CALIFORNIA COASTAL RURAL DEVELOPMENT CORPORATION

(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

ANNUAL FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORTS

JUNE 30, 2011 AND 2010

CALIFORNIA COASTAL RURAL DEVELOPMENT CORPORATION
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

June 30, 2011 and 2010

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Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Directors
California Coastal Rural Development Corporation
Salinas, California

We have audited the accompanying statements of financial position of California Coastal Rural Development Corporation (Cal Coastal), a California non-profit public benefit corporation, as of June 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Cal Coastal's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Coastal Rural Development Corporation as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2011, on our consideration of California Coastal Rural Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

The unaudited supplementary information listed in the table of contents is presented at the request of management for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion.

Vavrinek, Trine, Day & Co. LLP

Rancho Cucamonga, California
October 21, 2011

8270 Aspen Street Rancho Cucamonga, CA 91730 Tel: 909.466.4410 Fax: 909.466.4431 www.vtdcpa.com
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CALIFORNIA COASTAL RURAL DEVELOPMENT CORPORATION
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2011 AND 2010

	2011	2010
ASSETS		
Cash and cash equivalents - undesignated	$ 3,762,388	$ 5,277,159
Cash and cash equivalents - designated	1,865,013	1,719,457
Accounts receivable	342,474	200,511
Interest receivable	242,958	317,538
Investments	171,039	323,481
Loans receivable, net	5,306,407	7,047,440
Fixed assets, net	23,910	19,471
Other real estate owned	534,991	-
Other assets	43,848	39,496
TOTAL ASSETS	$ 12,293,028	$ 14,944,553
LIABILITIES AND NET ASSETS		
Accounts payable and other accrued expenses	$ 18,000	$ 12,845
Other liabilities	63,145	247,404
Accrued compensation and benefits	173,887	188,755
Interest payable	252,068	298,558
Trust funded loans	1,112,394	1,600,653
Farm Service Agency/U.S. Department of Agriculture payables	-	388,204
CEDLI payable	716,820	-
Resold commercial loans payable	2,365,103	2,877,655
Notes payable	4,546,968	6,599,973
TOTAL LIABILITIES	9,248,385	12,214,047
NET ASSETS		
Unrestricted Net Assets		
Undesignated	3,427,098	2,911,971
Designated	(382,455)	(181,465)
TOTAL UNRESTRICTED NET ASSETS	3,044,643	2,730,506
TOTAL LIABILITIES AND NET ASSETS	$ 12,293,028	$ 14,944,553

See the accompanying notes to financial statements.

CALIFORNIA COASTAL RURAL DEVELOPMENT CORPORATION
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
REVENUES		
Contract support State OSB	$ 324,232	$ 242,302
Technical assistance contract income	356,501	331,504
Grant income	752,000	-
Loan origination and guarantee fees	412,171	438,842
Loan late fees	25,092	31,965
Loan interest income	1,771,279	2,321,349
Interest on deposit accounts	19,298	32,002
CDC income	73,871	89,114
Other income	32,787	28,692
TOTAL REVENUES	3,767,231	3,515,770
EXPENSES		
Salaries and wages	1,093,540	1,290,805
Payroll taxes and employee benefits	267,537	287,721
Interest expense	927,485	1,121,850
Provision for loan losses	284,500	126,996
California Capital Access Program contribution	15,372	8,920
Advertising and promotion	6,246	2,552
Meetings, education, and travel	80,395	52,005
Communication	58,873	58,698
Occupancy	164,775	178,494
Professional services	192,161	137,624
Office	64,454	40,230
Equipment repair and maintenance	25,723	28,216
Depreciation	4,860	22,775
Miscellaneous expenses	181,183	83,840
Loan expenses	85,990	140,965
TOTAL EXPENSES	3,453,094	3,581,691
Change in Net Assets	314,137	(65,921)
NET ASSETS, Beginning of Year	2,730,506	2,796,427
NET ASSETS, End of Year	$ 3,044,643	$ 2,730,506

See the accompanying notes to financial statements.

CALIFORNIA COASTAL RURAL DEVELOPMENT CORPORATION
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 314,137	$ (65,921)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Depreciation	4,860	22,775
Provision for loan losses	284,500	126,996
(Increase)/Decrease in Assets		
Accounts receivable	(141,963)	2,488
Interest receivable	74,580	(104,457)
Other assets	(4,352)	12,458
Increase/(Decrease) in Liabilities		
Accounts payable and other accrued expenses	5,155	(7,350)
Resold commercial loans payable	(512,552)	(59,261)
Accrued compensation and benefits	(14,868)	(43,526)
Interest payable	(46,490)	(18,315)
Other liabilities	(184,259)	12,713
Net Cash Flows from Operating Activities	(221,252)	(121,400)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(9,299)	-
Net decrease in loans receivable	921,542	2,859,614
Proceeds from sale of OREO	-	652,543
Net sales of investments	152,442	996,412
Net Cash Flows from Investing Activities	1,064,685	4,508,569
CASH FLOWS FROM FINANCING ACTIVITIES		
Net decrease in trust funded loans payable	(488,259)	(632,916)
Net decrease in Farm Service Agency/U.S. Department of Agriculture payables	(388,204)	-
Net increase (decrease) in lines of credit	-	(834,577)
Net increase in CEDLI payable	716,820	-
Net decrease in notes payable	(2,053,005)	(815,320)
Net Cash Flows from Financing Activities	(2,212,648)	(2,282,813)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,369,215)	2,104,356
CASH AND CASH EQUIVALENTS, Beginning of Year	6,996,616	4,892,260
CASH AND CASH EQUIVALENTS, End of Year	$ 5,627,401	$ 6,996,616
SUPPLEMENTAL DISCLOSURES		
Interest paid	$ 973,975	$ 1,140,165
NON CASH TRANSACTIONS		
Other real estate acquired in the settlement of loans	$ 534,991	$ 796,999

See the accompanying notes to financial statements.

NOTE 1 - NATURE OF ORGANIZATION

California Coastal Rural Development Corporation (Cal Coastal or the Corporation) is a non-profit public benefit corporation serving the financial needs of small businesses and farmers. The Corporation was chartered in 1982 by the California Technology, Trade, and Commerce Agency (the program is now with the California Business, Transportation, and Housing Agency (the BTHA)) to provide direct loans and loan guarantees to rural businesses located on the Central California Coast. Cal Coastal provides additional loan services to farmers and public jurisdictions in rural areas from offices in Salinas, Santa Barbara, Ventura, Monterey, and Santa Maria. Cal Coastal is not a Voluntary Health and Welfare Organization (VHWO).

Cal Coastal has agreements with Monterey County and the Cities of Hollister and Guadalupe to provide the above-mentioned services on a pass-through basis for these jurisdictions. As Cal Coastal does not own the loans, they are not recorded on Cal Coastal's financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting and reporting policies of Cal Coastal conform to accounting principles generally accepted in the United States of America (US GAAP). The financial statements are prepared on the accrual basis of accounting.

A summary of the significant accounting and reporting policies used in the preparation of the accompanying financial statements follows.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change relate to the determination of the allowance for losses on loans. While management uses available information to recognize losses on loans, future additions to the allowance may be necessary based on changes in local economic conditions.

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available, the Corporation's accounts are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or specified objectives. Separate accounts are maintained for each fund. Accordingly, all financial transactions have been recorded and reported by fund group and are disclosed in detail in the supplemental schedules.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The **Corporate Fund** accounts for the revenues and expenses of Cal Coastal, which are not otherwise accounted for in other funds. The functions financed through this fund are primarily contracts with the BTHA; loan originations and servicing with the U.S. Small Business Administration's 504 loan program; contracts to provide loan origination and servicing with local agency jurisdictions; and other programmatic functions financed with Corporation-generated funds.

The **Direct Loan Program Fund** accounts for the resources generated and used by Cal Coastal's direct farm lending operations (i.e. loans made with Cal Coastal controlled funds). The Farm Services Agency (the FSA), a Department of the United States Department of Agriculture (USDA), guarantees a portion of this loan portfolio (90 percent).

Combined, these two funds represent the undesignated assets, liabilities, and net earnings of the Corporation. Operating results of the Direct Loan Program are used to support the Corporate Expenses, and these operating transfers are shown on the Combining Statement of Activities. The remaining individual funds, described below, represent designated funds for specific loan programs.

The **Intermediary Relending Program (IRP-1, IRP-2, and IRP-3) Funds** account for the receipt and subsequent disbursement of loan proceeds from the Rural Economic and Community Development Service (the RECDS). These funds are provided to the Corporation for the purpose of relending to small businesses engaged in non-agricultural industries and may be used as operating capital or for the purchase of equipment.

The **Small Business Administration (SBA) Fund** accounts for the resources generated and used by microloans funded through funds advanced from the SBA. These funds are provided to the Corporation for the purpose of relending to small businesses and may be used as operating capital, purchases of equipment, inventory, leasehold improvements, and real estate acquisitions.

The **North American Development Bank Program (NADBank) Fund** accounts for the advance and subsequent disbursement of loans made through the NADBank Program. The proceeds of such advances are used to fund portions of certain loans meeting the eligibility requirements of the United States Community Adjustment and Investment Program. The Rural Business-Cooperative Services (RBS), a Department of the United States Department of Agriculture, guarantees 90 percent of these loans.

The **California Economic Development Lending Initiative (CEDLI) Fund** accounts for the advance and subsequent disbursement of loans made through the California Economic Development Lending Initiative. These funds are provided to the Corporation for the purpose of relending to small businesses and may be used as operating capital, purchases of equipment, inventory, leasehold improvements, and real estate acquisitions.

In November 2009, CEDLI performed an audit of its Cal Coastal Loans to Lenders portfolio. As a result of the audit, Cal Coastal agreed in June 2011 that certain Cal Coastal CEDLI loans should be assigned back to CEDLI. In addition, Cal Coastal remitted $165,000 to CEDLI, the full contractual amount of the limited recourse, in exchange for CEDLI acknowledging that Cal Coastal has no further liability for the related loans. Effective June 30, 2011, the CEDLI fund was terminated and fully settled on July 13, 2011.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accounts Receivable

Accounts receivable consist primarily of amounts owed from grants and contracts. Grant and contract receivables are subject to review by the issuing agencies and, consequently, certain costs could be disallowed. Management is of the opinion that any adjustments made due to these reviews would be immaterial. Due to the nature of these receivables, such adjustments relating to prior year are taken against income in the year in which the amounts are determined to be uncollectible.

Loans Receivable

Loans receivable are stated at the unpaid principal balance, less the allowance for loan losses and deferred loan fees net of deferred loans costs. Loan origination fees, offset by certain direct loan origination costs, are deferred and recognized over the contractual life of the loan as a yield adjustment. During the years ended June 30, 2011 and 2010, there were no deferred loan fees.

Non-Accrual Loans

Loans on which the accrual of interest has been discontinued are designated as non-accrual loans. The accrual of interest on loans is discontinued when principal or interest is past due 90 days or when, in the opinion of management, there is reasonable doubt as to collectibility. When loans are placed on non-accrual status, all interest previously accrued but not collected is reversed against current period interest income. Income on non-accrual loans is subsequently recognized only to the extent that cash is received and the loan's principal balance is deemed collectible.

Cal Coastal has adopted accounting guidance that generally requires those loans identified as "impaired" to be measured at the present value of expected future cash flows discounted at the loans' effective interest rate, except that as a practical expedient, a creditor may measure impairment based on a loan's observable market price, or the fair value of the collateral if the loan is collateral dependent. A loan is impaired when it is probable the creditor will not be able to collect all contractual principal and interest payments due in accordance with the terms of the loan agreement.

Cal Coastal considers a loan to be impaired when it is probable that the Corporation will be unable to collect all amounts due (principal and interest) according to the contractual terms of the loan agreement. Measurement of impairment is based on the expected future cash flows of an impaired loan, which are to be discounted at the loan's effective interest rate, or measured by reference to an observable market value, if one exists, or the fair value of the collateral for a collateral-dependent loan. The Corporation selects the measurement method on a loan-by-loan basis except that collateral-dependent loans for which foreclosure is probable are measured at the fair value of the collateral. The Corporation recognizes interest income on impaired loans based on its existing methods of recognizing interest income on non-accrual and troubled debt restructured loans.

Allowance for Loan Losses

The allowance for loan losses is established through provisions for loan losses charged against income. Loans deemed to be uncollectible are charged against the allowance for loan losses, and subsequent recoveries, if any, are credited to the allowance.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The allowance for loan losses is maintained at a level believed adequate by management to absorb estimated probable loan losses. Management's periodic evaluation of the adequacy of the allowance is based on Cal Coastal's past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay (including the timing of future payments), the estimated value of any underlying collateral, composition of the loan portfolio, current economic conditions, and other relevant factors. This evaluation is inherently subjective, as it requires estimates, including the amounts and timing of future cash flows expected to be received on impaired loans that may be susceptible to significant change.

Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and amortization. Depreciation on furniture, fixtures, and equipment is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to five years. Leasehold improvements are amortized over the term of the lease or the estimated useful lives of the improvements, whichever is shorter, and computed on the straight-line method.

Other Real Estate Owned

Other real estate owned includes real estate and other property acquired in full or partial settlement of loan obligations. When property is acquired, any excess of the recorded investment in the loan balance and accrued interest income over the appraised fair market value of the property, net of estimated selling costs, is charged against the allowance for loan and lease losses. Subsequent gains or losses on sales or writedowns resulting from permanent impairments are recorded in other income or expense as incurred.

Compensated Absences

Cal Coastal employees are credited twelve to thirty days of vacation and twelve days sick leave annually depending on seniority, to a maximum of thirty days vacation. The unused portion of vacation is payable to the employee at termination of employment. As of June 30, 2011 and 2010, the accrued vacation balance was $95,630 and $111,614, respectively, and is recorded as accrued compensation and benefits. Sick leave is not vested and, therefore, is not paid nor is it accrued.

Revenues

Cal Coastal's principle sources of revenue are interest income, loan origination and guarantee fees, and a contract between the Corporation and the BTHA. The contract provides for the Corporation to be reimbursed for authorized expenditures from interest earned by the California Small Business Financial Development Corporation Loan Guarantee Fund (the Trust Fund) and also from State General Fund. Cal Coastal further earns service fees for making loan guarantees. Contract revenue is recorded when a contract is awarded or when earned under the terms and conditions of the contract.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Allocation of Expenditures

Cal Coastal charges all direct expenditures to the appropriate lending program. Indirect expenditures eligible to be charged to cost reimbursement programs are allocated to all funds, subject to contractual limits. Indirect costs which are not eligible to be charged to cost reimbursement programs are allocated prorata among the remaining funds.

Income Taxes

Cal Coastal is exempt from Federal income and California franchise taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been recorded in the financial statements. The Corporation annually files Forms 990, 199, and RRF-1 with the appropriate agencies. The Corporation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a).

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Corporation to concentrations of credit and market risk consists primarily of cash equivalents and investments. Cash equivalents are maintained at well-capitalized financial institutions and credit exposure is limited to any one institution. At June 30, 2011 and 2010, the total amount of cash and cash equivalents in excess of the Federal Deposit Insurance Corporation (FDIC) insured limits at all financial institutions totaled approximately $4,896,741 and $6,417,625, respectively. The Corporation has not experienced any losses on its cash equivalents. The funds held at financial institutions are closely monitored.

Fair Value of Financial Instruments

Cal Coastal determines the fair market values of certain financial instruments based on the fair value hierarchy established in Statement of Financial Accounting Standards, *Fair Value Measurements*, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

The following provides a summary of the hierarchical levels used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs (other than Level 1 prices) such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the factors that market participants would use in pricing an asset or liability.

All of Cal Coastal's investments as disclosed in Note 4 are considered to be Level 1 investments.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents

For purposes of presentation in the Statement of Cash Flows, the Corporation considers all highly liquid financial instruments, with initial maturities of three months or less, to be cash equivalents. Investments include CDs maturing January 2011 and January 2010. These deposits are made to satisfy regulatory requirements to maintain a certain percentage of loan balances.

Reclassifications

Certain prior year financial statement balances may have been reclassified to conform to the current year presentation.

NOTE 3 - CASH IN BANKS

	June 30, 2011
Cash - undesignated	$ 3,762,388
Cash - designated	1,865,013
Total Cash and Cash Equivalents	$ 5,627,401

	June 30, 2010
Cash - undesignated	$ 5,277,159
Cash - designated	1,719,457
Total Cash and Cash Equivalents	$ 6,996,616

NOTE 4 - INVESTMENTS

Investments are carried at fair market value as follows:

	June 30, 2011		
	Adjusted Cost	Fair Value	Unrealized Appreciation (Depreciation)
Certificates of Deposit	$ 162,915	$ 162,915	$ -
FmAc Equity Securities	8,124	8,124	-
	$ 171,039	$ 171,039	$ -

NOTE 4 - INVESTMENTS, continued

Investment return is summarized as follows:

Interest income on certificates of deposit	$ 2,853

Investments are restricted to fund activities for loan loss reserves for NADBank of $162,915.

Investments are carried at fair market value as follows:

	June 30, 2010		
	Adjusted Cost	Fair Value	Unrealized Appreciation (Depreciation)
Certificates of Deposit	$ 321,656	$ 321,656	$ -
FmAc Equity Securities	1,825	1,825	-
	$ 323,481	$ 323,481	$ -

Investment return is summarized as follows:

Interest income on certificates of deposit	$ 4,121

Investments are restricted to fund activities for loan loss reserves as follows: NADBank, $160,466 and CEDLI, $161,190.

NOTE 5 - LOANS RECEIVABLE

Loans receivable at June 30, 2011 and 2010, consist of the following:

	June 30, 2011					
	Direct Loan Program	IRP-1, IRP-2, and IRP-3 Relending Programs	SBA-1 and SBA-2 Loan Programs	NADBank Loan Program	CEDLI Loan Program	Total
Commercial loans, gross	$ 22,463,443	$ 2,342,791	$ 1,211,567	$ 893,102	$ -	$ 26,910,903
Resold commercial loans	(19,647,063)	-	-	(805,229)	-	(20,452,292)
Commercial loans, net	2,816,380	2,342,791	1,211,567	87,873	-	6,458,611
Allowance for loan losses	(526,742)	(295,285)	(314,955)	(15,222)	-	(1,152,204)
	$ 2,289,638	$ 2,047,506	$ 896,612	$ 72,651	$ -	$ 5,306,407

	June 30, 2010					
	Direct Loan Program	IRP-1, IRP-2, and IRP-3 Relending Programs	SBA-1 and SBA-2 Loan Programs	NADBank Loan Program	CEDLI Loan Program	Total
Commercial loans, gross	$ 27,724,406	$ 2,057,354	$ 1,193,190	$ 3,126,932	$ 1,400,045	$ 35,501,927
Resold commercial loans	(24,612,840)	-	-	(2,489,519)	-	(27,102,359)
Commercial loans, net	3,111,566	2,057,354	1,193,190	637,413	1,400,045	8,399,568
Allowance for loan losses	(538,394)	(225,459)	(386,275)	(37,000)	(165,000)	(1,352,128)
	$ 2,573,172	$ 1,831,895	$ 806,915	$ 600,413	$ 1,235,045	$ 7,047,440

The Corporation's loan portfolio is collateralized predominantly by farm equipment, real estate, and crops throughout the Central Coast area of California. As a result, these portfolios consist of similar collateral types in the same region. Although the Corporation has a diversified portfolio, a substantial portion of its debtors' ability to honor their contracts is dependent upon the economy of this region of California.

The Corporation assesses loans individually and classifies a loan as supervised (impaired) when it has been restructured, the accrual of interest has been discontinued, or management has serious doubts about the future collectibility of principal and interest, even though the loan may be currently performing. Collection procedures may be pursued either through foreclosure, demand on the FSA or RBS guarantee, or both.

At June 30, 2011, the Corporation had supervised loans, in gross, in the Direct Loan Program, the IRP-1, IRP-2, and IRP-3 Relending Programs, and SBA of $6,518,864, $252,456, and $199,610, respectively. At June 30, 2010, the Corporation had supervised loans, in gross, in the Direct Loan Program, the IRP-1 and IRP-2 Relending Programs, NADBank, and CEDLI of $4,952,606, $135,287, $365,063, $390,130, and $496,213, respectively.

NOTE 5 - LOANS RECEIVABLE, continued

At June 30, 2011 and 2010, the total recorded investment in impaired loans, all of which has allowances determined in accordance with generally accepted accounting principles, amounted to $6,970,930 and $6,339,299, respectively. For the years ended June 30, 2011 and 2010, the average recorded investment related to impaired loans totaled approximately $3,831,700 and $3,465,000, respectively. The allowance for loan losses totaled approximately $1,152,000 and $1,352,000, respectively. The Corporation has no commitments to lend additional funds to borrowers whose loans have been modified. For the years ended June 30, 2011 and 2010, interest income from loans on non-accrual status would have been $561,569 and $263,000, respectively, had those loans been performing in accordance with their original terms and been outstanding throughout the period.

The total recorded investment in loans past due 90 days or more, and still accruing interest at June 30, 2011 and 2010, amounted to approximately $1,878,000 and $1,355,000, respectively.

Resold commercial loan payables at June 30, 2011 and 2010, were $2,365,103 and $2,877,655, respectively, and represent principal payments which were collected prior to June 30 and remitted subsequent to year-end.

The following schedule summarizes the activity in the allowance for loan losses:

	Direct Loan Program	IRP-1 and IRP-2 Relending Programs	SBA-1 and SBA-2 Loan Programs	NADBank Loan Program	CEDLI Loan Program	Total
Balance, June 30, 2009	$ 393,790	$ 389,281	$ 208,593	$ 27,004	$ 527,828	$ 1,546,496
Loan loss provision	60,000	24,000	18,000	9,996	15,000	126,996
Charge-offs	(722,053)	(187,822)	-	-	(58,146)	(968,021)
Recoveries	646,657	-	-	-	-	646,657
Reclassifications	160,000	-	159,682	-	(319,682)	-
Balance, June 30, 2010	538,394	225,459	386,275	37,000	165,000	1,352,128
Loan loss provision	60,000	24,000	175,500	10,000	15,000	284,500
Charge-offs	(622,225)	(4,577)	(247,620)	(395,564)	(666,868)	(1,936,854)
Recoveries	524,285	4,403	800	375,786	547,156	1,452,430
Reclassifications	26,288	46,000	-	(12,000)	(60,288)	-
Balance, June 30, 2011	$ 526,742	$ 295,285	$ 314,955	$ 15,222	$ -	$ 1,152,204

At June 30, 2011, Cal Coastal maintained restricted cash and investment accounts at financial institutions in the amount of $114,475 for the SBA Loan Program and $162,915 for NADBank. Such reserves are in addition to the above reserves for loan loss.

In addition, Cal Coastal has enrolled certain of its SBA loans into the California Capital Access Program (Cal Cap), administered by the California Pollution Control Financing Authority. Under this program, Cal Coastal contributes four percent of an enrolled loan's initial principal balance to a Trust Fund held by the Deutsche Bank. For the first $500,000 of enrolled loans, Cal Cap matched Cal Coastal's contribution 150 percent; contributions for enrolled loans are matched 100 percent. Losses on enrolled loans are paid by the Trust, with Cal Cap's approval. Cal Coastal recorded contribution expenses of $15,372 in the fiscal year ended June 30, 2011. At June 30, 2011, the principal balance of enrolled loans aggregated $936,388 and reserves of $74,549 were held by the Trust. Cal Coastal recorded contribution expenses of $8,920 in the fiscal year ended June 30, 2010. At June 30, 2010, the principal balance of enrolled loans aggregated $848,733 and reserves of $46,278 were held by the Trust.

NOTE 6 - FIXED ASSETS

Fixed assets and related depreciation consists of the following:

	2011	2010
Furniture, fixtures, and equipment	$ 682,577	$ 673,278
Leasehold improvements	67,353	67,353
	749,930	740,631
Less: accumulated depreciation	(726,020)	(721,160)
	$ 23,910	$ 19,471

Depreciation expenses of $4,860 and $22,775 were recorded in the fiscal years ended June 30, 2011 and 2010, respectively.

NOTE 7 - EMPLOYEE BENEFIT PLAN

Cal Coastal has adopted a Simplified Employee Pension Plan (SEP-IRA) which covers all eligible employees age 21 and over. The Board of Directors determines annual fringe benefits at the beginning of each year. The SEP-IRA contribution is based on employee salaries, with quarterly payment. Included in employee benefits for the fiscal years ended June 30, 2011 and 2010, was $32,572 and $45,537, respectively, which was contributed to the Cal Coastal SEP-IRA plan.

NOTE 8 - STATE OF CALIFORNIA, OFFICE OF SMALL BUSINESS TRUST FUND

The Loan Guarantee Trust Fund (the Trust), managed by First Northern Bank's Asset Management and Trust Department, allows Cal Coastal to guarantee loans to small businesses up to a limit of 90 percent of a qualified loan and $500,000 per borrower. The investment portfolio of the Trust is divided into two different accounts: income and managed. Cal Coastal is allowed to specify the investments of the managed account.

At June 30, 2011, the Trust net assets were $4,614,814. The balance, which approximated fair value, with outstanding Cal Coastal loan guarantee liabilities of $11,710,738, and farm loan liabilities of $3,053,929, resulted in an encumbrance level of 3.20 percent of trust balance. Direct farm loans sold to the Trust at June 30, 2011, were $1,417,582. The direct farm loans were approximately 90 percent guaranteed by the FSA. Cal Coastal's liability at June 30, 2011, was $1,112,394.

At June 30, 2010, the Trust net assets were $3,362,117. The balance, which approximated fair value, with outstanding Cal Coastal loan guarantee liabilities of $16,414,285, and farm loan liabilities of $3,648,555, resulted in an encumbrance level of 5.97 percent of trust balance. Direct farm loans sold to the Trust at June 30, 2010, were $2,923,729. The direct farm loans were approximately 90 percent guaranteed by the FSA. Cal Coastal's liability at June 30, 2010, was $1,600,653.

A schedule of the Loan Guarantee Trust Fund – Fund Activity is presented on page 24.

NOTE 9 - NOTES PAYABLE

	2011	2010
Note payable to Opportunity Finance Network (formerly National Community Capital Association), unsecured, maturing on December 15, 2015. Principal is due and payable upon maturity. Interest accrues at a rate of 4.75% per annum and is payable in arrears on a quarterly basis.	$ 1,000,000	$ 1,000,000
Note payable to The Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America, unsecured, the principle amount of sum of $350,000, together with interest on the unpaid principle balance at a simple interest rate 4.0%. Outstanding principal was paid in full in September 2009.	-	-
Note payable to the United States Department of Agriculture, Rural Economic and Community Development Service (RECDS), secured by the Intermediary Relending Program Fund and all collateral obtained as a result of such relending activity. Annual payments of $79,800, including interest of 1.0% per annum, maturing December 2020. The maximum amount available to borrow under the note is $2,000,000, and as of June 30, 2011, Cal Coastal had drawn all of the available funds under this note.	745,087	816,698
Note payable to the RECDS, secured by the Intermediary Relending Program Fund and all collateral obtained as a result of such relending activity. Annual payments of $79,800, including interest of 1.0% per annum, maturing June 2025. The maximum amount available to borrow under the note is $2,000,000, and as of June 30, 2011, Cal Coastal had drawn all of the available funds under this note.	1,029,986	1,098,798
Note payable to the United States Department of Agriculture, Rural Economic and Community Development Service (RECDS), secured by the Intermediary Relending Program Fund and all collateral obtained as a result of such relending activity. Annual payments for the first three years consist of interest only payments, following year and, thereafter, principal and interest payments in an to fully amortize the loan 30 years from the date of the note until principle and interest are fully paid, 1.0% per annum, maturing March 2035. The maximum amount available to borrow under the note is $750,000, and as of June 30, 2011, Cal Coastal had not drawn all available funds under this note.	383,597	312,046
Note payable to the United States Small Business Administration (SBA), secured by the SBA Fund and all collateral obtained as a result of related relending activity. Monthly payments of $18,720, including interest of 2.75% per annum, maturing in August 2010. The maximum amount available to borrow under the note is $500,000. As of June 30, 2011, Cal Coastal had drawn all of the available funds under this note.	-	18,622
Note payable to the United States Small Business Administration (SBA), secured by the SBA Fund and all collateral obtained as a result of related relending activity. Monthly payments of $5,691 are required including interest of 1.5% per annum. The note will mature in September 2013. The maximum amount available to borrow under the note is $500,000, and as of June 30, 2011, Cal Coastal had drawn all of the available funds under this note.	151,002	217,305

NOTE 9 - NOTES PAYABLE, continued

	2011	2010
Note payable to the United States Small Business Administration (SBA), secured by the SBA Fund and all collateral obtained as a result of related relending activity. Monthly payments of $2,858 including interest of 2.375% per annum, assuming certain conditions were met, began June 2005. The note will mature in April 2015. The maximum amount available to borrow under the note is $250,000, and as of June 30, 2011, Cal Coastal had drawn all of the funds available under this note.	$ 125,386	$ 155,945
Note payable to the United States Small Business Administration (SBA), secured by the SBA Fund and all collateral obtained as a result of related relending activity. Monthly payments of $5,325 including interest of 2.375% per annum maturing July 2016. The maximum amount available to borrow under the note is $500,000, and as of June 30, 2011, Cal Coastal had drawn all of the available funds.	303,086	353,758
Note payable to the United States Small Business Administration (SBA), secured by the SBA Fund and all collateral obtained as a result of related relending activity. Monthly payments of $5,062 including interest of 1.625% per annum, maturing April 2019. The maximum amount available to borrow under the note is $500,000, and as of June 30, 2011, Cal Coastal had drawn down $200,000.	468,948	200,000
Line of credit to North American Development Bank, secured by all collateral obtained as a result of related relending activity. The line was originally approved December 31, 1999. The agreement has been amended to extend the terms. The The terms call for payments of principal and interest in arrears. Interest is due in an amount equal to 50% of the interest received per program loan up to a maximum of 5% for any one loan. The maximum amount available is $1,250,000.	339,876	958,372
Note payable to California Economic Development Lending Initiative (CEDLI), under a $2,000,000 revolving line of credit. The agreement has been amended to extend the terms. The current amendment was approved for the period to April 30, 2008. Individual notes are secured by collateral obtained as a result of relending activity. The notes are payable in monthly installments, based upon the receipt of principal from relent advances, including interest of prime less 3.00% per annum. The notes expired as of June 29, 2011. See Note 2 for further discussion.	-	1,468,429
	$ 4,546,968	$ 6,599,973

Maturities as of June 30, 2011, on the notes payable are as follows:

Fiscal Year Ended June 30,	
2012	$ 403,194
2013	406,524
2014	359,051
2015	1,339,335
2016	313,359
Thereafter	1,725,505
	$ 4,546,968

NOTE 10 - LINE OF CREDIT

As of June 30, 2011, Cal Coastal has a $6 million line of credit with a bank to be drawn down upon as needed, with an interest rate of prime plus ½ percent. The line expires on January 15, 2012. As of June 30, 2011 and 2010, the Corporation had no amounts outstanding on the line.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Program Funding

Cal Coastal's use of the Trust Fund's interest and principal for administrative support is determined on a year-to-year basis by negotiations between the OSB and the Corporation. The State retains a residual interest in the Trust Funds held by First Northern Bank. A cancellation of the administrative support agreement with the State would have an adverse effect on the Corporation's future operations.

At June 30, 2011 and 2010, Cal Coastal was involved in several instances in which loans in default were not called for the guarantee. Management believes that any adjustments necessary for these loans will not have a material effect on the financial statements.

Litigation

Cal Coastal may be involved in various pending or threatened litigation. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the financial statements.

Federal and State Program Audits

Cal Coastal receives funds from Federal and State sources which may be used only for specified purposes that are subject to review and audit by the grantor agencies. Although such audits could generate comments of noncompliance or expenditure disallowances under terms of the funding source, in the opinion of management, any required adjustments would not be material to the financial statements.

Operating Leases

Cal Coastal has entered into various non-cancelable operating leases for its facilities and equipment. Minimum rental commitments under these leases are as follows:

	Fiscal Year Ended June 30,						
	2012	2013	2014	2015	2016	Thereafter	Total
Facilities	$ 105,245	$ 108,403	$ 111,655	$ 115,004	$ 118,455	$ 247,677	$ 806,439

Rental expense for the years ended June 30, 2011 and 2010, was $120,263 and $131,032, respectively.

NOTE 12 - SUBSEQUENT EVENTS

Cal Coastal has evaluated subsequent events for recognition and disclosure through October 21, 2011, which is the date the financial statements were available to be issued.

INDEPENDENT AUDITORS' REPORT

Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
California Coastal Rural Development Corporation
Salinas, California

We have audited the financial statements of California Coastal Rural Development Corporation as of and for the years ended June 30, 2011 and 2010, and issued our report thereon dated October 21, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

The management of California Coastal Rural Development Corporation is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered California Coastal Rural Development Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the California Coastal Rural Development Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the California Coastal Rural Development Corporation's internal control over financial reporting.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

8270 Aspen Street Rancho Cucamonga, CA 91730 Tel: 909.466.4410 Fax: 909.466.4431 www.vtdcpa.com

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether California Coastal Rural Development Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, Board of Directors, Federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co. LLP

Rancho Cucamonga, California
October 21, 2011

SUPPLEMENTARY INFORMATION
(UNAUDITED)

CALIFORNIA COASTAL RURAL DEVELOPMENT CORPORATION
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

GUARANTEE LOAN PORTFOLIO ACCOUNTABILITY REPORT
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Balance of Loan Guarantee, Beginning of Year	$ 16,414,285	$ 22,515,584
Loans Guaranteed	247,236	2,384,551
Loan Payoffs	(5,238,526)	(8,485,850)
Balance of Loan Guarantee, End of Year	$ 11,422,995	$ 16,414,285

Unaudited - see accompanying note to additional supplementary information.

CALIFORNIA COASTAL RURAL DEVELOPMENT CORPORATION
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

LOAN GUARANTEE TRUST FUND – FUND ACTIVITY REPORT
FOR THE YEAR ENDED JUNE 30, 2011

	Cash and Securities	Managed Account Farm Loans	Total
Balance at July 1, 2010	$ 380,081	$ 2,923,730	$ 3,303,811
Receipts			
Interest - investments	19,104	-	19,104
Interest on farm loans	28,814	-	28,814
Principal farm loan repayments	1,506,147	(1,506,147)	-
Repayment of state receivables	5,923	-	5,923
Total Receipts	1,559,988	(1,506,147)	53,841
Disbursements			
Capital gains (losses)	(9,944)	-	(9,944)
Fixed contract payment	-	-	-
Trustee and bank fees	-	-	-
Loss payouts	(1,039,613)	-	(1,039,613)
Other adjustments	2,321,292	-	2,321,292
Total Disbursements	1,271,735	-	1,271,735
Ending Balance at June 30, 2011	$ 3,211,804	$ 1,417,583	$ 4,629,387

Unaudited - see accompanying note to additional supplementary information.

Income Account	CCRDC Managed Account	Total
$ 58,306	$ -	$ 3,362,117
6	-	19,110
346	-	29,160
-	-	-
-	-	5,923
352	-	54,193
95	-	(9,849)
(67,702)	-	(67,702)
(5,623)	-	(5,623)
-	-	(1,039,613)
-	-	2,321,292
(73,230)	-	1,198,505
$ (14,572)	$ -	$ 4,614,815

CALIFORNIA COASTAL RURAL DEVELOPMENT CORPORATION
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

SCHEDULE OF LOAN GUARANTEE BALANCES
JUNE 30, 2011

Loan Number	Guarantee Liability	Loan Number	Guarantee Liability	Loan Number	Guarantee Liability	Loan Number	Guarantee Liability
CC1117	$ -	CC1363	$ 52,730	CC1500	$ 109,030	CC1575	$ 24,586
CC1142	-	CC1372	190,216	CC1501	9,082	CC1576	10,882
CC1220	-	CC1378	83,098	CC1504	8,919	CC1577	-
CC1230	324,438	CC1383	73,166	CC1506	-	CC1578	144,683
CC1232	200,275	CC1392	164,710	CC1507	22,619	CC1579	108,175
CC1241	14,162	CC1396	433,290	CC1509	49,460	CC1580	170,291
CC1248	14,521	CC1407	7,980	CC1511	84,529	CC1583	35,362
CC1280	218,538	CC1412	30,913	CC1512	470,165	CC1585	3,500
CC1283	17,987	CC1414	14,450	CC1514	-	CC1586	321,868
CC1290	138,011	CC1418	58,389	CC1516	-	CC1587	16,954
CC1291	-	CC1423	-	CC1517	294,220	CC1588	398,927
CC1296	5,141	CC1424	23,035	CC1523	-	CC1589	-
CC1297	5,827	CC1427	226,022	CC1526	73,566	CC1592	38,739
CC1304	-	CC1430	27,982	CC1528	-	CC1596	200,000
CC1306	-	CC1432	16,654	CC1529	8,904	CC1597	-
CC1309	-	CC1433	20,882	CC1530	111,358	CC1598	89,023
CC1316	403,293	CC1437	347,341	CC1533	107,046	CC1599	117,244
CC1319	-	CC1439	465,403	CC1534	58,842	CC1602	144,421
CC1320	2,250	CC1442	60,951	CC1539	164,425	CC1603	18,879
CC1321	-	CC1444	-	CC1540	72,033	CC1609	6,475
CC1322	129,175	CC1448	23,701	CC1541	-	CC1610	6,475
CC1323	278,929	CC1450	30,176	CC1543	-	CC1611	23,199
CC1324	-	CC1451	18,942	CC1545	362,267	CC1612	36,697
CC1325	-	CC1453	11,663	CC1547	-	CC1613	-
CC1329	10,527	CC1456	34,092	CC1548	21,267	CC1614	-
CC1330	46,949	CC1457	28,228	CC1549	17,073	CC1616	91,760
CC1332	-	CC1460	7,765	CC1551	45,737	CC1617	-
CC1333	160,065	CC1465	9,467	CC1554	463,724	CC1618	40,268
CC1334	-	CC1466	193,684	CC1555	46,115	CC1620	-
CC1335	101,526	CC1469	257,141	CC1557	3,325	CC1621	10,671
CC1337	-	CC1472	129,780	CC1559	19,500	CC1622	-
CC1338	-	CC1473	86,954	CC1560	95,826	CC1623	-
CC1341	-	CC1477	26,233	CC1564	9,129	CC1624	-
CC1342	-	CC1482	128,109	CC1566	-	CC1625	37,116
CC1351	87,726	CC1490	64,831	CC1568	127,243	CC1626	92,411
CC1353	48,894	CC1492	34,686	CC1569	22,110	CC1627	-
CC1357	-	CC1493	42,569	CC1570	50,749	CC1628	250,000
CC1361	44,080	CC1496	35,040	CC1571	117,291	CC1629	-
CC1362	55,325	CC1499	12,882	CC1572	2,146	CC1630	-

Unaudited - see accompanying note to additional supplementary information.

CALIFORNIA COASTAL RURAL DEVELOPMENT CORPORATION
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

SCHEDULE OF LOAN GUARANTEE BALANCES, CONTINUED
JUNE 30, 2011

Loan Number	Guarantee Liability
CC1631	$ 20,000
CC1632	15,000
CC1633	13,334
CC1634	28,651
CC1635	36,399
CC1636	42,511
	$ 11,422,995

Unaudited - see accompanying note to additional supplementary information.

CALIFORNIA COASTAL RURAL DEVELOPMENT CORPORATION
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

SCHEDULE OF LOANS ORIGINATED
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

2011	Gross Loans Originated	Number of Loans	Net Loans Originated
Direct Farm Loan Program - Farm Ownership	$ 602,000	3	$ 602,000
Direct Farm Loan Program - Operating Loans	13,284,000	34	13,284,000
Guaranteed loans	247,236	5	148,869
Intermediary Relending Program - 2	225,000	2	225,000
Intermediary Relending Program - 3	100,000	1	100,000
Monterey County EDA	170,000	4	170,000
Small Business Administration (SBA)	490,611	15	490,611
SBA 504 Loan Program	133,000	1	133,000
Direct Loan Program - Workout Loans	364,698	3	364,698
Total Loans by Product	$ 15,616,545	68	$ 15,518,178

2010	Gross Loans Originated	Number of Loans	Net Loans Originated
Direct Farm Loan Program - Farm Ownership	$ 625,000	2	$ 625,000
Direct Farm Loan Program - Operating Loans	13,764,996	32	13,764,996
Guaranteed Loans	2,384,551	15	1,233,460
Intermediary Relending Program - 1	94,000	1	94,000
Intermediary Relending Program - 2	50,000	1	50,000
Monterey County EDA	270,000	3	270,000
Small Business Administration (SBA)	293,000	10	293,000
Direct Loan Program - Workout Loans	3,583,748	18	3,583,748
Total Loans by Product	$ 21,065,295	82	$ 19,914,204

Unaudited - see accompanying note to additional supplementary information.

NOTE TO SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 - PURPOSE OF SCHEDULES

Guarantee Loan Portfolio Accountability Report

This schedule provides detail information related to the Loan Guarantees Portfolio maintained by the State of California on behalf of the Corporation. The schedule is required by State agencies providing funding to the Corporation.

Loan Guarantee Trust Fund - Fund Activity Report

This schedule provides detail information related specifically to Farm Loan advances, repayments, and activity within the Farm Loan Program. This schedule is required by State agencies providing Farm Loan funding to the Corporation.

Schedule of Loan Guarantee Balances

This schedule provides information related to the Guaranteed Loans administered through the Corporation about the total activity regarding the specific Loans and the balance held in the Guarantee Loan Portfolio. This schedule is required by State agencies providing funding to the Corporation.

Schedule of Loans Originated

This schedule provides information regarding the loan activity by 'product' line. This information is provided to satisfy reporting requirements of various funding agencies.