



# Update

## Dear CAIC Members

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With the turn of the season the board of directors of CAIC returns to their regular meeting schedule after a two month hiatus. Although we did not have an advisory committee meeting in September, we did review two loan application requests at the board level.

Beth and I have been hard at work this summer ensuring that the loans approved prior to the break went through the proper legal

channels and that funds were advanced.

We took the opportunity to revisit our loan application and make it even more user friendly. You can find our new and improved loan application on our website.

Speaking of our website—you can now find our Loan Portfolio, as well as a new feature—CAIC tales! We are sharing some of CAIC's success stories to allow other community-based or-

ganizations the opportunity to see firsthand the kinds of projects CAIC is interested in supporting. You can find the Loan Portfolio and other CAIC tales at— [www.caic.ca](http://www.caic.ca) under “Our Borrowers”!

**Just in case you missed our notice!** At the beginning of the summer CAIC moved—down the hall and around the corner to Suite 111! Please make sure that you have updated your address files.



## We Need You!

As another year for CAIC draws to a close (September 30/02 year-end) our thoughts turn to planning our Annual General Meeting.

Part of this year's planning involves searching for a new board member. Sadly, we are losing Roger Snelling, CAIC's board president for the past two years. Roger is in the process of serving a second three-year term with CAIC, but has decided to step down as he has taken

on a full-time commitment with St. Columba House in Montreal. We need someone to take Roger's place. Could it be you?

CAIC board members meet 9 times per year to review loan application requests with the help of an advisory committee and staff. Financial experience is not necessary, however an interest in helping community-based projects access much needed capital is.

The board takes responsibility for the management of the members' funds, as well as overall responsibility for the direction of CAIC and overseeing the fulfillment of its mission.

Please note that as a member of CAIC you can appoint a delegate representative for election to the board at our AGM! For more information contact Valerie or Beth at the CAIC office.

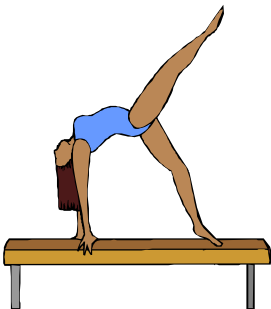
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## *A Balancing Act ~ The Yellowknife Gymnastics Club* by Beth Coates, Financial Manager



*"Is an isolated community such as Yellowknife different from other Canadian cities and therefore do programs such as these need to be seen differently?"*



In the spring the CAIC board approved a loan to the Yellowknife Gymnastics Club. In this newsletter we would like to share with you the story behind the decision to extend this loan. We believe that it illustrates the strengths of the CAIC review process to both deal with unusual borrowing situations and to temper business decisions with a social conscience.

The Yellowknife Gymnastics Club has been offering a wide range of gymnastic training to the local community for over twenty years. The club has never had its own home but rather operated out of school gyms and surplus space rented from the City. When the City of Yellowknife decided to erect a sports complex the club jumped at the opportunity to be included. The City agreed as long as the club paid for all the costs associated with the construction of its portion of the facility. (Although part of the complex will be a new hockey rink the local, primarily male, hockey clubs had no such requirement.)

The project was huge with the final bill for the Gymnastic Club's portion exceeding 1,000,000 dollars. Through very aggressive fund raising and a grant from the City the club was able to raise \$500,000. They secured a loan from the local business development bank and therefore came to CAIC for the final amount.

In considering the loan

CAIC had two major issues to resolve. Firstly, are children's athletic programs part of our social mandate and secondly how do we ensure that the loan is secure?

Assessing the social merit of athletic programs was difficult for the board. Were local aboriginal and low-income children included? Is an isolated community such as Yellowknife different from other Canadian cities and therefore do programs such as these need to be seen differently? The board struggled with this issue through its first loan meeting and was not able to come to a conclusion. Several board members and staff did however have contacts who had lived in the North and therefore may have a clearer perspective on this issue. By the time the board reconvened for the next meeting the contacts had been reached and a clear picture of the isolation of the north and the lack of community services had emerged. There was no doubt in the boards' mind that children's activities in locations such as Yellowknife deserved special consideration. In addition, to ensure that the programs were inclusive, it was decided to include in our offer a condition that CAIC be provided with an annual profile of the program participants.

Ensuring the CAIC loan was backed by appropriate security was another difficult issue for the board. In most situations, where CAIC is advancing funds for con-

struction, mortgages are available on the properties. CAIC may not always hold the first mortgage; however we always insist that the total value of mortgaged property is greater than the loans against it. The Yellowknife situation was different because although the club was paying for the construction of their portion of the building it was not really their asset to mortgage. This predicament left CAIC looking for another way to secure the loan. CAIC has, at many times in its history, accepted guarantors when there was no other suitable security. Several parents of club members agreed to put up personal guarantees for the \$200,000 loan. These guarantees have been made stronger by the lien put on the guarantors' homes in the case of default. Although this is a significant personal commitment by these parents it demonstrates that the members are willing to share the loan risk with CAIC.

This case illustrates how, when presented with unusual lending situations, CAIC is able to be flexible and innovative to ensure that the social justice objectives are met through our lending practices.

## Our Projects ~ Western, Central, Eastern Regions

### New loans

#### **Kagiwiosa Manomin** ~ *Dinorwic, Ontario*

Many of you will be familiar with this Ojibway wild rice processing operation located in north western Ontario. Kagiwiosa Manomin first approached CAIC for bridge financing in the spring of 1987. This first loan led to another ongoing loan that was paid off a few years ago. CAIC's loan to KM has led to other native run businesses being created in the area such as Noopimiing Anokeewin. This wood-cutting operation provides much-needed employment for the area. It too approached CAIC for financing and successfully repaid its debt.

Kagiwiosa Manomin has been presented with the option of repaying a government loan with a one-time reduced payment. CAIC has agreed to provide a loan and is awaiting a response to our loan offer.

#### **Margaret Laurence Housing Cooperative**~ *Toronto, Ontario*

The Margaret Laurence Housing Co-op's is an integrated special needs co-op, serving people with HIV and AIDS. This project has taken an innovative approach to create additional units in an existing building.

The co-op is in the process of creating 16 additional 1 bedroom apartments from space originally allocated for elevator shafts and stairwells. The total cost of the project is \$1.8 million. The co-op has received \$1 million in grants and donations and a first mortgage. CAIC has offered second mortgage. The co-op has signed back the offer and we are awaiting the completion of all legal work prior to funds being advanced.

#### **Yellowknife Gymnastics Club** ~ *Yellowknife, N.W.T.*

CAIC has approved a loan to the Yellowknife Gymnastics Club. As mentioned in Beth's article on Page 2, this is not the kind of loan CAIC usually considers. As a result the process has deviated somewhat. We are still awaiting the signed offer letter. This will be sent once the guarantors for the loan are on board. We are hopeful that CAIC will be able to proceed with this loan.

#### **YWCA Halifax** ~ *Halifax, Nova Scotia*

CAIC agreed to provide a loan to the YWCA Halifax. I am happy to report that funds have been advanced and the loan is successfully underway.

### Loan Renewals

#### **The Good Shepherd Centre** ~ *Hamilton, Ontario*

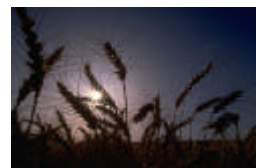
This loan renewal has proceeded. As noted in our spring issue, CAIC was awaiting the results of a Phase One Environmental Assessment on the building being offered as security for the mortgage. They were acceptable and the appropriate legal documentation has been filed.



### Loan Updates

**La Siembra** ~ *Ottawa, Ontario* This fair trade cooperative has been nominated for an award by Co-op America for the 2002 Socially Responsible Business Awards at the Natural Products Expo East in Washington D.C. in October. They also invite you to check out their new website at [www.lasiembra.com](http://www.lasiembra.com) or [www.cocoacamino.com](http://www.cocoacamino.com).

Other CAIC loans are on the Web as well. You can check out the **Montreal Community Loan Association**/Association Communautaire d'Emprunt de Montréal at [www.total.net/~acem](http://www.total.net/~acem) and **Women in Rural and Economic Development (WRED)** at [www.wred.org](http://www.wred.org). Happy surfing!



**WE'RE ON THE  
WEB!  
[www.caic.ca](http://www.caic.ca)**

# AGM 2002



## ***TALES OF A SOCIALLY CONSCIOUS LENDER***

***Tuesday, December 3rd***

9:00 a.m. till 1:00 p.m.

(Lunch will be served)

3250 Bloor St. West, Etobicoke, Ontario  
(United Church National Office)

During the past year CAIC has received the highest number of applications ever! As a delegate of a CAIC member, you can look forward to hearing all the details at our AGM! Hear firsthand the impact a loan from CAIC has had on one of our borrowers. Find out how CAIC's funds were essential for the construction of 51 of the 60 social housing units built in Toronto this past year! Look for your AGM package in early November. We look forward to seeing you!