

AGRICULTURAL REVOLVING LOAN FUND

Notes to Financial Statements for February, 2012 - FY12

Statement of Revenues, Expenses, and Changes in Fund Equity

1. \$34,973 was recorded as Interest Income. Total Interest Income for July 2011 through February 2012 is \$420,522.
2. (\$44,688) was recorded as ARLF operating expenses. Contractual Services included \$8,857 paid through RSA for legal services and \$9,322 paid for December 2011/January 2012 accounting support.
3. Net Operating Loss was (\$7,798).
Mt. McKinley Meat and Sausage Plant Loss for the period (Non-Operating Activity) was recorded at (\$79,277).

Comparative Balance Sheet

1. \$4,813,967 was ARLF Cash balance on February 29, 2012. For comparison, ARLF Cash balance on February 28, 2011 was \$4,815,983.
2. \$12,407,772 was ARLF Loans Receivable account balance. For comparison, ARLF Loans Receivable balance on February 28, 2011 was \$12,023,013.

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

1. \$37,695 was recorded as Total Revenues for the month.
2. (\$116,972) was recorded as Total Expenses for the month.
3. Fiscal Year-to-Date Loss is (\$84,254).

Loan Activity/Cash outflows

1. \$1,082,800 is the total amount of loans approved since the beginning of the fiscal year through February 29, 2012.

AGRICULTURAL REVOLVING LOAN FUND
Statement of Revenues, Expenses, and Changes in Fund Equity
For Month ended February 29, 2012

	February	Fiscal Year to Date
Operating Revenues		
Interest Income	\$ 34,973	\$ 420,522
Services (legal, clerical, loan fees, sale products)	150	650
Late Payment Penalties	367	6,425
Rents, including leasehold credits	1,400	15,126
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	35
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
Total Operating Revenues	36,891	442,758
Operating Expenses:		
Personal Services	22,507	125,446
Travel	438	3,077
Contractual Services	20,998	85,464
Commodities	746	2,007
Total Operating Expenses	44,688	215,994
Net Operating Income (Loss)	(7,798)	226,763
Non-Operating Income (Expenses):		
MMM&S Revenues	37,695	892,081
Mt. McKinley Meat & Sausage Plant	(116,972)	(976,335)
Mt. McKinley Meat & Sausage Plant Net Income (loss)	(79,277)	(84,254)
Income (Loss) Investment in Mat Maid	-	-
Income (Loss) Sale of Fixed Assets	-	-
Bad Debt Expense	-	-
Depreciation Expense	-	-
Total Non-Operating Income / (Expenses)	(79,277)	(84,254)
Current Period Earnings (Loss)	\$ (87,075)	\$ 142,509
Fund Equity, June 30, 2011		\$ 22,726,980
Fund Equity, February 29, 2012		\$ 22,869,489

AGRICULTURAL REVOLVING LOAN FUND
Comparative Balance Sheet
February 29, 2012

<u>ASSETS</u>	February 2012	January 2012	<u>LIABILITIES</u>	February 2012	January 2012
Current Assets			Short Term Liabilities		
Cash	\$ 4,813,967	\$ 5,038,844	Warrants Outstanding	\$ 41,017	\$ 56,196
Receivables			Accounts Payable	-	446
ARLF Loans	12,407,772	12,158,687	Accrued Payables	152,428	152,428
Land Sale Contracts	1,422,477	1,423,425	Accrued Vacation Leave	30,705	30,705
Notes Receivable	59,559	59,559	Trust Account	-	-
Judgments	123,800	123,800	Total Short Term Liabilities	224,150	239,776
Accrued Interest	-1- 108,895	108,895	Due to Other Funds		
Accrued Penalties	-1- 942	942	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:			Total Due to Other Funds	-	-
Doubtful Accounts	-2- (123,815)	(123,815)	Long Term Liabilities		
Net Receivables	13,999,631	13,751,494	Accrued Pension Adjustment	-	-
Outstanding Loan Warrants	162,381	13,425	Total Long Term Liabilities	-	-
Repossessed Inventory	29,000	29,000	TOTAL LIABILITIES	224,150	239,776
Total Current Assets	19,004,979	18,832,763	FUND EQUITY		
Due from Other Funds			Fund Equity, Beginning	22,726,980	22,726,980
Due from GF	-	-	Current Year Earnings (Loss)	142,509	229,584
Due from Mental Health	-	-	TOTAL FUND EQUITY	22,869,489	22,956,564
Total Due from Other Funds	-	-	TOTAL LIABILITIES & FUND EQUITY	\$23,093,639	\$23,196,339
Other Assets					
Investments:	-3-				
Alaska Farmers Coop	2,787,153	2,787,153			
Mat Maid	715,359	990,275			
Repossessed Property	1,299,075	1,299,075			
Less Accum. Deprec	(712,927)	(712,927)			
Other Assets	-	-			
Net Other Assets	4,088,660	4,363,576			
TOTAL ASSETS	\$23,093,639	\$23,196,339			

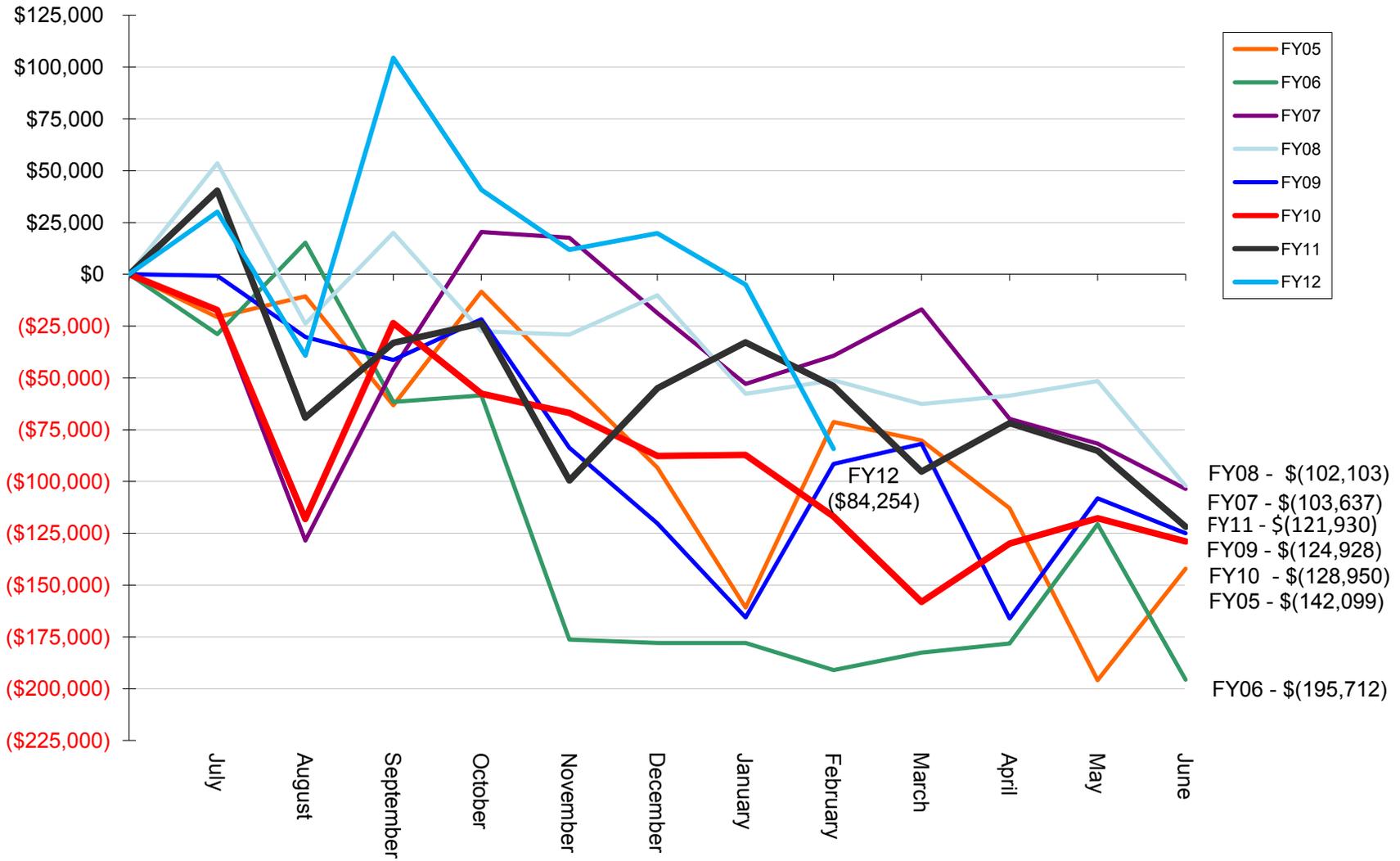
Footnotes:

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.

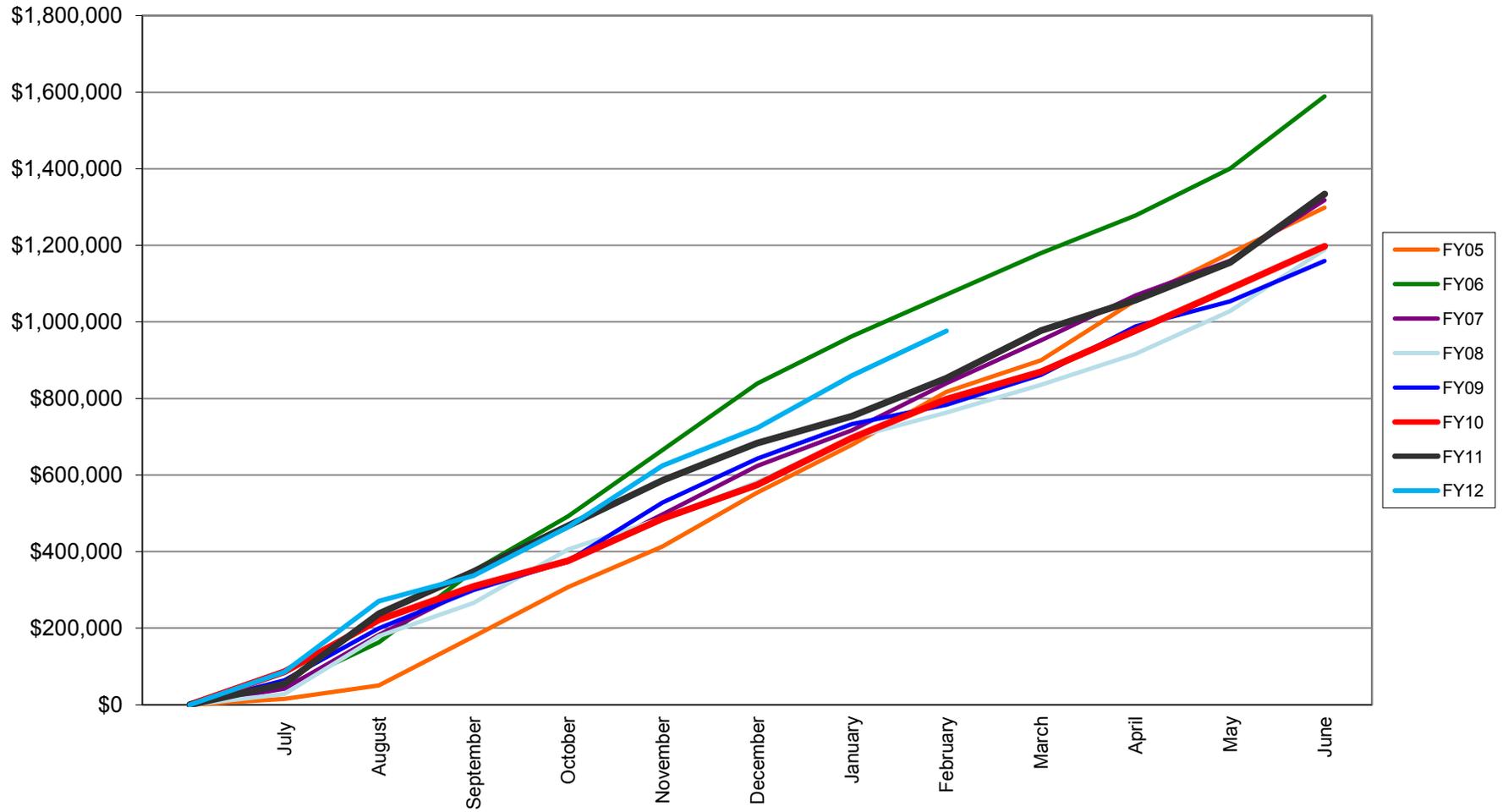
**Mt McKinley Meat and Sausage
 AGRICULTURAL REVOLVING LOAN FUND
 Statement of Revenues and Expenses
 For Month ended February 29, 2012**

	February	Fiscal Year-to-Date
Revenues:		
Services	\$ 6,571	\$ 93,532
Sale of Products	30,230	791,692
Freight	894	6,857
Total Revenues	37,695	892,081
Expenses:		
Personal Services	25,945	196,918
Travel	-	-
Contractual Services	12,283	95,391
Commodities	78,743	684,027
Total Expenses	116,972	976,335
Net Earnings / (Loss)	\$ (79,277)	\$ (84,254)

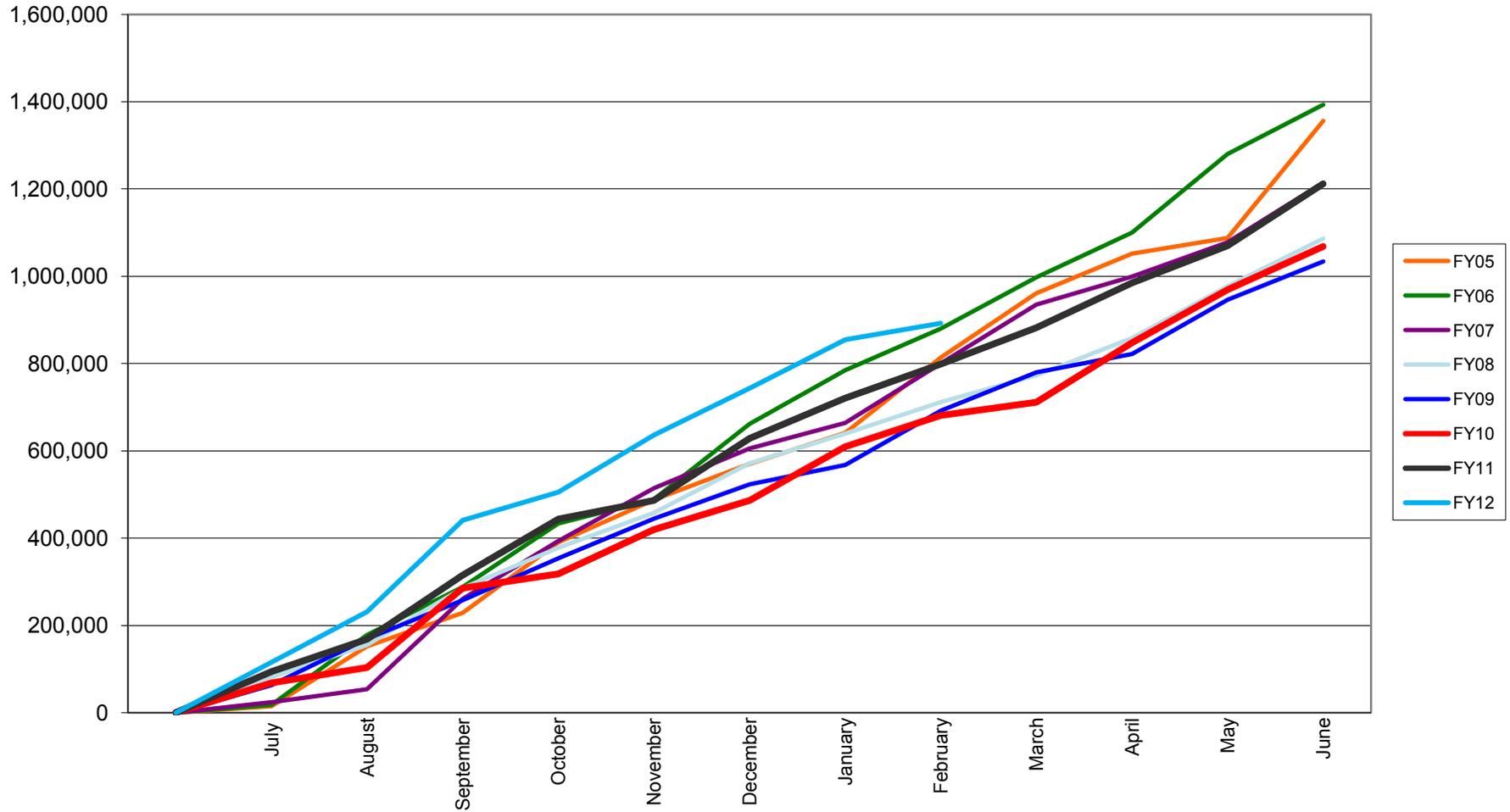
**Mt. Mckinley Meat and Sausage
Income(Loss)
FY 2005 - FY 2012**



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



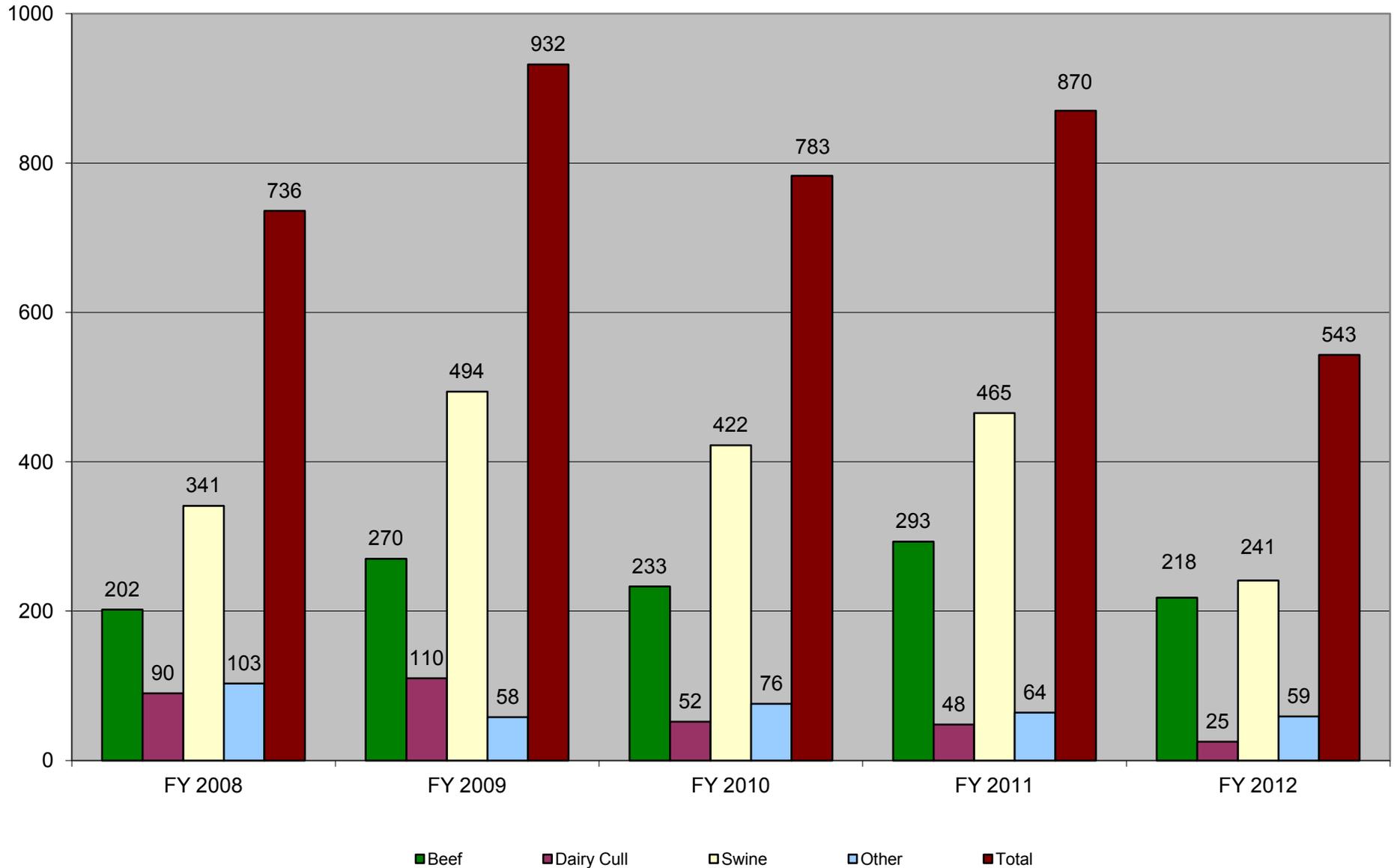
**Mt Mckinley Meat and Sausage
Revenue Trend
July 2004 - February 2012**



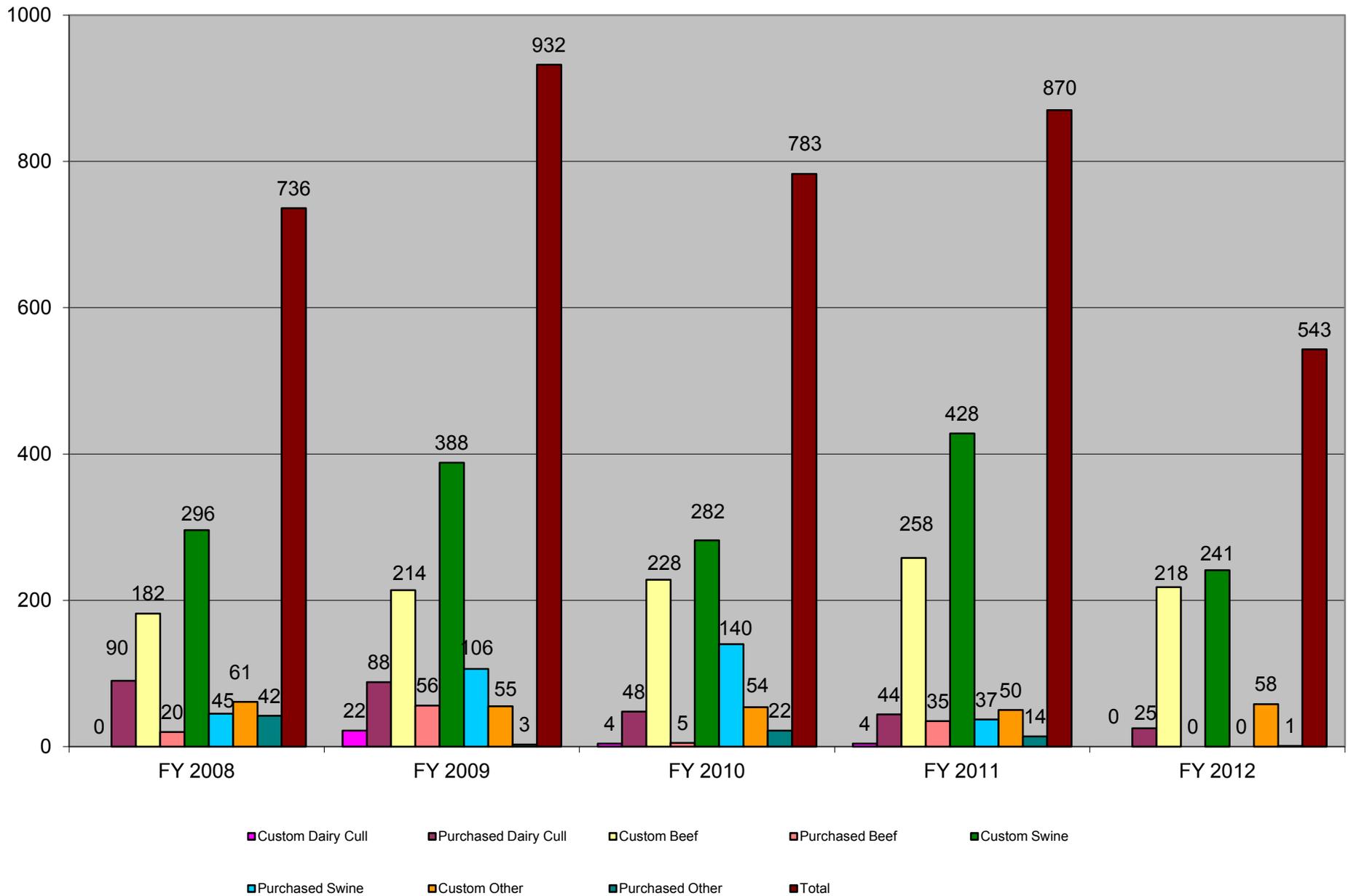
AGRICULTURAL REVOLVING LOAN FUND
Loan Activity Report / Undistributed Warrants
As of March 09, 2012 - FY 12

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	305.60	1	49,694.40	0.00	305.60
								0.00		0.00
TOTALS					\$1,082,800.00	\$773,142.80	19	\$309,657.20	\$772,837.20	\$305.60

MMM&S Slaughter Statistics by Fiscal Year and Type As of February 29, 2012 - FY12



MMM&S Custom and Purchased Statistics by Fiscal Year As of February 29, 2012 - FY12



AGRICULTURAL REVOLVING LOAN FUND
Real and Personal Property Inventory
29-Feb-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 C	LSE-021	6/30/18	Apr-09	FS; Hanson Rd/98% ownr	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 C	LSE-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 /Mc	Knopp	40005	7/1/12	Oct-09		09	Est	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 & 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					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	
FCP: Farm Conservation Plan	AMTA: Agriculture Marketing Transaction Act
CRP: Conservation Recovery Program	FS: Fee Simple
	RFP: Request for Proposal

Subsidiary Ledger
ARLF - Machinery, Equipment, and Building Inventory
February 29, 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