

AGRICULTURAL REVOLVING LOAN FUND

Notes to Financial Statements for January, 2011 - FY11

Statement of Revenues, Expenses, and Changes in Fund Equity

1. \$36, 541 was recorded as Interest Income. Total Interest Income for July 2011 through January 2011 is \$373,222.
2. \$13,957 was recorded as Personal Services expense.
3. Net Operating Income was \$22,014. \$22,163 was recorded as Mt. McKinley Meat and Sausage Plant income (Non-Operating Activity) thus resulting in \$44,177 earnings for the month of January 2011.

Comparative Balance Sheet

1. \$4,776,419 was recorded as ARLF Cash.
2. \$12,076,340 was recorded as ARLF Loans Receivable.

Mt. McKinley Meat and Sausage Statement of Revenues and Expenses

1. \$81,581 was recorded as revenue for Sale of Products.
3. Fiscal Year-to-Date Loss is \$32,831.

AGRICULTURAL REVOLVING LOAN FUND
Statement of Revenues, Expenses, and Changes in Fund Equity
For Month ended January 31, 2011

	January	Fiscal Year to Date
Operating Revenues:		
Interest Income	\$ 36,541	\$ 373,222
Services (legal, clerical, loan fees, sale products)	-	100
Late Payment Penalties	427	7,964
Rents, including leasehold credits	2,800	11,200
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	-
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
Total Operating Revenues	39,768	392,486
Operating Expenses:		
Personal Services	13,957	89,082
Travel	346	3,616
Contractual Services	3,452	55,753
Commodities	-	834
Total Operating Expenses	17,755	149,284
Net Operating Income (Loss)	22,014	243,202
Non-Operating Income (Expenses):		
MMM&S Revenues	92,273	720,859
Mt. McKinley Meat & Sausage Plant	(70,109)	(753,690)
Mt. McKinley Meat & Sausage Plant Net Income (loss)	22,163	(32,831)
Income (Loss) Investment in Mat Maid	-	-
Income (Loss) Sale of Fixed Assets	-	-
Bad Debt Expense	-	-
Depreciation Expense	-	-
Total Non-Operating Income / (Expenses)	22,163	(32,831)
Current Period Earnings (Loss)	44,177	210,371
Fund Equity, June 30, 2010		22,563,097
Fund Equity, January 31, 2011		\$ 22,773,468

AGRICULTURAL REVOLVING LOAN FUND
Comparative Balance Sheet
January 31, 2011

<u>ASSETS</u>	January 2011	December 2010	<u>LIABILITIES</u>	January 2011	December 2010
Current Assets			Short Term Liabilities		
Cash	\$ 4,776,419	\$ 4,808,643	Warrants Outstanding	\$ 14,010	\$ 139,366
Receivables			Accounts Payable	3,010	2,297
ARLF Loans	12,076,340	12,001,548	Accrued Payables	126,623	126,623
Land Sale Contracts	1,484,308	1,487,528	Accrued Vacation Leave	29,422	29,422
Notes Receivable	70,149	75,840	Trust Account	306	306
Judgments	123,800	123,800			
Accrued Interest	-1- 107,239	107,239	Total Short Term Liabilities	173,370	298,014
Accrued Penalties	-1- 912	912			
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- (123,781)	(123,800)	Due to School Fund	-4- -	-
Net Receivables	13,738,968	13,673,068	Total Due to Other Funds	-	-
Outstanding Loan Warrants	0	114,144			
Reposessed Inventory	29,000	29,000	Long Term Liabilities		
Total Current Assets	18,544,388	18,624,855	Accrued Pension Adjustment	-	-
Due from Other Funds			Total Long Term Liabilities	-	-
Due from GF	-	-	TOTAL LIABILITIES	173,370	298,014
Due from Mental Health	-	-			
Total Due from Other Funds	-	-	<u>FUND EQUITY</u>		
Other Assets			Fund Equity, Beginning	22,563,097	22,563,097
Investments:	-3-		Current Year Earnings (Loss)	210,371	166,194
Alaska Farmers Coop	2,787,153	2,787,153			
Mat Maid	992,732	992,732	TOTAL FUND EQUITY	22,773,468	22,729,291
Reposessed Property	1,299,075	1,299,075			
Less Accumulated Depreciation	(676,509)	(676,509)	TOTAL LIABILITIES & FUND EQUITY	\$22,946,838	\$23,027,305
Other Assets	-	-			
Net Other Assets	4,402,451	4,402,451			
TOTAL ASSETS	\$22,946,838	\$23,027,305			

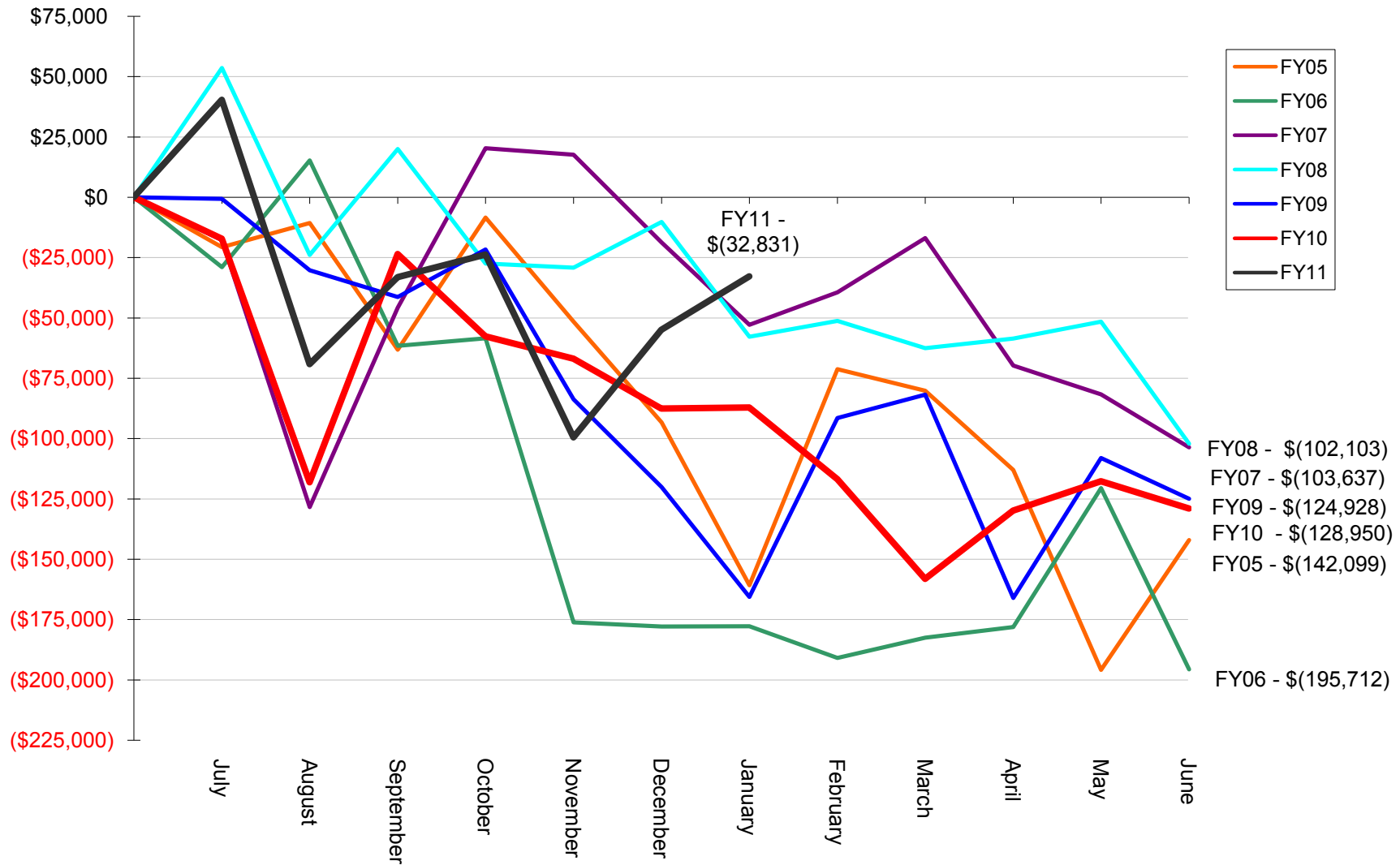
Footnotes:

- Adjustments to Accrued Interest, Accrued Penalties, and Leases Receivable are posted only on June 30.
- The Allowance for Doubtful Accounts applies only to the principal balance.
- Adjustments to record changes in Mat Maid's equity are posted only on June 30.
- Includes amounts due to other funds from: a) outstanding land sale contracts on reposessed property; and b) preferred stock issued to ARLF for ARLF and General Fund loans.

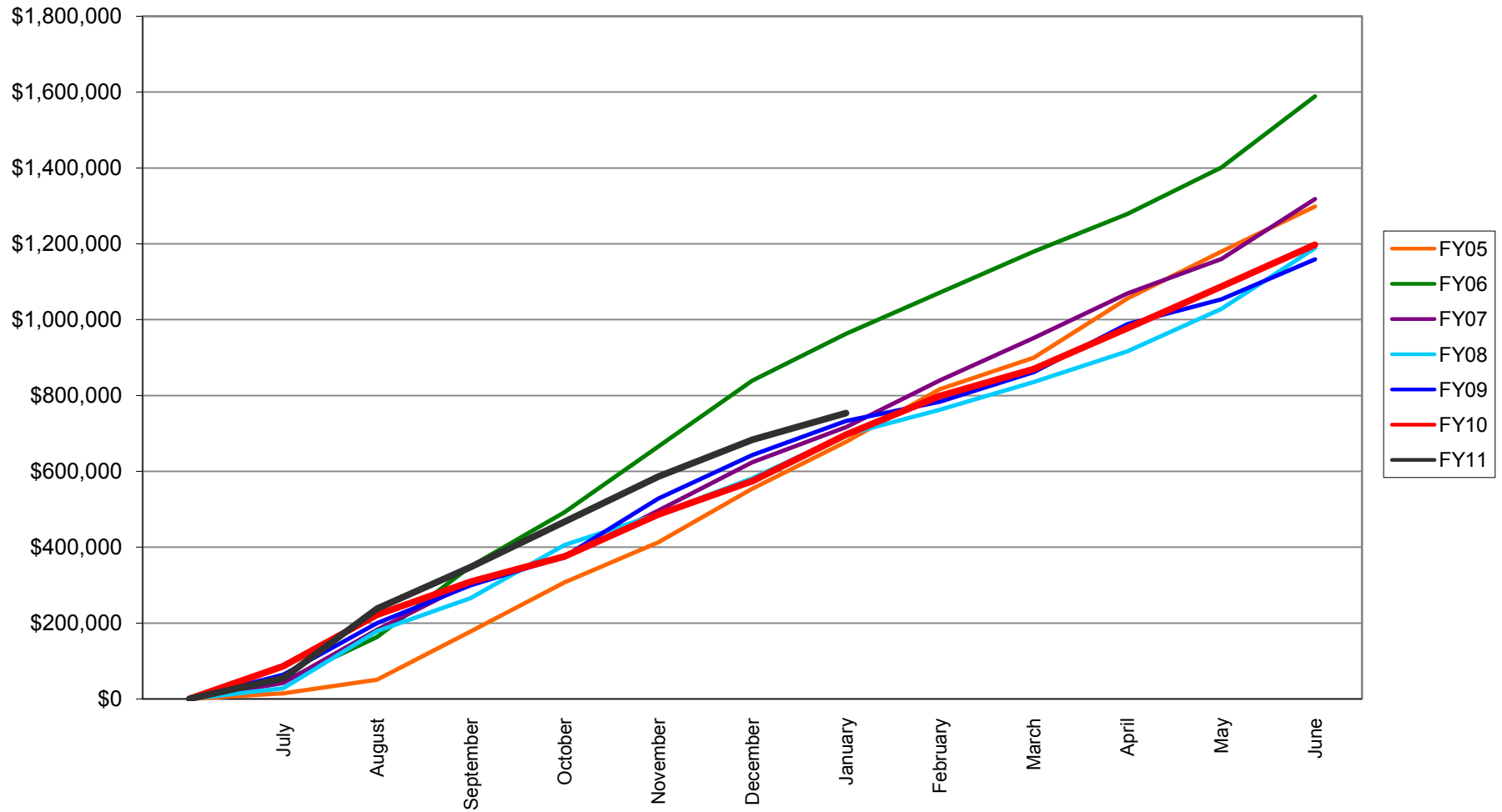
Mt McKinley Meat and Sausage
AGRICULTURAL REVOLVING LOAN FUND
Statement of Revenues and Expenses
For Month ended January 31, 2011

	January	Fiscal Year-to-Date
Revenues:		
Services	\$ 9,970	\$ 83,189
Sale of Products	81,581	632,622
Freight	721	5,048
Total Revenues	92,273	720,859
Expenses:		
Personal Services	26,458	166,890
Travel	-	-
Contractual Services	10,637	70,839
Commodities	33,015	515,961
Total Expenses	70,109	753,690
Net Earnings / (Loss)	\$ 22,163	\$ (32,831)

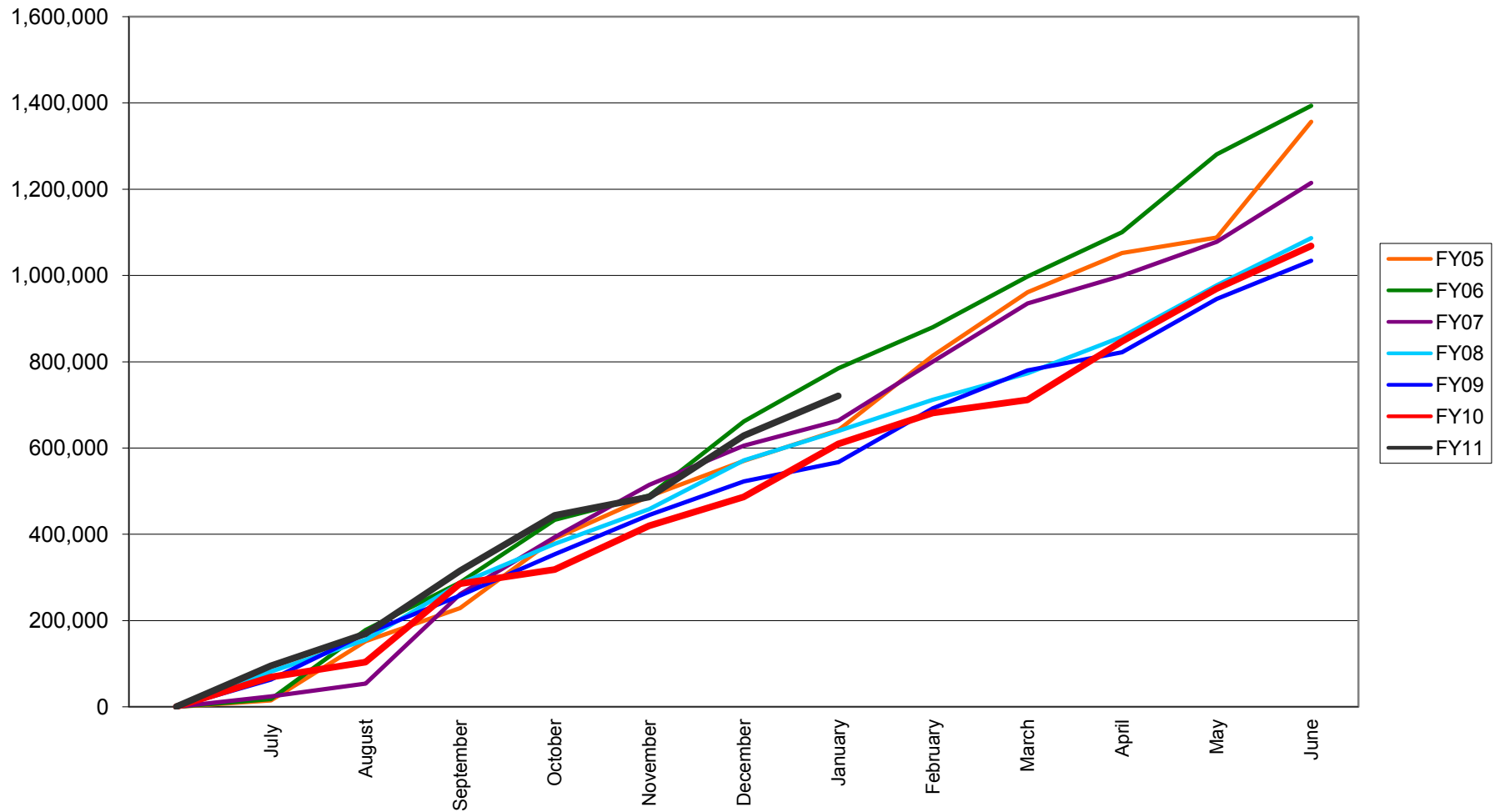
**Mt. McKinley Meat and Sausage
Income(Loss)
FY 2005 - FY 2011**



**Mt McKinley Meat and Sausage
Cummulative Expenses
July 2004 - January 2011**



**Mt Mckinley Meat and Sausage
Revenue Trend
July 2004 - January 2011**



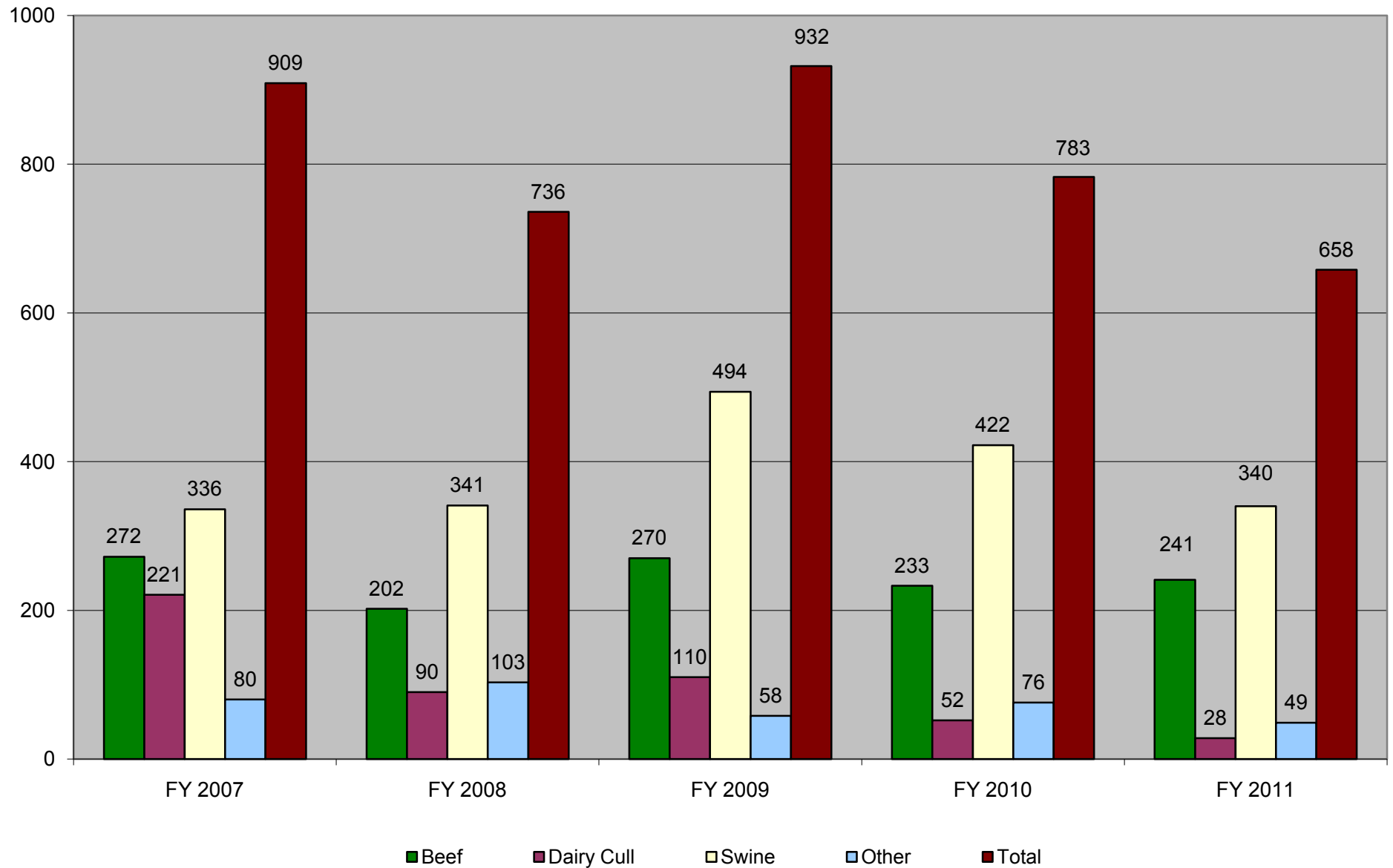
AGRICULTURAL REVOLVING LOAN FUND
Loan Activity Report / Undistributed Warrants
As of February 11, 2011 - FY 11

Borrower	LO	Loan #	Date Approved	Note Date	Amount Approved	Warrants		Available Balance	Amount Distributed to Borrower	Undistributed Warrants
						Issued	#			
Wrigley Farms, LLC	1	C-5259	7/8/2010	9/15/2010	200,000.00	176,144.10	4	23,855.90	176,144.10	0.00
Trowbridge	1	F-5197	7/8/2010	7/15/2010	165,000.00	165,000.00	4	0.00	165,000.00	0.00
Longbrake	1	F-5198	7/8/2010	7/15/2010	639,750.00	639,750.00	4	0.00	639,750.00	0.00
Longbrake	1	F-5199	7/8/2010	7/15/2010	125,000.00	125,000.00	2	0.00	125,000.00	0.00
Longbrake	1	C-5258	7/8/2010	7/15/2010	55,000.00	55,000.00	2	0.00	55,000.00	0.00
Hecker	1	F-5200	8/25/2010	9/1/2010	411,000.00	411,000.00	8	0.00	411,000.00	0.00
								0.00		
								0.00		
								0.00		
								0.00		
								0.00		
								0.00		0.00
								0.00		0.00
TOTALS					\$1,595,750.00	\$1,571,894.10	24	\$23,855.90	\$1,571,894.10	\$0.00

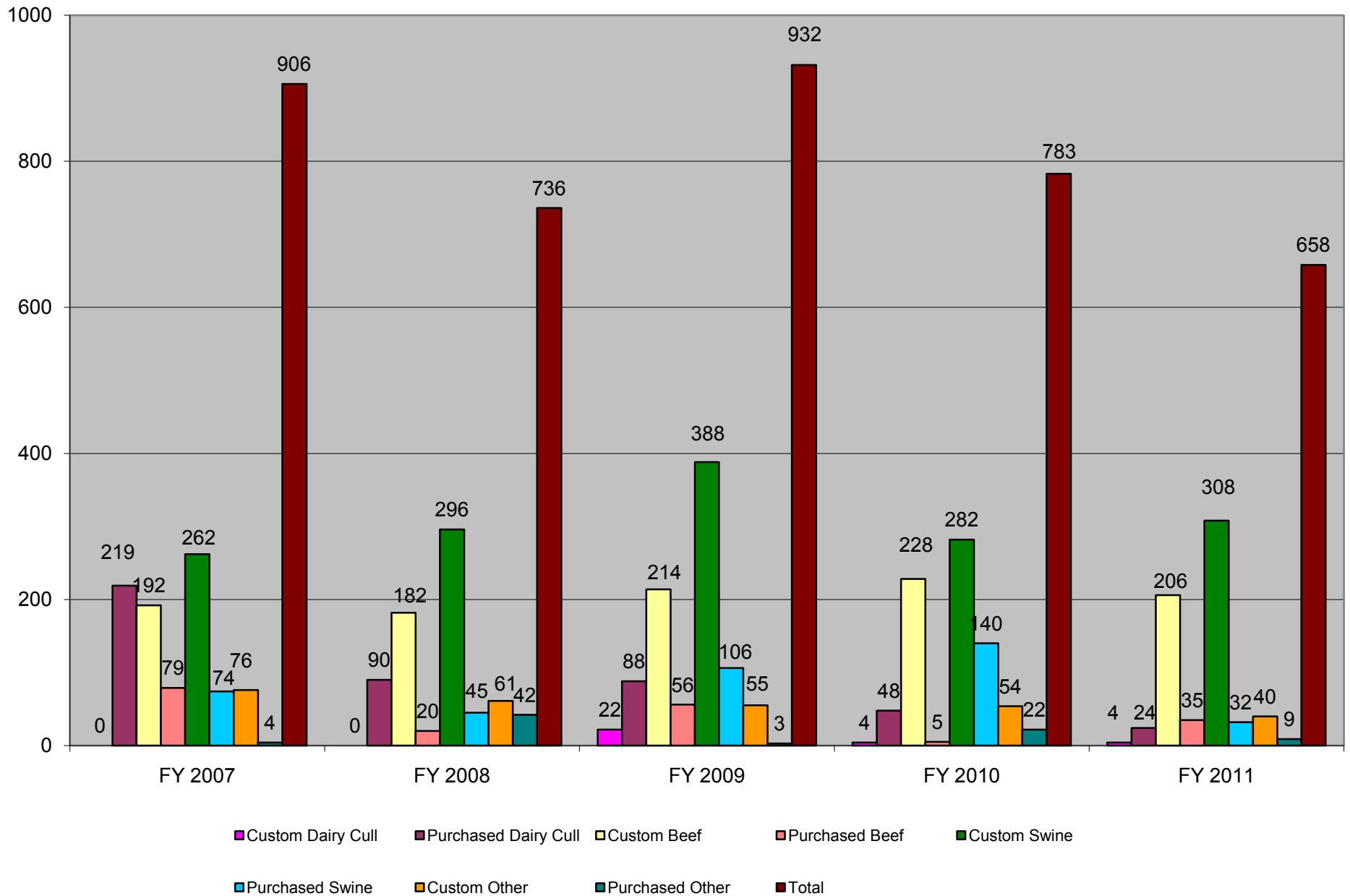
AGRICULTURAL REVOLVING LOAN FUND
Loan Activity Report / Undistributed Warrants
As of February 11, 2011 - FY 10

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	0.00	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 & Rita, LLC	1	F-5181	7/9/2009	7/15/2009	630,000.00	630,000.00	3	0.00	630,000.00	0.00
Miller	3	S-5442	7/9/2009	7/15/2009	60,000.00	60,000.00	3	0.00	60,000.00	0.00
Miller	3	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	1	0.00	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	300,000.00	6	0.00	300,000.00	0.00
P&M Garden, Inc.	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
Ag Investors, LLC	1	F-5190	1/21/2010	2/15/2010	186,500.00	186,500.00	22	0.00	186,500.00	0.00
Miller	3	C-5257	1/21/2010	3/24/2010	150,000.00	150,000.00	5	0.00	150,000.00	0.00
Hoover	1	C-5256	3/4/2010	3/15/2010	55,650.00	25,198.80	7	30,451.20	25,198.80	0.00
Hawks, Inc.	1	S-5443	3/4/2010	3/15/2010	50,000.00	27,230.00	3	0.00	27,230.00	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, Inc.	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	180,000.00	12	0.00	180,000.00	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	3/4/2010	25,000.00	25,000.00	2	0.00	25,000.00	0.00
Valley Dairy, Inc.	3	S-5444	3/4/2010	3/15/2010	200,000.00	200,000.00	6	0.00	200,000.00	0.00
Ag Investors, LLC	3	S-5446	3/4/2010	3/10/2010	50,000.00	50,000.00	1	0.00	50,000.00	0.00
Miller	3	F-5194	4/5/2010	4/20/2010	240,000.00	232,123.63	11	7,876.37	232,123.63	0.00
Wrigley Farms, Inc.	1	S-5447	4/5/2010	5/1/2010	40,000.00	40,000.00	1	0.00	40,000.00	0.00
Van Wyhe	1	F-5196	4/5/2010	4/15/2010	350,000.00	350,000.00	3	0.00	350,000.00	0.00
Wrigley Farms, Inc.	1	F-5195	4/5/2010	4/15/2010	460,000.00	460,000.00	4	0.00	460,000.00	0.00
Alaska Chip Co., LLC	1	S-5448	4/5/2010	4/15/2010	60,000.00	42,764.06	6	17,235.94	42,764.06	0.00
Brost	1	S-5451	5/15/2010	5/3/2010	105,000.00	70,219.98	3	0.00	70,219.98	0.00
Gold Nugget Farms, Inc.	1	S-5449	5/10/2010	5/3/2010	175,000.00	175,000.00	2	0.00	175,000.00	0.00
Butte Farms, Inc.	1	S-5450	5/1/2010	5/3/2010	95,000.00	95,000.00	1	0.00	95,000.00	0.00
								0.00		0.00
								0.00		0.00
TOTALS					\$5,710,650.00	\$5,428,115.55	143	\$149,906.51	\$5,428,115.55	\$0.00

MMM&S Slaughter Statistics by Fiscal Year and Type **As of January 31, 2011 - FY11**



**MMM&S Custom and Purchased Statistics by Fiscal Year
As of January 31, 2011 - FY11**



AGRICULTURAL REVOLVING LOAN FUND
Real and Personal Property Inventory
31-Jan-11

Former Borrower/ Prospective New Owner	LO	Location	Acres	Date Placed in Service	Fair Market Value at Repossession				Accum Dep. 6/30/2010	Liabilities		Lease Information					Remarks	YR	Method	Fair Market Value					
					Land	Buildings	Mach / Equip	Total Value		Amt 6/30/04	Owed To	Amount	Lessee	Lease #	Exp Date	Inspect Date				Land	Improve- ments	Total Value			
Reposessed 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					29,000.00			29,000.00												14,000		14,000			
Reposessed 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	439,203.00							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)	3	Delta	102	7/24/91	15,150.00	304,850.00		320,000.00	231,220.00		1,400.00 /Mc	Knopp	40005	6/1/11	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	\$231,220.00	\$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	6,085.00		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	676,509.00													1,155,000	2,373,680	3,528,680	
GRAND TOTAL					\$383,830.00	\$924,482.00	\$19,763.00	\$1,328,075.00	\$676,509.00													\$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
January 31, 2011

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 6/30/2010	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
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			Sale #09-01 OTC
Subtotal Building							14,040.00			
Total Feed Mill, Tract A-1							28,440.00			

Mertz Dairy										
Subtotal Mach & Equip							0.00			
Building	3	1	Mertz	24-Jul-91	24-Jul-91	304,850.00	304,850.00	231,220.00		
Subtotal Building							304,850.00	231,220.00		
Total Mertz Dairy							304,850.00	231,220.00		

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	301,158.00		
Boiler upgrade	3	1	Mt. McKinley Meats	01-May-97	01-Oct-97	15,000.00	15,000.00	7,800.00		
Boiler upgrade	3	1	Mt. McKinley Meats	25-Aug-97	01-Oct-97	41,236.40	41,236.40	21,442.91		
Boiler upgrade	3	1	Mt. McKinley Meats	01-Nov-97	01-Feb-98	48,931.70	48,931.70	25,444.54		
Boiler upgrade	3	1	Mt. McKinley Meats	01-Feb-98	01-Feb-98	8,849.90	8,849.90	4,601.99		
Boiler upgrade	3	1	Mt. McKinley Meats	30-Jun-03	30-Jun-03	4,974.00	4,974.00	1,392.92		
Roof	3	1	Mt. McKinley Meats	30-Sep-98	01-Oct-98	150,000.00	150,000.00	72,000.00		
Subtotal Building							595,592.00	433,840.00		
Total Mt. McKinley Meats							600,955.00	439,203.00		

Umnak Slaughter Facility										
Building	1	1	Umnak Slghtr Fac.	01-Mar-95	01-Mar-95	10,000.00	10,000.00	6,085.00		
Subtotal Building							10,000.00	6,085.00		
Total Umnak Slaughter Facility							10,000.00	6,085.00		

Total Accumulated Depreciation **676,509** rounded