Gold Nugget Farms, Inc.	1	S-5436	4/9/2009	4/15/2009	175,000.00	175,000.00	2	0.00	175,000.00	0.00
Gold Nugget Farms, Inc.	1	C-5250	4/9/2009	4/15/2009	16,000.00	16,000.00	1	0.00	16,000.00	0.00
Hawks Farm Garden, Inc	1	F-5173	4/9/2009	5/1/2009	155,000.00	155,000.00	3	0.00	155,000.00	0.00
Williams	1	F-5176	5/28/2009	6/15/2009	205,000.00	205,000.00	2	0.00	205,000.00	0.00
R&B Wrigley Partners	1	S-5439	5/28/2009	6/1/2009	40,000.00	40,000.00	1	0.00	40,000.00	0.00
Skidmore	1	F-5177	5/28/2009	6/15/2009	118,000.00	118,000.00	3	0.00	118,000.00	0.00
Skidmore	1	C-5253	5/28/2009	6/15/2009	9,000.00	9,000.00	2	0.00	9,000.00	0.00
Holland	1	F-5178	5/28/2009	6/15/2009	347,000.00	347,000.00	3	0.00	347,000.00	0.00
Hobbs	1	F-5179	5/28/2009	6/15/2009	510,000.00	510,000.00	5	0.00	510,000.00	0.00
Elsberry	3	S-5440	6/16/2009	6/25/2009	30,000.00	30,000.00	3	0.00	30,000.00	0.00
<b>TOTALS</b>					<b>\$4,393,800.00</b>	<b>\$4,212,221.95</b>	<b>98</b>	<b>\$6,808.05</b>	<b>\$4,212,221.95</b>	<b>\$0.00</b>

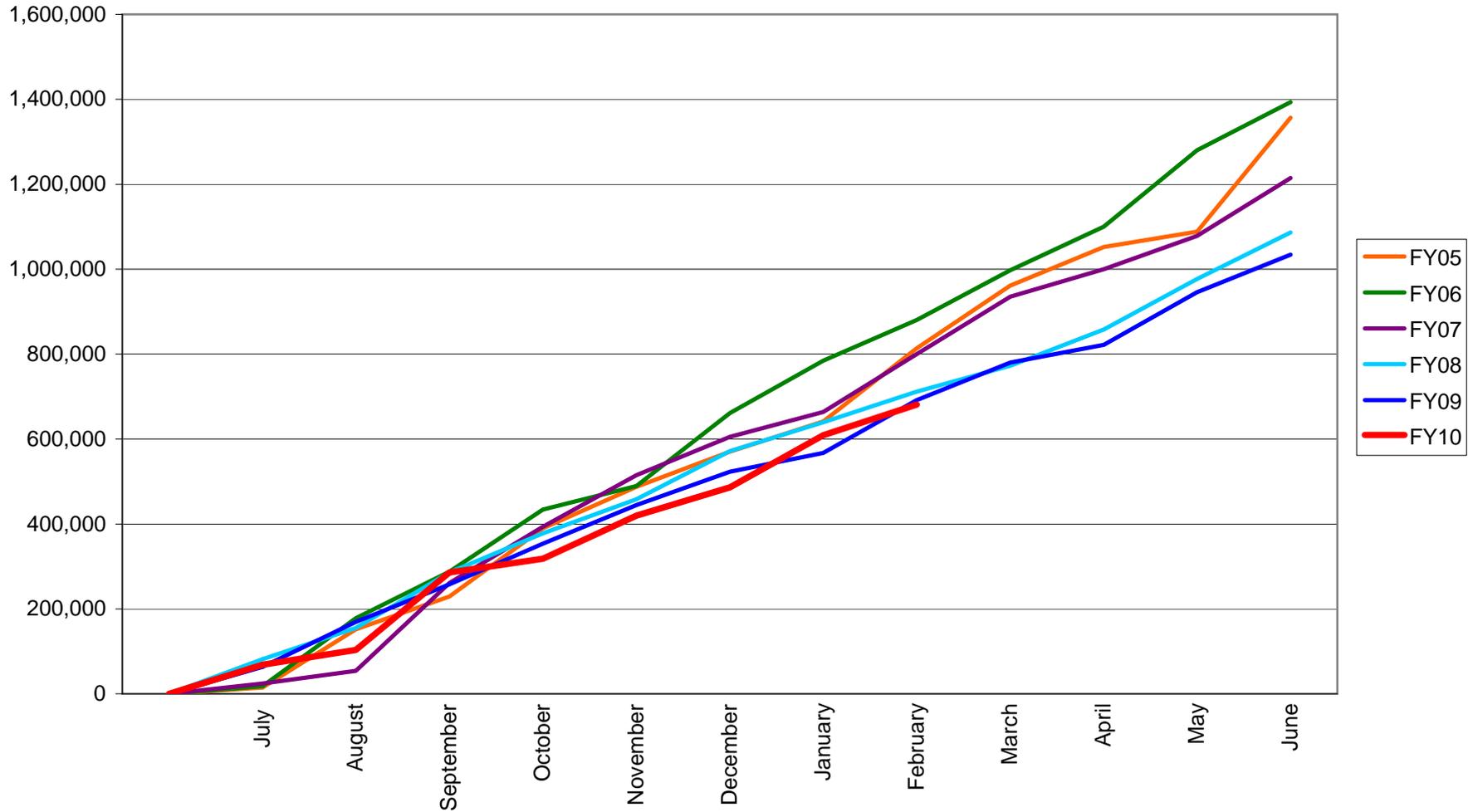
**Mt. Mckinley Meat and Sausage  
Income(Loss)  
FY 2005 - FY 2010**



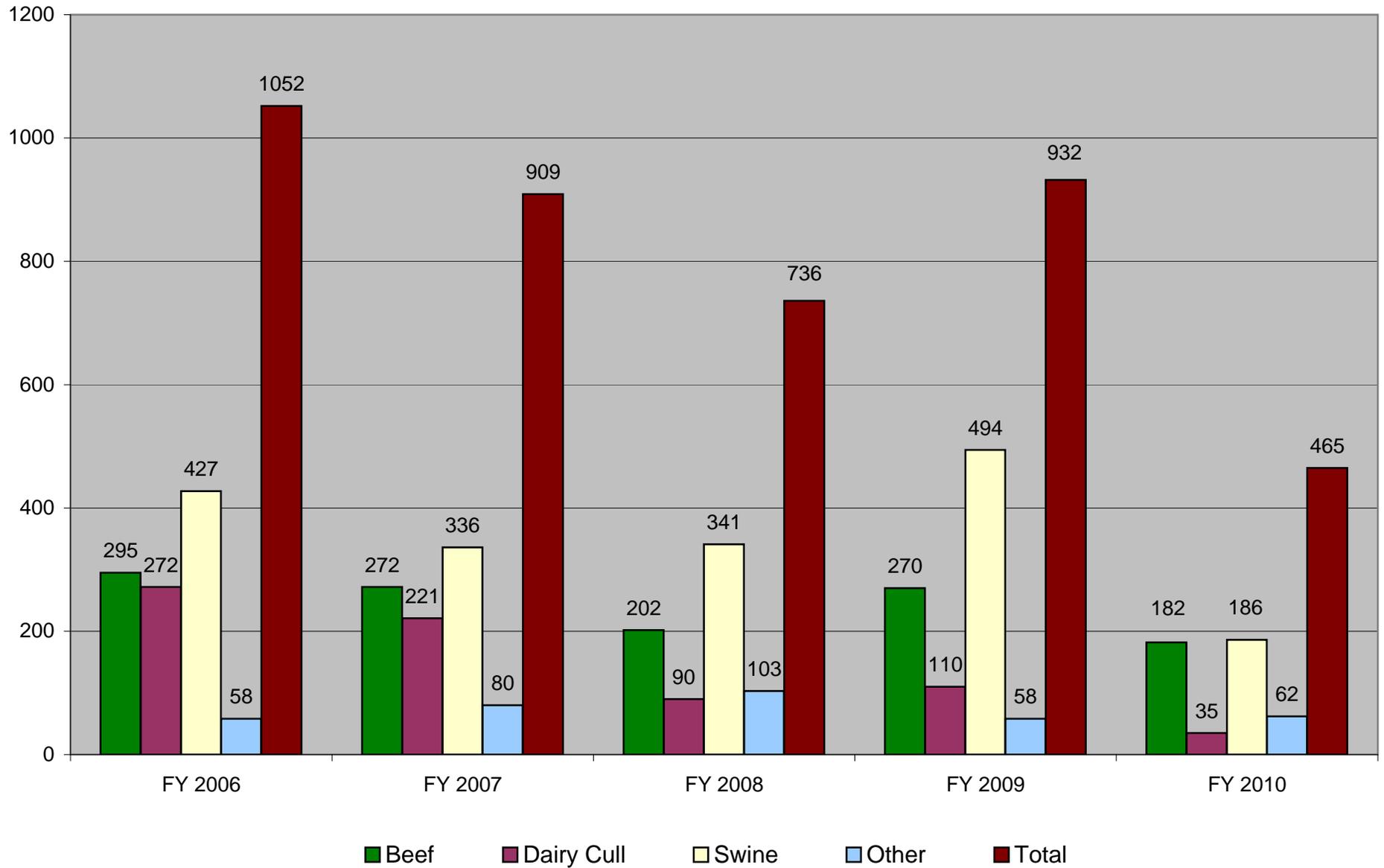
**Mt McKinley Meat and Sausage  
Cummulative Expenses  
July 2004 - February 2010**



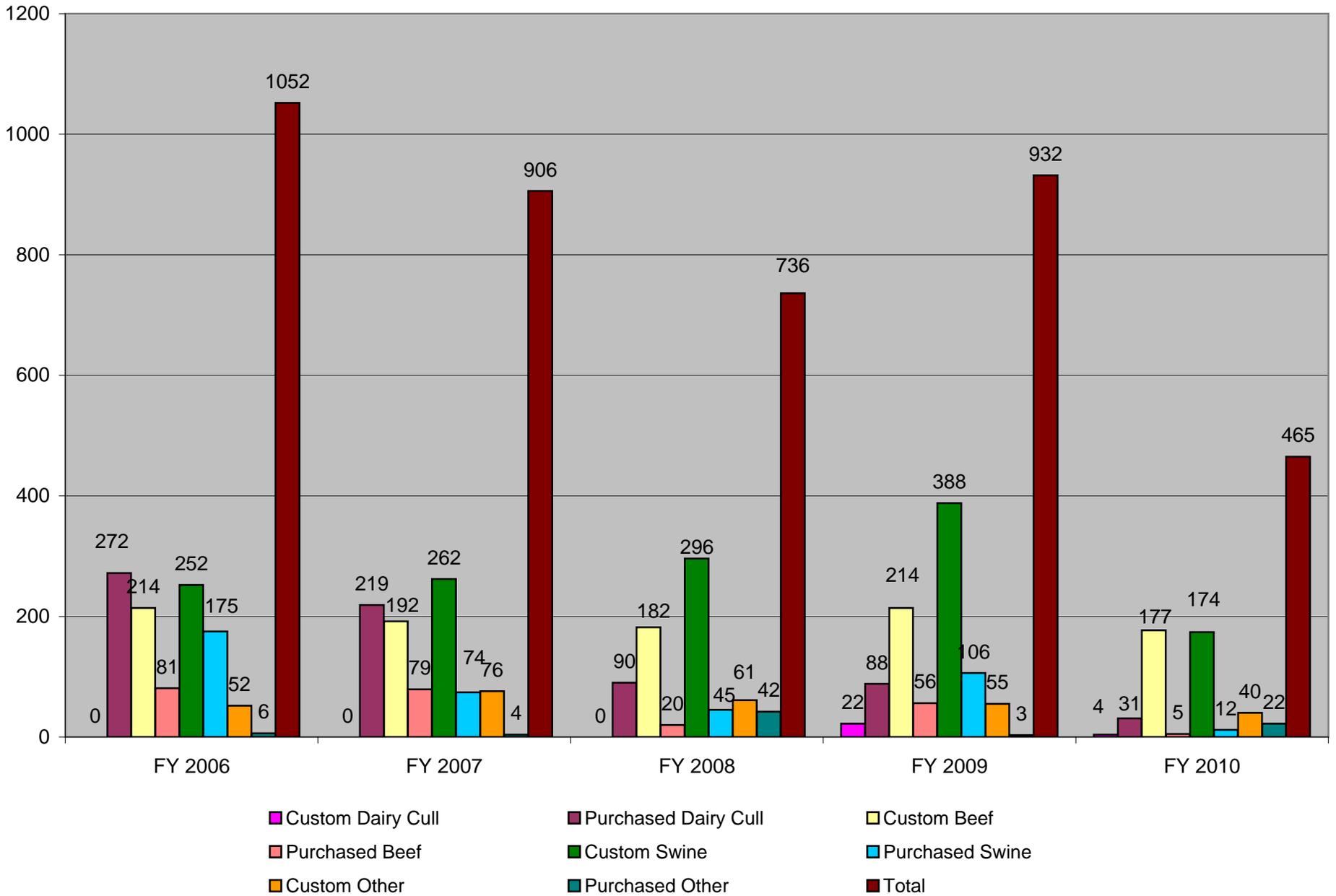
**Mt Mckinley Meat and Sausage  
Revenue Trend  
July 2004 - February 2010**



## MMM&S Slaughter Statistics by Fiscal Year and Type As of February 28, 2010 - FY10



**MMM&S Custom and Purchased Statistics by Fiscal Year  
As of February 28, 2010 - FY10**



**AGRICULTURAL REVOLVING LOAN FUND**  
**Real and Personal Property Inventory**  
**February 28, 2010**

Former Borrower/ Prospective New Owner	LO	Location	Acres	Date Placed in Service	Fair Market Value at Repossession				Accum Dep. 6/30/2009	Liabilities		Lease Information					Fair Market Value						
					Land	Buildings	Mach / Equip	Total Value		Amt 6/30/04	Owed To	Amount	Lessee	Lease #	Exp Date	Inspect Date	Remarks	YR	Method	Land	Improve- ments	Total Value	
<b>Repossessed Inventory (account # 10626)</b>																							
UNENCUMBERED ASSETS																							
Thompson, Kenai Spur Hwy	3	Kenai	7	6/3/89	29,000.00			29,000.00								Jul-09	Future Disposal	05	Min Bid	\$19,500	NONE	\$19,500	
<b>Total Repossessed Inventory</b>					<u>29,000.00</u>			<u>29,000.00</u>												<u>19,500</u>		<u>19,500</u>	
<b>Repossessed Property (Account # 10860 and Accum Depr # 10862)</b>																							
UNENCUMBERED ASSETS																							
Feed Mill, Tract A-1 (10860)	3	Palmer	3	4/1/84	129,120.00	14,040.00	14,400.00	157,560.00								Feb-10	ARLF OTC #09-01	09	Min Bid	\$975,000		\$975,000	
<b>ASSETS with ASSOCIATED PERMITS</b>																							
Mt. McKinley Meat	3	Palmer	4	12/1/86	42,000.00	595,592.00	5,363.00	642,955.00	415,380.00							Feb-10	No planned disposal	05	Appr			1,200,000	1,200,000
<b>LONG TERM LEASES</b>																							
Alaska Farm Coop	3	Delta	20	9/3/93	94,080.00			94,080.00			0.50 /Yr	AK Farm Coop	LSE-021	6/30/18	Apr-09	FS: Hanson Rd/98% ownrs	05	Est	\$30,000	\$777,680	\$807,680		
Alaska Farm Coop	3	Delta	1	9/3/93	74,480.00			74,480.00			0.50 /Yr	AK Farm Coop	LSE-022	6/30/18	Apr-09	FS: Delta/98% ownrshp	05	Est	40,000	36,000	76,000		
Mertz Dairy, (Knopp)	3	Delta	102	7/24/91	15,150.00	304,850.00		320,000.00	219,026.00		1,400.00 /Mo	Knopp	40005	6/1/11	Oct-09	Lse Exp 7/2010	09	Est	110,000	310,000	420,000		
<b>Sub-total Long Term Leases</b>					<b>\$183,710.00</b>	<b>\$304,850.00</b>	<b>\$0.00</b>	<b>\$488,560.00</b>	<b>\$219,026.00</b>	<b>\$0.00</b>										<b>\$180,000</b>	<b>\$1,123,680</b>	<b>\$1,303,680</b>	
<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		10,000.00	5,685.00		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>354,830.00</b>	<b>924,482.00</b>	<b>19,763.00</b>	<b>1,299,075.00</b>	<b>640,091.00</b>												<b>1,155,000</b>	<b>2,373,680</b>	<b>3,528,680</b>
<b>GRAND TOTAL</b>					<b>\$383,830.00</b>	<b>\$924,482.00</b>	<b>\$19,763.00</b>	<b>\$1,328,075.00</b>	<b>\$640,091.00</b>												<b>\$1,174,500</b>	<b>\$2,373,680</b>	<b>\$3,548,180</b>

<b>LEGEND</b>	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**  
**February 28, 2010**

**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 6/30/2009	Location	Remarks
						Each	Total			
Equipment, misc	3		Feed Mill, Tract A-1	01-Apr-84	01-Apr-84	14,400.00	14,400.00			Sale #09-01 OTC
<b>Subtotal Mach &amp; Equip</b>							<b>14,400.00</b>			
Building	3	1	Feed Mill, Tract A-1	01-Apr-84	01-Apr-84	14,040.00	14,040.00			Sale #09-01 OTC
<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>										
<b>Subtotal Mach &amp; Equip</b>							<b>0.00</b>			
Building	3	1	Mertz	24-Jul-91	24-Jul-91	304,850.00	304,850.00	219,026.00		
<b>Subtotal Building</b>							<b>304,850.00</b>	<b>219,026.00</b>		
<b>Total Mertz Dairy</b>							<b>304,850.00</b>	<b>219,026.00</b>		

<b>Mt McKinley Meats</b>										
Compressor	3	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	3	1	Mt. McKinley Meats	01-Dec-86	01-Dec-86	326,600.00	326,600.00	288,094.00		
Boiler upgrade	3	1	Mt. McKinley Meats	01-May-97	01-Oct-97	15,000.00	15,000.00	7,200.00		
Boiler upgrade	3	1	Mt. McKinley Meats	25-Aug-97	01-Oct-97	41,236.40	41,236.40	19,793.46		
Boiler upgrade	3	1	Mt. McKinley Meats	01-Nov-97	01-Feb-98	48,931.70	48,931.70	23,487.27		
Boiler upgrade	3	1	Mt. McKinley Meats	01-Feb-98	01-Feb-98	8,849.90	8,849.90	4,248.00		
Boiler upgrade	3	1	Mt. McKinley Meats	30-Jun-03	30-Jun-03	4,974.00	4,974.00	1,193.96		
Roof	3	1	Mt. McKinley Meats	30-Sep-98	01-Oct-98	150,000.00	150,000.00	66,000.00		
<b>Subtotal Building</b>							<b>595,592.00</b>	<b>410,017.00</b>		
<b>Total Mt. McKinley Meats</b>							<b>600,955.00</b>	<b>415,380.00</b>		

<b>Umnak Slaughter Facility</b>										
Building	1	1	Umnak Slight Fac.	01-Mar-95	01-Mar-95	10,000.00	10,000.00	5,685.00		
<b>Subtotal Building</b>							<b>10,000.00</b>	<b>5,685.00</b>		
<b>Total Umnak Slaughter Facility</b>							<b>10,000.00</b>	<b>5,685.00</b>		

**Total Accumulated Depreciation**

**640,091**