

# AGRICULTURAL REVOLVING LOAN FUND

## Notes to Financial Statements for November, 2009 - FY10

### Comparative Balance Sheet

1. We requested and subsequently received Department of Administration permission to reverse year end entry for accrual of compensated absences. From now on we are going to keep the liability for accrued vacation leave and accrued payables on the books throughout the fiscal year and record the net change during the reappropriation period after closure of the current fiscal year.

The following amounts were posted:

Accrued Payables \$105,462

Accrued Vacation Leave \$35,585

The reduction in personal services expense was eliminated, and accounts for payables were created.

2. \$322,220 warrant was issued to a borrower.

The warrant cleared the bank during the month of November.

3. LRIS Analyst/Programmer worked with FSS staff to set up automatic billing for ARLF leases.

After completion of the system test drive during December/beginning of January we should be able to switch to automatic billing.

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

1. \$46,682 was recorded as Interest Income.

2. \$881 was recorded as Personal Services expense, a decrease from \$17,386 recorded in October. \$12,493 was moved from payroll to the ARLF RSA to correct the coding.

3. \$24,051 was recorded as Contractual Services, an increase compared to \$5,108 recorded as October expense. \$20,863 was ARLF legal services paid under RSA.

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

1. \$88,686 was recorded as revenue for Sale of Products, an increase compared with \$19,005 recorded sales for October 2009.

2. \$9,268 was recorded as Net Loss.

**AGRICULTURAL REVOLVING LOAN FUND**  
**Comparative Balance Sheet**  
**November 30, 2009**

<u>ASSETS</u>	<u>November 2009</u>	<u>October 2009</u>	<u>LIABILITIES</u>	<u>November 2009</u>	<u>October 2009</u>
<b>Current Assets</b>			<b>Short Term Liabilities</b>		
Cash	\$ 5,540,648	\$ 6,031,858	Warrants Outstanding	31,369	288,626
Receivables			Accounts Payable	-	736
ARLF Loans	10,064,416	9,881,690	Accrued Payables	105,462	105,462
Land Sale Contracts	1,525,510	1,527,622	Accrued Vacation Leave	35,585	35,585
Notes Receivable	84,697	84,697	Trust Account	-	-
Judgments	123,800	123,800			
Accrued Interest	-1- 87,394	87,394	<b>Total Short Term Liabilities</b>	<b>172,416</b>	<b>430,409</b>
Accrued Penalties	-1- 789	789			
Leases/Accounts Receivab	-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- (123,793)	(123,801)	Due to School Fund	-4- -	-
Net Receivables	11,762,811	11,582,190	<b>Total Due to Other Funds</b>	-	-
Outstanding Loan Warrants	351,373	280,692			
Repossessed Inventory	29,000	29,000	<b>Long Term Liabilities</b>		
			Accrued Pension Adjustment	0	0
<b>Total Current Assets</b>	<b>17,683,833</b>	<b>17,923,739</b>	<b>Total Long Term Liabilities</b>	<b>0</b>	<b>0</b>
<b>Due from Other Funds</b>			<b>TOTAL LIABILITIES</b>	<b>172,416</b>	<b>430,409</b>
Due from GF (Court System)	-	-			
Due from Mental Health	-	-	<b>FUND EQUITY</b>		
<b>Total Due from Other Funds</b>	-	-	Fund Equity, Beginning	-5- 20,065,643	20,065,643
			Current Year Earnings (Loss)	1,763,139	1,745,052
<b>Other Assets</b>			<b>TOTAL FUND EQUITY</b>	<b>21,828,781</b>	<b>21,810,695</b>
Investments:	-3-				
Alaska Farmers Coop	2,787,153	2,787,153			
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 LIABILITIES &amp; FUND EQUITY</b>	<b>\$22,001,197</b>	<b>\$22,241,104</b>
<b>TOTAL ASSETS</b>	<b>\$22,001,197</b>	<b>\$22,241,104</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 November 30, 2009**

	<b>November</b>	<b>Fiscal Year to Date</b>
<b>Operating Revenues</b>		
Interest Income	\$ 46,682	256,190
Services (legal, clerical, loan fees, sale products)	50	400
Late Payment Penalties	1,286	2,965
Rents, including leasehold credits	5,600	11,200
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	-
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
	<hr/>	<hr/>
<b>Total Operating Revenues</b>	<b>\$ 53,617</b>	<b>\$ 270,755</b>
<b>Operating Expenses:</b>		
Personal Services	881	59,407
Travel	1,234	1,500
Contractual Services	24,051	35,957
Commodities	97	619
	<hr/>	<hr/>
<b>Total Operating Expenses</b>	<b>\$ 26,263</b>	<b>\$ 97,482</b>
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<b>Net Operating Income (Loss)</b>	<b>\$ 27,354</b>	<b>\$ 173,273</b>
<b>Non-Operating Income (Expenses):</b>		
MMM&S Revenues	101,079	419,347
Mt. McKinley Meat & Sausage Plant	(110,346)	(486,232)
	<hr/>	<hr/>
Mt. McKinley Meat & Sausage Plant Net Income (loss)	<b>\$ (9,268)</b>	<b>\$ (66,884)</b>
Income (Loss) Investment in Mat Maid	-	1,531,750
Income (Loss) Sale of Fixed Assets	-	125,000
Bad Debt Expense	-	-
Depreciation Expense	-	-
	<hr/>	<hr/>
<b>Total Non-Operating Income / (Expenses)</b>	<b>\$ (9,268)</b>	<b>\$ 1,589,866</b>
	<hr/>	<hr/>
<b>Current Period Earnings (Loss)</b>	<b>\$ 18,087</b>	<b>\$ 1,763,139</b>
	<hr/>	<hr/>
<b>Fund Equity, June 30, 2009</b>		<b>20,065,643</b>
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<b>Fund Equity, November 30, 2009</b>		<b>21,828,781</b>
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**Mt McKinley Meat and Sausage**  
**AGRICULTURAL REVOLVING LOAN FUND**  
**Statement of Revenues and Expenses**  
**For Month ended November 30, 2009**

	<u>November</u>	<u>Fiscal Year-to-Date</u>
<b>Revenues:</b>		
Services	\$ 8,881	\$ 67,217
Sale of Products	88,686	338,386
Freight	3,512	13,745
	<hr/>	
<b>Total Revenues</b>	<b>\$ 101,079</b>	<b>\$ 419,347</b>
 <b>Expenses:</b>		
Personal Services	\$ 25,014	\$ 111,227
Travel	-	-
Contractual Services	18,755	59,496
Commodities	66,577	315,509
	<hr/>	
<b>Total Expenses</b>	<b>\$ 110,346</b>	<b>\$ 486,232</b>
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<b>Net Earnings / (Loss)</b>	<b>\$ (9,268)</b>	<b>\$ (66,884)</b>
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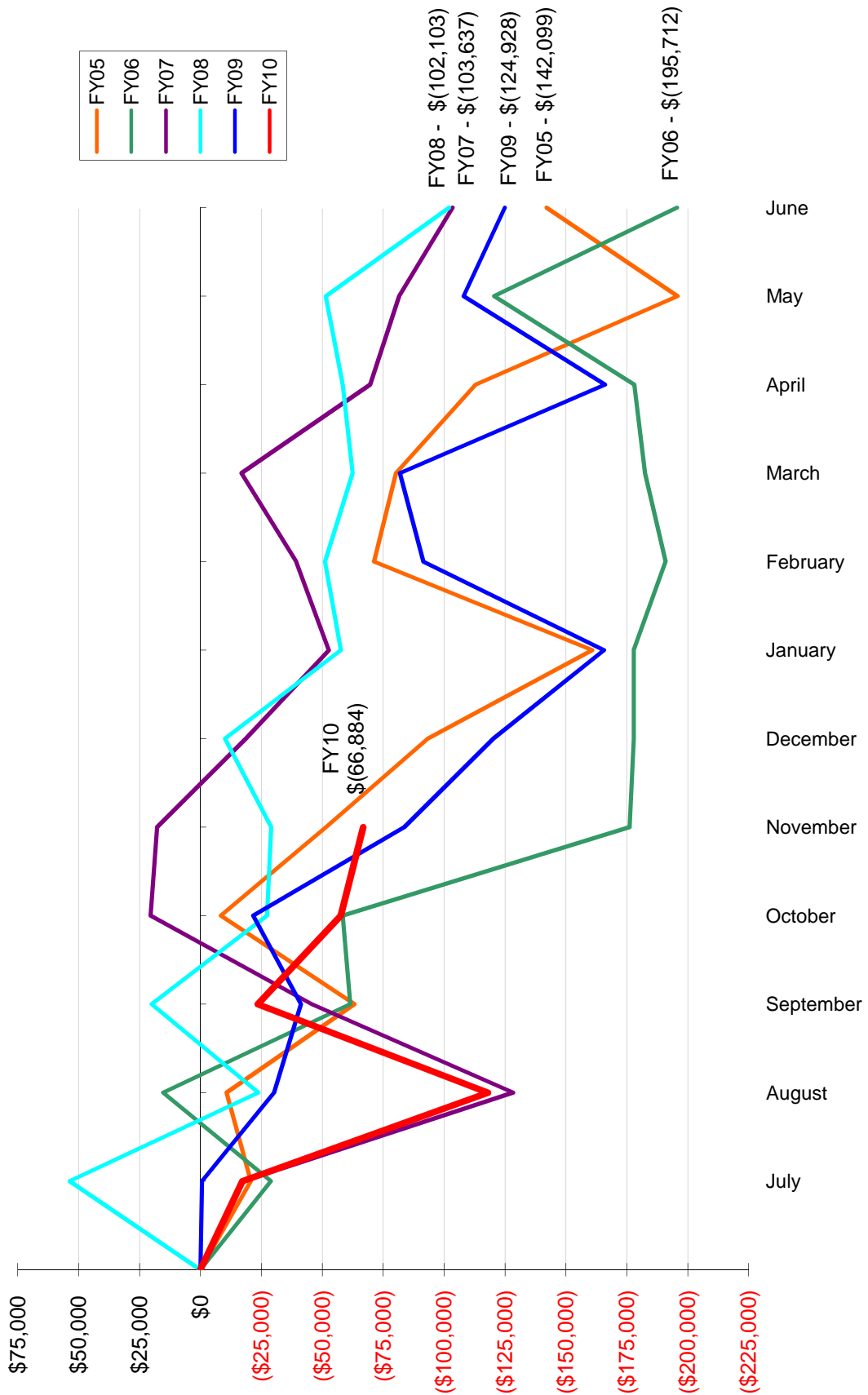
**AGRICULTURAL REVOLVING LOAN FUND**  
**Loan Activity Report / Undistributed Warrants**  
**As of December 31, 2009 - FY 10**

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
								0.00		0.00
								0.00		0.00
<b>TOTALS</b>					<b>\$2,732,000.00</b>	<b>\$2,589,599.98</b>	<b>38</b>	<b>\$134,400.02</b>	<b>\$2,589,599.98</b>	<b>\$0.00</b>

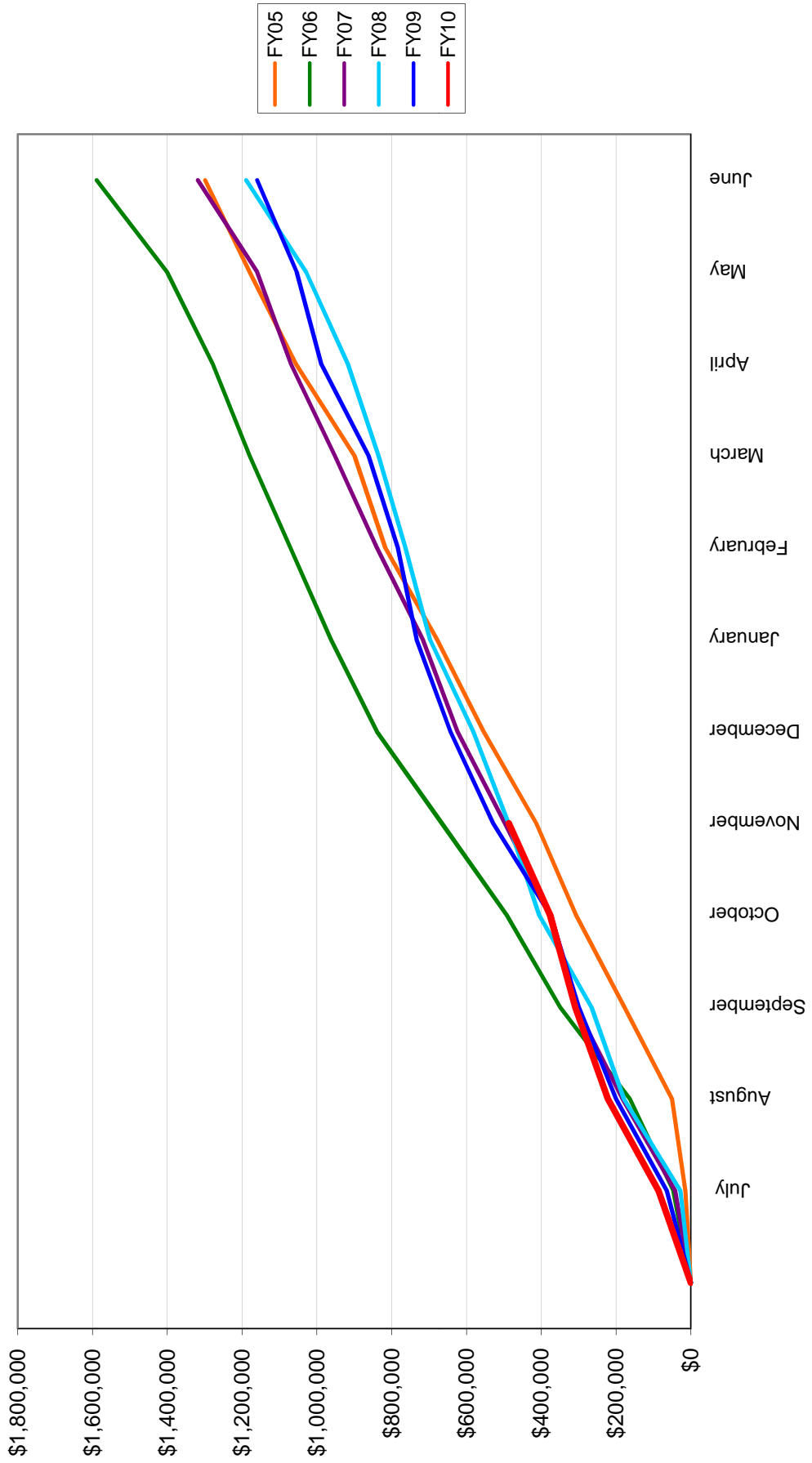
**AGRICULTURAL REVOLVING LOAN FUND**  
**Loan Activity Report / Undistributed Warrants**  
**As of December 31, 2009 - FY 09**

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**

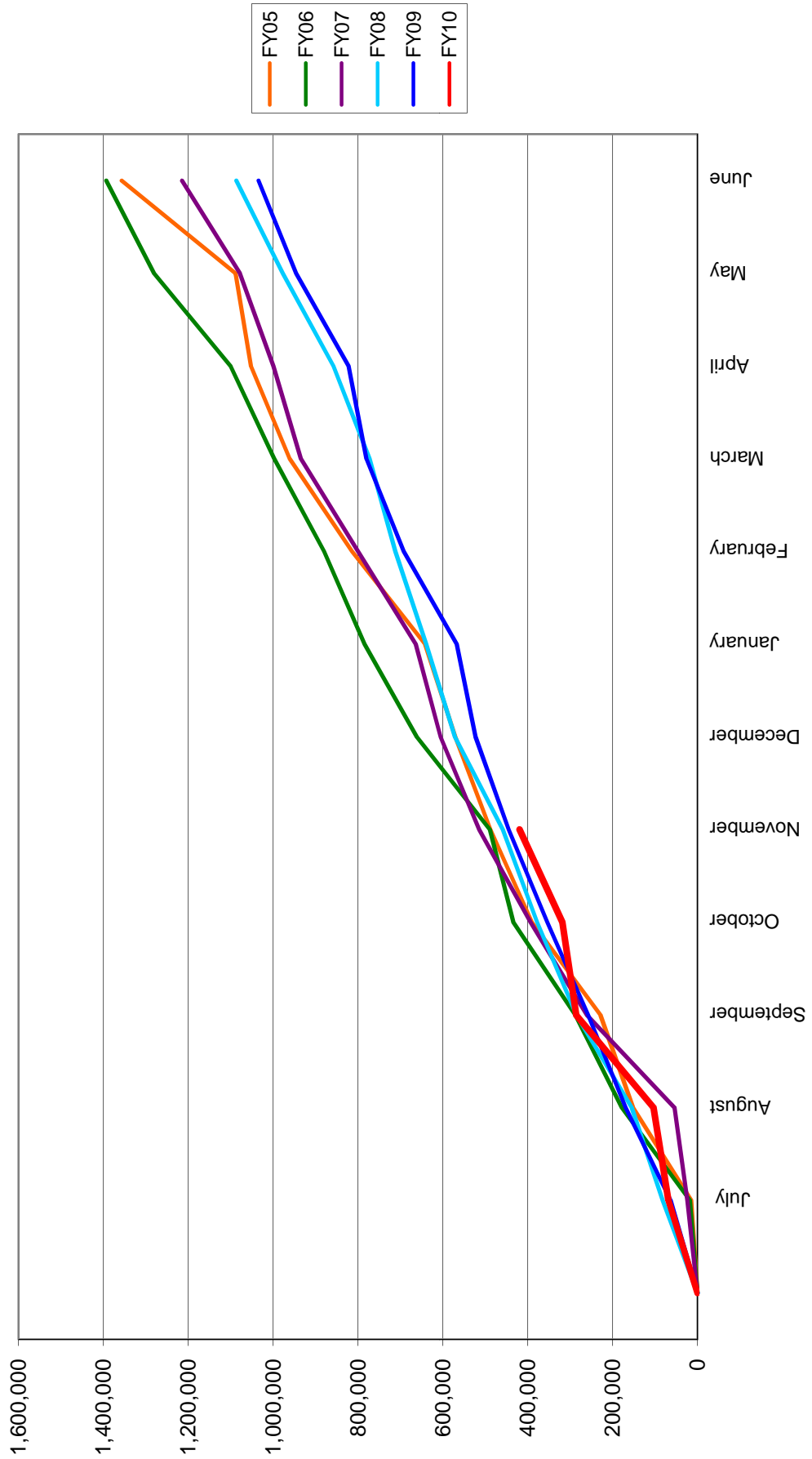


**Mt McKinley Meat and Sausage  
Cumulative Expenses  
July 2004 - November 2009**

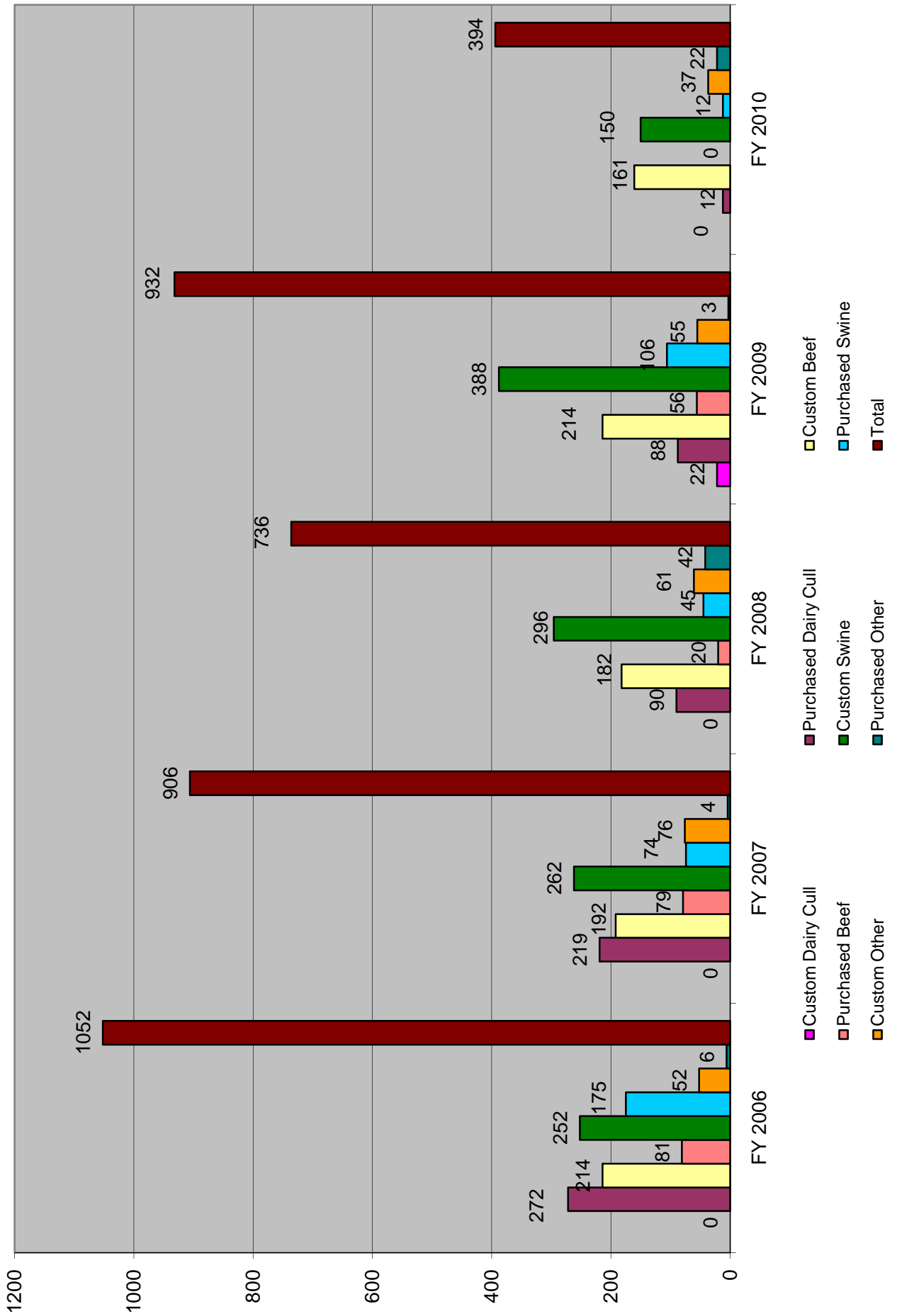




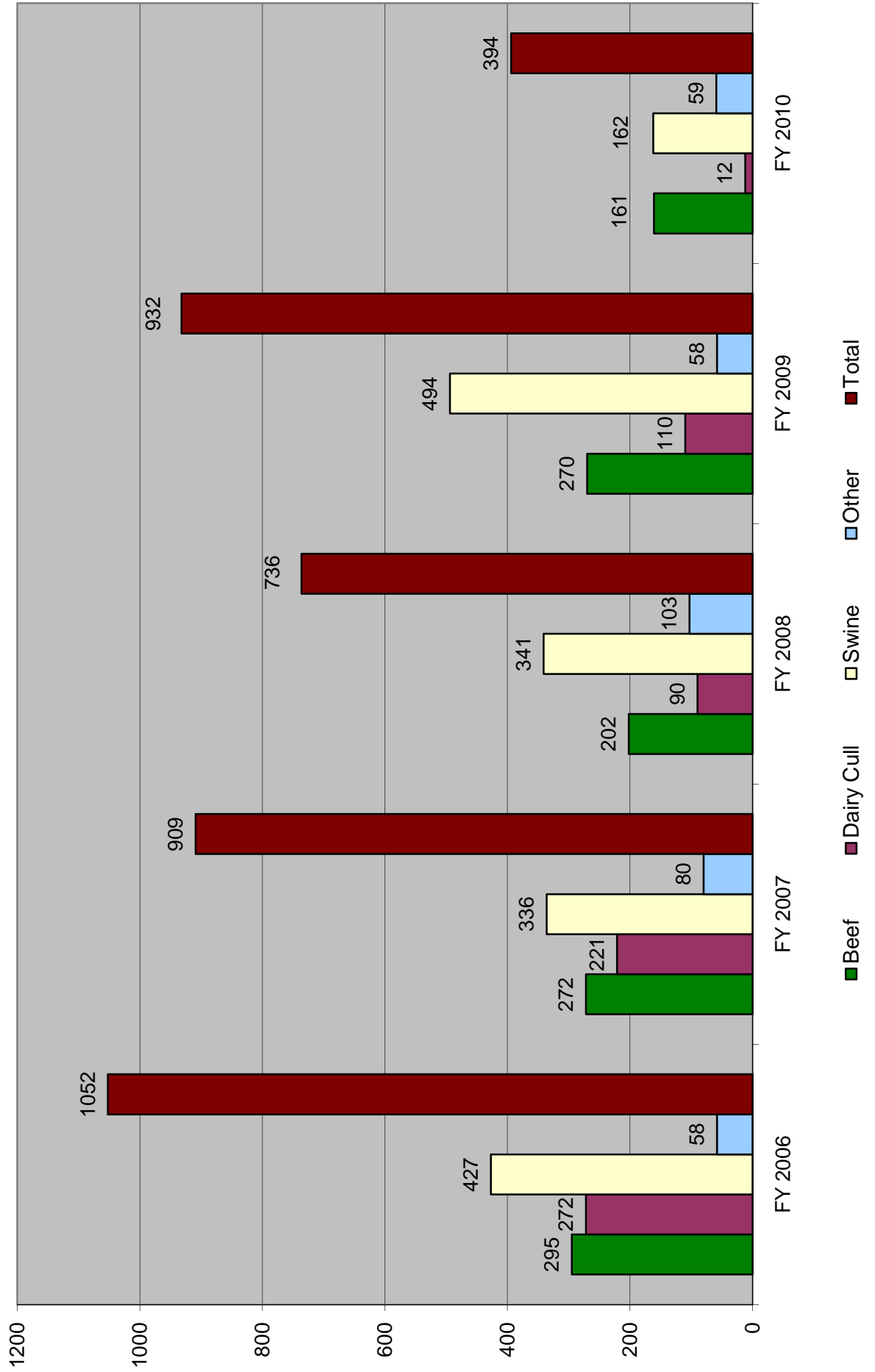
**Mt Mckinley Meat and Sausage  
Revenue Trend  
July 2004 - November 2009**



**MMM&S Custom and Purchased Statistics by Fiscal Year  
As of November 30, 2009 - FY10**



# MMM&S Slaughter Statistics by Fiscal Year and Type As of November 30, 2009 - FY10



**AGRICULTURAL REVOLVING LOAN FUND**  
**Real and Personal Property Inventory**  
**November 30, 2009**

Former Borrower/ Prospective New Owner	LO	Location	Acres	Date Placed in Service	Fair Market Value at Repossession		Accum Dep. 6/30/2009	Liabilities Amt 6/30/04	Lease Information		Inspect Date	Remarks	Fair Market Value		Total Value							
					Land	Buildings Mach/ Equip			Amount	Lessee			Lease #	Exp Date		YR	Method	Land	Improve- ments			
<b>Repossessed Inventory (account # 10626)</b>																						
UNENCUMBERED ASSETS																						
Thompson, Kenai Spur Hwy	3	Kenai	7	6/3/89			29,000.00				Jul-09	Future Disposal	05	Min Bid	\$19,500	NONE	\$19,500					
<b>Total Repossessed Inventory</b>															<b>19,500</b>							
<b>Repossessed Property (Account # 10860 and Accum Depr # 10862)</b>																						
UNENCUMBERED ASSETS																						
Feed Mill, Tract A-1 (10860)	3	Palmer	3	4/1/84		14,400.00	14,400.00				Oct-09	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		595,592.00	5,363.00	415,380.00			Oct-09	No planned disposal	05	Appr			1,200,000					
<b>LONG TERM LEASES</b>																						
Alaska Farm Coop	3	Delta	20	9/3/83		94,080.00					6/30/18	LSE-021	Apr-09	FS: Hanson Rd 98% ownrs	05	Est	\$30,000	\$777,680	\$807,680			
Alaska Farm Coop	3	Delta	1	9/3/83		74,480.00					6/30/18	LSE-022	Apr-09	FS: Delta 98% ownrs	05	Est	40,000	36,000	76,000			
Mertz Dairy, (Knopp)	3	Delta	102	7/24/91		15,150.00	304,850.00	219,026.00			6/1/11	40005	Oct-09	Use 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>\$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		5,665.00			12/31/31	20043	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>

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

**Subsidiary Ledger**  
**ARLF - Machinery, Equipment, and Building Inventory**  
**November 30, 2009**

**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			Pending Sale#08-02
<b>Subtotal Mach &amp; Equip</b>						<b>14,400.00</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			Pending Sale#08-02
<b>Subtotal Building</b>						<b>14,040.00</b>	<b>14,040.00</b>			
<b>Total Feed Mill, Tract A-1</b>						<b>28,440.00</b>	<b>28,440.00</b>			

Mertz Dairy										
<b>Subtotal Mach &amp; Equip</b>						<b>0.00</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>304,850.00</b>	<b>219,026.00</b>		
<b>Total Mertz Dairy</b>						<b>304,850.00</b>	<b>304,850.00</b>	<b>219,026.00</b>		

Mt McKinley Meats										
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>	<b>5,363.00</b>		
Building	3	1	Mt. McKinley Meats	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>595,592.00</b>	<b>410,017.00</b>		
<b>Total Mt. McKinley Meats</b>						<b>600,955.00</b>	<b>600,955.00</b>	<b>415,380.00</b>		

Umnak Slaughter Facility										
Building	1	1	Umnak Slaughter 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>10,000.00</b>	<b>5,685.00</b>		
<b>Total Umnak Slaughter Facility</b>						<b>10,000.00</b>	<b>10,000.00</b>	<b>5,685.00</b>		

**Total Accumulated Depreciation** 640,091