

V.

**The Cooperative Finance Association, Inc.**  
**Fiscal 2009 Third Quarter Report**  
**Unaudited (in thousands)**

<u>Balance Sheets As Of:</u>	<u>5/31/2009</u>	<u>8/31/2008</u>	<u>5/31/2008</u>
Loans	\$243,745	\$262,521	\$261,587
Less allowance for loan losses	(2,687)	(2,280)	(2,362)
Net loans	241,058	260,241	259,225
Cash	287	289	516
Accrued interest receivable	2,247	4,136	3,033
Investments in cooperatives	9,158	10,139	10,139
Other assets	645	821	928
Total assets	<u>\$253,395</u>	<u>\$275,626</u>	<u>\$273,841</u>
Credit facility	\$201,000	\$222,300	\$221,500
Notes payable	0	0	0
Commercial paper	0	0	0
Accrued interest payable	244	672	666
Other liabilities	1,831	5,244	1,631
Total liabilities	203,075	228,216	223,797
Members' equity	50,320	47,410	50,044
Total liabilities and members' equity	<u>\$253,395</u>	<u>\$275,626</u>	<u>\$273,841</u>

\* after patronage

<u>Operating Statements</u>	<u>Budget</u>		
<u>Fiscal Year to Date Through:</u>	<u>5/31/2009</u>	<u>5/31/2009</u>	<u>5/31/2008</u>
Interest income	\$8,093	\$11,283	\$13,573
Interest expense	(3,439)	(6,205)	(8,175)
Net interest income from portfolio	4,654	5,078	5,398
Provision for loan losses	(300)	(360)	(230)
Other income	305	264	243
Operating income	4,659	4,982	5,411
Employee costs	(1,959)	(2,100)	(1,847)
Professional expenses	(174)	(224)	(218)
Administrative expenses	(239)	(237)	(206)
Customer relations costs	(99)	(124)	(97)
Other operating expense	(195)	(211)	(206)
Operating expense	(2,666)	(2,896)	(2,574)
Net operating income	1,993	2,086	2,837
Patronage refunds/other adjustments	927	1,400	1,410
Income taxes	(12)	(18)	(21)
Net income	<u>\$2,908</u>	<u>\$3,468</u>	<u>\$4,226</u>