



Saint John Community Loan Fund

Investing in People - Investing In Community

Annual Report 2008

Our Mission

To improve social conditions for people living in Saint John by promoting economic independence and fostering entrepreneurship in our community.

Our Activities

The Saint John Community Loan Fund (Loan Fund) helps individuals create income, build assets, and attain greater self-reliance by providing:

- business loans
- employment loans
- shelter loans (deposits, arrears)
- financial literacy training (Money Matter\$)
- leadership training (Power Up in partnership with UCSN)

The Loan Fund promotes community investing. It recruits investments to build its loan pool and donations to safe-guard the loan pool against losses.

Like banks or credit unions, community loan funds maintain reserves to protect themselves and their investors. The Saint John Community Loan Fund exceeds the industry standard by setting aside 30% of total loans out.

No investor has lost money

Our Program Funding Partners in Fiscal 2008

- Co-operators Insurance Co. CED Fund
- Greater Saint John Community Foundation
- Social Development (Family and Community Services) - Government of NB
- Women's Issues Branch - Government of NB

The Human Development Council continues to be our primary community partner, providing office space, equipment and a sounding board for ideas.



Tim Trask on scaffolding at Lepreau

Getting back to work

Tim Trask is an apprentice carpenter, but for different personal reasons ended up out of work for a prolonged period. He finally decided to turn things around this year. With some spiritual support from the Saint John Community Chaplaincy and persistent calls to the carpenter's union, he ended up at the Loan Fund. Tim had a plan, \$750 would get him back to work; some tools, equipment, and paid up union dues. We made that loan and today he is working at the Point Lepreau Nuclear Facility refurbishment project. You can imagine the income he is earning now. In fact, this year he will pay the government - a lot. Tim says, "If you believe in yourself, then others believe in you. You need a plan, and a goal, but its one step at a time. I'm very grateful to the Community Loan Fund for believing in me."

Cumulative Stats At A Glance*



Loans

Number of Inquiries	1,177
Loans Disbursed	162
Value of Loans	\$192,876
Value of Loans Repaid	\$97,866
Value of Loans Written off	\$42,799

Impact (from business and work loans)**

Activity Providing Main Income	43%
Activity Providing Extra Income	29%
Activity Discontinued	28%

Training (Participants)

Money Matter\$	399
Business Planning	37
One-on-One Budgeting	20

*September 1999 to March 31, 2008

**Plus millions in income generated and thousands in reduced provincial income assistance costs.

President's Message

Throughout the annual report you will see pictures that depict what we do - helping people create income, build assets, and become more self-reliant. On the front cover and at the right are pictures taken by Rob Roy, one of our board members. They are pictures that remind us of the work we undertook this past year to renovate a rundown mostly vacant building and make it a home for the Loan Fund and for two single working moms. This building will now become an asset for the Loan Fund, and for the community. This captivating vision of owning our own building, was put forth by our manager and adopted by our board. It is a vision that has been supported by the Province of NB which has provided renovation grants and it is a vision that attracted angel donors and a grant from the Greater Saint John Community Foundation. It is clear to undertake any significant project that builds a better community we need diverse and significant partners. I believe, as an investor in the Loan Fund, that your investment provides a wonderful return. Thank you to all who made an investment in our vision and continue to do so year after year.

Louise Béland, President

Manager's Message

The vision of a charitable organization that lends money and builds assets is new, but is gaining traction. Everyone wants a better community, the question is how do we get there. I believe many people are beginning to see social finance and social investing as a bit more attractive than charity. It is entrepreneurial. This last year we took a risk and bought a place to renovate, we will move in this September. We also began partnering with UCSN to deliver Power Up. This coming year we have support from the Province of NB's Women's Issues branch to pursue social enterprise. We've been named the champion for the "Social Enterprise Business Case" in the Benefits Blueprint. Major projects are on the horizon. The challenge is to use social finance and related training to get people into the jobs that are going to be created, to build small businesses to service the giants, and to invest in affordable home ownership. The time is now to build assets.

Seth Asimakos, Manager



Louise Béland is a self-employed interpreter. More importantly she is a Loan Fund investor.



Seth Asimakos is the founding manager of the Loan Fund, and an investor.

Loan Report

The Loan Fund received 220 loan inquiries in fiscal 2008; 60 business/employment; 102 housing/hydro; and 58 other. From these inquiries the Loan Fund negotiated 18 loans (8% of inquiries into loans) - two business, two employment, and fourteen shelter loans. The low loan disbursement rate was a result of a tightening up of criteria after reflecting on a high default rate among shelter loans. We re-committed to the principle that loans must help people create income, or at least improve their margin of income; and we added a screen

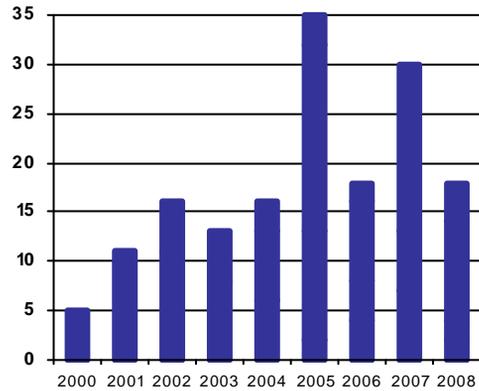
that all applicants would have at least a \$50.00/mo. buffer in their income after the loan payment. The attention we devoted to loans in arrears resulted in 12 borrowers successfully paying out their loans, the highest single number in any given year! It is important to note that when we cannot help an individual, much effort is invested to refer them to an organization that can help.

This year we received a number of inquiries to pay for tuition related to trades training that were ineligible due to high loan value or length of training. With employment demand high in certain trades and referrals from the Department of Post Education Labour and Training, we are now reviewing this opportunity. The number of active loans at March 31, 2008: Business/Employment: 21 (36% are repaying on schedule) Shelter (Housing, Hydro, Transition from Domestic Violence): 18 (24% are repaying on schedule).

“Our experience with the SJCLF has been all positive. They helped us in being able to move to a healthier place for our family. As well, with their help and advice our very first home is no longer a dream, it’s going to be a reality in the very near future. Thank you all very much, especially Marlene Abbott, for giving us a chance when nobody else would.”

Pamela Crockett & Clifford LeBlanc

Loans Per (Fiscal) Year



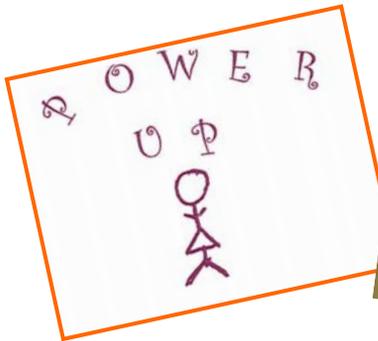
Training Report

Money Matter\$

The Loan Fund continues to deliver a five module financial literacy course called Money Matter\$ to partnering organizations. These modules include: Assets; Budgeting; Consumerism; Banking, and Credit. Over 120 people participated in Money Matter\$ during the past fiscal year. Working with the ONE Home Affordable Home Ownership Demonstration Project, and Dalhousie University, two additional modules have been developed; Saving & Investing, and Home Ownership. This expanded version will first be used with ONE Home potential tenants and then rolled out more broadly.

Our Community Partners:

Department of Social Development, John Howard Society, Woodlawn Learning Centre, Coverdale Centre, First Steps, Second Stage Safe Housing, Junior Achievement, Building Self-Esteem and Gaining Independence Program, Learning Exchange, Open Door Club, Teen Resource Centre, Family Resource Centre, and the YM/YWCA CORE Program.

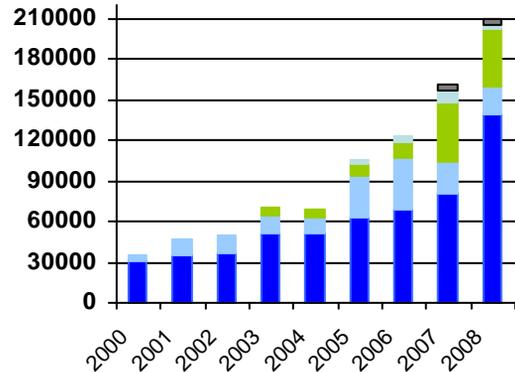


The Loan Fund also began partnering with the Urban Core Support Network to deliver a ten-week women's leadership program called POWER UP! The main themes for the program are leadership, community engagement, and social enterprise. This program will be offered six times over the next two years to low income women in Saint John's five priority neighbourhoods.

Building the Pool

This past year another \$60,000 was added to the loan pool, bringing the total capital devoted to lending to almost \$190,000. Another \$22,000 is sitting in a loan loss reserve to insure investors do not lose their money. It is important to note that no investor has lost any money in nine years of lending. Why build the pool? Although this year our loans decreased in numbers, we have updated policies to include new lending opportunities, social enterprises and non-profit housing. These loans can be up to \$50,000. To make a loan of \$50,000 we need that capital plus a reserve between \$5,000 and \$15,000 depending on the level of risk. Investing in and donating to the Loan Fund will insure the capital is there to go after opportunities.

Capital Growth



Cities invest after hearing story of Susannah

The City of Saint John joined Quispamsis, and Grand Bay-Westfield this year with an investment of \$50,000, the largest single investment in the Loan Fund. Key to getting these investments was a presentation to the council members of each

municipality by Gerry Pond, Margaret Ann Blaney and Leslie Oland. Gerry speaks of even large companies not getting credit because they don't have assets to collateralize, "can you imagine a person who has had bad credit or no assets how hard it can be?". Margaret Ann focuses on the rise of micro-credit as a worldwide force, referring to the Mohammed Yunnus phenomenon, "we have our own micro-credit organization right here". The most captivating story is about a woman who built a business from a simple recipe, a brown ale, while raising six children. Of course this woman was Susannah Oland, and the business, Saint John's Moosehead Breweries - the oldest independent major brewery in Canada. All big businesses start from humble beginnings.



AUDITED FINANCIAL STATEMENTS

For the year ended March 31, 2008

Excerpts from the audited statements prepared by Wilshaw & Associates. For complete statements please contact the office.

Balance Sheet	2008			2007
	Operating Fund \$	Loan Funds \$	Total \$	Total \$
Assets				
Current assets				
Cash	8,886	58,707	67,592	59,916
Term deposits	-	84,588	84,588	62,940
Accounts receivable	7,120	-	7,120	11,311
Interest receivable	-	1,374	1,374	1,062
Prepaid expenses	6,492	-	6,492	3,350
	<u>22,497</u>	<u>144,667</u>	<u>167,164</u>	<u>138,579</u>
Investments – at cost	-	-	-	34,997
Property, plant and equipment (note 3)	165,066	-	165,066	-
Notes receivable (note 4)	-	17,264	17,264	29,825
	<u>187,562</u>	<u>161,931</u>	<u>349,493</u>	<u>203,401</u>
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	31,190	213	31,403	10,797
Accrued interest	-	3,703	3,703	1,744
Unearned income	4,167	-	4,167	4,167
Interfund balance	28,071	(28,071)	-	-
Current portion of notes payable	-	26,777	26,777	17,102
	<u>63,428</u>	<u>2,622</u>	<u>66,050</u>	<u>33,810</u>
Notes payable (note 5)	-	156,727	156,727	107,035
	<u>63,428</u>	<u>159,349</u>	<u>222,777</u>	<u>140,845</u>
Fund Balances				
Loan Funds	-	2,582	2,582	826
Unrestricted	124,134	-	124,134	61,730
	<u>124,134</u>	<u>2,582</u>	<u>126,716</u>	<u>62,556</u>
	<u>187,562</u>	<u>161,931</u>	<u>349,493</u>	<u>203,401</u>
Fund Balances – Beginning of year	61,730	826	62,556	17,171
Excess revenue (expenditures) for the year	68,404	(4,244)	64,160	45,385
Interfund transfer	(8,000)	6,000	-	-
Fund Balances – End of year	<u>124,134</u>	<u>2,582</u>	<u>126,716</u>	<u>62,556</u>

Income Statement	2008			2007
	Operating Fund \$	Loan Funds \$	Total \$	Total \$
Revenue				
Government grants & fee for service	40,000	-	40,000	45,185
Non Government grants & fee for service	32,834	-	32,834	68,180
Donations	13,959	25	13,984	52,290
Land and building development	83,276	-	83,276	-
Fundraising	16,246	-	16,246	12,413
Interest & fees on loans and interest & dividends	738	4,823	5,561	5,779
Miscellaneous	-	-	-	2,079
Loss on disposal of investments	(3,772)	-	(3,772)	-
	<u>183,281</u>	<u>4,848</u>	<u>188,129</u>	<u>185,886</u>
Expenditures				
Wages and benefits	93,985	-	93,985	99,711
Communications	2,363	-	2,363	3,149
Fundraising, advertising and promotion	6,131	-	6,131	7,256
Audit, accounting, administration	9,130	-	9,130	6,467
Special projects	1,513	-	1,513	1,145
Networking/partnership	312	-	312	3,088
Investor & loan costs	887	2,075	2,962	1,177
Education	85	-	85	10
Loan reserves	-	7,002	7,002	17,735
Miscellaneous	471	15	486	1,783
	<u>114,877</u>	<u>9,092</u>	<u>123,969</u>	<u>140,501</u>
Excess revenue (expenditures) for the year	<u>68,404</u>	<u>(4,244)</u>	<u>64,160</u>	<u>45,385</u>

Note 3	2008		2007
	Cost \$	Amor.\$	Net \$
Land	50,143	-	50,143
Buildings	114,922	-	114,922
	<u>165,065</u>	<u>-</u>	<u>165,065</u>

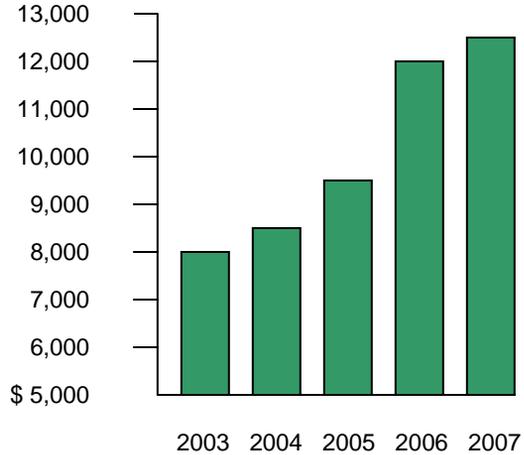
Note 5	Income \$	Shelter \$	Total \$
Opening balance	80,637	43,500	124,137
New loans	59,250	-	59,250
Interest reinvested	117	-	117
	<u>140,004</u>	<u>43,500</u>	<u>183,504</u>
Less: Current portion	25,777	1,000	26,777
	<u>114,227</u>	<u>42,500</u>	<u>156,727</u>

Note 4	Income \$	Shelter \$	Total \$
Notes receivable			
Opening balance	48,510	21,884	68,394
New loans	8,537	7,550	16,087
Payments received	(14,759)	(6,887)	(21,646)
Written off	(723)	(8,269)	(8,992)
	<u>39,565</u>	<u>14,278</u>	<u>53,843</u>
Loan reserves			
Opening balance	27,390	11,179	38,569
Donations	25	-	25
Written off	(723)	(8,269)	(8,992)
Loan Fees	671	306	977
Transfer	-	6,000	6,000
	<u>27,363</u>	<u>9,216</u>	<u>36,579</u>
Notes receivable - net	<u>12,202</u>	<u>5,062</u>	<u>17,264</u>

Greetings

The Loan Fund continued to extend greetings around the world through its art cards. A unique fundraiser, greeting cards were again created from four works of art donated by local artists. These cards were sold at numerous retailers and the original artwork auctioned off. For five years the Loan Fund has sold more each year and this past year sales reached close to \$12,500! Our immense thanks go to artists that donated the set of images for this 5th year: Patricia Tingley, Herzl Kashetsky, Ed Coleman and Beth Powning.

Greeting Card Sales



Top sales

Handworks continued to be the number one retailer setting another record with 120 sets sold, while board member, Brian Duplessis, surpassed his winning record last year with an astounding 89 sets! Gary Davis was the big winner at the auction, scooping up two pieces of artwork to give to family for Christmas. "My son Anthony and his family moved to Idaho and were so pleased to get these two pieces of Saint John art for their home," Gary says. They also bought cards to send a piece of Saint John to friends and colleagues.



The Human Development Council's Randy Hatfield admires the original artwork at the launch in October 2007



Building for the future

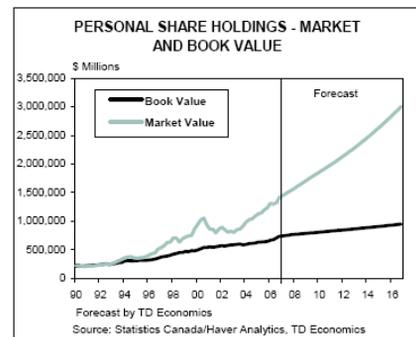
In July 2007, the Loan Fund was able to purchase a building at 133-135 Prince Edward Street thanks to an angel donation. What attracted the donor was a plan to rehabilitate the street. A former pawn shop and two vacant and run down flats would be turned into the Loan Fund office and two affordable housing units for working women. A former borrower was hired as the principal contractor. Critical start-up support was received from the Province's RRA Program, and the Greater Saint John Community Foundation. The Regional Development Corporation provided support for the office renovation. Other donors include:

- Community Foundations of Canada & Benjamin Moore
- Kent building supplies and JD Irving
- Ultimate Windows, Doors and More
- International Brotherhood of Electrical Workers
- Harris Rebar
- RS Webb Electrical
- Gardner Electric
- Source Atlantic
- Deloitte Touche Impact Day (scheduled for September 2008)

The Loan Fund also purchased three lots adjacent to the building, thanks again to a contribution by the angel donor who got the ball rolling in 2006. Discussions have already started with environmental contractors as we plan for a building that incorporates new technologies in energy efficiency.

Securities donations make a difference

Two sizable securities donations in the last 2 years have resulted in establishing a foundation for future growth and development by helping the Loan Fund purchase the building in 2006 and the land in 2008. Donating securities directly is the best way; the donor receives a charitable tax receipt for the donation and avoids the taxes on the capital gains. For more information on donating securities please contact us. Our tax advisor can sit down with you and identify the value for you and the Loan Fund.





10 Years of Partnership

The Greater Saint John Community Foundation provided a grant to the Human Development Council in 1998 to assist in establishing a community loan fund in Saint John. The Foundation provided grants in almost every year since; for developing borrower supports, policies; creating marketing materials; to develop a damage deposit loan program; financial literacy; assist with our building project; and most recently to help us create a professional manual for facilitators and borrowers of the Power Up program. In essence the Greater Saint John Foundation has been with us every step of the way - providing an average of \$4,300 each year, no small change given our size. Many thanks to the Board of Directors of the Greater Saint John Community Foundation, with a special acknowledgement of Jane Barry who has fostered strong relationships and a true sense of caring and partnership.

ONE Home Demonstration Project

The ONE Home Demonstration Project got closer to reality this year with a small nudge from the Loan Fund. All the pieces were put in place with leadership by Rehabitat and the ONE Home partnership. To fill a small gap, the Loan Fund signed a credit agreement that got all the partners to sign on. In fact, ONE Home should have three homes built by this fall. The Loan Fund also contracted Dalhousie University with funding from CMHC, to develop two more financial literacy modules; Saving and Home Ownership. In combination with the current five module Money Matter\$ program, these will provide a comprehensive orientation to prospective ONE Home owners.



National developments

The Saint John Community Loan Fund continued as a founding member of the Canadian Community Investment Network Cooperative - www.communityinvestment.ca. Members include co-op funds, environmental funds, micro loan and community loan funds, social equity funds, and credit unions. Some noteworthy examples include Vancity, Ecotrust Canada and Social Capital Partners. Seth Asimakos assumed the role of part-time executive director of the Network at the end of 2007. This follows from being one of the original organizers and founding board member in 2004. His role will be to lead with the board strategic priorities in policy development, research, training, outreach and promotion. A bi-monthly newsletter and regional meetings are planned as well as an overhaul of the website. Profiling the sector and documenting best practice will be important to enable replication and growth across the country. The Network represented by Seth will sit on an advisory committee overseeing research into share value and corporate responsibility conducted by the Carleton Centre for Community Innovation. Social finance is growing and innovative deals are being made; exemplified by the \$2 million housing trust being developed in Ottawa between the Ottawa Community Loan Fund, Alterna Savings Credit Union and the Teacher's Pension Fund. A housing trust? Sounds like something we need here. Who's interested?

Demand for social finance

What demand is there for social finance in Saint John or Cape Breton County? This answer will be derived from research begun this past year by the Finance Research Group of the Social Economy and Sustainability Research Project housed at Mount Saint Vincent University, Halifax, www.msvu.ca/socialeconomyatlantic. This survey will provide a glimpse at what type of financing enterprising non-profits and cooperatives currently use and what they need for developing housing, programs and services. The survey mirrors the same used in Edmonton which informed the business plan that eventually created the Edmonton Social Enterprise Fund in 2007. Cape Breton University's CED Program is heading the research, with the Loan Fund partnering locally, and by CCINC nationally. A research report is expected in the Fall of 2008. Seth continues to sit as a Co-Director on the larger research project and sits as a community investment advisor on this piece of research.

Profiles



Brian Duplessis is the longest serving volunteer with the Loan Fund. He was part of the original steering committee, and is in his 3rd term as a member of the board. Brian comes from the International Longshoremen's Association Local 273, with a very strong commitment to the community and to workers. He says, "the Saint John & District Labour Council was asked to have representation on the board and I put my name forward. It has been a pleasure serving and watching the programs and services of the Loan Fund grow. Helping people to succeed is what it is all about." The Loan Fund is lucky to have Brian who has made a strong contribution in policy development and governance. He is also an investor and the best card salesman we have!.

Cindy Horton joined the Loan Fund in March as the Training Coordinator, replacing Tanya MacPherson who had delivered Money Matter\$ for the last two years. In fact, Tanya recommended Cindy, who had been facilitating a youth program at PRUDE. Cindy's background includes a degree in recreation and a lot of training experience, with youth, in aboriginal communities, in recreation management, and in life skills. She will be delivering and coordinating the Money Matter\$ program as well as Power Up training with women. Cindy is a natural fit.



Christen Webb was hired in January as the Executive Assistant for both the Loan Fund and the Canadian Community Investment Network. Christen brings office and database management work experience from the contact centre industry and from providing support to a couple of small businesses. She also has extensive experience as a volunteer trainer and coordinator with [Junior Achievement](#), having delivered each in-school training program JA has, and also coordinating the school program in Hampton, NB. Christen says, "I liked my volunteer work with JA and wanted to have a job in an organization that mixed entrepreneurship and community philosophy, so the Loan Fund was a perfect match." We think so.

Board of Directors

President	Louise Beland, Conference Interpreter
Vice President / Secretary	Alicia Love, Stewart McKelvey
Treasurer	Judy Martin, Thyssenkrupp Elevator
Past President	Bob Boyce, Robert L. Boyce Architect Kathryn Asher, Saint John Youth Cabinet Brian Duplessis, ILA Local 273 Cindy Kilpatrick, YMCA CAPP Randy Hatfield, Human Development Council Kym Johnston, Royal LePage Atlantic Don LeBlanc, Century 21 Shannon Patino, Ocean Steel (resigned) Rob Roy, Rob Roy Reproduction

Volunteers, Advisors and Committee Members

Margaret Ann Blaney, MLA
Gerry Pond, Mariner Partners, Inc.
Leslie Oland, Saint Joseph's Hospital Foundation
Peter Asimakos, Uptown Saint John
Mary Doherty
Marjorie Hamilton
Paulette Stoddart, Cooke Aquaculture
Don Mitchener
Paul Reeves
Julie Dingwell

Staff

Seth Asimakos, General Manager
Marlene Abbott, Loans Officer and Coach
Cindy Horton, Training Coordination
Christen Webb, Executive Assistant
Tanya McGraw, Money Matter\$ Facilitator (left on maternity leave)



An investor's commitment

Bretech got its start in 1984, working out of my dad's garage. Today, nearly 25 years later, we employ 100 and run regional offices across Canada. It takes a lot of hard work and determination, but its very rewarding and a lot of fun. Our success is based on a combination of that hard work, family commitment, great employees, the right financing, and some luck. Not everyone has the right combination, and I believe organizations like the Saint John

Community Loan Fund are needed to provide training and financing to help people get back to work or start a business. We invested in the Loan Fund in 2002 and then again this year because we believe in the philosophy of the Loan Fund - it is entrepreneurial. I know from my own experience that the right financing at the right time is critical. Join us. Invest in your community fund.

Mike Robichaud
President & Principal Engineer
Bretech Group

Invest. Help build our community. Help build someone's future.

If you are interested in making an investment or donation, please call 636-8542. All investments receive 3% return and donations receive a Charitable Tax Receipt.



Saint John Community Loan Fund

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Charitable Tax Number: 85491 3241 RR0001