

AGRICULTURAL REVOLVING LOAN FUND

Notes to Financial Statements for July and August, 2010 - FY11

Comparative Balance Sheet

1. ARLF Loans Receivables increased to \$12,315,362.
2. \$4,311,148 was recorded as ARLF Cash.

Statement of Revenues, Expenses, and Changes in Fund Equity

1. \$103,312 was recorded as Interest Income on August 31, 2010.
2. \$5,848 was recorded as Personal Services expense for July 2010, and \$13,968 was recorded for August 2010.

Mt. McKinley Meat and Sausage Statement of Revenues and Expenses

1. \$40,390 was recorded as Income for July 2010, and \$109,586 was recorded as Loss in August 2010.
3. Year-to-Date Loss was \$69,196 on August 31, 2010.

AGRICULTURAL REVOLVING LOAN FUND
Comparative Balance Sheet
July 31, 2010

<u>ASSETS</u>	<u>July 2010</u>	<u>June 2010</u>	<u>LIABILITIES</u>	<u>July 2010</u>	<u>June 2010</u>
Current Assets			Short Term Liabilities		
Cash	\$ 4,486,830	\$ 4,653,390	Warrants Outstanding	180,271	1,246
Receivables			Accounts Payable	259	-
ARLF Loans	12,274,720	11,452,505	Accrued Payables	126,989	146,278
Land Sale Contracts	1,501,588	1,507,079	Accrued Vacation Leave	29,422	29,422
Notes Receivable	79,802	79,802	Trust Account	306	62,275
Judgments	123,800	123,800			
Accrued Interest	-1- 107,239	107,239	Total Short Term Liabilities	337,247	239,221
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- (123,800)	(123,800)	Due to School Fund	-4- -	-
Net Receivables	13,964,261	13,147,538	Total Due to Other Funds	-	-
Outstanding Loan Warrants	96,814	-			
Repossessed Inventory	29,000	29,000	Long Term Liabilities		
Total Current Assets	18,576,906	17,829,928	Accrued Pension Adjustment	-	-
			Total Long Term Liabilities	-	-
Due from Other Funds			TOTAL LIABILITIES	337,247	239,221
Due from GF	-	569,939			
Due from Mental Health	-	-	FUND EQUITY		
Total Due from Other Funds	-	569,939	Fund Equity, Beginning	22,563,097	20,065,643
			Current Year Earnings (Loss)	79,013	2,497,454
Other Assets			TOTAL FUND EQUITY	22,642,109	22,563,097
Investments:	-3-				
Alaska Farmers Coop	2,787,153	2,787,153	TOTAL LIABILITIES & FUND EQUITY	\$22,979,356	\$22,802,318
Mat Maid	992,732	992,732			
Repossessed Property	1,299,075	1,299,075			
Less Accum. Deprec	(676,509)	(676,509)			
Other Assets	-	-			
Net Other Assets	4,402,451	4,402,451			
TOTAL ASSETS	\$22,979,356	\$22,802,318			

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.

AGRICULTURAL REVOLVING LOAN FUND
Statement of Revenues, Expenses, and Changes in Fund Equity
For Month ended July 31, 2010

	July	Fiscal Year to Date
Operating Revenues		
Interest Income	\$ 49,597	49,597
Services (legal, clerical, loan fees, sale products)	100	100
Late Payment Penalties	939	939
Rents, including leasehold credits	1,400	1,400
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	-
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
	<hr/>	<hr/>
Total Operating Revenues	\$ 52,036	\$ 52,036
Operating Expenses:		
Personal Services	5,848	5,848
Travel	363	363
Contractual Services	7,203	7,203
Commodities	-	-
	<hr/>	<hr/>
Total Operating Expenses	\$ 13,413	\$ 13,413
	<hr/>	<hr/>
Net Operating Income (Loss)	\$ 38,623	\$ 38,623
Non-Operating Income (Expenses):		
MMM&S Revenues	94,593	94,593
Mt. McKinley Meat & Sausage Plant	(54,203)	(54,203)
	<hr/>	<hr/>
Mt. McKinley Meat & Sausage Plant Net Income (loss)	\$ 40,390	\$ 40,390
Income (Loss) Investment in Mat Maid	-	-
Income (Loss) Sale of Fixed Assets	-	-
Bad Debt Expense	-	-
Depreciation Expense	-	-
	<hr/>	<hr/>
Total Non-Operating Income / (Expenses)	\$ 40,390	\$ 40,390
	<hr/>	<hr/>
Current Period Earnings (Loss)	\$ 79,013	\$ 79,013
	<hr/>	<hr/>
Fund Equity, June 30, 2010		22,563,097
		<hr/>
Fund Equity, July 31, 2010		22,642,109

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

	July	Fiscal Year-to-Date
Revenues:		
Services	\$ 5,573	\$ 5,573
Sale of Products	88,493	88,493
Freight	527	527
Total Revenues	\$ 94,593	\$ 94,593
 Expenses:		
Personal Services	\$ 11,304	\$ 11,304
Travel	-	-
Contractual Services	6,474	6,474
Commodities	36,424	36,424
Total Expenses	\$ 54,203	\$ 54,203
 Net Earnings / (Loss)	 \$ 40,390	 \$ 40,390

AGRICULTURAL REVOLVING LOAN FUND
Comparative Balance Sheet
August 31, 2010

<u>ASSETS</u>	<u>August 2010</u>	<u>July 2010</u>	<u>LIABILITIES</u>	<u>August 2010</u>	<u>July 2010</u>
Current Assets			Short Term Liabilities		
Cash	\$ 4,311,148	\$ 4,486,830	Warrants Outstanding	11,090	180,271
Receivables			Accounts Payable	1,419	259
ARLF Loans	12,315,362	12,274,720	Accrued Payables	126,623	126,989
Land Sale Contracts	1,498,258	1,501,588	Accrued Vacation Leave	29,422	29,422
Notes Receivable	75,840	79,802	Trust Account	306	306
Judgments	123,800	123,800			
Accrued Interest	-1- 107,239	107,239	Total Short Term Liabilities	168,860	337,247
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- (123,800)	(123,800)	Due to School Fund	-4- -	-
Net Receivables	13,997,611	13,964,261			
			Total Due to Other Funds	-	-
Outstanding Loan Warrants	1,212	96,814			
Repossessed Inventory	29,000	29,000	Long Term Liabilities		
			Accrued Pension Adjustment	-	-
Total Current Assets	18,338,972	18,576,906	Total Long Term Liabilities	-	-
			TOTAL LIABILITIES	168,860	337,247
Due from Other Funds					
Due from GF	-	-	FUND EQUITY		
Due from Mental Health	-	-	Fund Equity, Beginning	22,563,097	22,563,097
			Current Year Earnings (Loss)	9,466	79,013
Total Due from Other Funds	-	-			
			TOTAL FUND EQUITY	22,572,562	22,642,109
Other Assets					
Investments:	-3-		TOTAL LIABILITIES & FUND EQUITY	\$22,741,422	\$22,979,356
Alaska Farmers Coop	2,787,153	2,787,153			
Mat Maid	992,732	992,732			
Repossessed Property	1,299,075	1,299,075			
Less Accum. Deprec	(676,509)	(676,509)			
Other Assets	-	-			
Net Other Assets	4,402,451	4,402,451			
TOTAL ASSETS	\$22,741,422	\$22,979,356			

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.

AGRICULTURAL REVOLVING LOAN FUND
Statement of Revenues, Expenses, and Changes in Fund Equity
For Month ended August 31, 2010

	August	Fiscal Year to Date
Operating Revenues		
Interest Income	53,714	103,312
Services (legal, clerical, loan fees, sale products)	-	100
Late Payment Penalties	471	1,410
Rents, including leasehold credits	1,400	2,800
CRP Revenue	-	-
Uncollectible Amounts Recovered	-	-
Recovery of Expenses	-	-
Fines & Forfeitures	-	-
Transfers in from Other Funds	-	-
Sale of Assets	-	-
Total Operating Revenues	\$ 55,585	\$ 107,621
Operating Expenses:		
Personal Services	13,968	19,815
Travel	901	1,264
Contractual Services	659	7,862
Commodities	18	18
Total Operating Expenses	\$ 15,546	\$ 28,960
Net Operating Income (Loss)	\$ 40,039	\$ 78,662
Non-Operating Income (Expenses):		
MMM&S Revenues	74,105	168,698
Mt. McKinley Meat & Sausage Plant	(183,691)	(237,894)
Mt. McKinley Meat & Sausage Plant Net Income (loss)	\$ (109,586)	\$ (69,196)
Income (Loss) Investment in Mat Maid	-	-
Income (Loss) Sale of Fixed Assets	-	-
Bad Debt Expense	-	-
Depreciation Expense	-	-
Total Non-Operating Income / (Expenses)	\$ (109,586)	\$ (69,196)
Current Period Earnings (Loss)	\$ (69,547)	\$ 9,466
Fund Equity, June 30, 2010		22,563,097
Fund Equity, August 31, 2010		22,572,562

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

	August	Fiscal Year-to-Date
Revenues:		
Services	\$ 7,081	\$ 12,655
Sale of Products	66,468	154,961
Freight	555	1,082
	Total Revenues	\$ 74,105 \$ 168,698
Expenses:		
Personal Services	\$ 26,335	\$ 37,640
Travel	-	-
Contractual Services	8,134	14,608
Commodities	149,221	185,646
	Total Expenses	\$ 183,691 \$ 237,894
	Net Earnings / (Loss)	\$ (109,586) \$ (69,196)

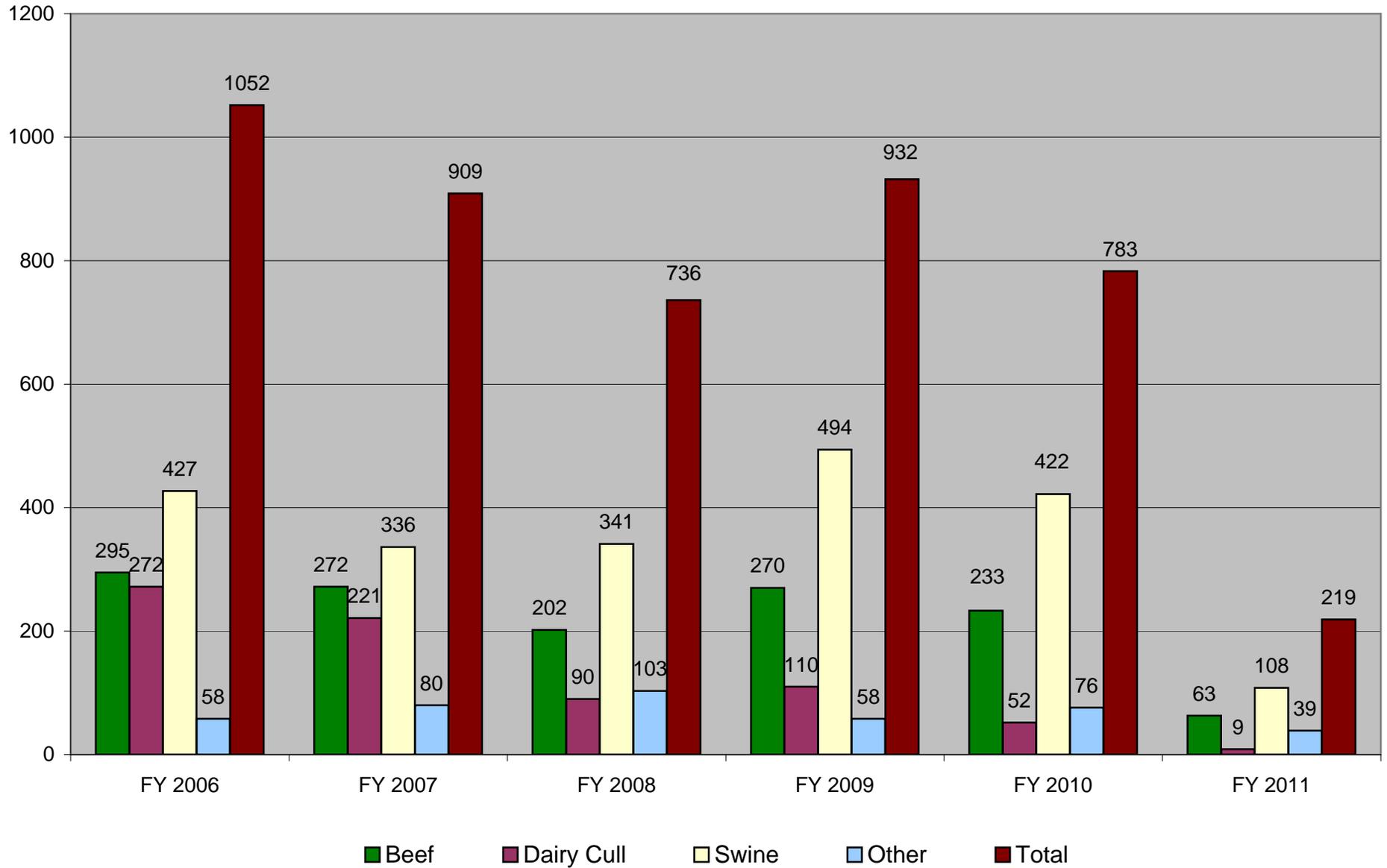
AGRICULTURAL REVOLVING LOAN FUND
Loan Activity Report / Undistributed Warrants
As of September 30, 2010 - FY 11

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	0.00	0	200,000.00	0.00	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	0.00	0	125,000.00	0.00	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	349,965.84	4	61,034.16	349,965.84	0.00
								0.00		0.00
								0.00		0.00
TOTALS					\$1,595,750.00	\$1,209,715.84	14	\$386,034.16	\$1,209,715.84	\$0.00

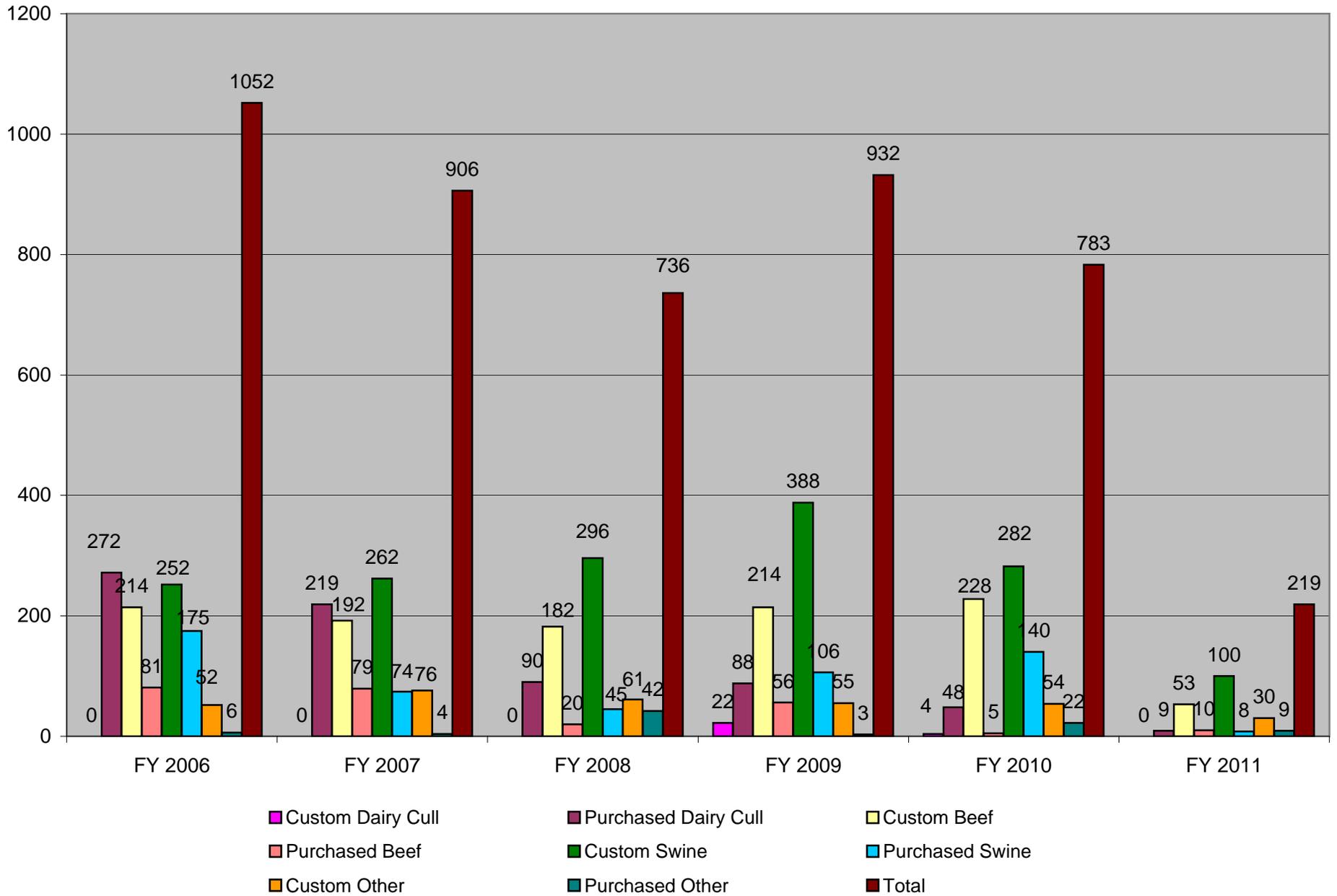
AGRICULTURAL REVOLVING LOAN FUND
Loan Activity Report / Undistributed Warrants
As of September 30, 2010 - FY 10

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	300,000.00	6	0.00	300,000.00	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	25,198.80	7	30,451.20	25,198.80	0.00
Hawks	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	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	177,885.27	11	2,114.73	177,885.27	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	232,123.63	11	7,876.37	232,123.63	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	70,219.98	0.00
Gold Nugget Farms	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	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	\$5,426,000.82	142	\$152,021.24	\$5,426,000.82	\$0.00

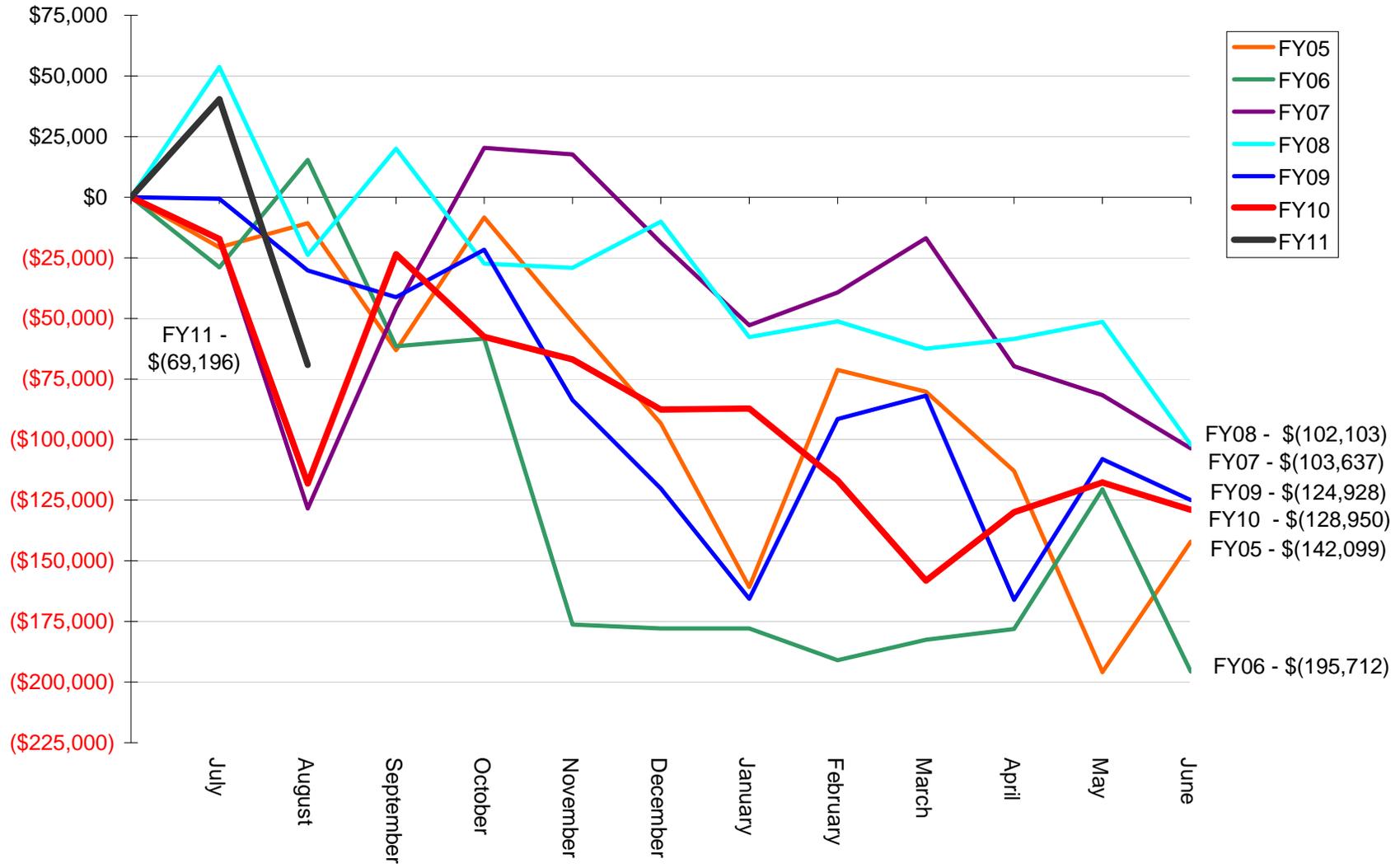
MMM&S Slaughter Statistics by Fiscal Year and Type As of August 31, 2010 - FY11



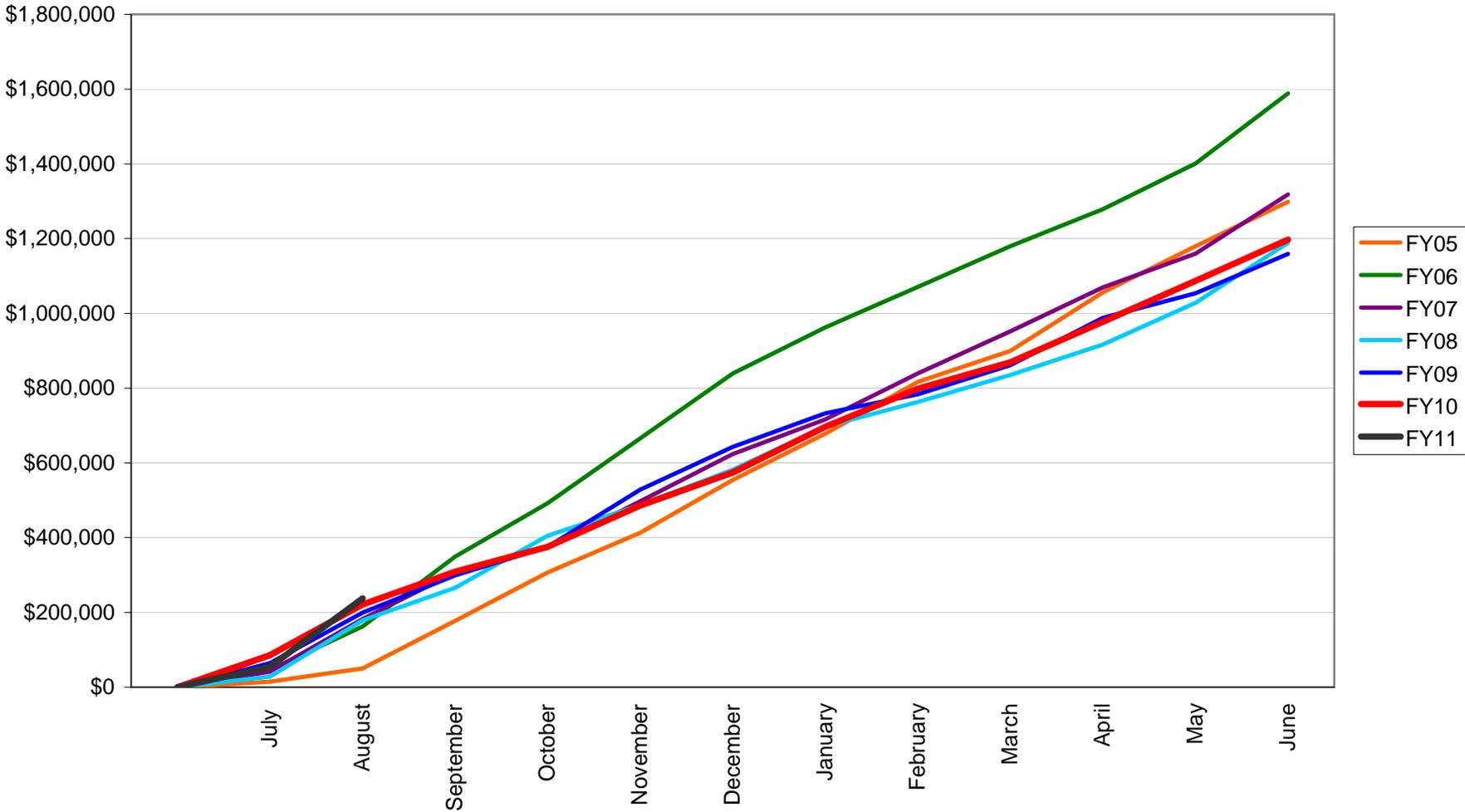
**MMM&S Custom and Purchased Statistics by Fiscal Year
As of August 31, 2010 - FY11**



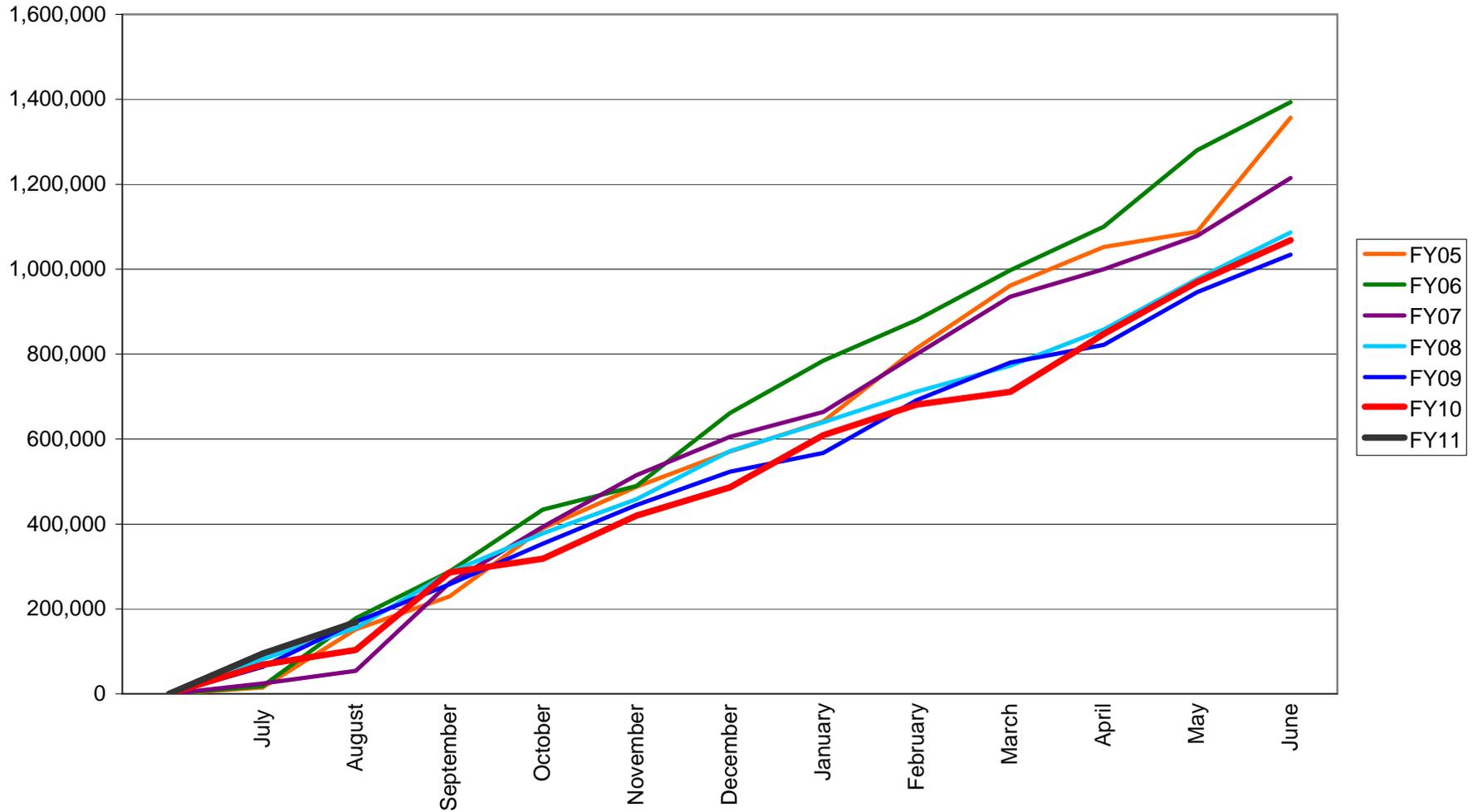
**Mt. Mckinley Meat and Sausage
Income(Loss)
FY 2005 - FY 2011**



**Mt McKinley Meat and Sausage
Cumulative Expenses
July 2004 - August 2010**



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



AGRICULTURAL REVOLVING LOAN FUND
Real and Personal Property Inventory
31-Aug-10

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 #10-01	10	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								Aug-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							Aug-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% ownrs	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	231,220.00		1,400.00 /Mo	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 & 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	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
July 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 6/30/2010	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 Slaughter 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