

AGRICULTURAL REVOLVING LOAN FUND

Notes to Financial Statements for May, 2010 - FY10

Comparative Balance Sheet

1. ARLF Loans Receivables increased to \$11,863,080.
2. ARLF Cash decreased to \$4,211,104. For comparison, the Fund's Cash was \$4,483, 804 in April 2010 and \$5,394,588 in March 2010.

Statement of Revenues, Expenses, and Changes in Fund Equity

1. \$34,376 was recorded as Interest Income. For comparison, Fiscal Year 2009 May Interest Income was \$41,128.
2. \$12,255 was recorded as Personal Services expense.
3. \$10,792 was recorded as Contractual Services expense with \$9,514 being ARLF legal services paid through RSA.
4. Net Operating Income was \$11,789. \$12,186 was recorded as Mt. McKinley Meat and Sausage Plant income (Non-Operating Activity) thus resulting in \$23,975 Current Period Earnings.

Mt. McKinley Meat and Sausage Statement of Revenues and Expenses

1. \$113,829 was recorded as revenue for Sale of Products.
3. Fiscal Year-to-Date Loss is \$117,723.

AGRICULTURAL REVOLVING LOAN FUND
Comparative Balance Sheet
May 31, 2010

<u>ASSETS</u>	<u>May</u> <u>2010</u>	<u>April</u> <u>2010</u>	<u>LIABILITIES</u>	<u>May</u> <u>2010</u>	<u>April</u> <u>2010</u>
Current Assets			Short Term Liabilities		
Cash	\$ 4,211,104	\$ 4,483,804	Warrants Outstanding	175,684	143,967
Receivables			Accounts Payable	255	1,601
ARLF Loans	11,863,080	11,616,954	Accrued Payables	105,462	105,462
Land Sale Contracts	1,508,932	1,512,439	Accrued Vacation Leave	35,585	35,585
Notes Receivable	79,802	79,802	Trust Account	<u>62,775</u>	<u>120,803</u>
Judgments	123,800	123,800			
Accrued Interest	-1- 87,394	87,394	Total Short Term Liabilities	379,761	407,418
Accrued Penalties	-1- 789	789			
Leases/Accounts Receivable	-	-	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- (123,794)	(123,794)	Due to School Fund	-4- -	-
Net Receivables	<u>13,540,002</u>	<u>13,297,384</u>	Total Due to Other Funds	-	-
Outstanding Loan Warrants	153,086	126,686			
Repossessed Inventory	<u>29,000</u>	<u>29,000</u>	Long Term Liabilities		
Total Current Assets	17,933,192	17,936,874	Accrued Pension Adjustment	<u>0</u>	<u>0</u>
			Total Long Term Liabilities	0	0
Due from Other Funds			TOTAL LIABILITIES	379,761	407,418
Due from GF (Court System)	-	-			
Due from Mental Health	<u>-</u>	<u>-</u>	FUND EQUITY		
Total Due from Other Funds	-	-	Fund Equity, Beginning	-5- 20,065,643	20,065,643
			Current Year Earnings (Loss)	<u>1,805,152</u>	<u>1,781,178</u>
Other Assets			TOTAL FUND EQUITY	21,870,795	21,846,820
Investments:	-3-				
Alaska Farmers Coop	2,787,153	2,787,153	TOTAL LIABILITIES & FUND EQUITY	22,250,556	22,254,238
Mat Maid	871,227	871,227			
Repossessed Property	1,299,075	1,299,075			
Less Accum. Deprec	(640,091)	(640,091)			
Other Assets	<u>0</u>	<u>0</u>			
Net Other Assets	4,317,364	4,317,364			
TOTAL ASSETS	<u>\$22,250,556</u>	<u>\$22,254,238</u>			

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 May 31, 2010

	May	Fiscal Year to Date
Operating Revenues		
Interest Income	\$ 34,376	509,490
Services (legal, clerical, loan fees, sale products)	-	1,450
Late Payment Penalties	200	3,727
Rents, including leasehold credits	1,400	24,926
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	-
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
	<hr/>	<hr/>
Total Operating Revenues	\$ 35,976	\$ 539,593
Operating Expenses:		
Personal Services	12,255	140,398
Travel	1,141	6,682
Contractual Services	10,792	121,338
Commodities	-	5,050
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Total Operating Expenses	\$ 24,187	\$ 273,468
Net Operating Income (Loss)	\$ 11,789	\$ 266,125
Non-Operating Income (Expenses):		
MMM&S Revenues	122,342	969,529
Mt. McKinley Meat & Sausage Plant	(110,156)	(1,087,252)
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Mt. McKinley Meat & Sausage Plant Net Income (loss)	\$ 12,186	\$ (117,723)
Income (Loss) Investment in Mat Maid	-	1,531,750
Income (Loss) Sale of Fixed Assets	-	125,000
Bad Debt Expense	-	-
Depreciation Expense	-	-
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Total Non-Operating Income / (Expenses)	\$ 12,186	\$ 1,539,027
Current Period Earnings (Loss)	\$ 23,975	\$ 1,805,152
Fund Equity, June 30, 2009		20,065,643
Fund Equity, May 31, 2010		21,870,795

**Mt McKinley Meat and Sausage
 AGRICULTURAL REVOLVING LOAN FUND
 Statement of Revenues and Expenses
 For Month ended May 31, 2010**

	May	Fiscal Year-to-Date
Revenues:		
Services	\$ 7,766	\$ 109,603
Sale of Products	113,829	831,269
Freight	747	28,656
	Total Revenues \$ 122,342	\$ 969,529
 Expenses:		
Personal Services	\$ 24,640	\$ 260,230
Travel	-	-
Contractual Services	10,629	144,833
Commodities	74,887	682,188
	Total Expenses \$ 110,156	\$ 1,087,252
	Net Earnings / (Loss) \$ 12,186	\$ (117,723)

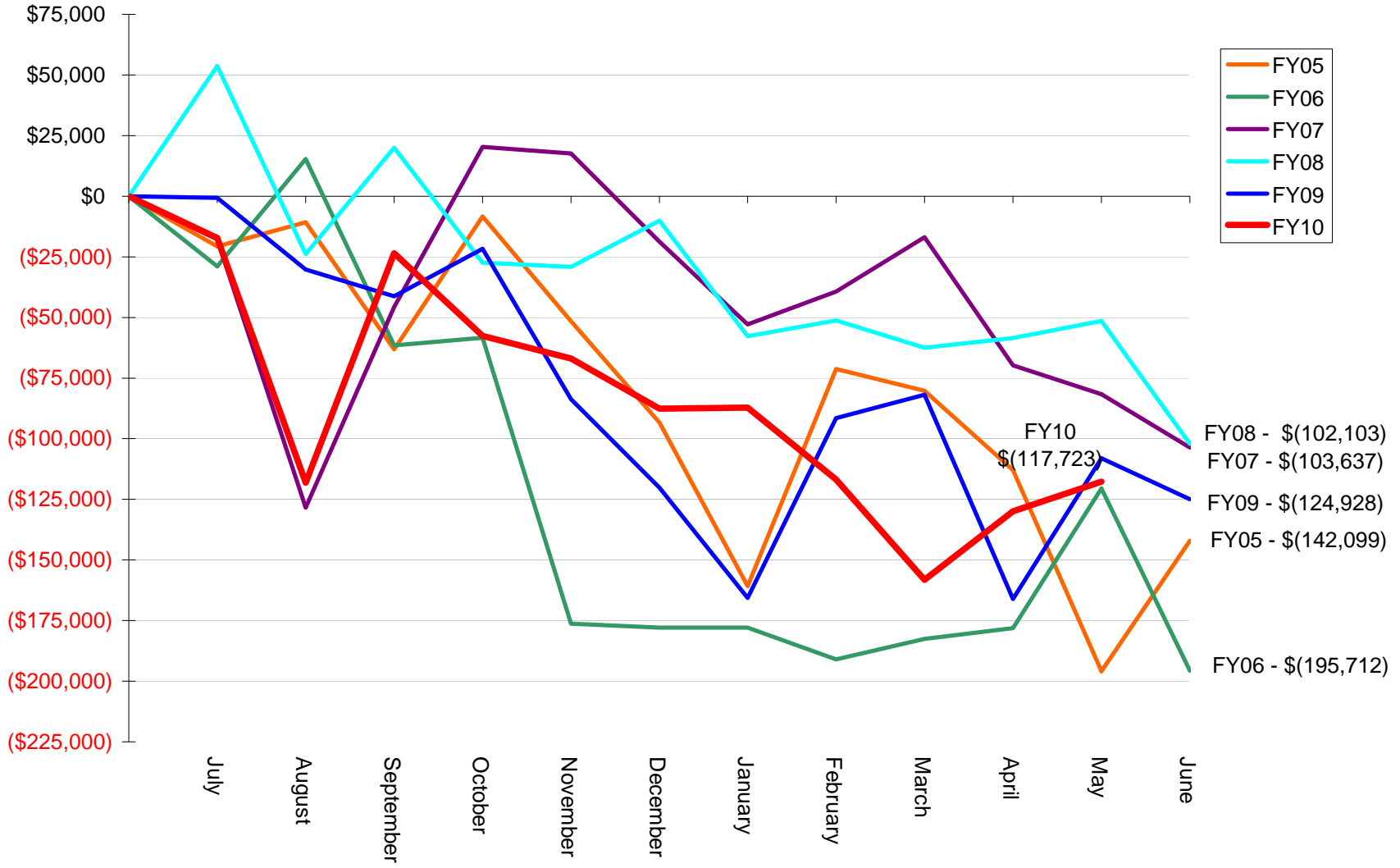
AGRICULTURAL REVOLVING LOAN FUND
Loan Activity Report / Undistributed Warrants
As of June 21, 2010 - FY 10

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	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	292,737.25	5	7,262.75	292,737.25	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
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
Agricultural Investors	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	23,199.80	6	32,450.20	23,199.80	0.00
Hawks	1	S-5443	3/4/2010	3/15/2010	50,000.00	27,230.00	3	22,770.00	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	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	172,018.74	8	7,981.26	172,018.74	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	3	S-5444	3/4/2010	3/15/2010	200,000.00	200,000.00	6	0.00	200,000.00	0.00
Agricultural Investors	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	224,808.63	10	15,191.37	224,808.63	0.00
Wrigley Farms	1	S-5447	4/5/2010	5/1/2010	40,000.00	40,000.00	1	0.00	40,000.00	0.00
Van Wyhes	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	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	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	52,395.74	17,824.24
Gold Nugget Farms	1	S-5449	5/10/2010	5/3/2010	175,000.00	87,500.00	1	87,500.00	87,500.00	0.00
Butte Farms	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	\$5,316,057.54	135	\$284,734.52	\$5,298,233.30	\$17,824.24

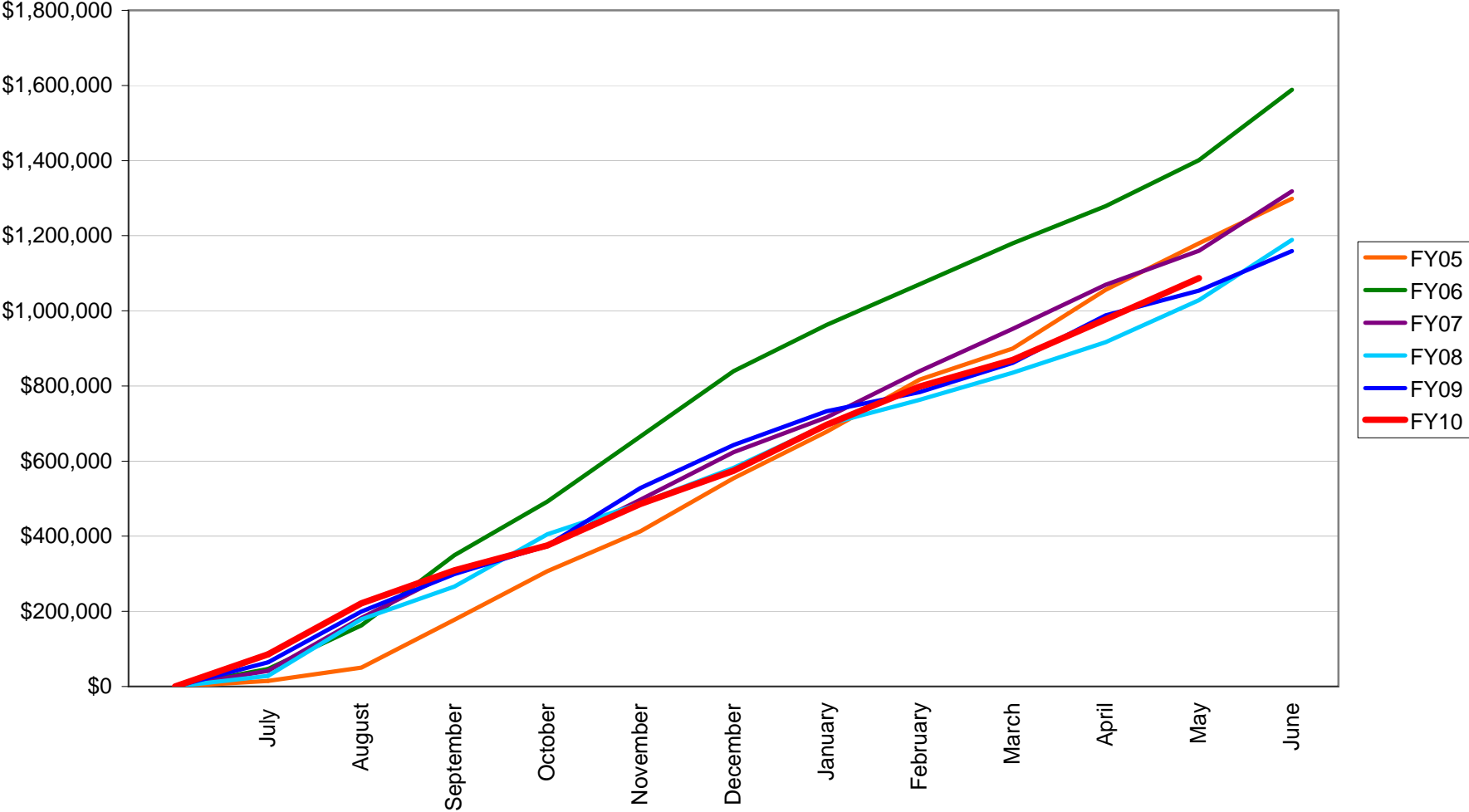
AGRICULTURAL REVOLVING LOAN FUND
Loan Activity Report / Undistributed Warrants
As of June 21, 2010 - FY 09

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	0.00	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
TOTALS					\$4,393,800.00	\$4,212,221.95	98	\$0.00	\$4,212,221.95	\$0.00

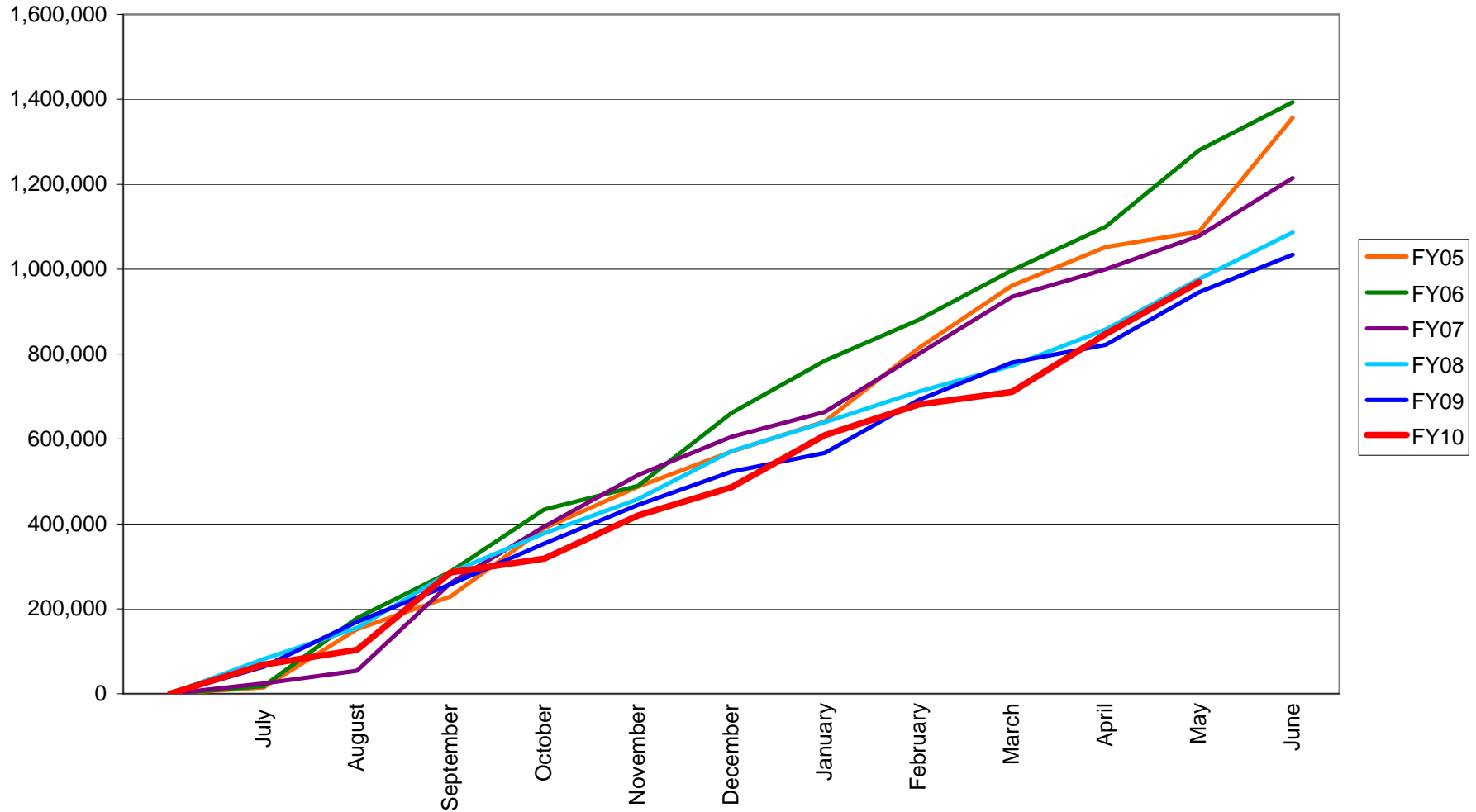
**Mt. Mckinley Meat and Sausage
Income(Loss)
FY 2005 - FY 2010**



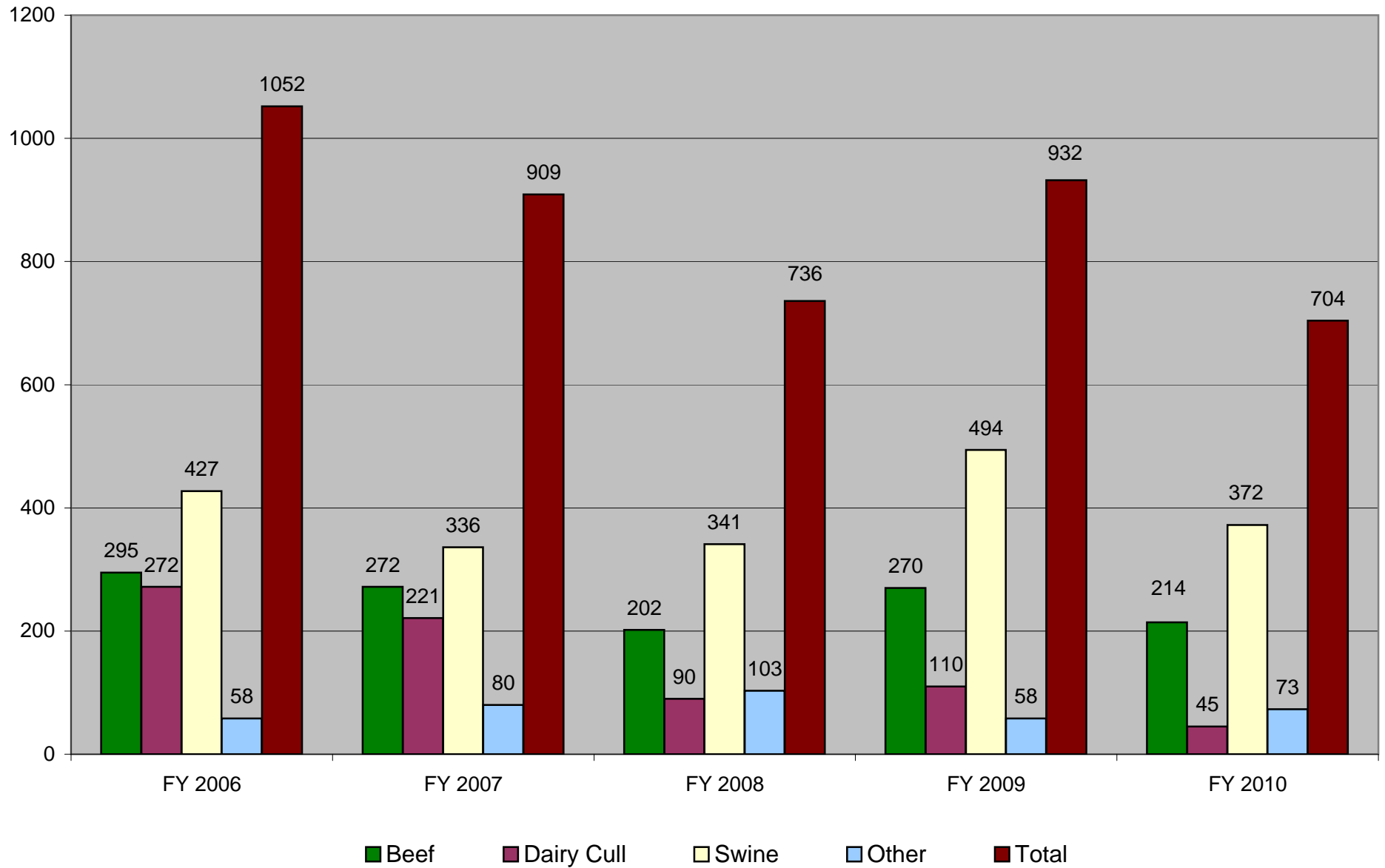
**Mt McKinley Meat and Sausage
Cummulative Expenses
July 2004 - May 2010**



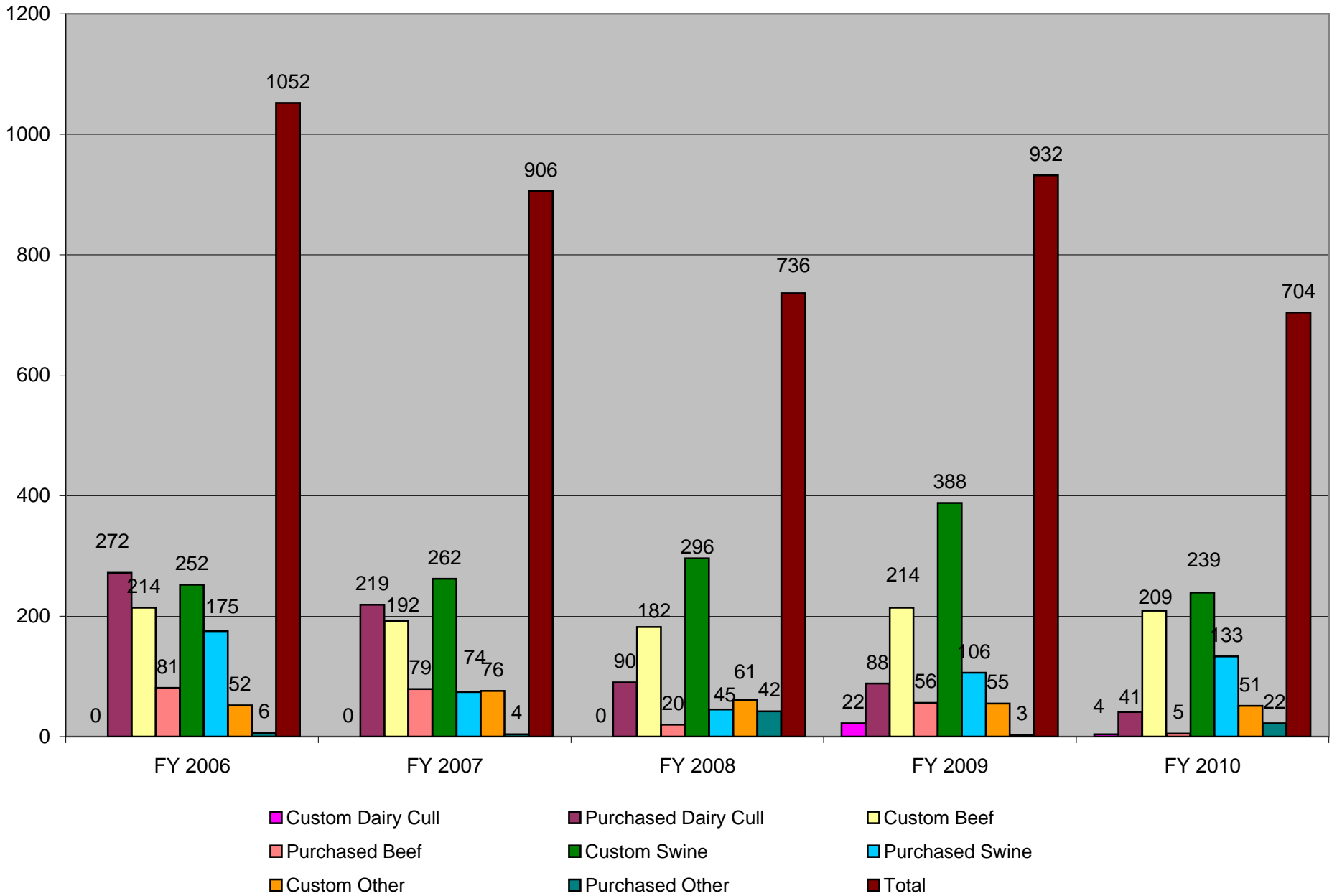
**Mt Mckinley Meat and Sausage
Revenue Trend
July 2004 - May 2010**



MMM&S Slaughter Statistics by Fiscal Year and Type As of May 31, 2010 - FY10



**MMM&S Custom and Purchased Statistics by Fiscal Year
As of May 31, 2010 - FY10**



AGRICULTURAL REVOLVING LOAN FUND
Real and Personal Property Inventory
May 31, 2010

Former Borrower/ Prospective New Owner	LO	Location	Acres	Date Placed in Service	Fair Market Value at Repossession				Accum Dep. 6/30/2009	Liabilities		Lease Information					Remarks	Fair Market Value							
					Land	Buildings	Mach / Equip	Total Value		Amt 6/30/04	Owed To	Amount	Lessee	Lease #	Exp Date	Inspect Date		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-09	Future Disposal	05	Min Bid	\$19,500	NONE	\$19,500			
Total Repossessed Inventory					29,000.00			29,000.00													19,500		19,500		
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								Feb-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	415,380.00							Feb-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 Coop	LSE-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 Coop	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	219,026.00		1,400.00 /Mo	Knopp	40005	6/1/11	Oct-09	Lse Exp 7/2010	09	Est	110,000	310,000	420,000				
Sub-total Long Term Leases					\$183,710.00	\$304,850.00	\$0.00	\$488,560.00	\$219,026.00	\$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	5,685.00		3,926.00 /Yr	BPR & ANM	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	640,091.00													1,155,000	2,373,680	3,528,680	
GRAND TOTAL					\$383,830.00	\$924,482.00	\$19,763.00	\$1,328,075.00	\$640,091.00														\$1,174,500	\$2,373,680	\$3,548,180

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, 2010

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			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	219,026.00		
Subtotal Building							304,850.00	219,026.00		
Total Mertz Dairy							304,850.00	219,026.00		

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	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		
Subtotal Building							595,592.00	410,017.00		
Total Mt. McKinley Meats							600,955.00	415,380.00		

Umnak Slaughter Facility										
Building	1	1	Umnak Slight Fac.	01-Mar-95	01-Mar-95	10,000.00	10,000.00	5,685.00		
Subtotal Building							10,000.00	5,685.00		
Total Umnak Slaughter Facility							10,000.00	5,685.00		

Total Accumulated Depreciation

640,091