



A Pioneer in the Social Finance Sector

What is CAIC?

- ❑ Founded in 1984 by religious communities
- ❑ Members are registered Canadian charities within the faith community
- ❑ Run by a volunteer board of directors (drawn from membership)
- ❑ Supported by an Advisory Committee & 2 part-time staff (Financial Manager & Secretary to the Board)
- ❑ Assets greater than \$7 million
- ❑ Investment portfolio of \$3.5 million

Mission Statement *(excerpt)*

- CAIC invests in groups working for positive social change and community economic development in Canada that lack access to traditional financing.
- We are particularly interested in investments that promote alternative economic structures and which act as a catalyst to structural change

Fund Investment Policy

- Two active funds:
 - *Social Mortgage Fund* (mortgages up to 75% to non profits and community-based organizations)
 - \$2.5 million currently advanced
 - *Community Venture Fund* (loans to community loan funds & co-ops, 2nd & 3rd mortgages)
 - \$1 million currently advanced

CAIC – an early pioneer

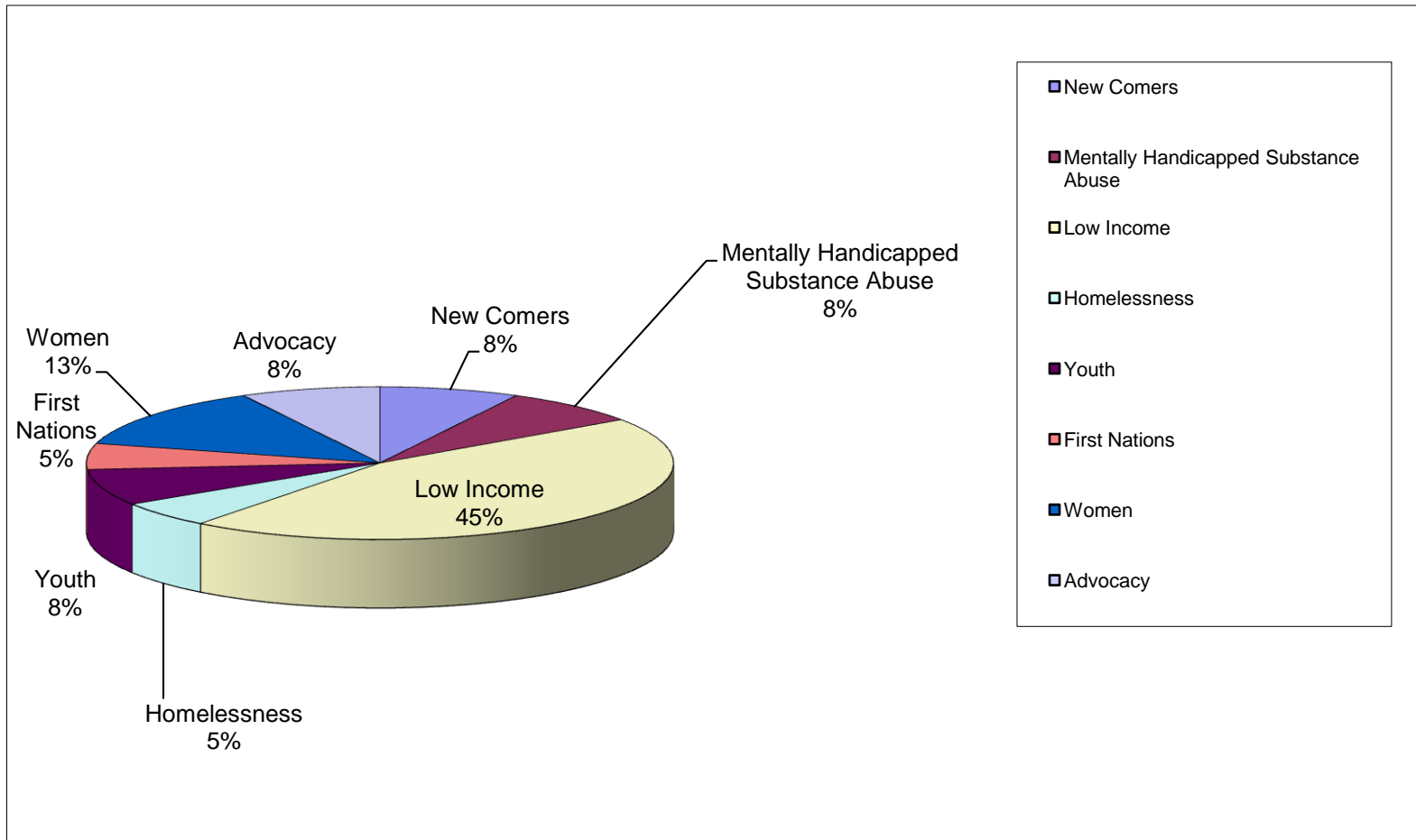
- CAIC has been providing financing to non-profits, charities, social entrepreneurs and cooperatives for the past 27 years.
- Our borrowers have used these resources to operate women's & men's shelters, food banks, re-use it stores, fair trade & organic cooperatives, community loan funds, skills development centres and non-profit daycares to name a few!

Tracking CAIC's impact

- Over the past 27 years:
 - CAIC has advanced \$16.5 Million
 - More than 100 borrowers
 - Enviably track record of repayment (less than 1.5% default rate)

Primary Groups Served

(27 years of lending)



Social Benefit vs. Financial Viability

Social Benefit Analysis of Loans

- Development of community
- Alternative Economic Structure
- Personal Empowerment
- Advocacy (support projects providing support)
- Barriers to Capital Formation
- Potential Long-Term Change
- Marginalization/Poverty
- Environment
- Dignity (partnership model)

Risk Analysis of Loans

- Integrity
- Capacity
- Track Record
- Collateral
- Economic Opportunity
- Community Support
- Skills/Expertise
- Debt
- Cash flow

Case Study

➤ Shelter and Community Kitchen in Toronto



Case Study (continued)

➤ Loan Parameters

- Building Selling Price - \$315k
- Local Credit Union 1st mortgage - \$189k (60%) of price
- CAIC 2nd mortgage - \$95k
- Organization had \$31k to put to purchase price

➤ Why Buy?

- Opportunity
- Longer term goals for the organization (i.e. what will the space be used for? Are there additional income opportunities)
- Operating Impact - Increased Occupancy Costs by \$11k (from \$42k to \$53k)

Case Study (continued)

➤ Meeting CAIC's requirements

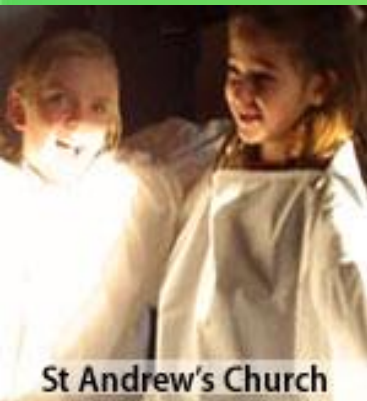
- Hired a consultant to help with the application as there was limited experience within the organization
- Solid management
- Long Term Vision and Goals
- Appraised value of \$310K
- "Clean" Phase 1 Environmental Assessment
- Multiple Sources of Revenue
 - Donations/Fundraising
 - City Contract
 - United Way
- Strong Community Support (Volunteers & In-Kind Donations)

Case Study (continued)

- Meeting CAIC's requirements
 - Demonstrated Budgeting and Financial Control
 - Plan "B" – to rent out excess space if funding fell through
 - Demonstrated they would source additional revenue from a new contract with the City to provide a Men's Shelter
 - Strong board (finance/legal/fundraising) and succession plan for ED

- CAIC extended both the first and second mortgage as the Credit Union "backed out"

Who Have We Helped?



St Andrew's Church



CREEQ



Mater Dei



St John Compassionate



St Clare Housing Society



LifeSpin



L'Arche



MCLF



Elizabeth Fry



Well-Come Centre



CONC



Inn-Roads Housing



Neighbour to Neighbour



Alternatives



Ottawa Loan Fund

Thank you for your time today!

For more information visit:

www.caic.ca