

AGRICULTURAL REVOLVING LOAN FUND

Notes to Financial Statements for February 2011 - FY11

Statement of Revenues, Expenses, and Changes in Fund Equity

1. \$46,365 was recorded as Interest Income. For comparison, January 2011 Interest Income was \$36,541. Total Interest Income for July 2011 through February 2011 is \$419,587.
2. \$31,443 was recorded as ARLF operating expenses of which \$14,906 was for Personal Services expense. Contractual Services included \$5,444 paid through RSA for legal services and \$8,814 paid through RSA for accounting support for December 2010 and January 2011.
3. Net Operating Income was \$19,194. \$21,181 was recorded as Mt. McKinley Meat and Sausage Plant loss for the period (Non-Operating Activity) thus resulting in \$1,987 loss for the month of February 2011.

Comparative Balance Sheet

1. \$4,815,983 was ARLF Cash balance. \$136,902 of loan warrants were outstanding.
2. \$12,023,013 was ARLF Loans Receivable account balance.

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

1. \$74,150 was recorded as revenue for Sale of Products.
3. Fiscal Year-to-Date Loss is \$54,012.

AGRICULTURAL REVOLVING LOAN FUND
Statement of Revenues, Expenses, and Changes in Fund Equity
For Month ended February 28, 2011

	February	Fiscal Year to Date
Operating Revenues		
Interest Income	\$ 46,365	\$ 419,587
Services (legal, clerical, loan fees, sale products)	200	300
Late Payment Penalties	146	8,109
Rents, including leasehold credits	3,926	15,126
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	-
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
	<hr/>	<hr/>
Total Operating Revenues	50,637	443,122
Operating Expenses:		
Personal Services	14,906	103,988
Travel	652	4,268
Contractual Services	15,877	71,629
Commodities	8	842
	<hr/>	<hr/>
Total Operating Expenses	31,443	180,727
	<hr/>	<hr/>
Net Operating Income (Loss)	19,194	262,395
Non-Operating Income (Expenses):		
MMM&S Revenues	77,984	798,843
Mt. McKinley Meat & Sausage Plant	(99,165)	(852,855)
	<hr/>	<hr/>
Mt. McKinley Meat & Sausage Plant Net Income (loss)	(21,181)	(54,012)
Income (Loss) Investment in Mat Maid	-	-
Income (Loss) Sale of Fixed Assets	-	-
Bad Debt Expense	-	-
Depreciation Expense	-	-
	<hr/>	<hr/>
Total Non-Operating Income / (Expenses)	(21,181)	(54,012)
	<hr/>	<hr/>
Current Period Earnings (Loss)	\$ (1,987)	\$ 208,383
	<hr/>	<hr/>
Fund Equity, June 30, 2010		\$22,563,097
		<hr/>
Fund Equity, February 28, 2011		\$22,771,480
		<hr/>

AGRICULTURAL REVOLVING LOAN FUND
Comparative Balance Sheet
February 28, 2011

<u>ASSETS</u>	<u>February</u> 2011	<u>January</u> 2011	<u>LIABILITIES</u>	<u>February</u> 2011	<u>January</u> 2011
Current Assets			Short Term Liabilities		
Cash	\$ 4,815,983	\$ 4,776,419	Warrants Outstanding	\$ 137,821	\$ 14,010
Receivables			Accounts Payable	2,702	3,010
ARLF Loans	12,023,013	12,076,340	Accrued Payables	126,623	126,623
Land Sale Contracts	1,482,686	1,484,308	Accrued Vacation Leave	29,422	29,422
Notes Receivable	70,149	70,149	Trust Account	306	306
Judgments	123,800	123,800			
Accrued Interest	-1- 107,239	107,239	Total Short Term Liabilities	296,875	173,370
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)	(123,781)	Due to School Fund	-4- -	-
Net Receivables	13,684,019	13,738,968	Total Due to Other Funds	-	-
Outstanding Loan Warrants	136,902	0			
Repossessed Inventory	29,000	29,000	Long Term Liabilities		
Total Current Assets	18,665,904	18,544,388	Accrued Pension Adjustment	-	-
Due from Other Funds			Total Long Term Liabilities	-	-
Due from GF	-	-	TOTAL LIABILITIES	296,875	173,370
Due from Mental Health	-	-			
Total Due from Other Funds	-	-	FUND EQUITY		
Other Assets			Fund Equity, Beginning	22,563,097	22,563,097
Investments:			Current Year Earnings (Loss)	208,383	210,371
Alaska Farmers Coop	2,787,153	2,787,153			
Mat Maid	992,732	992,732	TOTAL FUND EQUITY	22,771,480	22,773,468
Repossessed Property	1,299,075	1,299,075			
Less Accum. Deprec	(676,509)	(676,509)	TOTAL LIABILITIES & FUND EQUITY	\$23,068,355	\$22,946,838
Other Assets	-	-			
Net Other Assets	4,402,451	4,402,451			
TOTAL ASSETS	\$23,068,355	\$22,946,838			

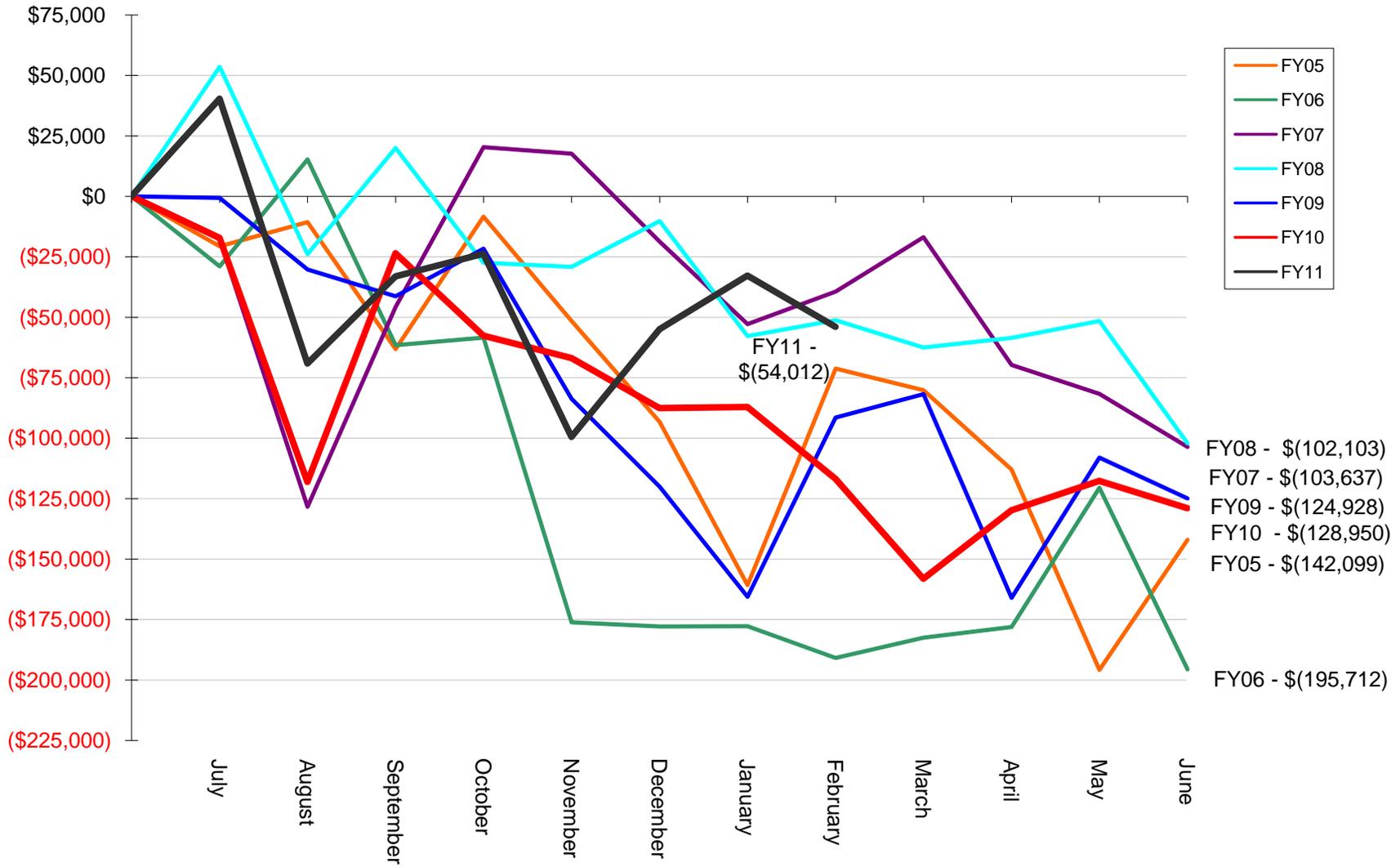
Footnotes:

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.

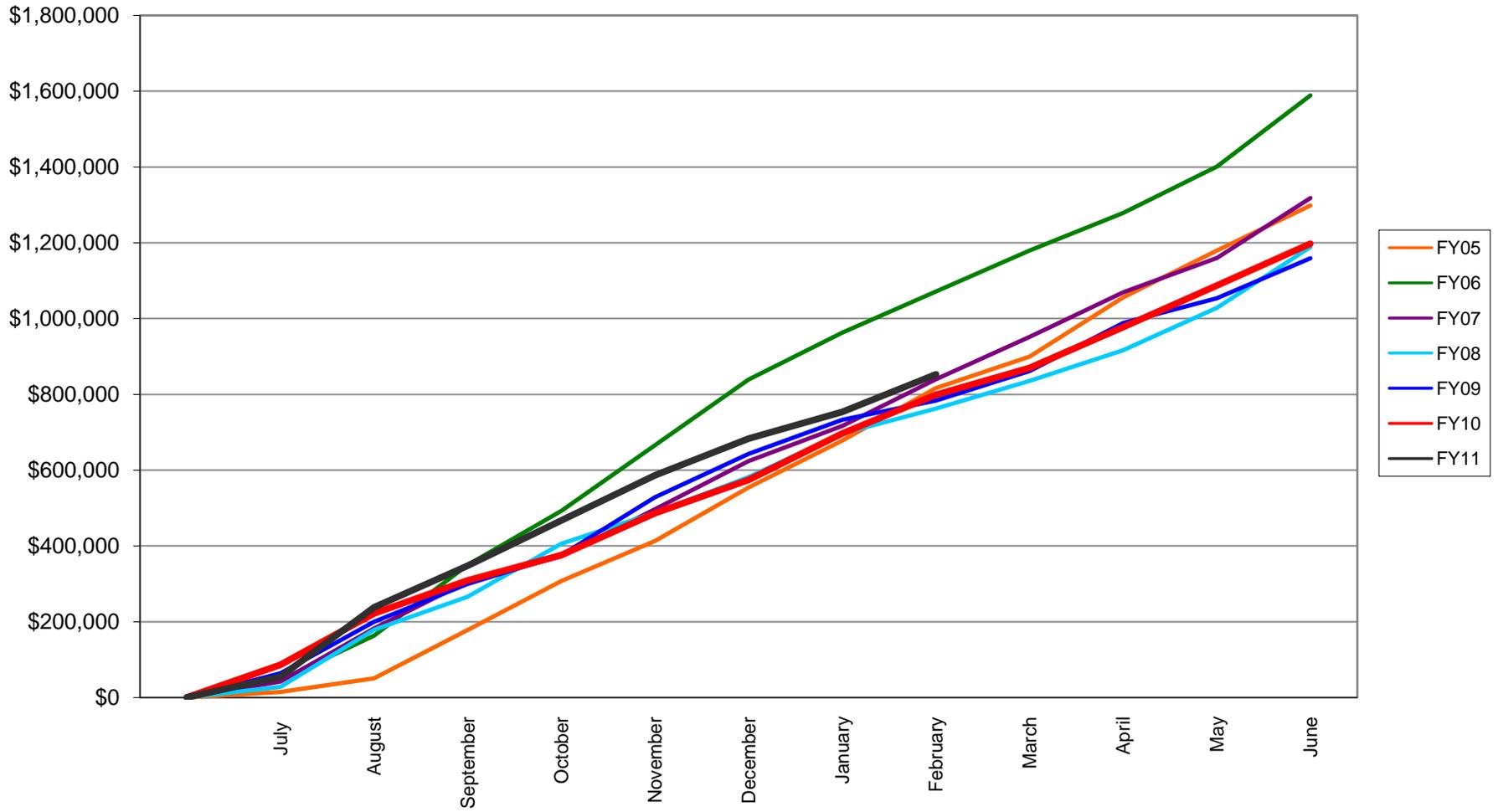
**Mt McKinley Meat and Sausage
 AGRICULTURAL REVOLVING LOAN FUND
 Statement of Revenues and Expenses
 For Month ended February 28, 2011**

	February	Fiscal Year-to-Date
Revenues:		
Services	\$ 3,108	\$ 86,297
Sale of Products	74,150	706,773
Freight	726	5,774
	77,984	798,843
Expenses:		
Personal Services	26,591	193,481
Travel	-	-
Contractual Services	13,392	84,231
Commodities	59,182	575,144
	99,165	852,855
Net Earnings / (Loss)	\$ (21,181)	\$ (54,012)

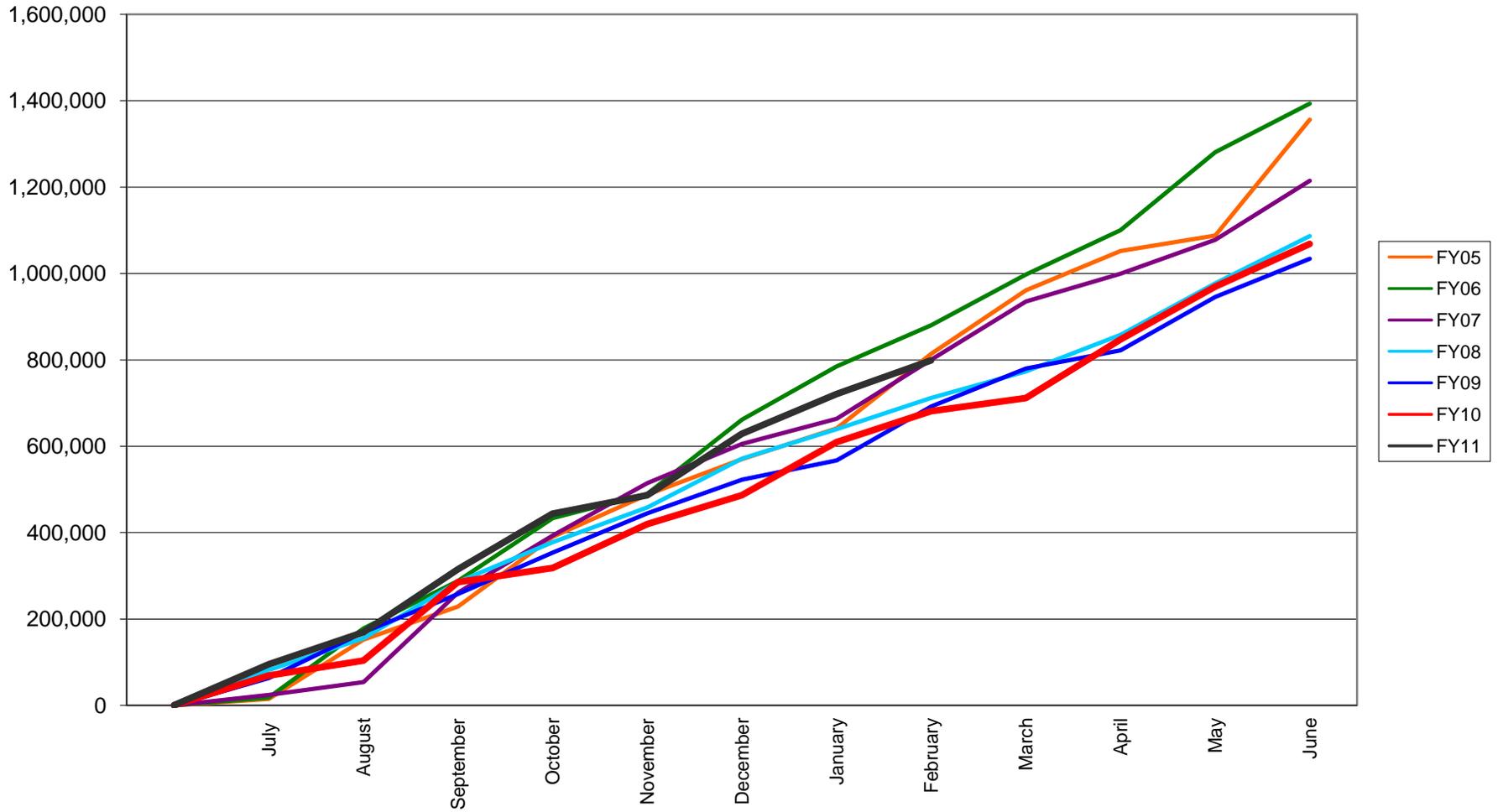
**Mt. Mckinley Meat and Sausage
Income(Loss)
FY 2005 - FY 2011**



**Mt McKinley Meat and Sausage
Cumulative Expenses
July 2004 - February 2011**



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



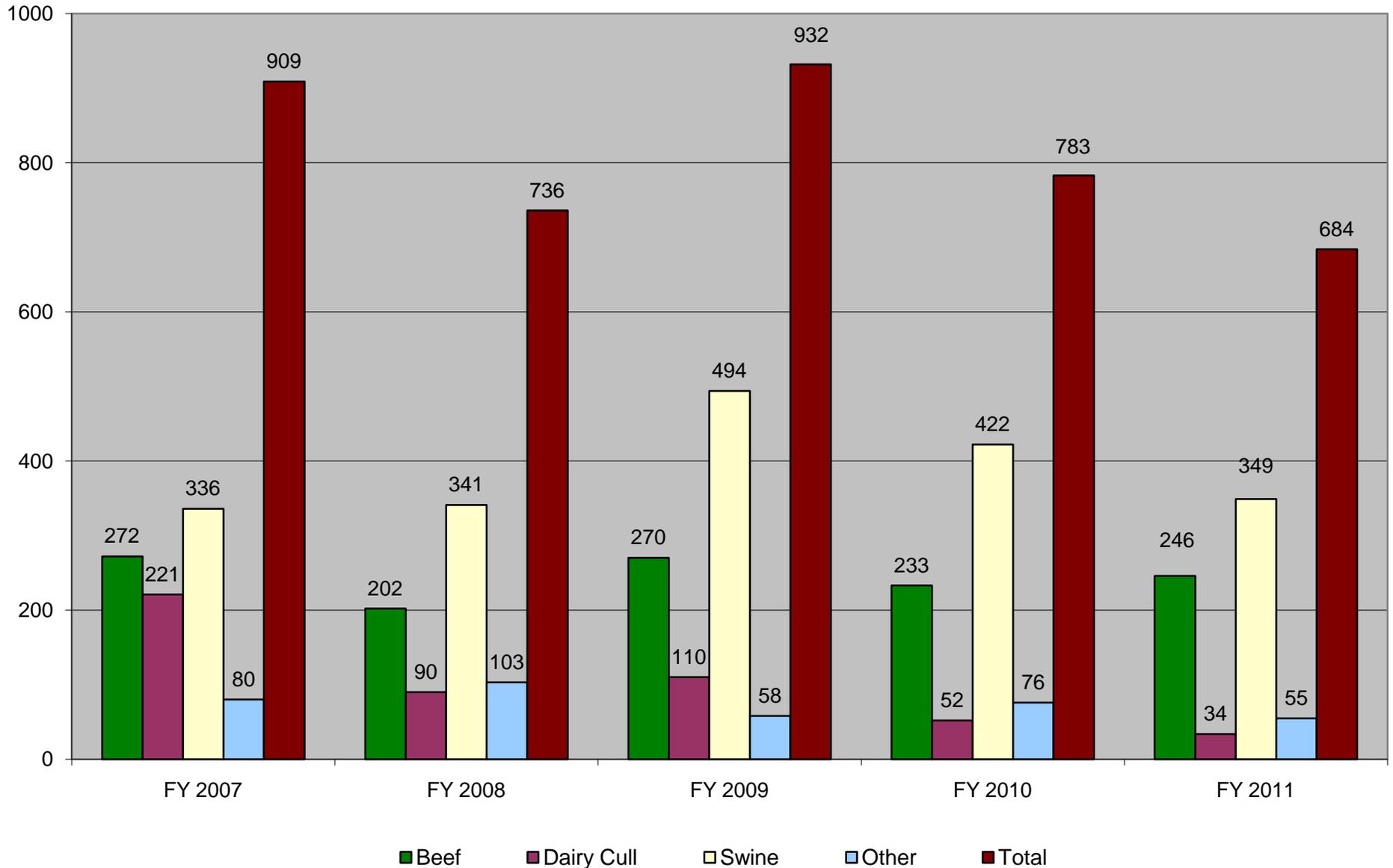
AGRICULTURAL REVOLVING LOAN FUND
Loan Activity Report / Undistributed Warrants
As of March 21, 2011 - FY 11

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
Hawks Farm & Garden Center, Inc	1	S-5452	2/22/2011	2/28/2011	70,000.00	25,277.50	2	44,722.50	25,277.50	0.00
Skidmore	1	F-5201	2/22/2011	3/1/2011	45,000.00	21,281.75	3	23,718.25	21,281.75	0.00
Skidmore	1	C-5260	2/22/2011	3/1/2011	12,000.00	0.00		12,000.00	0.00	0.00
Alaska Chip Co., LLC	1	S-5453	2/22/2011	3/15/2011	40,000.00	17,645.22	3	22,354.78	225.40	17,419.82
								0.00		0.00
								0.00		0.00
TOTALS					\$1,762,750.00	\$1,636,098.57	32	\$126,651.43	\$1,618,678.75	\$17,419.82

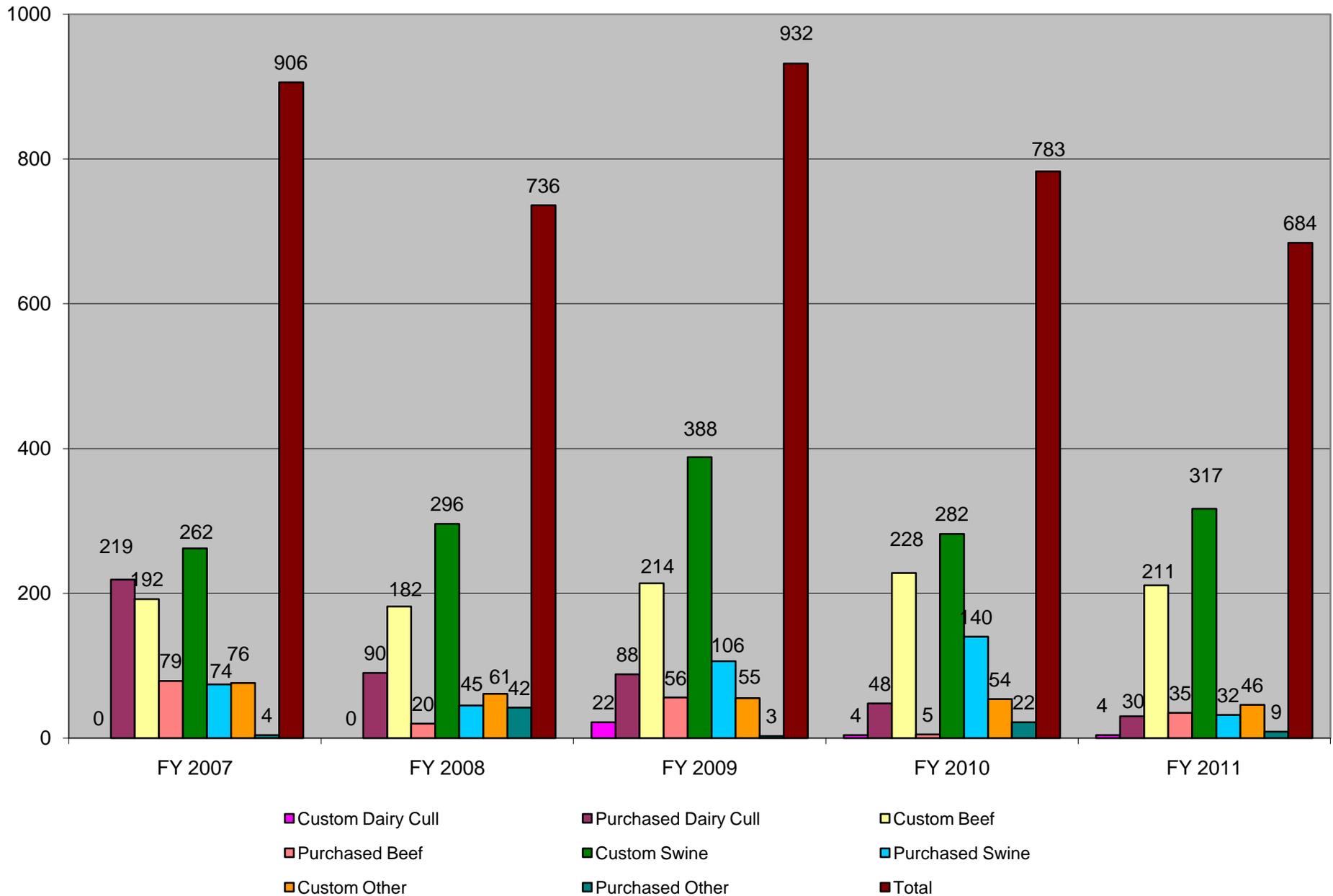
AGRICULTURAL REVOLVING LOAN FUND
Loan Activity Report / Undistributed Warrants
As of March 21, 2011 - FY 10

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	55,650.00	9	0.00	55,650.00	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	125,000.00	3	0.00	125,000.00	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	\$5,552,909.75	146	\$25,112.31	\$5,552,909.75	\$0.00

MMM&S Slaughter Statistics by Fiscal Year and Type As of February 28, 2011 - FY11



**MMM&S Custom and Purchased Statistics by Fiscal Year
As of February 28, 2011 - FY11**



AGRICULTURAL REVOLVING LOAN FUND
Real and Personal Property Inventory
28-Feb-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					Fair Market Value							
					Land	Buildings	Mach / Equip		Total Value	Amt 6/30/04	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	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 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)	3	Delta	102	7/24/91	15,150.00	304,850.00		320,000.00	231,220.00		1,400.00 /Mq	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 & 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	676,509.00												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>\$676,509.00</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
February 28, 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