In recognition of its exemplary activities, New Jersey Community Capital has received the Wachovia Community Development Financial Institution (CDFI) Excellence Award for community impact presented by National Community Capital Association. New Jersey Community Capital has established a solid track record in understanding community needs and serving as a catalyst for community development through the provision of creative financing linked with technical assistance. The organization was recognized for its services to all of the sectors and geographies it serves, and particular attention was given to its activities in early care and education.

The organization has become the pre-eminent lender to the early care and education sector in New Jersey by providing a holistic approach to lending that includes on-going technical assistance. Its unique perspective and experience in this field has led to requests for information and collaboration from other CDFIs, government agencies, and mainstream financial institutions. New Jersey Community Capital has approved nearly $15 million in financing to the early care sector and has provided technical assistance services to more than 100 child care providers.

New Jersey Community Capital’s ability to understand community needs across the state has resulted in its organizational realignment and broadened mission. Additionally, the investment in comprehensive mapping capabilities will further enhance and define the organization’s development of new products and services.

**Community Loan Fund of New Jersey, Inc.**

*Community Loan Fund*

*Managed Assets*

- Disability Fund
- Neighborhood Development Initiative
- Early Care Fund
- Sustainable Employment and Economic Development Loan Program
- Asbury Park Urban Enterprise Zone
- Revolving Loan Fund

*Community Consulting Group*

- Building Stronger Centers
- Newark Lighthouse Initiative
- Children’s Futures

**Community Lending Partners of New Jersey, Inc.**

**Community Equity Partners of New Jersey, Inc.**

*Community Equity Fund of New Jersey I, LLC*
New Jersey Community Capital became the trade name for Community Loan Fund of New Jersey, Inc. and its affiliated entities in 2003. This new brand signifies a realignment of the company’s existing operations, as well as the development of new business lines to expand the scope of the organization’s credit and technical assistance offerings. The expansion of activities complements and enhances the organization’s mission while furthering the goals of our stakeholders, funders, investors, and the community development industry.

Fiscal year 2003 was one of tremendous activity and achievement for New Jersey Community Capital. This year’s Annual Report illustrates how a concerted approach toward community development leads to a sustained and positive impact in neighborhood revitalization.

New Jersey Community Capital – in recognition of its concerted approach and strong financial and technical assistance programs - was awarded the Wachovia CDFI Excellence Award for Community Impact presented by National Community Capital Association.

New Jersey Community Capital further demonstrated its role as a community leader by co-founding the New Jersey Regional Coalition, publisher of the acclaimed and enlightening New Jersey Metropatterns report. New Jersey Community Capital is now using mapping software to target its services to the most critical areas of need and to measure its social return on investment.

In April, the organization was selected as an allocatee under the first round of the CDFI Fund’s New Markets Tax Credit Program - the only allocatee selected with its headquarters in the State of New Jersey. This important national economic development initiative will allow New Jersey Community Capital to provide investment capital to organizations that spur revitalization efforts in New Jersey’s low-income communities.

Increased capital under management allowed New Jersey Community Capital to commit 51 loans totaling $13.1 million in 2003, its highest ever annual level of commitments. Funding these commitments will increase the flow of capital to organizations and individuals unable to access capital from conventional sources and will ensure that meaningful community development initiatives are undertaken.

These are exciting times at New Jersey Community Capital and they would not be possible but for our partners.

Thank you for your ongoing support.

MARIE C. MASCHERIN, CHAIR

DAVID M. SCHECK, EXECUTIVE DIRECTOR
**Board of Directors**

**OFFICERS:**
Marie C. Mascherin  
Dudley Benoit  
Susan U. Bredehoft  
Carol Kasabach

**DIRECTORS:**
Randolph Hanks  
Patrick J. Kelly  
Steven Leder  
Carla Lerman  
Carl H. Malmstrom  
Connie Pascale  
Daniel SantoPietro  
Preston D. Pinkett, III  
Donna Scarano

**STAFF**

David M. Scheck  
*Executive Director*

Lori A. Perkins  
*Chief Operating Officer*

**COMMUNITY CONSULTING GROUP**

Amanda Blagman  
*Managing Director*

Rachel Davies-Doku  
*Associate, Technical Assistance*

Pascale E. Duvert  
*Associate, Research & Development*

Nan Frankel  
*Director, Technical Assistance*

**FISCAL & RISK MANAGEMENT**

Candace A. Faunce  
*Chief Financial Officer*

Jacqueline M. Baranowski  
*Financial Officer*

Jennifer M. Bredehoft  
*Part-time Associate, Investor Relations*

Doris E. Harris  
*Associate, Investor Relations*

Juanita Y. Marshall  
*Associate, Financial Reporting & Analysis*

Jane Shoemaker  
*Executive Coordinator*

**FINANCIAL PRODUCTS & SERVICES**

Robert C. Graham  
*Vice-President, Financial Products & Services*

Brian M. Keenan  
*Vice President, Financial Products & Services*

**INTERNS**

Princeton University Pace Center for Community Service:  
Adaku Ibekwe

Princeton University Community Based Learning Initiative:  
Nelson Chiu  
Ryan Davies  
Anna Huang  
Felix Huang  
Lauren McKenna  
Tim Ruse

New Jersey Community Capital  
16-18 W. Lafayette Street  
Trenton, NJ 08608-2088  
609.989.7766 Fax 609.393.9401  
email: mail@njclf.com
This statement serves as the introduction to a first-rate report on the state of social and economic conditions in New Jersey. The report was funded in part by New Jersey Community Capital.

For decades, inner and outer ring suburbs have flourished at the expense of central cities. Many suburban residents travel daily to inner cities to work, be entertained, shop and engage in other activities. Yet, despite the dependence upon inner cities, revenues that are generated there rarely return to provide necessary services such as infrastructure, schools and other social services. New Jersey is different from most states - not only are its cities in crisis, but immediate suburbs have also seen dwindling tax bases and loss of jobs as well as strains on infrastructure.

In 1997, Myron Orfield, former Minnesota state legislator turned urban policy expert, wrote a ground-breaking book, *Metropolitics*, in which he illustrated pointedly the phenomenon happening in metropolitan cities across the country. Orfield claimed that regions were polarized as daily battles were waged to secure already scarce economic and social resources. Orfield suggested that only a regional approach can remedy this problem: solutions must be implemented to redirect the wealth created in the central cities so that the resources are used to restore infrastructure and to provide public services that are fair and equitable to cities, suburbs and outlying areas.

NEW JERSEY REGIONAL COALITION IS FORMED

In 2001, a group of statewide community development, housing, planning, civil rights, religious and social organizations formed the New Jersey Regional Coalition (NJRC). NJRC promotes “a pro-redevelopment, socially equitable and environmentally friendly agenda of research, organizing and policymaking.” Along with New Jersey Community Capital, founding members included: Isles, Inc., Coalition for Affordable Housing and the Environment, Fair Share Housing Center, Jubilee Interfaith Coalition, New Jersey Future, New Jersey Institute for Social Justice, New Jersey Public Policy Research Institute, and the Regional Planning Partnership.

NJRC commissioned Ameregis, a research and geographic information systems firm founded by Orfield, a nationally recognized expert in land use reform and tax base sharing, to produce *New Jersey Metropatterns*. Ameregis, along with its partner, Metropolitan Area Research Corporation (MARC), integrates geographic information systems (GIS) software and traditional research methods to document development trends in metropolitan regions. Similar reports have been prepared for more than 40 metropolitan cities and states.

*New Jersey Metropatterns* examines how the effects of uncontrolled growth and inequitable distribution of tax dollars have served to reduce previously vibrant areas into ones marked by concentrated poverty, declining tax bases and poor school performance. The report makes recommendations for addressing and tackling these issues. To supplement the statistical analysis and research findings, maps are incorporated to visually depict the harmful fiscal and social effects that poor land use planning and urban sprawl have had both in the state as a whole and in the major cities such as Newark, Camden, Trenton and Jersey City.

Among the recommendations included in *New Jersey Metropatterns* are to: implement a tax base sharing program that would reduce reliance on property taxes, similar to the New Jersey Meadowlands Commission; implement the state plan which calls for development in areas with existing infrastructure; promote housing choice through the use of Section 8 vouchers; increase the state’s share of education funding; and encourage municipal cooperation.

To complement the research findings and to build the capacity necessary to encourage legislative reform, efforts to educate and organize grassroots campaigns have begun throughout New Jersey. In June 2003, more than 500 people from various backgrounds and affiliations attended the People’s Summit for Regional Equity to discuss regional strategies for redressing urban decay, racial segregation and fiscal disparities in the state. When the summit concluded, regional caucuses were formed in North, Central and South Jersey to further mobilize local awareness of these issues.

New Jersey Community Capital has realigned its thinking and approach to community development lending based on the research and its active involvement in the inception of NJRC. Today, the organization more closely examines potential projects to ensure they will strengthen neighborhood assets and foster renewal rather than contribute to area economic segregation. In 2003, the organization created its own research and development unit within its Community Consulting Group to address the outputs of the Coalition’s report. The unit focuses on demographic trends impacting New Jersey and, based on these trends, identifies community needs.

In Fall 2003, the organization obtained GIS software that it anticipates will shed additional light on the impact that loans and technical assistance have had in the communities it serves. As a leader in effecting change in the state’s low-income communities, New Jersey Community Capital sees GIS as an additional mechanism in identifying areas of need in order to utilize its resources appropriately in addressing issues of polarization and regional instability.

The full report is available online and can be viewed as a .pdf at: http://www.ameregis.com/projects/region_maps.asp.
Copies of the report may be obtained by calling: 612-379-3926.
New Jersey Community Capital approved a $400 thousand participation in a $2 million loan with the New Jersey Redevelopment Authority (NJRA) to Fairview Village Urban Renewal Associates LP and Fairview Village LLC, in 2002. Proceeds from the loan are being used to acquire properties located in the Fairview Village (a.k.a. Yorkship Square) section of the city of Camden. Yorkship Square has historically fared better in the indices of neighborhood prosperity than the city as a whole. For example, median household income for the section was $29,149, compared with $23,421 for the city of Camden, and median house value was $47,800 and $40,700, respectively. The area also experienced an eleven percent increase in total population from 1990 to 2000 as compared with a nine percent decrease city-wide over the same period.

The Fairview Village project is a component of the Yorkship Redevelopment Initiative that sets out a three-phase approach to revitalize the square and outlying residential streets, including homeownership and rental housing, as well as commercial development. The first phase of financing provided for the acquisition of approximately fifty parcels for redevelopment.

**Fairview Facts**

<table>
<thead>
<tr>
<th>Metropolitan Area:</th>
<th>Philadelphia - NJ PMSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>County:</td>
<td>Camden</td>
</tr>
<tr>
<td>Census Tract:</td>
<td>602000</td>
</tr>
<tr>
<td>Total Population, 2000:</td>
<td>5,947</td>
</tr>
<tr>
<td>Number of Families:</td>
<td>1,435</td>
</tr>
<tr>
<td>Total Housing Units:</td>
<td>2,480</td>
</tr>
<tr>
<td>Owner-occupied Units:</td>
<td>2,169</td>
</tr>
<tr>
<td>Vacant units:</td>
<td>311</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, American Fact Finder
The story of Vailsburg is one of a community that has remained stable despite the challenges of its parent city, Newark. Unlike its neighbors, the North and Central Wards of Newark, Vailsburg was not as adversely affected by the 1967 civil unrest. Once an independent borough (circa 1895-1905), Vailsburg was annexed by the mayor of Newark during a failed quest to also absorb Kearny, East Orange, Harrison and Belleville. It is located in Newark’s West Ward and is bounded by Seton Hall University, South Orange Village Township, Maplewood Township, East Orange city, and Irvington Township. The Vailsburgs (Upper and Lower) form a peninsula surrounded on three sides by other municipalities and separated from the rest of Newark by the Garden State Parkway.

Stroll through the delightful streets of Vailsburg lined with beautiful old trees, and feast your eyes on wonderful examples of Dutch Colonial and Victorian inspired homes. The majority of the houses were built between 1945 and 1947. Upper Vailsburg features mostly single-family detached homes in fairly good condition; Lower Vailsburg, mostly detached single-family housing units as well as two-family units. The area is also home to Ivy Hill Apartments, one of Newark’s largest rental complexes. Along the way, stop and enjoy the sight of the imposing, gothic Sacred Heart Church.

Vailsburg Park, located between Oraton Parkway and South Orange Avenue, features rock climbing at the Mills Reservation, bocce courts and baseball fields. The Vailsburg Arts Consortium provides entertainment through dance recitals and plays at the Park and other venues including the Public Library, which was recently renovated and expanded.

Vailsburg’s economic hub, which lies along South Orange Avenue, features retail shopping, restaurants, gas stations, beauty supply stores, hair salons and financial institutions. South Orange Avenue is also the major route of travel to Newark (See “Vailsburg” map.) In addition to the Sacred Heart Church, the area is also home to approximately 60 other churches and 11 public schools.

The area’s newspaper, The Vailsburg Leader, has been in circulation since 1949 and is published weekly.
The West Ward has approximately 54,602 residents, more than 34,000 of whom reside in the Vailsburg section. In earlier years, residents of the West Ward were predominately of Irish descent. Today, its ethnic neighborhoods are a combination of mostly African-Americans and Haitians. As of Census 2000, whites comprised less than ten percent of the population; blacks, more than eighty percent. Roughly six percent of the population holds Bachelor degrees, and two percent, graduate or professional degrees. Today, Vailsburg is at a crossroads between a flourishing neighborhood and an economically depressed community: the eight Census tracts comprising the Vailsburg section have an average median household income of $34,687, compared with $26,913 for the city of Newark.

In a place with such a conspicuous sense of identity, civic action and service organizations are actively involved in the life of the community, including The Vailsburg Parent Resource Center, Vailsburg Block Association Council, and the Unified Vailsburg Services Organization (UVSO). UVSO is a participant in the Newark Lighthouse Initiative, a long-term project led by New Jersey Community Capital and the Association for Children of New Jersey, which is designed to improve the quality of early care and education in the city of Newark.

UVSO, a community development organization, and long-time borrower of funds from New Jersey Community Capital, is an active, important partner in the community. It was
established in 1972 by residents to address serious concerns, including employment, housing, childcare, and other issues plaguing the neighborhood. The broad array of services offered include the provision of meals on wheels; health care screening and counseling; infant, preschool, and school-age child care centers; and a host of other social services. To date, UVSO has completed several projects, including its signature project, the acquisition and renovation of the Vector building, which was converted to a mixed use facility, including early care, health care and office space.

New Jersey Community Capital has a long history of commitment to economic development in Vailsburg. It has been involved in the area for more than ten years and has committed nearly $2 million in loans to finance community development projects. The organization looks forward to continued involvement in the redevelopment efforts of UVSO and other partners in the community.

For more information on Vailsburg, visit: www.virtualnewarknj.com/areas/v/vailsburg/index.htm. For more information on UVSO, visit: www.uvso.org. Addresses for the Vailsburg map were obtained from the New Jersey Department of Labor and from the NJ Department of Education.
FINANCIAL PRODUCTS & SERVICES

- Increased amount of Assets under Management to $45 million

- Committed 51 loans totaling $13.1 million – highest annual level ever
  - Expected to create/rehabilitate 758 units of affordable housing
  - Expected to develop 506 new early care slots

- Received $15 million allocation of tax credits under the U.S. Department of Treasury CDFI Fund’s New Markets Tax Credit program

COMMUNITY CONSULTING GROUP

- Worked diligently with 37 borrowers and 77 clients via contractual relationships to strengthen their business plans; refine real estate strategies and ensure the viability of their community development activities

- Concluded the 7th class of the nationally renowned Building Stronger Centers program – a multi-disciplinary and collaborative child care initiative that provides technical assistance, training and access to financing for improvement of quality and expansion of child care centers

- Commenced the 3rd year of the Newark Lighthouse Initiative – a multi-year project designed to transform three early care and education programs, located in the city of Newark into models of excellence

- Collaborated in the founding of the New Jersey Regional Coalition – a statewide partnership of organizations focused on social and economic justice (See Metropatterns story)
**PROJECT SUPPORT**

*Building Stronger Centers*
- US Department of Health & Human Services, Administration of Children, Youth & Families (ACYF)
- The JP Morgan Chase Foundation

*Newark Lighthouse Initiative*
- The BEA Foundation
- Geraldine R. Dodge Foundation
- Fleet
- The Grable Foundation
- Lucent Technologies Foundation
- The Prudential Foundation
- The Sagner Family Foundation
- The Schumann Fund for New Jersey
- Toys “R” Us Children’s Fund

*Children’s Futures*
- Children’s Futures

*Technical Assistance*
- FleetBoston Financial Foundation

*Lending Partners (Affiliated Entity)*
- The Fund for New Jersey
- The PNC Foundation

*Equity Partners (Affiliated Entity)*
- The Fund for New Jersey
- The PNC Foundation

**OPERATING SUPPORT**

*Individuals*
- Dudley Benoit
- Susan U. Bredehoft
- Robert C. Graham
- Carol & Haig Kasabach
- Dolores & Patrick Kelly
- Steven Leder
- Carla & Paul Lerman
- Anne S. Li & Edward Muldoon
- Catherine & Carl Malmstrom
- Marie Mascherin & Ernie Cerino, Jr.
- Patricia B. Masi
- David M. Scheck
- Phyllis & Irwin Stoolmacher

*Foundations*
- Mary Owen Borden Foundation
- CIT Foundation Group
- Citigroup Foundation
- Geraldine R. Dodge Foundation
- E.J. Grassman Trust
- The F.B. Heron Foundation
- The Hyde & Watson Foundation
- Victoria Foundation

*Financial Institutions*
- Amboy National Bank
- Atlantic Stewardship Bank
- Boiling Spring Savings Bank
- Citigroup Foundation
- Clifton Savings Bank
- Commerce Bank
- Greater Community Bank
- Hudson City Savings Bank
- The JPMorgan Chase Foundation
- NJM Bank
- The PNC Foundation
- Rahway Savings Institution
- Roselle Savings Bank
- Somerset Savings Bank
- United Trust Bank
- Unity Bank
- The Valley Foundation
- Wachovia Foundation
- Yardville National Bank

**Non-Depository Financial Institutions**
- CIT Group, Inc.
- GMAC Commercial Mortgage
- The Prudential Foundation

**Government Entity**
- New Jersey Department of Community Affairs-Wachovia/DCA Housing Scholars Graduate Program

**ASSETS UNDER MANAGEMENT (IN THOUSANDS)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>$127</td>
</tr>
<tr>
<td>1990</td>
<td>$427</td>
</tr>
<tr>
<td>1992</td>
<td>$1,146</td>
</tr>
<tr>
<td>1994</td>
<td>$3,005</td>
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<tr>
<td>1996</td>
<td>$4,996</td>
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<tr>
<td>1998</td>
<td>$6,622</td>
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<tr>
<td>2000</td>
<td>$14,459</td>
</tr>
<tr>
<td>2002</td>
<td>$21,519</td>
</tr>
<tr>
<td>2003</td>
<td>$45,910</td>
</tr>
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### Financial Institutions
- Amboy National Bank
- Atlantic Stewardship Bank
- Bergen Commercial Bank
- Cenlar Federal Savings Bank
- City National Bank of New Jersey
- Clifton Savings Bank
- Commerce Bank
- Commerce Bank North
- Commerce Bank/Shore
- Community Bank of Bergen County
- Equity Bank
- First Constitution Bank
- First Savings Bank
- First Washington State Bank
- Fleet Bank
- Fleet Development Venture L.L.C.
- Fleet National Bank
- Greater Community Bank
- Hudson City Savings Bank
- Hudson United Bank
- Lakeland Bank
- Met Life Bank
- MBNA America Bank
- New York Community Bank
- NJM Bank
- NorCrown Bank
- PNC Bank
- Rahway Savings Institution
- Schuyler Savings Bank
- SI Bank & Trust
- Somerset Savings Bank
- Sovereign Bank
- Spencer Savings Bank
- Sterling Bank
- Sun National Bank
- TD Waterhouse Bank
- U.S. Trust Company of New York
- United Roosevelt Savings Bank
- United Trust Bank
- Unity Bank
- Valley National Bank
- Woodstown National Savings Bank & Trust Company
- Yardville National Bank

### Foundations
- Calvert Social Investment Foundation
- The F. B. Heron Foundation
- Mary Owen Borden Foundation

### Government Entities
- Community Development Financial Institutions (CDFI) Fund
- New Jersey Economic Development Authority
- New Jersey Housing & Mortgage Finance Agency

### Individuals
- Anonymous
  - (Woodland Investment Management Account)
- Edward J. Gracely
- Margaret K. & Robert C. Graham
- Susanne C. Hand
- Randolph Hanks

### Religious
- Catholic Health System
- Domestic & Foreign Missionary Society of the Protestant Episcopal Church in the USA
- Eisenhart Fund
- Episcopal Church
- Episcopal Diocese of New Jersey
- Episcopal Diocese of Newark
- First Baptist Church Fellowship Fund
- First Presbyterian Church
- M’Kor Shalom Congregation
- Princeton Friends Meeting
- Sinsinawa Dominicans, Inc.
- Sisters of Charity of St. Elizabeth
- Sisters of Charity of St. Elizabeth
- Sisters of the Sorrowful Mother
- International Finance, Inc.
- St. Andrew’s Episcopal Church
- St. George’s by the River Episcopal Church
- St. Paul’s Episcopal Church Synod of Mid-Atlantic
- (Reformed Church in America)

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“If every socially responsible investor moved 1% of his or her savings and investments into community investing, it would put an extra $10 billion to work rebuilding disadvantaged communities in the U.S. and around the world.”

-Social Investment Forum & Co-Op America
FINANCING COMMITTED FOR FISCAL YEAR 2003

BUSINESS

Commercial Real Estate
Bistro Ole
Bogart Commerce Urban Renewal, LLC
Concerned Pastors Economic Development Corporation
Cookman 627
Home Design

Economic Development
All About Hair
Children First Pediatrics of Vineland, Inc.
CUT-N-UP
James Danielson
Pilgrimage Outreach, Inc.
University Ventures, Inc.

Social Enterprise
Invention Factory Science Center
Main Street Counseling Center

COMMUNITY SERVICES

Child Care
B’s Nurturing Neighborhood Child Development Center, Inc.
Don Pedro Housing Corporation
Golden Gate Child Development Center
Obed Bermudez
The Yolca Corporation
Unified Vailsburg Services Organization

Cultural & Arts
Alliance for Arts Education

Education
GBCS Community Renewal Corporation

Human & Social Services
AIDS Resource Foundation for Children
Our Children’s Foundation of New Jersey
Rahway Community Action Organization
St. James Community Development Corporation
St. Paul’s Community Development Corporation
Women in Support of the Million Man March

Note: In some instances, an organization had more than one loan commitment, and is listed only once.

“Sixty five million low-income people living in America have housing problems (high cost burden, overcrowding, poor quality, or homelessness.)”


HOUSING

Homeownership
Brand New Day
CREST Community Development Corporation
Episcopal Community Development, Inc.
New Visions Community Development Corporation
St. James Community Development Corporation
St. Paul’s Community Development Corporation

Rental
City National Urban Development Corporation
Fairmount Housing Corporation
Ingerman Affordable Housing, Inc.
YMCA of Passaic-Clifton

Supportive Housing
Bridgeway House
Community Hope, Inc.
Volunteers of America Greater New York Region, Inc.
Youth Consultation Services

Transitional
Community Hope, Inc.

COUNTY TOTALS

<table>
<thead>
<tr>
<th>County</th>
<th>Amount</th>
<th>County</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burlington</td>
<td>$ 202,400</td>
<td>Middlesex</td>
<td>$ 2,560,000</td>
</tr>
<tr>
<td>Cumberland</td>
<td>$ 1,396,200</td>
<td>Monmouth</td>
<td>$ 75,000</td>
</tr>
<tr>
<td>Essex</td>
<td>$ 3,622,000</td>
<td>Morris</td>
<td>$ 590,000</td>
</tr>
<tr>
<td>Gloucester</td>
<td>$ 125,250</td>
<td>Passaic</td>
<td>$ 635,000</td>
</tr>
<tr>
<td>Hudson</td>
<td>$ 80,000</td>
<td>Somerset</td>
<td>$ 200,000</td>
</tr>
<tr>
<td>Hunterdon</td>
<td>$ 110,000</td>
<td>Union</td>
<td>$ 3,198,000</td>
</tr>
<tr>
<td>Mercer</td>
<td>$ 275,000</td>
<td></td>
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</tr>
</tbody>
</table>

Total $ 13,068,850
In May 2003, New Jersey Community Capital held its annual gathering to celebrate the accomplishments of the past year and to describe its plans for the future. Investors, grantors, borrowers and friends joined the Board and staff to acknowledge the organization’s achievements, its goals, its new structure, and to hear remarks from Mark Pinsky, President of National Community Capital Association – a trade association that provides a broad range of financing, training and consulting resources, and public policy products for CDFIs and CDFI investors.

At the gathering, posthumous honor was paid to Deborah C. Barnes, Assistant Vice President of PNC Bank, for her dedication to the work of New Jersey Community Capital and to the goals of community and economic development.

In her memory, a contribution was made by the organization to the Deborah C. Barnes Memorial Fund for the benefit of her children.

The Community Consulting Group has become a leader in the early care field due to its technical assistance, training activities, broad knowledge and extensive experience.

- 118 participants in training & technical assistance initiatives:
  - Building Stronger Centers
  - Children's Futures
  - Urban Child Care Initiative
  - Newark Lighthouse Initiative

- Information and technical assistance provided to over 90 additional child care professionals in Fiscal Year 2003

A comprehensive report on the Building Stronger Centers 1997-2003 programs will be published later this year to highlight the impact that the program has had on participating centers.
## Financial Information

### Statement of Financial Position

<table>
<thead>
<tr>
<th></th>
<th>Financial Products and Services</th>
<th>Community Consulting Group</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
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<td>$140,707</td>
<td>$3,947,292</td>
<td>$2,925,186</td>
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<tr>
<td>Cash and Investments, Reserved</td>
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<td>1,006,407</td>
<td>11,684,370</td>
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</tr>
<tr>
<td>Loans Receivable, Net</td>
<td>11,440,690</td>
<td>-</td>
<td>11,440,690</td>
<td>10,393,463</td>
</tr>
<tr>
<td>Other Assets</td>
<td>494,651</td>
<td>-</td>
<td>494,651</td>
<td>372,814</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$26,419,889</strong></td>
<td><strong>$1,147,114</strong></td>
<td><strong>$27,567,003</strong></td>
<td><strong>$19,945,723</strong></td>
</tr>
</tbody>
</table>

|                           |                                 |                            |       |       |
| **LIABILITIES AND NET ASSETS** |                                |                            |       |       |
| **LIABILITIES**           |                                 |                            |       |       |
| Accounts and Interest Payable | $373,654                     | $67,389                    | $441,043 | $275,392 |
| Funds Held in Trust       | 326,131                         | -                          | 326,131 | 476,545 |
| Senior Notes Payable      | 17,657,730                      | -                          | 17,657,730 | 10,568,936 |
| Subordinate Notes Payable | 1,500,000                       | -                          | 1,500,000 | 1,500,000 |
| **Total Liabilities**     | **19,857,515**                  | **67,389**                 | **19,924,904** | **12,820,873** |

|                           |                                 |                            |       |       |
| **NET ASSETS**            |                                 |                            |       |       |
| Net Assets, Unrestricted  | 4,950,976                       | 73,318                     | 5,024,294 | 4,762,569 |
| Net Assets, Temporarily Restricted | 1,611,398       | 1,006,407                  | 2,617,805 | 2,362,281 |
| **Total Net Assets**      | **6,562,374**                   | **1,079,725**              | **7,642,099** | **7,124,850** |

|                           |                                 |                            |       |       |
| **Total Liabilities and Net Assets** |                                |                            |       |       |
| **$26,419,889**           | **$1,147,114**                  | **$27,567,003**            | **$19,945,723** |

### Statement of Activities

<table>
<thead>
<tr>
<th></th>
<th>Financial Products and Services</th>
<th>Community Consulting Group</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>$575,617</td>
<td>$9,135</td>
<td>$584,752</td>
<td>$721,618</td>
</tr>
<tr>
<td>Contributions, Gifts &amp; Grants</td>
<td>682,981</td>
<td>715,207</td>
<td>1,398,188</td>
<td>1,213,680</td>
</tr>
<tr>
<td>Fee Income</td>
<td>125,064</td>
<td>37,453</td>
<td>162,517</td>
<td>131,115</td>
</tr>
<tr>
<td>Other Income</td>
<td>53,497</td>
<td>-</td>
<td>53,497</td>
<td>93,735</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>1,437,159</strong></td>
<td><strong>761,795</strong></td>
<td><strong>2,198,954</strong></td>
<td><strong>2,160,148</strong></td>
</tr>
</tbody>
</table>

|                           |                                 |                            |       |       |
| **EXPENSES**              |                                 |                            |       |       |
| Operating Expenses        | 985,864                         | 582,953                    | 1,568,817 | 1,668,222 |
| Investment (Gain)/Loss    | (116,964)                       | -                          | (116,964) | 836,375 |
| Loan Loss Provision       | 229,852                         | -                          | 229,852 | 252,635 |
| **Total Expenses**        | **1,098,752**                   | **582,953**                | **1,681,705** | **2,757,232** |

|                           |                                 |                            |       |       |
| **CHANGE IN NET ASSETS**  |                                 |                            |       |       |
| $338,407                  | $178,842                        | $517,249                   | $(597,084) |
## Financial Information

### Asset Composition

<table>
<thead>
<tr>
<th></th>
<th>Approvals</th>
<th></th>
<th></th>
<th>Outstandings*</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>$</td>
<td>%</td>
<td>#</td>
<td>$</td>
</tr>
<tr>
<td><strong>Housing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Ownership</td>
<td>9</td>
<td>$1,545,000</td>
<td>11.8%</td>
<td>16</td>
<td>$1,515,250</td>
</tr>
<tr>
<td>Rental</td>
<td>5</td>
<td>$921,200</td>
<td>7.0%</td>
<td>6</td>
<td>$954,475</td>
</tr>
<tr>
<td>Supportive Housing</td>
<td>6</td>
<td>$677,000</td>
<td>5.2%</td>
<td>6</td>
<td>$788,479</td>
</tr>
<tr>
<td>Transitional</td>
<td>1</td>
<td>$200,000</td>
<td>1.5%</td>
<td>2</td>
<td>$278,697</td>
</tr>
<tr>
<td><strong>Community Service</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Care</td>
<td>8</td>
<td>$3,126,250</td>
<td>23.9%</td>
<td>28</td>
<td>$4,061,850</td>
</tr>
<tr>
<td>Cultural &amp; Arts</td>
<td>1</td>
<td>$25,000</td>
<td>0.2%</td>
<td>1</td>
<td>$25,000</td>
</tr>
<tr>
<td>Education</td>
<td>2</td>
<td>$2,760,000</td>
<td>21.1%</td>
<td>2</td>
<td>$198,556</td>
</tr>
<tr>
<td>Health Care</td>
<td>0</td>
<td>-</td>
<td>0.0%</td>
<td>1</td>
<td>$25,000</td>
</tr>
<tr>
<td>Human &amp; Social Services</td>
<td>8</td>
<td>$1,467,000</td>
<td>11.2%</td>
<td>13</td>
<td>$2,646,679</td>
</tr>
<tr>
<td>Mixed Use</td>
<td>0</td>
<td>-</td>
<td>0.0%</td>
<td>1</td>
<td>$500,000</td>
</tr>
<tr>
<td><strong>Business</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Real Estate</td>
<td>2</td>
<td>$1,660,000</td>
<td>12.7%</td>
<td>7</td>
<td>$2,242,922</td>
</tr>
<tr>
<td>Economic Development</td>
<td>8</td>
<td>$637,400</td>
<td>4.9%</td>
<td>10</td>
<td>$321,155</td>
</tr>
<tr>
<td>Social Enterprise</td>
<td>1</td>
<td>$50,000</td>
<td>0.4%</td>
<td>4</td>
<td>$115,650</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>51</td>
<td>$13,068,850</td>
<td>100.0%</td>
<td>97</td>
<td>$13,673,716</td>
</tr>
</tbody>
</table>

### Asset Quality

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Reserve/FY03 Total Loans *</th>
<th>8.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY03 Loan Loss Reserve</td>
<td>$1,100,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY03 Nonperforming Loans</td>
<td>$585,647</td>
<td></td>
<td></td>
<td></td>
<td>187.8%</td>
</tr>
</tbody>
</table>

*Includes off-balance sheet financings for Asbury Park UEZ and SEED

The financial statements of Community Loan Fund of New Jersey, Inc and Affiliates for the year ended September 30, 2003 have been audited by Lambrides, Lamos, Moulthrop LLP and an unqualified opinion has been issued. The financial statements presented have been derived from the audited financial statements. Copies of the audit report and the complete financial statements are available upon request to New Jersey Community Capital.
New Jersey Community Capital does not have the human, intellectual or financial capacity to achieve meaningful and systemic impact on its own. However, by forming strategic partnerships with civic, community-based, governmental and private sector partners, the organization is in the unique position to effectively identify challenges, devise ideas, assist in the preparation of plans and capitalize on opportunities.

The provision of services, in partnership, allows the organization to be a proactive participant in the revitalization, growth and sustainability of the communities it serves.

The organization would like to extend a very special thank you to its partners who help achieve its goals and objectives and further its mission:

Association for Children of New Jersey
Cynthia Rice & Cecilia Zalkind
*Newark Lighthouse Initiative*

Child Care Connection
Cecilia Aerstin, Beth Ann Gardiner & Nancy Thomson
*Building Stronger Centers & Children’s Futures*

Drinker, Biddle & Reath, Florham Park, NJ
Diane Flynn

Elite Group Consulting, Inc.

Richard M. Frank

Gibbons, Del Deo, Dolan, Griffinger & Vecchione, Newark, NJ
Michael J. Lubben & Paul St. Onge

Korona, Beides & Eaton, Jersey City, NJ
Jeffrey M. Beides

Lambrides, Lamos, Moulthrop, LLC
Bill Arnold

Lambrides Nonprofit Solutions

Lighthouse Executive Committee Members
*Newark Lighthouse Initiative*

New Jersey Department of Community Affairs
Janis Ginsburg
*Wachovia/DCA Housing Scholars Graduate Program*

New Jersey State Office of GIS, New Jersey Department of Environmental Protection & Environmental Systems Research Institute (ESRI)
*NGO ArcView Software grant program*

Princeton University Pace Center for Community Service
Lisa Ratmansky & Trisha Thorme
*Community-Based Learning Initiative*

ProBono Partnership, Newark, NJ
Jennifer Chandler Hauge

Wrobel & Associates, LLC
Audrey D. Wrobel

COPY
Pascale Duvert & Nan Frankel,
New Jersey Community Capital

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ANCA Studios, Inc.

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