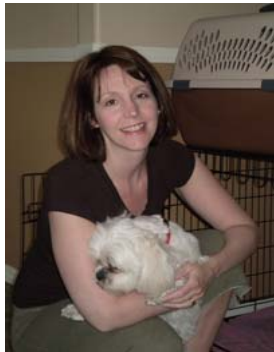
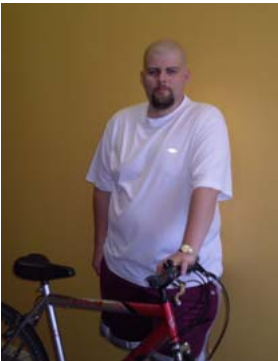




Saint John Community Loan Fund

Investing in People - Investing in Community

Annual Report
July 2007



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

The Loan Fund promotes community investing. It recruits investments to build its loan pool and donations to safeguard 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 Funding Partners in 2006-07

- Greater Saint John Community Foundation
- The Co-operators
- Saint John Energy
- Family and Community Services - Government of NB
- Women's Issues Branch - Government of NB
- Canadian Women's Foundation
- Muriel McQueen Fergusson Foundation

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



Shelley McLaughlin and family on the deck of their new apartment

Small Loan - Great Opportunity

Shelley McLaughlin needed a loan to help her move to Saint John and re-settle for a job opportunity. In her own words she writes:

"If it wasn't for the Saint John Community Loan Fund's assistance we would still be in St. Stephen in a vicious cycle of poverty. The Loan Fund allowed us to move to Saint John and start a new and better life. I am working at a job I love and my husband is closer to his medical treatment, which has progressed so greatly that he is able to return to work part-time. My whole family has benefited from being here and we love our new life and home.

Thank you Saint John Community Loan Fund!"

Cumulative Stats At A Glance *

Loans

Number of Inquiries	957
Loans Disbursed	144
Value Of Loans	\$ 176,789
Value Of Loans Repaid	\$ 76,129
Value of Loans Written Off	\$ 33,808

Impact (from business and work loans) **

Activity Providing Main Income	39%
Activity Providing Extra Income	25%
Activity Discontinued	36%

Training (participants)

Money Matter\$	279
Business Planning	37
One-on-One Budgeting	15

* September 1999 to March 31, 2007

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

President's Message

As outgoing President my message is simple: The Saint John Community Loan Fund is a great place to put some money to make it work for the community.

On our front cover we have three individuals that we invested in. Each one has a story of trying to make a better life for themselves. Each one needed financing but couldn't get it for different reasons. What is important is how the small loans they received from the Saint John Community Loan Fund have enabled them to take another step forward. As a business owner myself I know that it is many small steps that we must take in order to get ahead. Each step is experience. My experience as President has been a pleasure, and I wish to thank the commitment made by board and committee members, and our important partners listed on the front inside cover. Louise Beland, another business owner, and a key to the capital growth of the Loan Fund, will take over the reigns as President. Please join both Louise and I, invest in your community loan fund.

Bob Boyce, President



Bob Boyce is an investor and has served as the Board President for four years. He is also an architect who runs his own business.

Manager's Message

In the last fiscal year we made 30 loans and trained another 125 people in money management. We had a number of highlights: a multi-year funding commitment from the Co-operators CED Fund; continued partnership with Family and Community Services for our Money Matter\$ program; and support from Women's Issues. We sold more greeting cards, and thanks to a crack capital recruitment team we added another \$50,000 to our pool. We also added a new loans officer, Marlene Abbott. With support from the Canadian Women's Foundation we began to investigate the possibility of a loan pool for women in transition from abuse. We continued to take a leadership role in the sector as an invited speaker at the Global Microcredit Summit and as a participant in a national advisory committee on community finance. We acquired a building that will be renovated this coming year providing us an office and affordable housing for two families. More opportunities for social enterprise and community investment exist on the horizon with the right partnerships.

Seth Asimakos, Manager



Seth Asimakos is the founding Manager of the Loan Fund

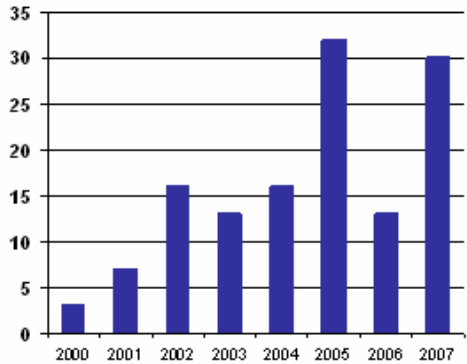
Loan Report

For the fiscal year of 2006-2007, the Loan Fund negotiated 30 loans - 13 income generating loans and 17 related to shelter. A new loan officer came on board in January 2007 and has spent a lot of time familiarizing herself with borrower files, meeting with borrowers and applicants, and working with the Manager to update policy and procedures.

The number of active loans as of March 31, 2007 are: 26 business/employment loans and 24 shelter loans, of which 69% are

repaying on schedule. Demand for new loans remains high as new relationships are developed and strengthened with local agencies, and the Loan Fund's profile becomes more prominent in the community. In February, the Loan Fund signed an agreement with Saint John Energy which brought media attention to the organization and a flood of new applications.

Loans Per (Fiscal) Year



Precision Painting

Jason Pineau and Robyn Calvin started Precision Painting a couple of years ago and before they knew it, demand for their services had grown and they needed help with financing some equipment and payroll.

"When we received an opportunity to expand but we were not sure it would be possible, financing was the biggest key to the equation. The Saint John Community Loan Fund provided that key and helped make it possible. They are very innovative in arranging funding that fits the customer's need. They took the time and had the patience to make it work. It has been a great educational experience working with them." Jason Pineau



Jason Pineau (seen above) and Robyn Calvin own Precision Painting, a company that has grown in the last year

Precision Painting not only provides employment for Jason and Robyn, the company also employs a couple other painters throughout the year. If you have been to the HDC lately you'll be impressed by the new paint job, compliments of Precision Painting.

For more information and a quote, call Jason at 333-6088.

Money Matter\$

Money Matter\$ is a five module training program teaching basic money management topics include; Budgeting; Consumerism; Banking; Credit and Assets. The program is delivered in a partnership model inserting itself in the programs of other non-profits and schools. This year the program was delivered to 125 participants. As part of our continual learning, we reviewed the modules and added real case scenarios into the Budgeting Module. This coming year we hope to pilot a Shopping/Cooking module and develop an investment module.



Tanya McGraw, Money Matter\$ Coordinator preparing for her next class

Our Community Partners:

Woodlawn School, Junior Achievement, Building Self-Esteem and Gaining Independence Program, YM-YWCA CAP Program, Learning Exchange, Gothic Arches' Passport to Employment, Coverdale Centre, Open Door Club, First Steps, Second Stage Safe Haven Housing, Teen Resource Centre, Family Resource Centre, John Howard and Department of Family and Community Services.

Building Self-Esteem Through a True Partnership

Sue McKeon is the Coordinator of a program called *Building Self-Esteem and Gaining Independence*, a six week full-time program run four times a year for women.

"It was David Hayes from Family and Community Services that suggested we incorporate Money Matter\$ from the Loan Fund. So we tried it a couple of years ago and it's great. It really does enhance our program because money management is one of those life skills we all need. It's a great partnership between our program, Family and Community Services that funds it, the Community Health Centre that provides a great location and the Loan Fund which provides this important module."

Sue McKeon



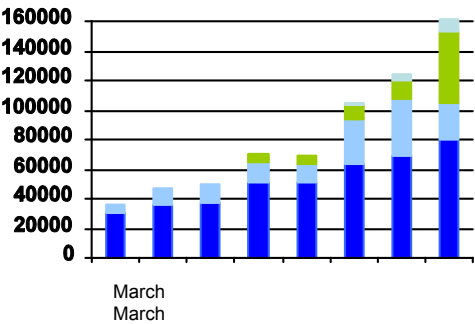
Sue McKeon and the Building Self-Esteem Class at the CHC

Building the Pool

In order to keep up to the demand for loans, and to insure investors are safe guarded, the Loan Fund continues to recruit investments for its loan pool and donations for its reserve. Last year, \$50,000 was recruited thanks to the efforts of key individuals. Accounting for write offs during the year, the total combined capital in the loan pool and reserve was \$161,000.

This is a fairly good size fund for the more than 30 micro-loans (average of \$1,500) per year we do now. However, the market suggests the need for larger loans for individuals and for social enterprises, or community-based enterprises. Various social enterprise activities are being developed in the city, and therefore the potential financing need. For this reason we launched a three year campaign to recruit \$210,000.

Capital Growth

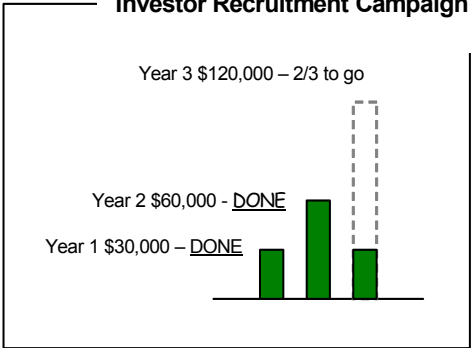


Champions Join Effort

Investments from the Towns of Quispamsis and Grand Bay-Westfield

In 2006, Louise Beland, Vice-President and the Board Member heading capital recruitment welcomed Margaret-Ann Blaney as a Co-Chair of a three year campaign to recruit \$210,000. Towards the end of the year, the Co-Chairs welcomed two other key individuals, Gerry Pond and Leslie Oland. Together they formed a formidable team and quickly put together a presentation for the Town of Quispamsis and the Town of Grand Bay-Westfield. Both Towns invested \$10,000 each. At the same time Saint John Energy received a presentation by Seth Asimakos and invested \$20,000. The Investor Champion Team also made a presentation to Saint John City Council, but no news as yet. If you want to join the Team, just call, or simply make an investment. Over the next few months the Champions expect to meet and exceed the target.

Investor Recruitment Campaign



AUDITED FINANCIAL STATEMENTS

For the year ended March 31, 2007

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

Balance Sheet			2007	2006
	Operating Funds \$	Loan Funds \$	Total \$	Total \$
Assets				
Current assets				
Cash	7,495	52,421	59,916	58,061
Term deposits	20,000	42,940	62,940	22,460
Accounts receivable	14,661	-	14,661	8,263
Interest receivable	375	687	1062	152
	42,531	96,048	138,579	88,936
Investments - at cost	34,997	-	34,997	-
Notes receivable (note 3)	-	29,825	29,825	20,811
	77,528	125,873	203,401	109,747
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	10,680	117	10,797	6,619
Accrued interest	-	1744	1744	983
Unearned income	4,167	-	4,167	4,167
Interfund balance	951	-951	-	-
Current portion of notes payable	-	17,102	17,102	22,856
	15,798	18,012	33,810	34,625
Notes payable (note 4)	-	107,032	107,035	57,951
	15,798	125,047	140,845	92,576
Fund Balances				
Loan Fund	-	826	826	-539
Unrestricted	61,730	-	61,730	17,710
	61,730	826	62,556	17,171
	77,528	125,873	203,401	109,747
Fund Balances – Beginning of year	17,710	-539	17,171	4,049
Excess revenue for the year	44,020	1365	45,385	13,122
Fund Balances – End of year	61,730	826	62,556	17,171

Income Statement (condensed)	2007		2006	
	Operating Fund \$	Loan Funds \$	Total \$	Total \$
Revenue				
Government grants, contracts and fee for service	45,165	-	45,165	54,974
Non-government grants, contracts and fee for service	67,160	-	67,160	59,817
Fundraising (greeting cards)	12,413	-	12,413	9,167
Donations	35,939	16,351	52,290	15,175
Interest on loans and term deposits, and loan fees	2148	3,631	5,779	3,094
Miscellaneous	3079	-	3079	740
	<u>165,904</u>	<u>19,982</u>	<u>185,886</u>	<u>142,967</u>
Expenditures				
Staffing	98711	-	98711	80729
Admin, bookkeeping, audit and supplies	9186	-	9186	10726
Staff training, conferences and memberships	505	-	505	4,976
Regional and national networking costs	2593	-	2593	6827
Borrower and investor costs	-	877	877	731
Fundraising, advertising and promotion	7256	-	7256	6606
Loan reserves	-	17,735	17735	13,110
Miscellaneous	<u>3,633</u>	<u>5</u>	<u>3638</u>	<u>6,140</u>
	<u>121,884</u>	<u>18,617</u>	<u>140,501</u>	<u>129,845</u>
Excess revenue for the year	44,020	1,365	45,385	13,122

Note 3				Note 4			
	Income Generation \$	Shelter \$	Total \$		Income Generation \$	Shelter \$	Total \$
Notes receivable				Notes payable			
Opening balance	43,583	7,925	51,508	Opening balance	68,522	12,285	80,807
New loans	18,328	18,220	36,548	New loans	12,000	37,000	49,000
Payments received	-6,999	-2,800	-9,799	Loans repaid	-	-5,785	-5,785
Written off	<u>-8,402</u>	<u>-1,461</u>	<u>-9,863</u>	Interest reinvested	<u>115</u>	<u>-</u>	<u>115</u>
	<u>46,510</u>	<u>21,884</u>	<u>68,394</u>		<u>80,637</u>	<u>43,500</u>	<u>124,137</u>
Loan reserves				Less: Current portion	<u>17,102</u>	<u>-</u>	<u>17,102</u>
Opening balance	29,289	1,408	30,697		<u>63,535</u>	<u>43,500</u>	<u>107,035</u>
Donations	5,565	10,786	16,351				
Written off	-8,402	-1,461	-9,863				
Loan Fees	<u>938</u>	<u>446</u>	<u>1,384</u>				
	<u>27,390</u>	<u>11,179</u>	<u>38,569</u>				
Notes receivable - net	<u>19,120</u>	<u>10,705</u>	<u>29,825</u>				

Greetings from Saint John

What a fantastic way to send holiday wishes - with a greeting card produced by the Loan Fund from images by local artists. They're popular! In fact, last year sales grew by \$3,000 to over \$12,000. With some key additions to the greeting card committee, better website presence, and some nice displays, sales took off. We would like to thank Freeman Patterson, Holly McKay, Irène Guerrette, and Ray Butler for providing wonderful artwork, to Centrebeam for providing their foyer for the launch, to Cliff Turner for introductions, and to Pictures Plus for hanging the original works.

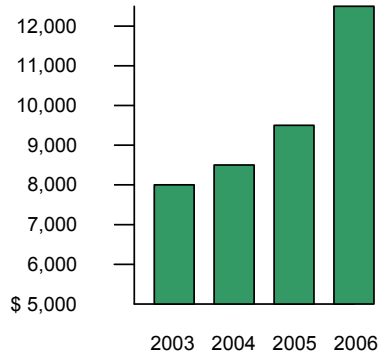
This year we have works by Herzel Kashetsky, Beth Powning, Ed Coleman, and Patricia Tingley. If you'd like to order early, please call us at 636-8542.

Two Key People

As with most things that turn out well, it is the attention to quality and detail that make a difference. With the greeting card promotion and sales this year, it was the preparation of the card display boxes. They were made from cardboard boxes individually wrapped in holiday paper by none other than our devoted volunteer, Marjorie Hamilton. Marjorie also helped us double the number of retailers carrying our cards. Thank you!

Of course, not all the cards are sold through retailers, in fact most are sold through relationships, one-on-one. This year the honor for selling the most cards by an individual goes to our very own Brian Duplessis, one of the founding committee members and board member of the Loan Fund. Brian was able to sell 75 packs on his own for a value of \$750. Both Marjorie and Brian have raised the bar for card sales next year. Be prepared!

Greeting Card Sales



Cliff Turner introduces the cards and artists at Centerbeam



Holly McKay's "Christmas Tree Lighting"



The Global Microcredit Summit 2006

The Global Microcredit Summit was held in November 2006 in Halifax. More than 2,000 delegates from over 110 countries participated at the event, assessing progress made toward the Campaign's goal of reaching 100 million of the world's poorest people by the end of 2005, and launching the second phase of the Campaign. Seth Asimakos represented the Saint John Community Loan Fund and the Canadian Community Investment Network at the Summit. He made three presentations; the State of Micro-credit and Community Finance in Canada; the Saint John Community Loan Fund model; and as a plenary panelist critiquing a paper called *Small is Beautiful, Big is Necessary - Canada's Commercial and Co-operative Answers to the Global Challenge of Microfinance Access*.

Location, Location, Location

For some time the Loan Fund has wanted to establish a location of its own, a space that provides private meeting areas, a training room and more accessibility. In conjunction with such an office space was the idea to create some affordable housing. After three years, and altering the plan somewhat, the Loan Fund finally got an opportunity in 2006. An anonymous donor (THANK YOU) provided the Loan Fund with sufficient seed money to get the ball rolling. In fact, the Loan Fund has now purchased a 3 unit building on Prince Edward St. which it will gut and renovate. Drawings are being finalized, as is the additional financing. As usual the Greater Saint John Foundation has come on board with us - many thanks. We hope to report back in a year's time with pictures of the before and after.



Financing for Women in Transition

In 2006, the Loan Fund received funding from the Canadian Women's Foundation to research the idea of a loan pool for women in transition. Over 65% of the Loan Fund's loans go to women, some are fleeing abuse. As part of the research, we surveyed Executive Directors of organizations that work in the sector. Initial results indicate a desire for such a pool. We hope to complete the research this coming year.



On the Web @ www.loanfund.ca

Having a web presence is another way to promote our work and attract investors, borrowers and partners. We also use the web to present our annual greeting card fundraiser and auction. Check us out at www.loanfund.ca.

Involvement in Community Projects

The Loan Fund is one of the ten partners in the **ONE Home Project** based in the Old North End whose goal is to build four single family detached housing units in 2007-2008. The Loan Fund is working with a committee tasked with developing the selection criteria for the future owners, and a training program centered around home ownership and money management.

Power Up is another community project the Loan Fund has begun partnering on. It is led by the Urban Core Support Network and will focus on skills building with women in poor neighbourhoods. It is early in the project but the Loan Fund's suggested role will be to provide training in entrepreneurship, business development and social enterprise development.

Building the Canadian Community Investment Sector



Seth Asimakos continued as a board member with the Canadian Community Investment Network Co-op www.communityinvestment.ca. Members include co-op funds, environmental funds, micro-loan and community loan funds, social equity funds, and credit unions. Seth presented at the first AGM with a strong message that funders need to partner with small funds and look at the social return on investment, that is, reduced welfare costs, increased community income, and with a community loan fund, retention of investment income. He also stressed the need for multi-year commitments. The Co-operators heard the message and responded with such a commitment. Thank you! Seth also participated on the HRSDC's Community Finance Advisory Committee with many of the same CCINC members. The objective of this committee was to make the case to the Federal Government to create enabling legislation for the community finance sector to grow. A couple of key recommendations were: tax incentives for investors to invest in their community with the example of the CED Investment Fund model in Nova Scotia; and loan loss reserve monies provided by the Regional Development Agencies, which Western Diversification does and ACOA does not. The Community Finance Advisory Committee was short lived but CCINC will continue to push its recommendations.

The Social Economy in Atlantic Canada



Seth continued on a time release to the Social Economy and Sustainability Research Project housed at Mount Saint Vincent University, Halifax, www.msvu.ca/socialeconomyatlantic.

The \$1.75 million research project is finishing its second year of five. As one of three Co-Directors Seth made presentations in Sydney, Halifax, Moncton and St. John's, NL to promote and engage discussion around the social economy. He hosted a meeting in Saint John with members of the mapping committee which is surveying credit unions and co-ops in Atlantic Canada for baseline information. This coming year he will be involved in researching market demand for social enterprise funding in Saint John, and two other Atlantic Canadian communities.

Profiles

Alicia Love, Secretary of the Board

Alicia Love grew up in Fredericton where she studied at St. Thomas University and earned a Bachelor of Laws degree at the University of New Brunswick. Throughout her studies she was involved with the boards of a transition house and of a second stage housing organization both established to provide shelter and basics needs for women and children escaping domestic violence. She moved to Saint John in 2005 to article at the law firm of Stewart McKelvey and decided to make uptown Saint John her new home. She was called to the New Brunswick Bar in June 2006 and began work as a corporate and commercial law lawyer with the same firm. She joined the Saint John Community Loan Fund's board in July 2006 and has been acting as the Secretary to the board since September 2006. Alicia joined the board because she wanted to use her professional experience in commercial law to give back to the community she has adopted as her home. Besides her role as secretary she has played a key role on the Building Committee and in the acquisition of the property that will soon be the location of the Loan Fund's operation.



Alicia Love, a Board Member with legal ease

Marlene Abbott, New Loan Officer

Marlene Abbott is the new Loan Officer and Coach. She is the primary point of contact for all Loan Fund applicants and borrowers. She brings creative and business experience to the Loan Fund - which is just the right mix of skills. Marlene started and ran a successful graphic design business for 14 years. As a business owner, she managed all aspects of the business from promotion to client management and bookkeeping. Along with this real life experience she also brings a degree in fine arts and a diploma in international business.



Marlene Abbott took over from Shane Cassidy in January 2007

Board of Directors



President	Bob Boyce, Robert L. Boyce Architect
Vice-President	Louise Béland, Conference Interpreter and Teacher
Treasurer	Judy Martin, Thyssenkrupp Elevator
Secretary	Alicia Love, Stewart McKelvey
	Kathryn Asher, Saint John Youth Cabinet
	Brian Duplessis, ILA Local 273
	Cindy Kilpatrick, YMCA CAPP
	Randy Hatfield, Human Development Council
	Don LeBlanc, Century 21
	Shannon Patino, Ocean Steel
	Rob Roy, Rob Roy Reproductions
	Bill Thomas, St. Andrew St. David United Church (resigned)

Committee Members

Margaret-Ann Blaney
Gerry Pond, Mariner Partners Inc.
Leslie Oland
Peter Asimakos, Uptown Saint John
Mary Doherty
Marjorie Hamilton
Paulette Stoddart, UNBSJ Bookstore

Staff

Seth Asimakos, Manager
Tanya McGraw, Money Matter\$ Facilitator
Marlene Abbott, Loans Officer and Coach
Shane Cassidy, Loans Officer and Coach (resigned)
Jeff Taylor, Summer Student

Investing In Entrepreneurship

There are companies in New Brunswick producing good income but cannot get loans because they have few assets. For someone who is poor but needs a loan, the prospects are of course much worse. I like good ideas. I've spent my life working at incubating them and seeing them develop and grow. The Saint John Community Loan Fund concept resonates with me. It's about entrepreneurship, helping people to be creative and to take risks. We need that. To me, investing in the Loan Fund makes complete sense for our community.

Gerry Pond, Loan Fund Investor
Chairman of Mariner Partners Inc.



Gerry Pond is Chairman of Mariner Partners Inc., a Top 25 New Canadian IT Company. He is also 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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Fax: 506-636-8543
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Website: www.loanfund.ca

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SAINT JOHN