

V.

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

<u>Balance Sheets As Of:</u>	<u>5/31/2010</u>	<u>8/31/2009</u>	<u>5/31/2009</u>
	*		
Loans	\$209,584	\$215,196	\$243,745
Less allowance for loan losses	(2,930)	(2,609)	(2,687)
Net loans	206,654	212,587	241,058
Cash	4,434	734	287
Accrued interest receivable	2,034	3,249	2,247
Investments in cooperatives	7,707	9,158	9,158
Other assets	532	669	645
Total assets	<u>\$221,361</u>	<u>\$226,397</u>	<u>\$253,395</u>
Credit facility	\$168,800	\$172,600	\$201,000
Notes payable	0	0	0
Commercial paper	0	1,000	0
Accrued interest payable	224	222	244
Other liabilities	1,821	4,160	1,831
Total liabilities	170,845	177,982	203,075
Members' equity	50,516	48,415	50,320
Total liabilities and members' equity	<u>\$221,361</u>	<u>\$226,397</u>	<u>\$253,395</u>
	* after patronage		
<u>Operating Statements</u>		<u>Budget</u>	
<u>Fiscal Year to Date Through:</u>	<u>5/31/2010</u>	<u>5/31/2010</u>	<u>5/31/2009</u>
Interest income	\$6,860	\$7,660	\$8,093
Interest expense	(1,840)	(3,137)	(3,439)
Net interest income from portfolio	5,020	4,523	4,654
Provision for loan losses	(60)	(180)	(300)
Other income	388	262	305
Operating income	5,348	4,605	4,659
Employee costs	(2,155)	(2,161)	(1,959)
Professional expenses	(195)	(230)	(174)
Administrative expenses	(236)	(243)	(239)
Customer relations costs	(104)	(141)	(99)
Other operating expense	(197)	(200)	(195)
Operating expense	(2,887)	(2,975)	(2,666)
Net operating income	2,461	1,630	1,993
Patronage refunds/other adjustments	684	800	927
Income taxes	(54)	(14)	(12)
Net income	<u>\$3,091</u>	<u>\$2,416</u>	<u>\$2,908</u>