



Saint John Community Loan Fund

Investing in People - Investing In Community

**2009
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, moving)
- financial literacy training (Money Matter\$)
- leadership training (Power Up in partnership with UCSN)

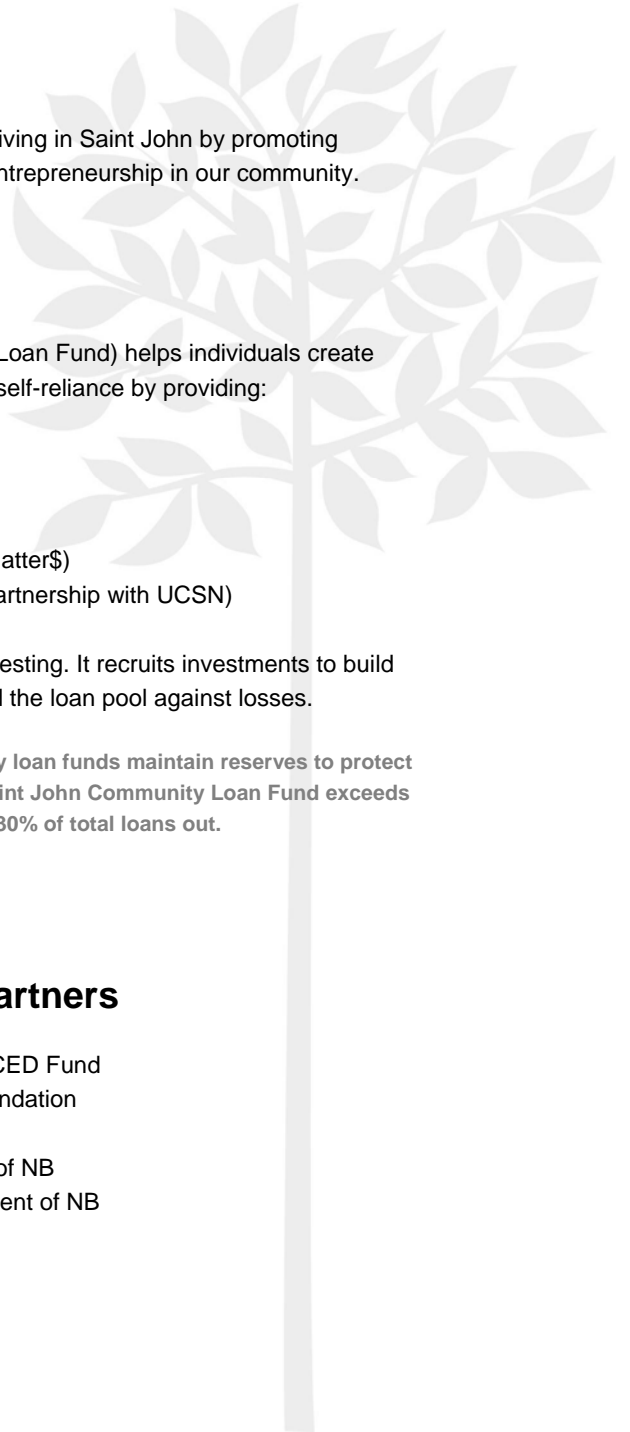
The Loan Fund promotes community investing. It recruits investments to build its loan pool and donations to safe-guard the loan pool against losses.

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

- Co-operators Insurance Company CED Fund
- Greater Saint John Community Foundation
- McKean Family Foundation
- Social Development - Government of NB
- Women's Issues Branch - Government of NB





Jennifer Edison presenting at Power Up closing

Loans, Training and Commitment

Jennifer Edison is a mother of 3 girls and a very busy woman. In 2005, we provided a loan to Jen to move into a better and more affordable apartment. She has participated in both Money Matter\$ and Power Up training, and volunteers with the South End Community Action Team (SEACAT). As a testament to her drive and community commitment, she was hired as the Vibrant Communities Neighbourhood Assistant for the South End where by the way she also works at a special care home! Her current passion is establishing a grocery store in the deep South. Her interest in making a difference has been passed on; her daughter Tanisha has just joined our new youth entrepreneurship program and will soon be making a difference herself. Jennifer demonstrates that people are our community's greatest asset.

Cumulative Stats At A Glance*

Loans

Number of Inquiries	1,299
Loans Disbursed	177
Value of Loans	\$244,803
Value of Loans Repaid	\$113,291
Value of Loans Written off	\$65,806 (27%)

Impact (from business and work loans)**

Activity Providing Main Income	38%
Activity Providing Extra Income	37%
Activity Discontinued	25%

Training (Participants)

Money Matter\$	549
Power Up	30
Business Planning	37
One-on-One Budgeting	23

*September 1999 to March 31, 2009

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



President's Message

The Saint John Community Loan Fund is surrounded by a great number of friends and supporters in our community. Among them we count all orders of government, community agencies, many investors and volunteers who help us increase our loan pool, present to government and raise money for us. Then there is a special category of angel donors- big-hearted folk who have taken on the Loan Fund as their cause and want no recognition and take no merit. Thanks to these very special people, we have been able to buy property, renovate a building and change the look of Prince Edward Street forever. Sadly, we lost one of our angel donors to cancer last December. Mark Estill graduated from UNB and worked as a reporter for the Fredericton Daily Gleaner before joining his three brothers in a very successful business venture. When I accepted a role on the Fundraising Campaign in 2004, I asked Mark for a donation. He was living in North Carolina, but was happy to help a community in a province where he felt very much at home. We remember him with affection and appreciation. Many things are accomplished by the generous and unassuming people of this world. I hope that each of you: the donor, the investor, the borrower, the elected representative, the civil servant, the volunteer or the board member-remembers how a series of small acts can transform your corner of the world.

Louise Béland, President

Manager's Message

A good idea plus a lot of perseverance; that is definitely what you need as an entrepreneur. The front cover of this report shows our completed building, a project that took close to two years to finish; well worth it as we have our own space in which we have a training area and three offices. Upstairs we have two affordable housing units. Neighbors comment on the building's beauty and we feel good that we are affecting the neighbourhood. In this space we have begun to establish new programs including youth entrepreneurship and asset building. We have a great staff contingent to continue to build relevant programs for our community. We look forward this coming year to add training for enterprising women and to begin planning the development of our lots next door.

2 Seth Asimakos, General Manager



Louise Béland is a self-employed interpreter, an investor, and an avid runner.

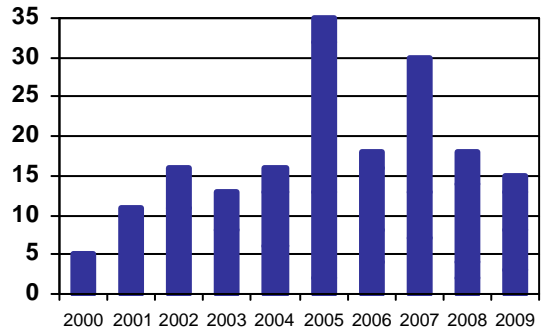


Staff of the Loan Fund standing outside their new location at 133 Prince Edward St.

Loan Report

The Loan Fund received over 150 loan inquiries in fiscal 2009; 57% of which came from women. From these inquiries the Loan Fund negotiated 15 loans; which means we made 1 loan for every 10 inquiries. While this appears to be a low ratio, it clearly is not; our loan loss rate is 27%, which indicates we still are making risky loans. In fact, this year we will continue to review our loan process to improve on our ability to make effective and repayable loans. Sixty percent of inquiries come referred from the Department of Social Development and other community agencies. The loan break down was eight for income generation and seven for shelter. One of the shelter loans was to the Loan Fund itself to help build two units of affordable housing. This loan will be repaid over three years. One credit offer was made to Re-Habitat in order to leverage another financial institution's mortgage of the ONE Home project. To date Re-Habitat has not moved to a loan. Of the inquiries that did not make it to a loan 27% were referred to another agency to resolve the issue. Five loans were repaid during the year.

Loans Per (Fiscal) Year



Reecycles

In 2007, Paul Reeves came to us for a loan to get a phone so he could maintain contact with potential suppliers for a product he was developing. Each time he came to the Loan Fund office he was riding an extraordinary bike. When asked, he said he had fourteen Reecycles, bikes created from pieces of thrown away items and trashed bicycles. But these were not anything ordinary, they were artwork. So the Loan Fund contacted the Saint John Arts Centre and eventually sponsored an application for a show. It was accepted and its opening was May 16, 2008. The Loan Fund continues to work with Paul on another product, which we hope to launch in 2010.



Training Report

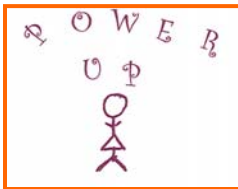
Money Matter\$

It has been a busy year, says Cindy Horton the Training Facilitator. Money Matter\$, a five module financial literacy course was delivered to over 150 people through community partners listed at right. Participants continue to praise its value: "It helped me realize that there's more to assets than just money." Using the sustainable livelihoods matrix, participants look at five asset areas: personal; human; financial; social; and physical. Understanding one's assets helps to establish goals. Budgeting is a tool to help you get there.

MM\$ Community Partners:

Department of Social Development, John Howard Society, The Key to Well Being, PRUDE Inc., Open Door Club, Saint John YM/YWCA, Teen Resource Centre, St. John the Baptist King Edward School, Saint John Learning Exchange, TRC-Independent Living Program, Urban Core Support Network, Crescent Valley Resource Centre, and Vibrant Communities Saint John.

Assets
Banking
Budgeting
Consumerism
credit



Since partnering with the Urban Core Support Network there have been 30 women trained in the Power Up program teaching them a variety of practical skills such as leadership, community engagement, and social

enterprise. Most of the current Neighbourhood Assistants in the five priority neighbourhoods are graduates of Power Up. There have been many other successes of the program, from participants graduating from High School, to full time employment in community-based work. One woman is now self-sufficient after being on Social Assistance for two decades since gaining employment after Power Up. We also hope to have past participants co-facilitate some sessions in the upcoming programs. Cindy Horton is the primary facilitator of Power Up and this year welcomed Melanie Vautour as the facilitator for social enterprise development.



Power Up grads with facilitators Cindy Horton, Melanie Vautour, and Brenda Murphy of UCSN



Three people participated in the **ONE HOME home ownership training** and one family is now living in a brand new town house in the Old North End.

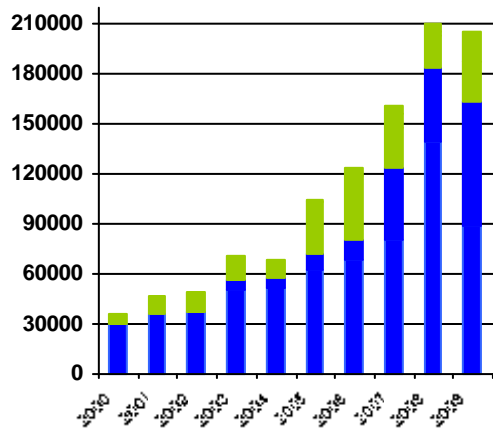
Maintaining the Pool

The pool of capital used for loans comes from investors; people or groups who lend us money to then re-lend to others. The average individual investment is \$1,000. Investments from organizations and municipalities can be significantly larger. Investors are asked to invest for at least two years at a rate of return of their choosing up to 3% or we will match the best bond rate. Over the last ten years, the average term chosen by Loan Fund investors has risen from two to four years suggesting an increase in confidence.

With lending there is risk, and with our lending we anticipate more risk. To safeguard the investors' money, and diminish the risk of loss, the Loan Fund sets aside a loan loss reserve equivalent to 30% of loans outstanding. This reserve is built from donations and loan fees. With this policy the Loan Fund has not lost one investor's penny in ten years of lending. Given the current economic climate and investor losses calculated at \$billions, this is not an insignificant achievement.

This past year the Loan Fund did not have a specific recruitment campaign to bring in more investors. On the other hand, we needed more reserve. Working with our auditor we have been cleaning out some non performing loans - particularly those related to shelter and hydro arrears. This cleaning has translated into an increase in our write offs and a draw down on our loan loss reserve to cover these losses. Fortunately, this year we had close to \$12,000 new money donated and placed in reserve. This includes donations from Brunswick Pipeline; Genworth Financial; TD Insurance; and one individual donor. We also had one investment converted to a donation. This investment by Saint John Energy was specifically tied to energy related loans and with the loans not performing, it made sense to write down the loans and convert the investment to a grant. The Loan Fund thanks Saint John Energy and its other donors to help us maintain the loan pool and a reserve equivalent to 30% of loans outstanding.

Loan and Reserve Capital



AUDITED FINANCIAL STATEMENTS

For the year ended March 31, 2009

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

Balance Sheet	2009		2008	
	Operating Fund \$	Loan Funds \$	Total \$	Total \$
Assets				
Current assets				
Cash	58,239	68,302	126,541	67,592
Term deposits	-	77,659	77,659	84,586
Accounts receivable	30,460	-	30,460	7,120
Interest receivable	-	896	896	1,374
Prepaid expenses	6,533	-	6,533	6,492
	<u>95,232</u>	<u>146,857</u>	<u>242,089</u>	<u>167,164</u>
Property, plant and equipment (notes 3 and 6)	356,450	-	356,450	165,065
Notes receivable (note 4)	-	25,884	25,884	17,264
	<u>451,682</u>	<u>172,741</u>	<u>624,423</u>	<u>349,493</u>
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	15,764	-	15,764	31,403
Accrued interest	-	5,296	5,296	3,703
Interfund balance	2,071	(2,071)	-	-
Demand bank loans (note 6)	147,611	-	147,611	-
Current portion of loan payable	10,100	-	10,100	-
Current portion of notes payable	-	77,013	77,013	26,777
	<u>175,546</u>	<u>80,238</u>	<u>255,784</u>	<u>60,883</u>
Deferred contributions (note 5)	4,167	-	4,167	4,167
Loan payable (note 4)	20,201	-	20,201	-
Notes payable (note 7)	-	86,991	86,991	156,727
	<u>24,368</u>	<u>86,991</u>	<u>111,359</u>	<u>160,894</u>
Fund Balances				
Loan Funds	-	5,512	5,512	2,582
Unrestricted	251,768	-	251,768	124,134
	<u>251,768</u>	<u>5,512</u>	<u>257,280</u>	<u>126,716</u>
	<u>451,682</u>	<u>172,741</u>	<u>624,423</u>	<u>349,493</u>
Fund Balances – Beginning of year	124,134	2,582	126,716	62,556
Excess revenue for the year	121,634	8,930	130,564	64,160
Interfund transfer	6,000	(6,000)	-	-
Fund Balances – End of year	<u>251,768</u>	<u>5,512</u>	<u>257,280</u>	<u>126,716</u>

Income Statement

	2009			2008
	Operating Fund \$	Loan Funds \$	Total \$	Total \$
Revenue				
Government grants & fee for service	132,000	-	132,000	40,000
Non Government grants & fee for service	94,918	-	94,918	20,000
Donations	3,116	31,937	35,053	13,984
Land and building development	77,224	-	77,224	83,276
Fundraising	8,987	-	8,987	16,246
Rent	720	-	720	-
Flow through grants	12,398	-	12,398	-
Interest on & fees on loans; interest on term deposits	-	5,536	5,536	5,561
Loan recoveries	-	883	883	-
Loss on disposal of investments	-	-	-	(3,772)
	<u>329,363</u>	<u>38,356</u>	<u>367,719</u>	<u>188,129</u>
Expenditures				
Wages and benefits	130,278	-	130,278	93,985
Occupancy costs	10,345	-	10,345	-
Flow through grant	12,398	-	12,398	-
Amortization	6,831	-	6,831	-
Communications	3,908	-	3,908	2,363
Fundraising, advertising and promotion	3,643	-	3,643	6,131
Audit, accounting & administration	19,177	-	19,177	9,130
Special projects	11,378	-	11,378	1,513
Networking/partnership	4,951	-	4,951	312
Investor & loan costs	1,792	1,593	3,385	2,962
Education	65	-	65	85
Loan reserves	-	27,808	27,808	7,002
Miscellaneous	2,963	25	2,988	486
	<u>207,729</u>	<u>29,426</u>	<u>237,155</u>	<u>123,969</u>
Excess revenue for the year	<u>121,634</u>	<u>8,930</u>	<u>130,564</u>	<u>64,160</u>

Note 3

	2009		2008	
	Cost \$	Amort. \$	Net \$	Net \$
Land	50,143	-	50,143	50,143
Building	306,035	6,121	299,914	114,922
Furniture/equipment	7,103	710	6,393	-
	<u>363,281</u>	<u>6,831</u>	<u>356,450</u>	<u>165,065</u>

Note 7

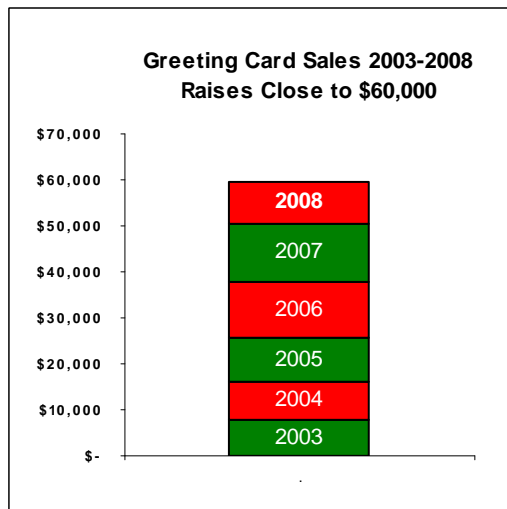
	Income \$	Shelter \$	Total \$
Opening balance	140,004	43,500	183,504
New loans	500	1,000	1,500
Loans repaid	(1,000)	-	(1,000)
Loan to donation	-	(20,000)	(20,000)
Transfer	(50,000)	50,000	-
	<u>89,504</u>	<u>74,500</u>	<u>164,004</u>
Less: Current portion	60,013	17,000	77,013
	<u>29,491</u>	<u>57,500</u>	<u>86,991</u>

Note 4

	Income		
	Generation \$	Shelter \$	Total \$
Notes receivable			
Opening balance	39,565	14,278	53,843
New loans	15,404	35,361	50,765
Payments received	(11,316)	(3,021)	(14,337)
Written off	(15,664)	(7,343)	(23,007)
	<u>27,989</u>	<u>39,275</u>	<u>67,264</u>
Loan reserves			
Opening balance	27,363	9,216	36,579
Donations	16,937	15,000	31,937
Written off	(15,664)	(7,343)	(23,007)
Loan Fees	1,325	546	1,871
Interfund transfer	(6,000)	-	(6,000)
	<u>23,961</u>	<u>17,419</u>	<u>41,380</u>
Notes receivable - net	<u>4,028</u>	<u>21,856</u>	<u>25,884</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 via the website at www.loanfund.ca. This year's cards were produced by Dyana Werden; Paul Blaney; Rachelle Losier; and Michael D. Field. Thank you for your generous donation. In six years the greeting card fundraiser has raised close to \$60,000. Many thanks to a fantastic committee: Rob Roy; Marjorie Hamilton; Mary Doherty; Paulette Stoddart; Kathryn Asher; and more. Also thank you again to Peter Buckland for providing his appraisal services.



Top sales

What can we say, Brian Duplessis continues to be top sales in the individual category, with 63 packs sold for \$630. And the NB Museum did a great job with 53 packs sold. Congratulations to both and thank you to all individual sales people and retail outlets.



Auction winners with Paul Blaney's painting and Louise Béland presenting.

Retailers

Anglican House Bookstore
Beckwith & Co.
Beaverbrook Gallery (Fredericton)
The Crofter (Sackville)
Klausen Custom Framing
Hammond River Cafe
Hampton Town Office
Handworks
inprint
Kingston Community Market
NB Museum Gift Shop
Paul's Flower Shop
Peter Buckland Gallery
Pictures Plus
Saint John Arts Centre
Slocum & Ferris
Trinity Galleries
UNBSJ Bookstore
Westminster Books (Fredericton)

Moving in!

Renovations are done. We are in! In June 2007, the Loan Fund bought a partially vacant building at 133 Prince Edward St. to create its office as well as two units of affordable housing. In January 2009, roughly 18 months later, Loan Fund staff re-grouped from two different locations in to their new office. By March 2009, the apartments were rented; both tenants are working single moms and see the apartment as a great opportunity. One cried with joy when she was told she got the apartment. There are a lot of people and groups to thank for the support of this project:

Financial Support

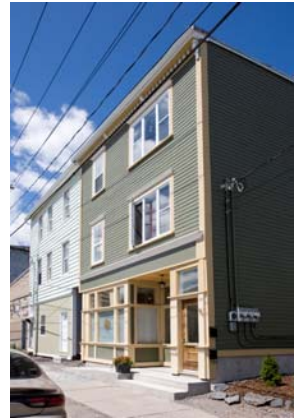
- An angel donor who got it started
- NB Department of Social Development for renovation subsidy and one affordable rent subsidy
- NB Regional Development Corporation
- Efficiency NB
- Greater Saint John Community Foundation
- Community Foundations of Canada

Supplies and services

- Benjamin Moore
- International Brotherhood of Electrical Workers
- Kent Building Supplies and JD Irving
- Ultimate Windows, Doors and More
- Harris Rebar
- RS Webb Electrical
- Gardner Electric
- Source Atlantic
- Tony Ricketts for interim office space at 77 Germain St.

Planning the next one

In September 2009 we will begin planning for another development on the vacant lots which sit beside the building on Prince Edward St. This development will mirror the façade of 133 Prince William and hold both affordable and market housing as well as office space on the ground floor. We will be working hard to make this an example of sustainable building practices to decrease future energy consumption. If you are interested please call our office at 652-5600.



Volunteers

Louise Béland
Bob Boyce
Don Connolly
Randy Hatfield
Tom Hatfield
Leslie Oland
Paul Reeves
Tom Webb

TD Insurance staff

Brandi Asimakos
Jamie Munro
Susan Roberts



Government partner

Women's Issues

The Provincial Government has remained a key partner in program related contracts and funding; and invested significantly in the building at 133 Prince Edward St.. Since 2005, the Women's Issues Branch of the Executive Council, has supported the Loan Fund's work to enable women to achieve greater self-reliance. Women living on low-income represent 90% of the Loan Fund's training participants, 60% of its borrowers, and of course, 100% of its affordable housing tenants. This has resonated with both Ministers that have been at the helm of Women's Issues during the last four years; former Minister Margaret Anne Blaney and current Minister Mary Schryer. Continuity is maintained by a key staff person at Women's Issues, the Assistant Deputy Minister Norma Dubé who is always interested in discussing innovative ways to help women succeed. Thank you for your ongoing investment in the Loan Fund's work with women.



Community partner

The HDC

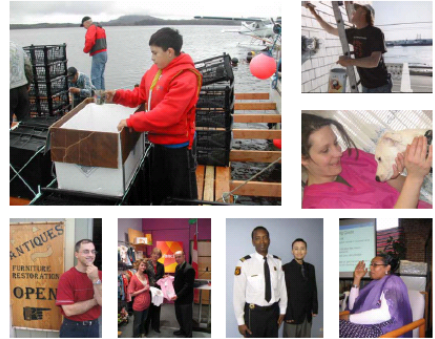
The Saint John Community Loan Fund began as an idea in 1997 at a wrap up meeting for an anti-poverty conference hosted by the Urban Core Support Network. A small amount of money remained post conference and one idea for its use was to seed a fund to help people get back to work. The Human Development Council (HDC) and its Executive Director at the time, Cathy Wright, liked the idea and supported it by brokering funding for a feasibility study and then a development phase. The HDC's board, and subsequent Executive Director, Randy Hatfield, continued to support the Loan Fund through its growing years; providing office space, equipment and a sounding board to the Loan Fund staff. In one of the Loan Fund's lean years, the HDC itself became a lender of last resort to bridge finance some money arriving late from a contract. The HDC has been paramount to the success of the Loan Fund, from start, through incorporation and charitable designation, and ultimately to its successful relocation to 133 Prince Edward St. Thank you from all of us; staff, volunteers, borrowers and training participants!

Over \$1.4 billion in assets managed by the community investment sector in Canada!

This is just one tidbit found in the recently published: [Building Local Assets: Community Investment in Canada, 2008](#). The report is the culmination of six months work led by Seth Asimakos in his role as Executive Director of the Canadian Community Investment Network Cooperative. Over 487 diverse community investment organizations are accounted for in the survey including credit unions, community loan funds, community development investment pools, and more. Besides numbers, there are also profiles of organizations and community investment deals. It is the most up to date information on community investment in Canada. To download a copy and participate in a blog on the report, go to www.loanfund.ca and click the socialfinance.ca link on the front page.

Building Local Assets

Community Investment in Canada, 2008



Canadian Community Investment Network Co-operative
www.communityinvestment.ca

Community Development and Partnerships Directorate
Human Resources and Skills Development Canada
www.hrsdc.gc.ca

Did you know that in Nova Scotia, they have raised \$30 million through tax incentives to help investors invest in 44 community economic development investment funds or CEDIFS? The question is, why aren't we replicating this great model here in New Brunswick?

Did you know that a conservative demand for community investment in Canada is \$750 million? Growth opportunities include; social enterprise development; community owned energy; housing development; and community renewal.

The Saint John Community Loan Fund is a founding member of the Canadian Community Investment Network Cooperative - www.communityinvestment.ca.

Profiles

Jennifer Nicholls joined the board this past winter and has jumped in with both feet, assisting with updates to policies and systems. Jennifer is a hydrogeologist with Jacques Whitford Stantec Limited. Originally from Nova Scotia, Jennifer has lived in many places and has volunteered in all of her home communities. She moved to Saint John in 2008 and was introduced to the Loan Fund during the Christmas Card Campaign. Jennifer is pleased to serve on the Board and looks forward to promoting community investing in the Greater Saint John community through the Loan Fund.



Melanie Vautour joins the Loan Fund staff after 7 years as Director of Junior Achievement; helping youth start and manage businesses as well as coordinating and providing business training programs to more than 20,000 youth during her time with JA! With her experience and knowledge, it's no wonder she jumped

at the chance to be our NEW Enterprise Development Officer with an emphasis on working with women to develop individual businesses and social enterprises, which are formed as a group. Her resume also includes experience in all aspects of the Non-Profit Sector; including fundraising, marketing, volunteer management and more! Involved with education and local schools for 8 years, she's passionate about learning, training and entrepreneurship. Already she has jumped in with both feet to facilitate the social enterprise module in Power Up which she thinks is a blast. Knowing from a young age that she wanted to "give back" to her community, this single mom is not content to just "work"; she is committed to working to change the world one person at a time; a philosophy the Loan Fund shares!

Board of Directors

President	Louise Beland, Conference Interpreter
Vice President	Alicia Love, Stewart McKelvey
Secretary	Kathryn Asher, Saint John Youth Cabinet
Treasurer	Brian Duplessis, ILA Local 273
Past President	Bob Boyce, Robert L. Boyce Architect
	Randy Hatfield, Human Development Council
	Kym Johnston, Royal LePage Atlantic
	Don LeBlanc, Century 21
	Jennifer Nicholls, Jacques Whitford Stantec Limited
	Rob Roy, Rob Roy Reproduction

Advisors and Committee Members

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

Staff

Seth Asimakos, General Manager
Marlene Abbott, Loans Officer and Coach (resigned)
Cindy Horton, Training Coordinator
Christen Webb, Executive Assistant
Melanie Vautour, Enterprise Development Officer



Community Building

A few years ago Bill Butler, another Loan Fund supporter, told me about the community loan fund and its work to help people start a business and get a job. I've been active in Waterfront Development and have seen how small starts can lead to fairly big things; like Harbour Passage. With the Loan Fund its amazing to me to see how a small amount of money can make such a big difference in an individual's life. That encourages me, because often you might give money and you don't know whether it reaches the grassroots and to the people that really could use it. But this is a program where it does. In 2004 we made a five year investment in the Saint John Community Loan Fund and will be rolling that investment over for another term so that it continues to work in the city.

Bill MacMackin

Vice President, Brennan's Select Funeral Homes

Vice Chair, Waterfront Development Corporation

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

If you are interested in making an investment or donation, please call 652-5601. All investments receive 3% return and donations receive a Charitable Tax Receipt.



Saint John Community Loan Fund

Tel: 506-652-5601
Fax: 506-652-5603
Email: loanfund@nbnet.nb.ca
Web: www.loanfund.ca

Saint John Community Loan Fund
3rd Floor City Market, PO Box 6125
Station "A", Saint John, NB E2L 4R6

Charitable Tax Number: 85491 3241 RR0001

