

VI.

The Cooperative Finance Association, Inc.
Fiscal 2010 Second Quarter Report
Unaudited (in thousands)

<u>Balance Sheets As Of:</u>	<u>2/28/2010</u>	<u>8/31/2009</u>	<u>2/28/2009</u>
			*
Loans	\$196,181	\$215,196	\$226,474
Less allowance for loan losses	(2,943)	(2,609)	(2,621)
Net loans	193,238	212,587	223,853
Cash	1,286	734	824
Accrued interest receivable	2,061	3,249	2,419
Investments in cooperatives	9,158	9,158	10,139
Other assets	573	669	709
Total assets	<u>\$206,316</u>	<u>\$226,397</u>	<u>\$237,944</u>
Credit facility	\$153,200	\$172,600	\$186,500
Notes payable	0	0	0
Commercial paper	0	1,000	0
Accrued interest payable	181	222	227
Other liabilities	3,964	4,160	2,661
Total liabilities	157,345	177,982	189,388
Members' equity	48,971	48,415	48,556
Total liabilities and members' equity	<u>\$206,316</u>	<u>\$226,397</u>	<u>\$237,944</u>
			* after patronage
<u>Operating Statements</u>		<u>Budget</u>	
<u>Fiscal Year to Date Through:</u>	<u>2/28/2010</u>	<u>2/28/2010</u>	<u>2/28/2009</u>
Interest income	\$4,563	\$5,069	\$5,687
Interest expense	(1,246)	(2,091)	(2,709)
Net interest income from portfolio	3,317	2,978	2,978
Provision for loan losses	(120)	(120)	(240)
Other income	252	173	156
Operating income	<u>3,449</u>	<u>3,031</u>	<u>2,894</u>
Employee costs	(1,384)	(1,431)	(1,278)
Professional expenses	(140)	(150)	(115)
Administrative expenses	(158)	(165)	(165)
Customer relations costs	(67)	(102)	(79)
Other operating expense	(146)	(144)	(125)
Operating expense	<u>(1,895)</u>	<u>(1,992)</u>	<u>(1,762)</u>
Net operating income	1,554	1,039	1,132
Patronage refunds/other adjustments	0	0	21
Income taxes	(9)	(9)	(9)
Net income	<u>\$1,545</u>	<u>\$1,030</u>	<u>\$1,144</u>