

AGRICULTURAL REVOLVING LOAN FUND

Notes to Financial Statements for May, 2012 - FY12

Statement of Revenues, Expenses, and Changes in Fund Equity

1. \$44,011 was recorded as Interest Income. Total Interest Income for July 2011 through May 2012 is \$582,379.
2. \$(19,893) was recorded as ARLF operating expenses.
3. Net Operating Income was \$30,062.
Mt. McKinley Meat and Sausage Plant Income for the period (Non-Operating Activity) was recorded at \$10,169.

Comparative Balance Sheet

1. \$5,588,231 was ARLF Cash balance on May 31, 2012. For comparison, ARLF Cash balance on May 31, 2011 was \$4,602,486.
2. \$12,539,371 was ARLF Loans Receivable account balance. For comparison, ARLF Loans Receivable balance on May 31, 2011 was \$12,334,256.

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

1. \$128,506 was recorded as Total Revenues for the month.
2. \$(118,337) was recorded as Total Expenses for the month.
3. Fiscal Year-to-Date Loss is \$(80,651).

Loan Activity/Cash outflows

1. \$2,495,546 is the total amount of loans approved since the beginning of the fiscal year through July 19, 2012.

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

	May	Fiscal Year to Date
Operating Revenues		
Interest Income	\$ 44,011	\$ 553,301
Services (legal, clerical, loan fees, sale products)	100	1,100
Late Payment Penalties	117	10,017
Rents, including leasehold credits	-	17,926
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	44,228	582,379
Operating Expenses:		
Personal Services	15,214	184,825
Travel	630	5,776
Contractual Services	7,887	127,618
Commodities	603	4,834
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Total Operating Expenses	24,335	323,052
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Net Operating Income (Loss)	19,893	259,327
Non-Operating Income (Expenses):		
MMM&S Revenues	128,506	1,242,599
Mt. McKinley Meat & Sausage Plant	(118,337)	(1,323,250)
	<hr/>	<hr/>
Mt. McKinley Meat & Sausage Plant Net Income (loss)	10,169	(80,651)
Income (Loss) Investment in Mat Maid	-	(3,756)
Income (Loss) Sale of Fixed Assets	-	-
Bad Debt Expense	-	-
Depreciation Expense	-	-
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Total Non-Operating Income / (Expenses)	10,169	(84,407)
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Current Period Earnings (Loss)	\$ 30,062	\$ 174,920
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Fund Equity, June 30, 2011		\$22,726,980
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Fund Equity, May 31, 2012		\$22,901,900
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AGRICULTURAL REVOLVING LOAN FUND
Comparative Balance Sheet
May 31, 2012

ASSETS	May 2012	April 2012	LIABILITIES	May 2012	April 2012
Current Assets			Short Term Liabilities		
Cash	\$ 5,588,231	\$ 5,639,536	Warrants Outstanding	\$ 265,338	\$ 255,381
Receivables			Accounts Payable	1,139	3,311
ARLF Loans	12,539,371	12,457,382	Accrued Payables	152,428	152,428
Land Sale Contracts	1,356,903	1,360,155	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	449,610	441,825
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	14,065,655	13,986,918	Total Due to Other Funds	-	-
Outstanding Loan Warrants	220,322	209,908			
Repossessed Inventory	29,000	29,000	Long Term Liabilities		
Total Current Assets	19,903,209	19,865,362	Accrued Pension Adjustment	-	-
Due from Other Funds			Total Long Term Liabilities	-	-
Due from GF	-	-	TOTAL LIABILITIES	449,610	441,825
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)	174,920	144,858
Alaska Farmers Coop	2,787,153	2,787,153			
Mat Maid	75,000	75,000	TOTAL FUND EQUITY	22,901,900	22,871,838
Repossessed Property	1,299,075	1,299,075			
Less Accum. Deprec	(712,927)	(712,927)	TOTAL LIABILITIES & FUND EQUITY	\$ 23,351,510	\$ 23,313,663
Other Assets	-	-			
Net Other Assets	3,448,301	3,448,301			
TOTAL ASSETS	\$ 23,351,510	\$ 23,313,663			

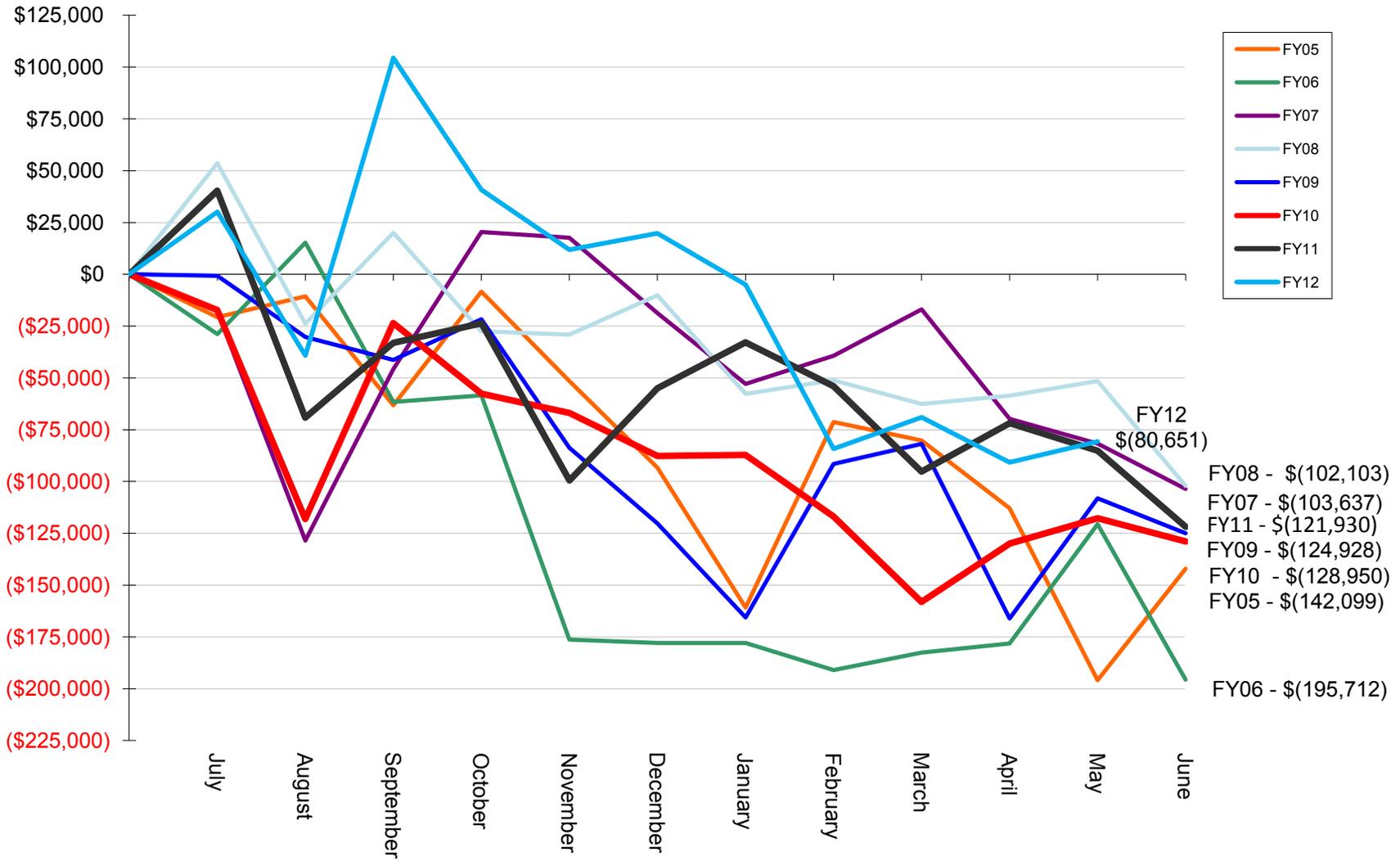
Footnotes:

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.

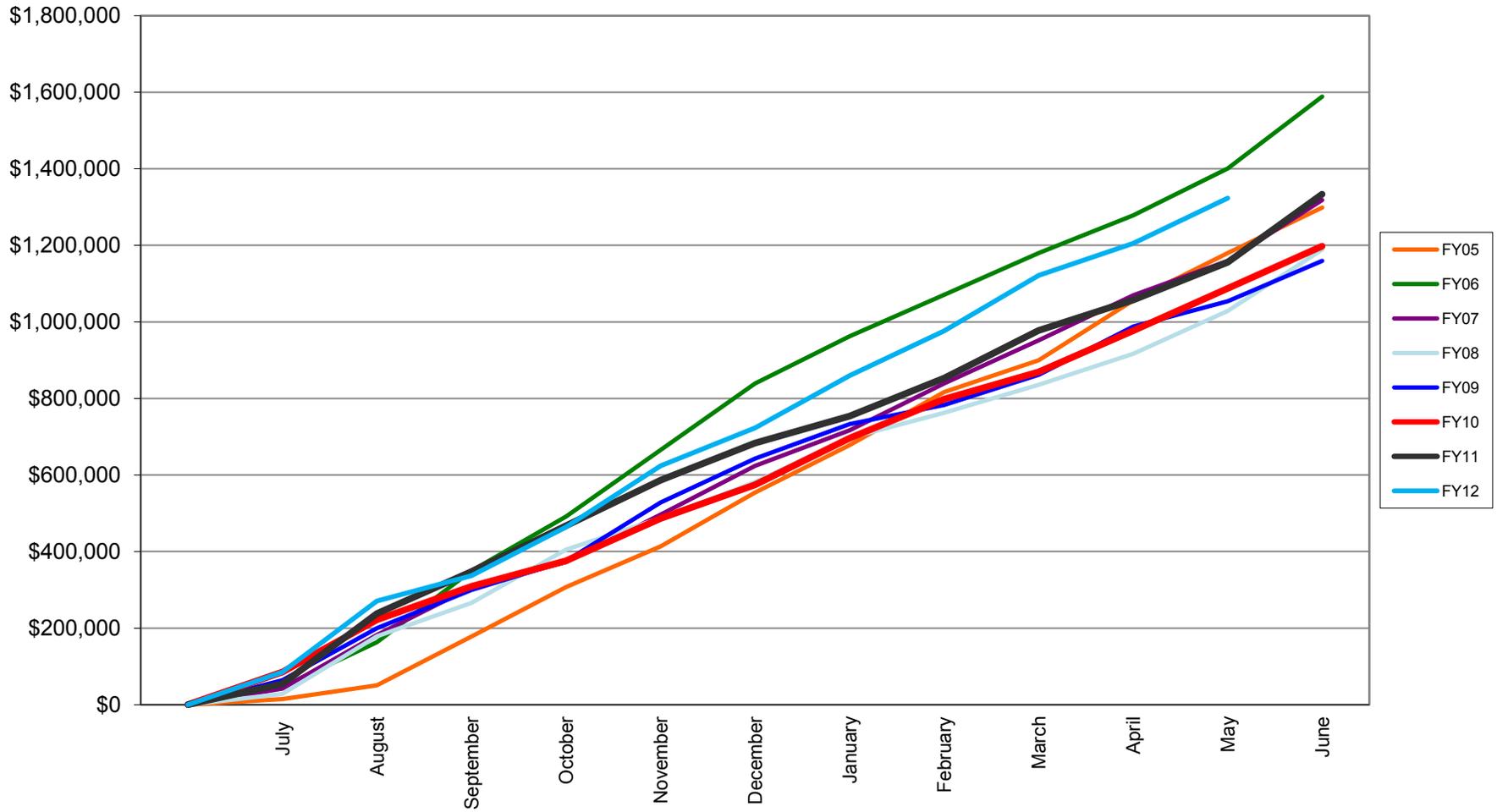
**Mt McKinley Meat and Sausage
 AGRICULTURAL REVOLVING LOAN FUND
 Statement of Revenues and Expenses
 For Month ended May 31, 2012**

	May	Fiscal Year-to-Date
Revenues:		
Services	\$ 4,312	\$ 104,498
Sale of Products	123,082	1,128,673
Freight	1,112	9,429
Total Revenues	128,506	1,242,599
Expenses:		
Personal Services	25,266	273,413
Travel	-	-
Contractual Services	18,034	137,574
Commodities	75,037	912,263
Total Expenses	118,337	1,323,250
<i>Net Earnings / (Loss)</i>	\$ 10,169	\$ (80,651)

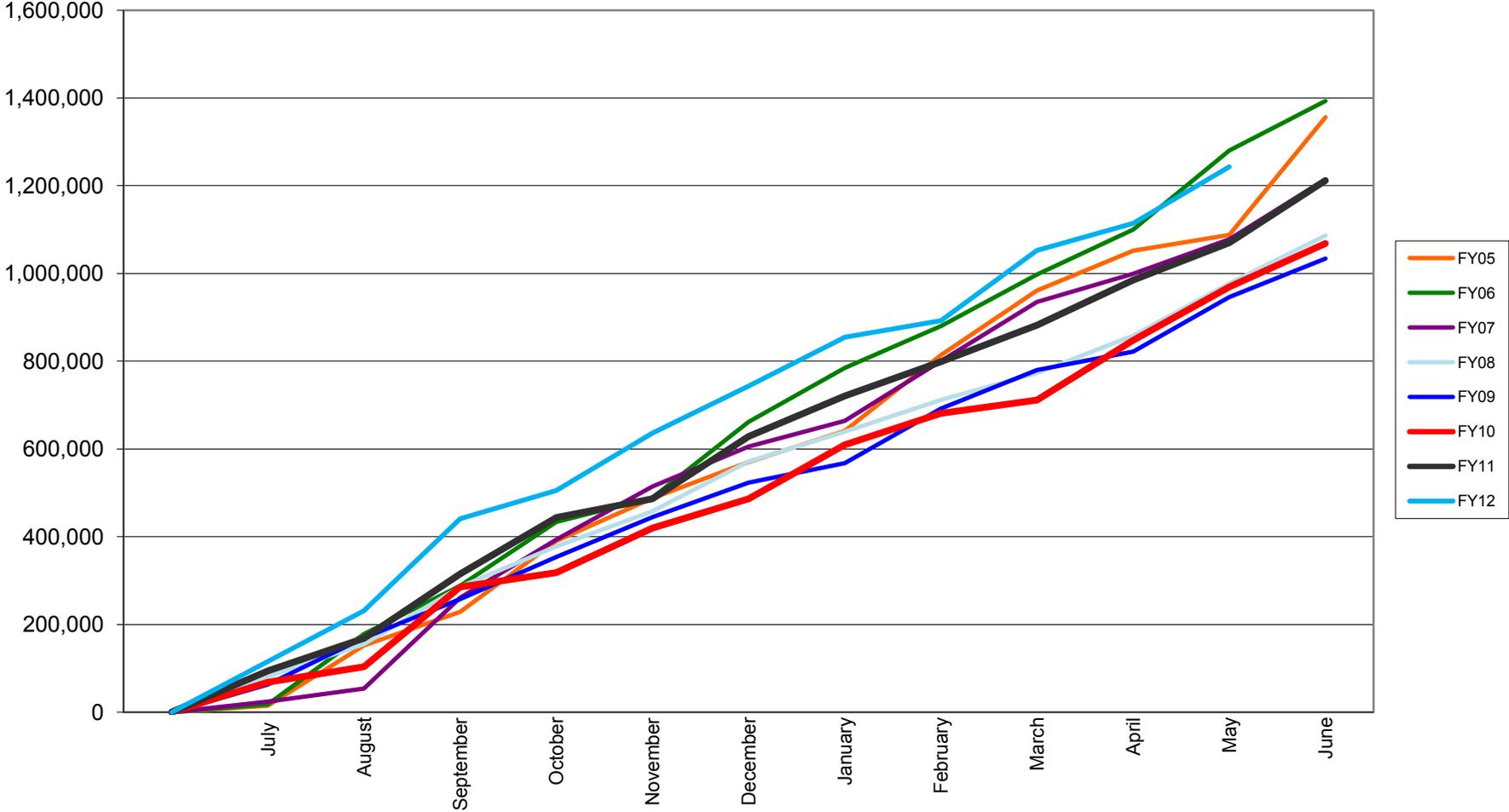
**Mt. Mckinley Meat and Sausage
Income(Loss)
FY 2005 - FY 2012**



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



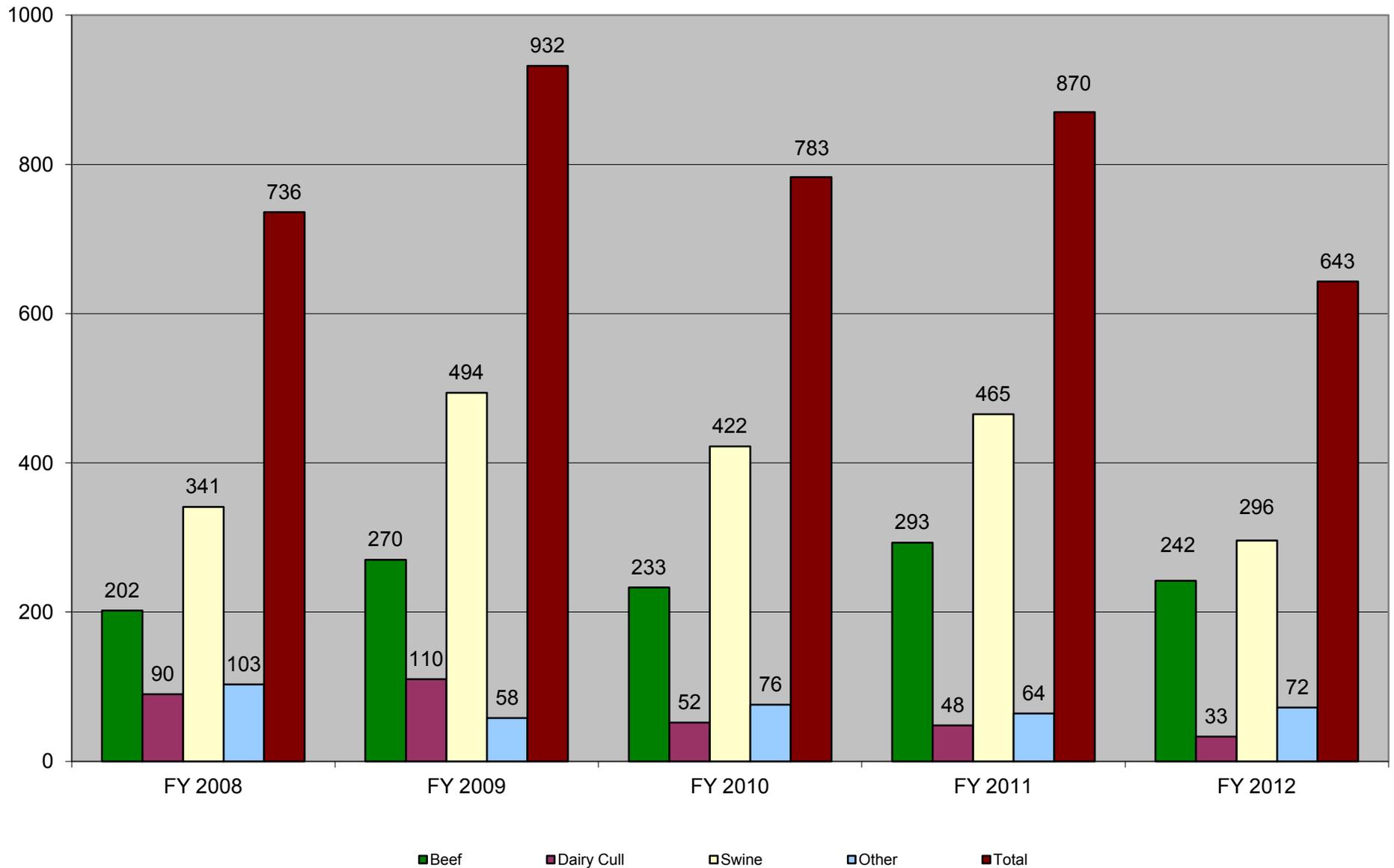
**Mt Mckinley Meat and Sausage
Revenue Trend
July 2004 - May 2012**



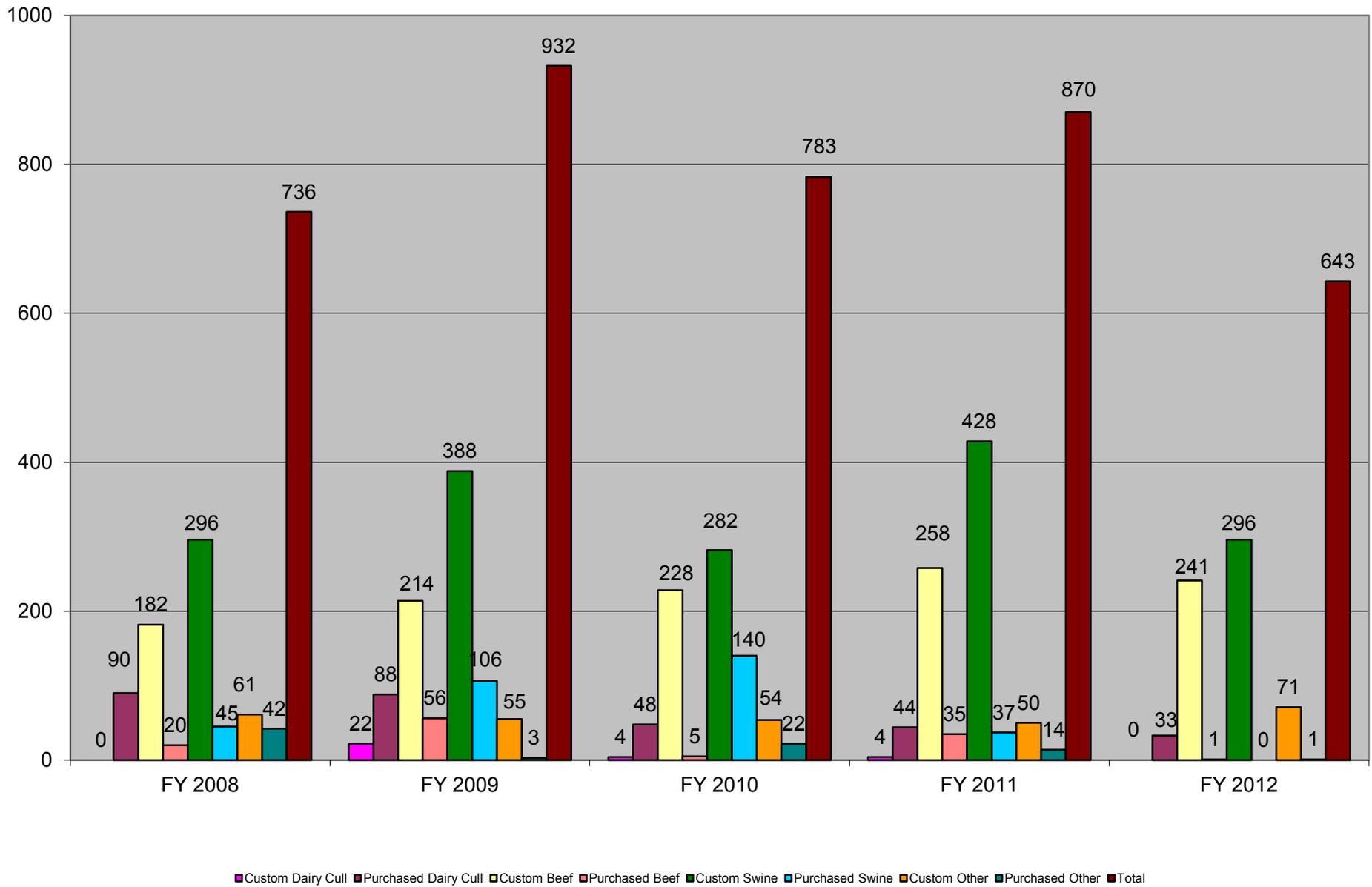
AGRICULTURAL REVOLVING LOAN FUND
Loan Activity Report / Undistributed Warrants
As of July 20, 2012 - FY 12

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	53,400.00	3	46,600.00	53,400.00	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	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	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	1,802.31	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	28,411.16	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	150,734.81	3	199,265.19	50,000.00	100,734.81
								0.00		0.00
TOTALS					\$2,495,545.63	\$2,145,224.32	49	\$325,627.06	\$2,044,489.51	\$100,734.81

MMM&S Slaughter Statistics by Fiscal Year and Type As of May 31, 2012 - FY12



MMM&S Custom and Purchased Statistics by Fiscal Year As of May 31, 2012 - FY12



AGRICULTURAL REVOLVING LOAN FUND
Real and Personal Property Inventory
31-May-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/ Structures	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							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)	3	Palmer	3	4/1/84	129,120.00	14,040.00	14,400.00	157,560.00							2012	ARLF OTC #09-01	12	Tax Assmt	\$402,500		\$402,500		
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						2012	No planned disposal	12	Tax Assmt	435,700		435,700		
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	9/1/12	May-12					76,300	259,200	335,500	
Sub-total Long Term Leases					\$183,710.00	\$304,850.00	\$0.00	\$488,560.00	\$243,414.00	\$0.00										\$146,300	\$1,072,880	\$1,219,180	
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											984,500	1,122,880	2,107,380
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>												\$1,017,100	\$1,122,880	\$2,139,980

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, 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 Sightr 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