

Saint John Community Loan Fund



Investing in People - Investing in Community

2005-06 Annual Report

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\$)
- and business plan training, with the YMCA-YWCA

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

Our Funding Partners

- Greater Saint John Community Foundation
- The Co-operators
- Family and Community Services - Government of NB
- Women's Issues Branch - Government of NB
- HRDSC - Government of Canada

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



Christa Barton started Wee World when she couldn't find certain baby accessories locally. Check it out at www.weeworld.ca

Jennifer Edison used her loan to move to a better place with her three children.





Lenna Speight moved in to town to get work and to create some security for herself and her daughters.

Moving to work

In Spring 2004, Lenna Speight needed to move and needed to find work. She had been living near Public Landing. Money was scarce. She was just surviving on child support and needed help with moving and a deposit for Saint John Energy. The Loan Fund was there to help her move into an apartment on the West Side with her two girls. Life was still no picnic for Lenna. Family Court lost track of her child support, she suffered through a car accident which wrote off her vehicle, broke her leg, and the family dog almost died. Lenna has since secured a full-time job with a local wholesaler. Life is still not perfect but it is getting better. She took a chance moving to Saint John and the Loan Fund took a chance on her.

Cumulative Stats At A Glance *

Loans

| | |
|---------------------------------|------------------|
| Number of Inquiries | 615 |
| Loans Disbursed - Business/Work | 79 |
| Loans Disbursed - Housing | 32 |
| Value Of Loans | \$ 136,619 |
| Value Of Loans Repaid | \$ 66,370 |
| Value of Loans Written Off | \$ 23,943 |

Impact (business/work)

| | |
|----------------------------------|--------------|
| Income Generated(approx.) | \$2,300,000+ |
| Savings To Prov. Govt. (approx.) | \$435,000+ |
| Activity Providing Main Income | 47% |
| Activity Providing Extra Income | 31% |
| Activity Discontinued | 22% |

Training (students)

| | |
|----------------------|-----|
| Business Planning | 37 |
| Money Matter\$ | 154 |
| One-on-One Budgeting | 6 |

* September 1999 to March 31, 2006

President's Message

The Loan Fund completed its seventh year of operation, delivering more services, increasing the size of our loan pool, and building more partnerships. We met a challenge from the previous year to add another government partner for sustainability - we welcome the Women's Issues Branch of the Provincial Government. This enabled our continued delivery of loans to people who can't get them elsewhere. We increased tenfold our delivery of our financial literacy program Money Matter\$ by using a Workforce Expansion grant to hire a facilitator. This expansion of Money Matter\$ talks powerfully of the need for such training and reflects the Loan Fund's desire to meet real needs in the community through a partnership model. As always I urge you join me by considering the Loan Fund as an investment option.

Bob Boyce, President



Bob Boyce is both an investor and the Board President. He is also an architect who runs his own business.

Manager's Message

I am excited about what we accomplished this past year because we were very entrepreneurial. We shot a film that promotes our organization's borrowers and investors. And we made the decision to leverage reserve monies to hire our first Money Matter\$ coordinator, Tanya McGraw. Both of these moves have reaped dividends - in new investments and supporters from those who've seen the film, and to a greatly expanded Money Matter\$ program. This entrepreneurial spirit is key, as is the desire to improve our work each year. With our loan program this has meant being better at supporting borrowers, and also adding new types of lending. This coming year we will pilot a new loans program for women, continue to push for a CED based housing project and begin building an entrepreneurship model for core neighborhoods. Of course, the support of investors and partners enables us to innovate and break new ground, as does a committed staff and board. Many thanks.

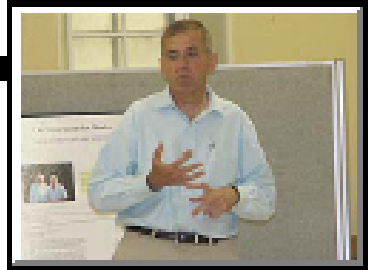
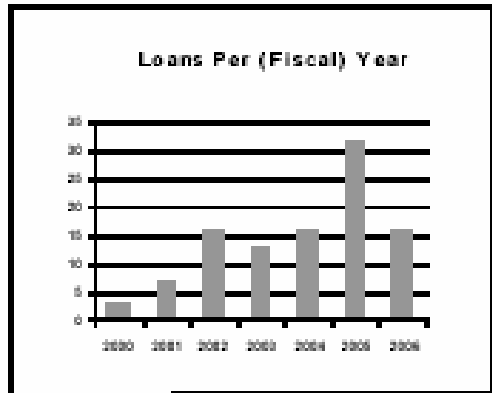
Seth Asimakos, Manager



Seth Asimakos is the founding manager of the Loan Fund.

Loan Report

The numbers of new loans disbursed in the fiscal year was reduced from 32 loans the previous year to 16 loans this year - 8 business and 8 housing. Loans were reduced for two reasons. Last year, we paused making loans for 3 months until funding commitments made it prudent to lend. We also increased our emphasis on follow-up with borrowers to ensure they are meeting their goals. The process is called MAPing – My Action Plan. Developing and maintaining a MAP means meeting with borrowers each quarter, reviewing budgets and quality of life goals, and creating action plans to overcome barriers or go after opportunities. Once again, thanks to our partners and referring agencies – Domestic Violence Outreach, Salvation Army, Family and Community Services, Office of the Rentalsman, Enterprise Saint John, Saint John Energy, Community Health Centre and our newest partner, Dress for Success. Demand for new loans remains high as new relationships are developed with local agencies and the Loan Fund's profile becomes more prominent in the community.



Shane Cassidy, the Loans Officer makes his point

Shane Cassidy, Loans Officer

Hot Dog!

A Saint John native, Eric Foreman ended up working in California after studying culinary arts. He had a sister in Michigan, so he moved there and met his wife Amanda. After six years and two girls later, Eric decided the draw of the Maritimes was too strong and they decided to move to Saint John with a hot dog cart he had purchased on E-bay. Eric soon discovered that finding a place to set up wasn't so easy. He approached Prince Edward Square and after a couple of weeks in the hallway, was given a space. More equipment and renovations were required and Eric approached the Loan Fund for help. The Loan Committee liked Eric's determination and drive and the decision was made to get involved. Eric and Amanda have a growing business in the uptown mall. Great service, a big smile and a little help along the way can sure make a great hot dog !



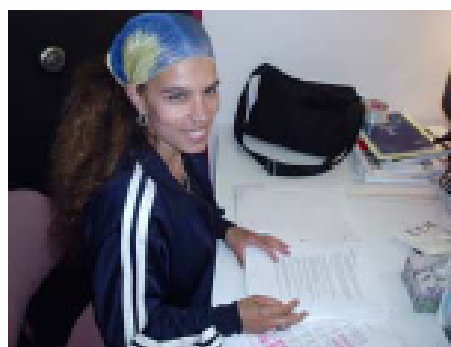
Eric Foreman works his hot dog stand out of Prince Edward Square



Training Report

Money Matter\$ is a five module training program teaching basic money management topics include; Budgeting; Consumerism; Banking; Credit and Assets. This past year alone we've delivered training to over 100 participants partnering with over 10 agencies. Our partners include: Passport to Employment; Women's Self-Esteem Program; Woodlawn School; Junior Achievement; First Steps; Inner Growth Strategies; Coverdale; and the list grows. Comments made by participants and program organizers have been overwhelming – all who've taken training have learned something useful – whether it's creating a useable Budget, which should always be flexible and changing, or understanding the Power of Consumerism - financial literacy can help you make better choices, but ultimately it is up to each individual to make those choices. It is a pleasure teaching Money Matter\$, and continually working with different learning styles and wrestling with the barriers individuals face.

Tanya McGraw, Money Matter\$ Facilitator



Tanya McGraw preparing for her next class



Certificates and friends

Partner Support for Money Matter\$

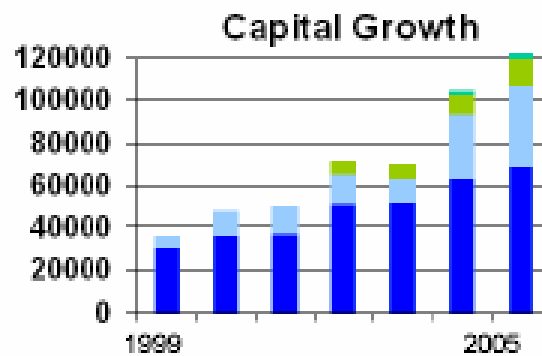
Lynn Smith runs Passport to Employment, a program that helps women whose last dependent has just left the house, get back into the workforce. As Lynn says, "we always felt there was something missing, and when we learned about Money Matter\$ it was a perfect fit for our program. Financial literacy is a necessary tool to help you transition back to work. Our participants can't say enough about the program and the facilitator, Tanya."



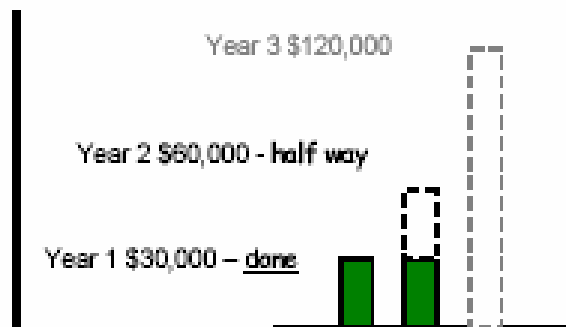
Lynn Smith speaks at the graduation ceremony of Passport to Employment participants.

Building the Loan Pool

The Saint John Community Loan Fund continues to have positive growth in its capital for loans and the associated reserve. But to keep pace with loan demand we launched a 3 year investor recruitment drive in 2004. We exceeded our \$30,000 target for year one by \$9,000. We have reached 50% of our target of \$60,000 for this year. Next year we will recruit \$120,000. By the end of the 3 years we could have over \$300,000 to invest in small business, back to work loans, shelter loans, and possibly social enterprises that inspire youth to create their own business in core neighborhoods. Join our co-chairs in building the pool, so we can do more community investing in Saint John!



Investor Recruitment Campaign



From Supporter, to Investor, to Co-Chair of Recruitment

When serving as Minister of Women's Issues with the provincial government, Margaret-Ann Blaney attended a presentation last June by Louise B eland, vice-president of the Loan Fund and chair of the Loan Fund's investor recruitment. Ms. Blaney was so impressed she said she would find a way to support our work. And indeed the Women's Issues Branch has. But the former Minister did not stop there. More recently she made her own personal investment to help build the pool, and when asked by Louise, she joined as a co-chair of the recruitment drive. So why does the MLA who originally hails from the "rock" believe in the work of the Loan Fund? "First, I come from an enterprising family and have operated a business with my husband, and I know it is difficult, but extremely rewarding. More importantly, we have poverty in Saint John, and the profile is largely women, and single mothers. The Loan Fund is innovative. It's not about maintenance but helping people get ahead and I believe that is very good for Saint John. We need to build the loan pool so we can do even more in our community. I'm happy to be an investor and involved with Louise in co-chairing the recruitment drive."



Margaret-Ann Blaney has been recognized by many groups for her support of women's issues. She continues that personal commitment as an investor with the Loan Fund.

AUDITED FINANCIAL STATEMENTS

For the year ended March 31, 2006

Excerpts from audited statements prepared by Wilshaw and Associates. For complete statements phone 636-8549.

| Balance Sheet | | | 2006 | 2005 |
|--|--------------------|---------------|----------|----------|
| | Operating Funds \$ | Loan Funds \$ | Total \$ | Total \$ |
| Assets | | | | |
| Current assets | | | | |
| Cash | 21,234 | 36,827 | 58,061 | 46,090 |
| Term deposits | - | 22,460 | 22,460 | 22,079 |
| Accounts receivable | 8,263 | - | 8,263 | 10,408 |
| Interest receivable | - | 152 | 152 | 149 |
| | 29,497 | 59,439 | 88,936 | 78,726 |
| Notes receivable (note 3) | - | 20,811 | 20,811 | 21,400 |
| | 29,497 | 80,250 | 109,747 | 100,126 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Accounts payable and accrued liabilities | 6,619 | - | 6,619 | 5,703 |
| Accrued interest | - | 983 | 983 | 562 |
| Unearned income | 4,167 | - | 4,167 | 15,000 |
| Interfund balance | 1,001 | -1,001 | - | - |
| Current portion of notes payable | - | 22,856 | 22,856 | 21,372 |
| | 11,787 | 22,838 | 34,625 | 42,637 |
| Notes payable (note 4) | - | 57,951 | 57,951 | 53,440 |
| | 11,787 | 80,789 | 92,576 | 96,077 |
| Fund Balances | | | | |
| Loan Fund | - | -539 | -539 | -1,282 |
| Unrestricted | 17,710 | - | 17,710 | 5,331 |
| | 17,710 | -539 | 17,171 | 4,049 |
| | 29,497 | 80,250 | 109,747 | 100,126 |
| Fund Balances – Beginning of year | 5,331 | -1,282 | 4,049 | -3,873 |
| Excess revenue for the year | 12,379 | 743 | 13,122 | 7,922 |
| Fund Balances – End of year | 17,710 | -539 | 17,171 | 4,049 |

| Income Statement (condensed) | | | 2006 | 2005 |
|--|-------------------|---------------|----------------|----------------|
| | Operating Fund \$ | Loan Funds \$ | Total \$ | Total \$ |
| Revenue | | | | |
| Government grants, contracts and fee for service | 54,974 | - | 54,974 | 35,339 |
| Non-government grants, contracts and fee for service | 59,817 | - | 59,817 | 37,062 |
| Fundraising (greeting cards) | 9,167 | - | 9,167 | 8,336 |
| Donations | 3,675 | 11,500 | 15,175 | 23,150 |
| Interest on loans and term deposits, and loan fees | - | 3,094 | 3,094 | 3,152 |
| Miscellaneous | 740 | - | 740 | 500 |
| | <u>128,373</u> | <u>14,594</u> | <u>142,967</u> | <u>107,539</u> |
| Expenditures | | | | |
| Staffing | 80729 | - | 80729 | 66782 |
| Admin, bookkeeping, audit and supplies | 10726 | - | 10726 | 6962 |
| Staff training, conferences and memberships | 4,976 | - | 4,976 | 705 |
| Regional and national networking costs | 6827 | - | 6827 | 547 |
| Borrower and investor costs | - | 731 | 731 | 668 |
| Fundraising, advertising and promotion | 6606 | - | 6606 | 3023 |
| Loan reserves | - | 13,110 | 13,110 | 20,271 |
| Miscellaneous | 6,130 | 10 | 6,140 | 659 |
| | <u>115,994</u> | <u>13,851</u> | <u>129,845</u> | <u>99,617</u> |
| Excess revenue for the year | <u>12,379</u> | <u>743</u> | <u>13,122</u> | <u>7,922</u> |

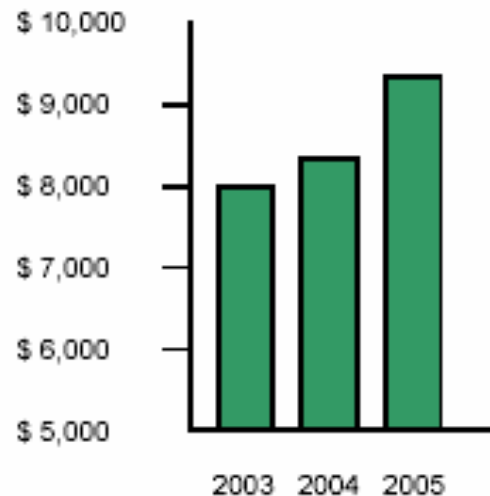
| Note 3 | | | | Note 4 | | | |
|-------------------------------|---------------|--------------|---------------|------------------------------|---------------|---------------|---------------|
| | Business \$ | Housing \$ | Total \$ | | Business \$ | Housing \$ | Total \$ |
| Notes receivable | | | | Notes payable | | | |
| Opening balance | 43,482 | 8,560 | 52,042 | Opening balance | 63,027 | 11,785 | 74,812 |
| New loans | 15,140 | 5,884 | 21,024 | New loans | 6,485 | 500 | 6,985 |
| Payments received | -5,732 | -2,771 | -8,503 | Loans repaid | -1,000 | - | -1,000 |
| Written off | -9,307 | -3,748 | -13,055 | Interest reinvested | 10 | - | 10 |
| | <u>43,583</u> | <u>7,925</u> | <u>51,508</u> | | <u>68,522</u> | <u>12,285</u> | <u>80,807</u> |
| Loan reserves | | | | Less: Current portion | | | |
| Opening balance | 26,299 | 4,343 | 30,642 | | <u>22,356</u> | <u>500</u> | <u>22,856</u> |
| Donations | 11,000 | 500 | 11,500 | | <u>46,166</u> | <u>11,785</u> | <u>57,951</u> |
| Written off | -9,307 | -3,748 | -13,055 | | | | |
| Loan Fees | 1,297 | 313 | 1,610 | | | | |
| | <u>29,289</u> | <u>1,408</u> | <u>30,697</u> | | | | |
| Notes receivable - net | <u>14,294</u> | <u>6,517</u> | <u>20,811</u> | | | | |

Greetings from Saint John

Loan Fund greeting cards continue to be sought after as a card of choice for Saint Johners who want to support our work while sending a greeting of peace around the world and promoting our community. This past year gross sales reached \$9,200, an improvement of \$1,000 from the previous year. We had a great launch at Brunswick square and we had a great group of artists. Thank you to Fred Ross, Lynn Wiggington, Bobbi Jean Mackinnon, and special mention to the late John Hooper who through his wife Kathy enabled us to use a print of John's beautiful sculptured angel which was one of a series made exclusively for his family. This coming year will be fantastic with Freeman Patterson, Holly McKay, Irène Guerrette, and Ray Butler. If you'd like to order early, please call us at 636-8542. Many thanks to Handworks Gallery and to all those involved with the card campaign.

Rob Roy, Chair Greeting Card Committee

Greeting Card Sales



John Hooper's "Christmas Angel"



And Our Top Salesperson is...

Greeting cards are sold through retailers, and partner organizations like the Bayview Credit Union, but most sales are made by volunteers one-on-one. Cathy Wright is one of these travelling salespeople. Besides being one of the founders of the Loan Fund as the former Executive Director of the Human Development Council, she continues to be committed to the Loan Fund on an ongoing basis. In fact, she received Top Sales honors with 57 packs sold or \$570 worth of cards. How does she do it? "Well I just think the Loan Fund is a great organization, so I'm inspired to sell the cards, because I know it helps them. I also like the cards. And I sell a lot because I go to the Kingston Market, which I also like a lot. It's a win-win." So next year's individual top sales goal is 60 packs!!

The Co-operators: Matching Corporate Responsibility with Community Investment



The Co-operators is proud to partner with The Saint John Community Loan Fund as it carries on with its important community economic development work. The Co-operators CED Fund was set-up with groups such as the Loan Fund in mind. Since starting in 1995 \$1.2 million has been granted through the CED Fund.

The Co-operators chose to support the Saint John Community Loan Fund because we felt it was a good investment. First, our financial contribution would directly further your work; second, our official endorsement of your organization would serve to draw broader attention to your association's impressive efforts, and third; this in turn indirectly enables you to expand your already phenomenal services by helping you to secure complementary sources of funding.

We can see that the Saint John Community Loan Fund is an organization that is committed to community based investment which is providing some horsepower to Saint John's economic engine by delivering loans and support to aspiring entrepreneurs who would not otherwise be able to get financing.

The Co-operators are proud of its heritage of supporting communities, of "creating a balance" as our Corporate Responsibility Report is titled. The Co-operators thanks the Saint John Community Loan Fund for its continuing service to those in need, and for working at creating balance in their community.

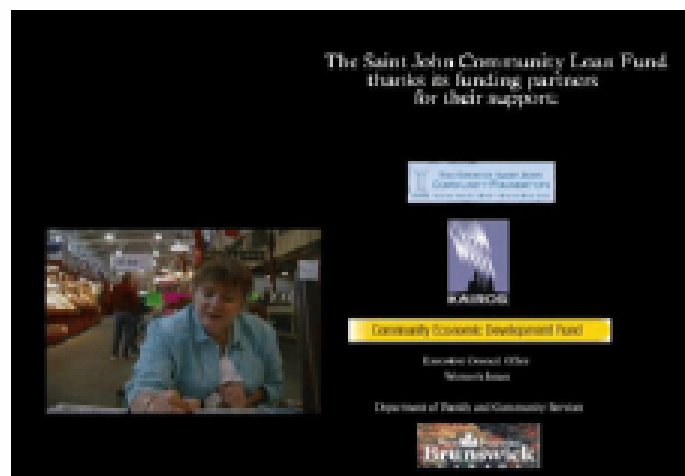
Barbara Turley McIntyre, Manager
Corporate Citizenship
The Co-operators



Making a Film

This past year we were fortunate to get another summer student through the Federal Government's Summer Career Placement program. We hired Sean Grady, a film student whose claim to fame was hitchhiking to Halifax to get a walk-on part in a Trailer

Park Boys show. With Seth and Sean's friend and supreme editor Tom, a short film was shot featuring borrowers, investors, and partners. The purpose of the film is to have another tool to promote the Loan Fund, to recruit investors and partners. It has had rave reviews and has been used in presentations, at the launch of the greeting card fundraiser, and at conferences. Borrowers featured include, Bill McGraw, Jennifer Edison, Marco Theriault, and Sue Martin. Investors included, Bill MacMackin, Brenda Murphy, Linda Cooke, and Bayview Credit Union's Bob Marshall. We also had Lynn Smith, from Passport to Employment speaking about partnering on Money Matter\$. We ended with a photo montage of many more borrowers. Thank you to all who participated and to Summer Career Placements for making it happen.



Update on Projects

Our proposed project to develop an **enterprising building with affordable housing** units for single moms, Loan Fund offices, training space, a micro-business incubator and childcare centre remains a great idea, but must wait for a 3rd phase of the Federal-Provincial Affordable Housing Agreement to go ahead. Securing the right location continues to be an issue as it has been with other groups in the city. The good news is that there is support for this coming year to further develop partnerships and to work with potential tenants.



Another project in the very early stages is developing a model for **youth entrepreneurship in core neighbourhoods**, a desperate need to provide hope and develop the skills and discipline to start businesses and earn income. We will be looking at best practices in business camps, summer start-up loans, social enterprises, and even a peer lending program.

Building the Community Investment Sector



As a founding member of the Canadian Community Investment Network Co-operative, the Saint John Community Loan Fund joins close to thirty other community financing organizations interested in making investment decisions that help low income neighborhoods and individuals create opportunity. Seth Asimakos continued as a founding board member to guide the development of the Network. This last year a bi-lingual website was launched on October 20th, the International Day of micro-finance. Check the site for coverage of 'n CCINC's progress in building a community investment sector in Canada - www.communityinvestment.ca

Growing the Canadian CED Network

The Saint John Community Loan Fund's two year contract to release manager, Seth Asimakos, as Atlantic Coordinator of the Canadian CED Network (CCEDNet) was completed on March 31, 2006. In that time Seth's major piece of work was carrying out the Atlantic portion of a national research project into the connection between CED and social inclusion. Seth interviewed 18 innovators in CED in the region and wrote four case studies that can be seen at www.ccednet-rcdec.ca . CCEDNet will be holding its National Conference on the "rock", St. John's, NF in April 2007.

Researching the Social Economy



In September 2005, a \$1.75 million research project into the breadth and depth of the Atlantic social economy began. The Social Economy and Sustainability Research Project is housed at Mount Saint Vincent University, Halifax, NS and funded through the Social Sciences and Humanities Research Council. There are six streams of research: community mobilization; mapping and policy; food security; co-ops and financing; resource management; and communication. Seth Asimakos is on the mapping and policy stream, the steering committee, and acts as a Co-Director of the Project. He also contributed the project logo - four swirling figures that represent the region's provinces in a growing wave of activity and momentum.

Board Profiles

Kathryn Asher - Working towards justice

Kathryn Asher grew up in Fredericton. She studied human rights at UNB and pursued a graduate degree focussed on social and environmental justice movements at York University. While completing her masters, the Human Development Council was fortunate to hire Kathryn as a summer student in 2004. She impressed the HDC so much that when it came time to implement some recommendations in the HDC's inclusive cities project, they turned to Kathryn who was hired in 2005 to coordinate the development of a Saint John Youth Cabinet. She joined the Loan Fund board the same year and chairs the housing committee. She says, "I am fortunate to be part of the Loan Fund's innovative work on grassroots social change. Since being welcomed to the Board, I have been amazed by the Loan Fund's success at empowering members of our community, by trading the charitable model for a focus on poverty's root causes."



Shannon Patino - Banking from the Carribean to Canada



Shannon Patino was born in Trinidad and Tobago, and grew up in nearby Grenada. He started his connection with Canada shortly after graduating from high school, working five years at the Scotiabank in St. George, the capital city. In 1999, he came to Canada to do his BBA at UNBSJ, graduating in 2004 as the valedictorian.

That same year he was hired as a Business Analyst with Ocean Steel Group Services. He joined the Saint John Community Loan Fund's board in 2005, and became the Loan Committee Chair later in the year. Shannon says, "I joined the Loan Fund board because I wanted to give something back to a community that has been very good to me. The Loan Fund was a good fit for my experience, and it is clear that by the number of requests we receive, the Loan Fund helps meet a need in Saint John..."

Board of Directors

| | |
|----------------|---|
| President | Bob Boyce, Robert L. Boyce Architect |
| Vice-President | Louise Béland, Conference Interpreter and Teacher |
| Treasurer | Judy Martin, Thyssenkrupp Elevator |
| | Kathryn Asher, Saint John Youth Cabinet |
| | Jane Bradbrook, RBC Royal Bank (resigned mid year) |
| | Brian Duplessis, ILA Local 273 |
| | David Duplisea, Nuvisionbiz.com |
| | Randy Hatfield, Human Development Council |
| | Don LeBlanc, Century 21 |
| | Shannon Patino, Ocean Steel |
| | Rob Roy, Rob Roy Reproductions |
| | Bill Thomas, Saint Andrew Saint David United Church |

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

Committee Members

Peter Asimakos, Uptown Saint John
Elaine Stewart, Second Stage Housing
Sharon Amireault, First Steps Housing
Mary Doherty

Staff

Seth Asimakos, Manager
Shane Cassidy, Loans Officer and Coach
Tanya McGraw, Money Matter\$ Facilitator

Project-Based Staff

Melony Smith, Fundraising Support (Skills Link)
Sean Grady, Filmmaker (Summer Student)



Jason Pineau inspects the walls at the HDC before getting ready to do a make over. For painting quotes call him or his partner Robyn Calvin at 333-6088.

From Dreaming to Investing

"In the mid-nineties, I was fortunate to be a member of the group who dreamed of starting a micro credit organization in Saint John. In my work, I meet people who want to work but found there are many barriers to leaving income assistance. It was even more difficult for people who wanted to start their own business - for many, the challenges were just too great and the resources were not there to help. Accessing financial support from the mainstream banking system was not an option for many. I have always been supportive of the concept and a few years ago was able to make an investment. I believe in investing in people, the return for the individual is great and the return for the community, even greater."

Brenda Murphy, Grand Bay-Westfield, NB



Brenda Murphy is the Coordinator of the Urban Core Support Network, a member of a number of community boards and is the Deputy Mayor of Grand Bay-Westfield. Best of all, she is a Loan Fund Investor.

**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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SAINT JOHN