

AGRICULTURAL REVOLVING LOAN FUND

Notes to Financial Statements for March, 2012 - FY12

Statement of Revenues, Expenses, and Changes in Fund Equity

1. \$48,653 was recorded as Interest Income. Total Interest Income for July 2011 through March 2012 is \$469,175.
2. (\$39,933) was recorded as ARLF operating expenses. Contractual Services included \$13,353 paid through RSA for legal services.
3. Net Operating Income was \$11,364.
Mt. McKinley Meat and Sausage Plant Income for the period (Non-Operating Activity) was recorded at \$15,198.

Comparative Balance Sheet

1. \$5,220,627 was ARLF Cash balance on March 31, 2012. For comparison, ARLF Cash balance on March 31, 2011 was \$4,832,995.
2. \$12,294,392 was ARLF Loans Receivable account balance. For comparison, ARLF Loans Receivable balance on March 31, 2011 was \$12,033,034.

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

1. \$160,495 was recorded as Total Revenues for the month.
2. (\$145,298) was recorded as Total Expenses for the month.
3. Fiscal Year-to-Date Loss is (\$69,056).

Loan Activity/Cash outflows

1. \$1,470,546 is the total amount of loans approved since the beginning of the fiscal year through March 31, 2012.

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

	March	Fiscal Year to Date
Operating Revenues		
Interest Income	\$ 48,653	\$ 469,175
Services (legal, clerical, loan fees, sale products)	200	850
Late Payment Penalties	1,044	7,469
Rents, including leasehold credits	1,400	16,526
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	35
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
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Total Operating Revenues	51,297	494,055
Operating Expenses:		
Personal Services	22,127	147,573
Travel	1,364	4,442
Contractual Services	14,865	100,329
Commodities	1,577	3,584
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Total Operating Expenses	39,933	255,927
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Net Operating Income (Loss)	11,364	238,127
Non-Operating Income (Expenses):		
MMM&S Revenues	160,495	1,052,576
Mt. McKinley Meat & Sausage Plant	(145,298)	(1,121,633)
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Mt. McKinley Meat & Sausage Plant Net Income (loss)	15,198	(69,056)
Income (Loss) Investment in Mat Maid	-	-
Income (Loss) Sale of Fixed Assets	-	-
Bad Debt Expense	-	-
Depreciation Expense	-	-
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Total Non-Operating Income / (Expenses)	15,198	(69,056)
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Current Period Earnings (Loss)	\$ 26,562	\$ 169,071
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Fund Equity, June 30, 2011		\$22,726,980
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Fund Equity, March 31, 2012		\$22,896,051
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AGRICULTURAL REVOLVING LOAN FUND
Comparative Balance Sheet
March 31, 2012

<u>ASSETS</u>	<u>March</u>	<u>February</u>	<u>LIABILITIES</u>	<u>March</u>	<u>February</u>
	2012	2012		2012	2012
Current Assets			Short Term Liabilities		
Cash	\$ 5,220,627	\$ 4,813,967	Warrants Outstanding	\$ 89,808	\$ 41,017
Receivables			Accounts Payable	3,023	-
ARLF Loans	12,294,392	12,407,772	Accrued Payables	152,428	152,428
Land Sale Contracts	1,346,333	1,422,477	Accrued Vacation Leave	30,705	30,705
Notes Receivable	59,559	59,559	Trust Account	-	-
Judgments	123,800	123,800			
Accrued Interest	-1- 108,895	108,895	Total Short Term Liabilities	275,965	224,150
Accrued Penalties	-1- 942	942			
Leases/Accounts Receivable	-1- -	-	Due to Other Funds		
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- (123,815)	(123,815)	Due to School Fund	-4- -	-
Net Receivables	13,810,106	13,999,631	Total Due to Other Funds	-	-
Outstanding Loan Warrants	23,622	162,381			
Repossessed Inventory	29,000	29,000	Long Term Liabilities		
Total Current Assets	19,083,356	19,004,979	Accrued Pension Adjustment	-	-
Due from Other Funds			Total Long Term Liabilities	-	-
Due from GF	-	-	TOTAL LIABILITIES	275,965	224,150
Due from Mental Health	-	-			
Total Due from Other Funds	-	-	FUND EQUITY		
Other Assets			Fund Equity, Beginning	22,726,980	22,726,980
Investments:	-3-		Current Year Earnings (Loss)	169,071	142,509
Alaska Farmers Coop	2,787,153	2,787,153			
Mat Maid	715,359	715,359	TOTAL FUND EQUITY	22,896,051	22,869,489
Repossessed Property	1,299,075	1,299,075			
Less Accum. Deprec	(712,927)	(712,927)	TOTAL LIABILITIES & FUND EQUITY	\$23,172,016	\$23,093,639
Other Assets	-	-			
Net Other Assets	4,088,660	4,088,660			
TOTAL ASSETS	\$23,172,016	\$23,093,639			

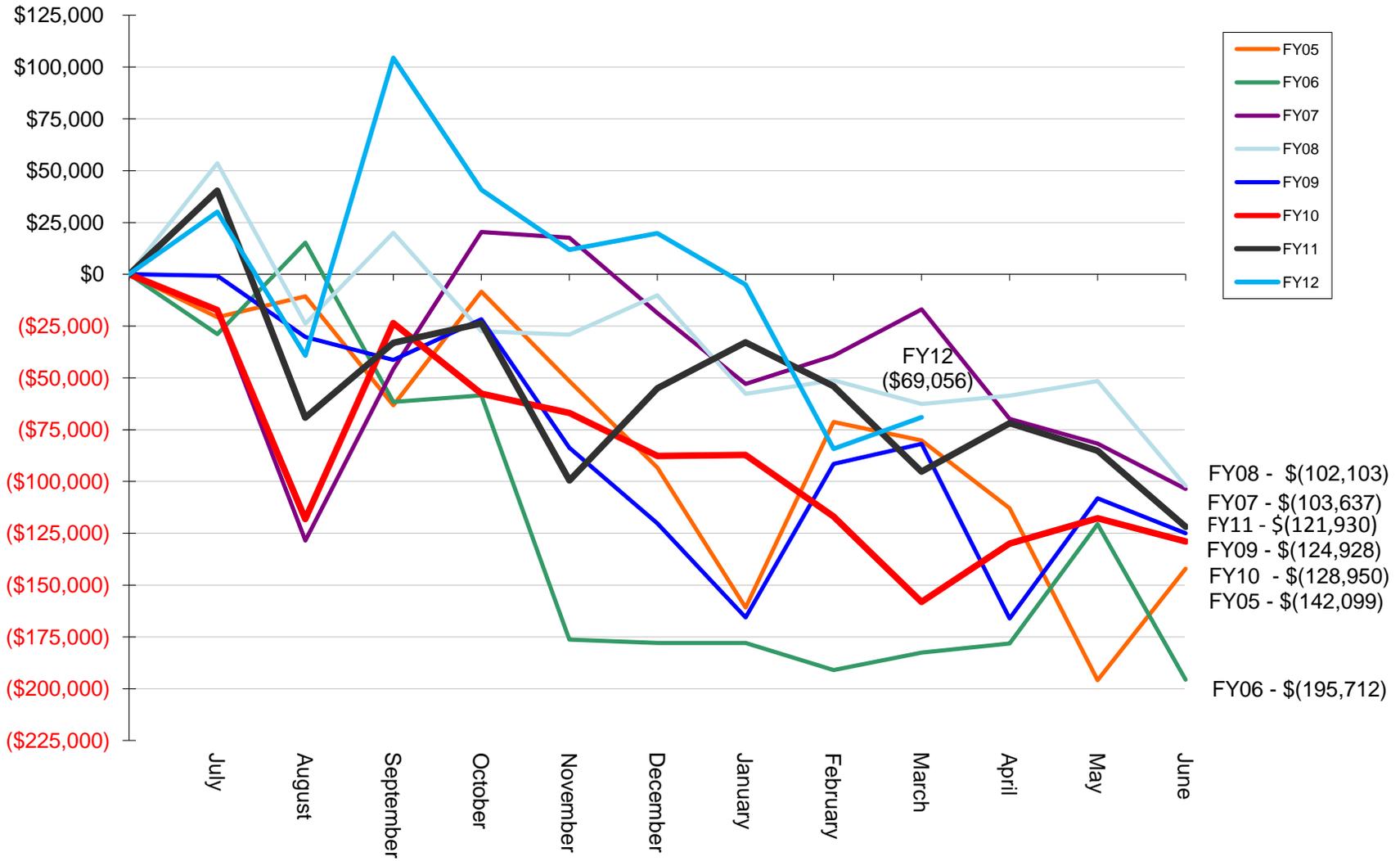
Footnotes:

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.

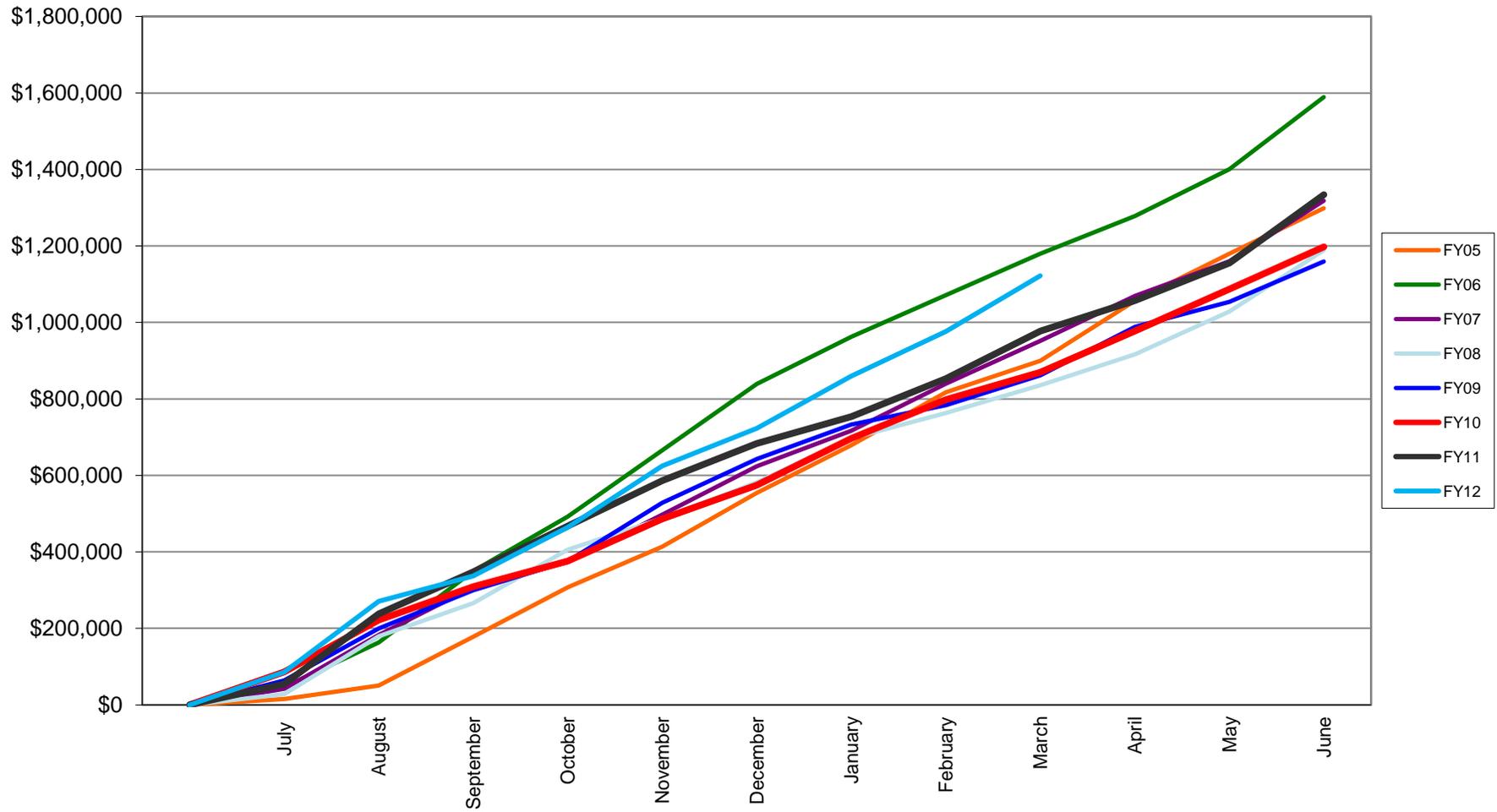
**Mt McKinley Meat and Sausage
 AGRICULTURAL REVOLVING LOAN FUND
 Statement of Revenues and Expenses
 For Month ended March 31, 2012**

	March	Fiscal Year-to-Date
Revenues:		
Services	\$ 3,048	\$ 96,580
Sale of Products	156,520	948,212
Freight	927	7,784
Total Revenues	160,495	1,052,576
Expenses:		
Personal Services	25,731	222,649
Travel	-	-
Contractual Services	13,670	109,061
Commodities	105,897	789,923
Total Expenses	145,298	1,121,633
Net Earnings / (Loss)	\$ 15,198	\$ (69,056)

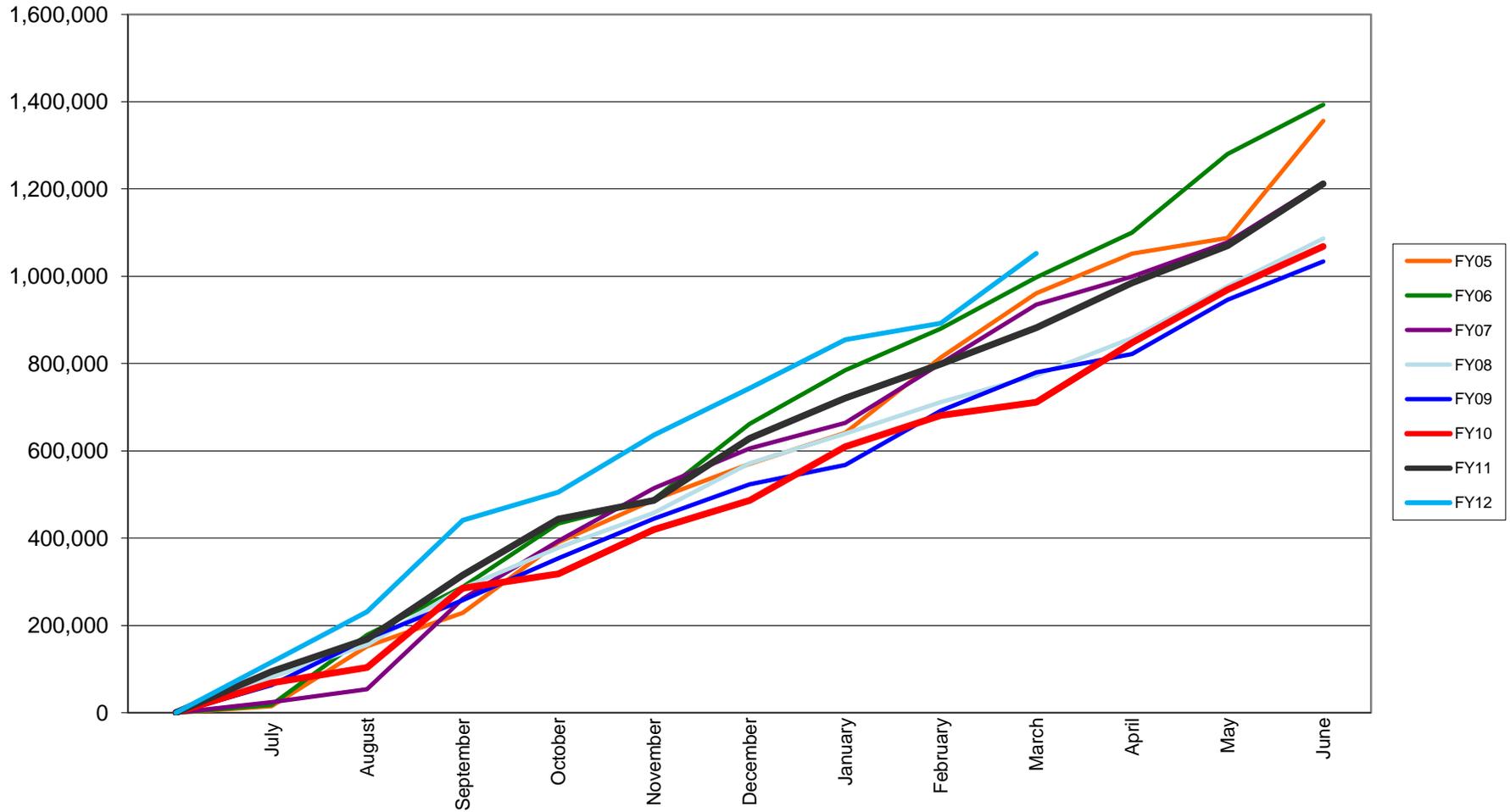
**Mt. Mckinley Meat and Sausage
Income(Loss)
FY 2005 - FY 2012**



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



Mt Mckinley Meat and Sausage Revenue Trend July 2004 - March 2012



AGRICULTURAL REVOLVING LOAN FUND
Loan Activity Report / Undistributed Warrants
As of April 16, 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	13,400.00	1	86,600.00	13,400.00	0.00
Havemeister	1	F-5205	8/24/2011	10/21/2011	400,000.00	276,185.60	4	123,814.40	276,185.60	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	30,451.60	2	49,548.40	30,451.60	0.00
Alaska Chip Co., LLC	1	S-5461	1/30/2012	2/29/2012	50,000.00	33,550.07	5	16,449.93	23,196.97	10,353.10
Havemeister	1	F-5207	3/21/2012	3/22/2012	200,000.00	705.60	1	199,294.40	705.60	0.00
Hawks Farm & Garden Center, Inc	1		3/21/2012		50,000.00					
Veach	1	F-5206	3/21/2012	4/15/2012	77,745.63			77,745.63		
Williams	1		3/21/2012		60,000.00					
TOTALS					\$1,470,545.63	\$807,092.87	24	\$553,452.76	\$796,739.77	\$10,353.10

AGRICULTURAL REVOLVING LOAN FUND
Real and Personal Property Inventory
31-Mar-12

Former Borrower/ Prospective New Owner	LO	Location	Acres	Date Placed in Service	Fair Market Value at Repossession			Accum Dep. 6/30/2011	Liabilities		Lease Information					Fair Market Value							
					Land	Buildings	Mach / Equip		Total Value	Amt 6/30/11	Owed To	Amount	Lessee	Lease #	Exp Date	Inspect Date	Remarks	YR	Method	Land	Improve- ments	Total Value	
Repossessed Inventory (account # 10626)																							
UNENCUMBERED ASSETS																							
Thompson, Kenai Spur Hwy	3	Kenai	7	6/3/89	29,000.00			29,000.00								Jul-10	ARLF Sale OTC #11-01	11	Sale price	\$14,000	NONE	\$14,000	
Total Repossessed Inventory					<u>29,000.00</u>			<u>29,000.00</u>												<u>14,000</u>		<u>14,000</u>	
Repossessed Property (Account # 10860 and Accum Depr # 10862)																							
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								Dec-10	ARLF OTC #09-01	09	Min Bid	\$975,000		\$975,000	
ASSETS with ASSOCIATED PERMITS																							
Mt. McKinley Meat	3	Palmer	4	12/1/86	42,000.00	595,592.00	5,363.00	642,955.00	463,027.00							Dec-10	No planned disposal	05	Appr		1,200,000	1,200,000	
LONG TERM LEASES																							
Alaska Farm Coop	3	Delta	20	9/3/93	94,080.00			94,080.00			0.50 /Yr	AK Farm CLSE-021	6/30/18	Apr-09	FS; Hanson Rd/98% own	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 CLSE-022	6/30/18	Apr-09	FS; Delta/98% ownrshp	05	Est		40,000	36,000	76,000		
Mertz Dairy, (Knopp)	1	Delta	102	7/24/91	15,150.00	304,850.00		320,000.00	243,414.00		1,400.00 /Mq	Knopp	40005	6/1/11						110,000	310,000	420,000	
Sub-total Long Term Leases					\$183,710.00	\$304,850.00	\$0.00	\$488,560.00	\$243,414.00	\$0.00											\$180,000	\$1,123,680	\$1,303,680
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	6,485.00		3,926.00 /Yr	BPR & AN	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					354,830.00	924,482.00	19,763.00	1,299,075.00	712,927.00	rounded											1,155,000	2,373,680	3,528,680
GRAND TOTAL					<u>\$383,830.00</u>	<u>\$924,482.00</u>	<u>\$19,763.00</u>	<u>\$1,328,075.00</u>	<u>\$712,927.00</u>												\$1,169,000	\$2,373,680	\$3,542,680

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
March 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 6/30/2011	Location	Remarks
						Each	Total			
Equipment, misc	3		Feed Mill, Tract A-1	01-Apr-84	01-Apr-84	14,400.00	14,400.00			
Subtotal Mach & Equip							14,400.00			
Building	3	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			

Mertz Dairy										
Milk tank, 1000	1	1	Mertz	01-Nov-92		1,000.00	1,000.00			
Subtotal Mach & Equip							1,000.00			
Building	1	1	Mertz	24-Jul-91	24-Jul-91	304,850.00	304,850.00	243,414.00		
Subtotal Building							304,850.00	243,414.00		
Total Mertz Dairy							305,850.00	243,414.00		

Mt McKinley Meats										
Compressor	3	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	3	1	Mt. McKinley Meats	01-Dec-86	01-Dec-86	326,600.00	326,600.00	314,222.00		
Boiler upgrade	3	1	Mt. McKinley Meats	01-May-97	01-Oct-97	15,000.00	15,000.00	8,400.00		
Boiler upgrade	3	1	Mt. McKinley Meats	25-Aug-97	01-Oct-97	41,236.40	41,236.40	23,092.37		
Boiler upgrade	3	1	Mt. McKinley Meats	01-Nov-97	01-Feb-98	48,931.70	48,931.70	27,401.80		
Boiler upgrade	3	1	Mt. McKinley Meats	01-Feb-98	01-Feb-98	8,849.90	8,849.90	4,955.99		
Boiler upgrade	3	1	Mt. McKinley Meats	30-Jun-03	30-Jun-03	4,974.00	4,974.00	1,591.88		
Roof	3	1	Mt. McKinley Meats	30-Sep-98	01-Oct-98	150,000.00	150,000.00	78,000.00		
Subtotal Building							595,592.00	457,664.04		
Total Mt. McKinley Meats							600,955.00	463,027.04		

Umnak Slaughter Facility										
Building	1	1	Umnak Slghtr Fac.	01-Mar-95	01-Mar-95	10,000.00	10,000.00	6,485.00		
Subtotal Building							10,000.00	6,485.00		
Total Umnak Slaughter Facility							10,000.00	6,485.00		

Total Accumulated Depreciation

rounded to 712,927