



Fernwood NRG



2007 Annual Report

## Message from the Chair



On March 31<sup>st</sup> 2006 at the end of the 2005/2006 fiscal year, the Cornerstone building at Fernwood and Gladstone stood half finished, the pub across the street was still known as the George and Dragon, the Cornerstone Café was a fanciful dream in the minds of Fernwoodians, the thought of a wine and tapas bar right in our neighbourhood was surely just some grand theory, and a Fernwood food security collective was but a pie in the sky. Fast-forward to the end of the 2006/2007 fiscal year, look around the neighbourhood, and you'll see how much has changed.

It's been another busy year here at Fernwood NRG. We completed the Cornerstone and held an opening ceremony on October 30<sup>th</sup> 2006, which was attended by neighbourhood residents and supporters as well as by people from all levels of government. Soon after, four families moved into the three bedroom market-based affordable housing units upstairs; all of our original tenants are still there. In November, Fernwood NRG opened the Cornerstone Café and we've been serving up a fine cup of java ever since. We like to say that we're building neighbourhood "from the grounds up;" all profits generated by this enterprising non-profit venture are directly reinvested in the neighbourhood. In late March, we set the final piece of the Cornerstone puzzle in place signing a lease with George and Linda Szasz who opened Stage Small Plates and Wine Bar.

Although we said we'd slow down and regroup after the Cornerstone was finished, before the dust had really settled, the option to purchase two city lots at 1222 Yukon Street to build six more units of market-based affordable housing for families was presented to the Board of Directors. Well aware of the fact that many Victoria families are living with great housing affordability stress, the Board voted unanimously in favour of the project and the Society made an offer in February 2007. We have subsequently purchased the lots and are now in the process of fundraising in order to build "Park Place."

In addition to housing, in 2006/2007 Fernwood NRG has continued one of its key strategic objectives of promoting food security initiatives. The Society held a food security luncheon in March to gather energy and volunteers. Out of this luncheon emerged the Fernwood NRG Food Security Collective, which has been busy ever since. A very special thank you goes to our *volunteer* food security volunteer coordinator, Susi Porter-Bopp whose tireless efforts and infectious enthusiasm have kept volunteers engaged and coordinated.

Despite our new initiatives and expanding mandate, the Society remains committed to providing quality childcare, family support programs, and pro-social recreation. All of our childcare programs have run at near capacity. We have continued to offer Parent and Tot Playgroup, Nobody's Perfect Parenting Program, Best Babies, as well as Adult Co-Ed Floor Hockey, Free Yoga, Falun Gong and we also added live music nights at the Cornerstone Café to our recreation repertoire.

Finally, this past year has also seen an increase in the amount of volunteer time and energy that people are contributing to Fernwood NRG and to the neighbourhood. The resident powered neighbourhood evolution is well underway. Thanks to all of our staff and volunteers and of course to my fellow board members for a great year and for your continued dedication, commitment and NRG!

I look forward to continuing to serve you.

Lisa Helps  
Chair, Fernwood NRG Board of Directors



## Message from the Executive Director



Thank you Fernwood for another amazing year! In 2006/2007 powered by residents' efforts we finished the extensive [and green!] Cornerstone renovations which earned us the President's Award from the Hallmark Society for heritage conservation. Not only does the building look great, but we're also housing 4 families, showcasing geothermal power and have started a social venture; the Cornerstone Café!

It was wonderful to see the Fernwood NRG's work on the front page of the Times Colonist again this year, under the heading 'Revival for Fernwood!' Having barely put the Cornerstone to bed, we purchased two adjoining lots on which to build 6 more units of affordable housing.

We were honoured to host David Suzuki, not once-but twice, including organizing a bike ride with the Doc from the Cenotaph at the Legislature to the Terry Fox Statue at Mile 0. Congrats to all who biked and rode with us for the grand finale of his Cross Country Tour, and to the Raging Grannies for welcoming us with song!

During all this activity, we've built and diversified our board, gaining more skills and NRG as the torch is passed on to a new generations of Fernwood residents. Special thanks go out to Margaret Hantiuk, Jim Stark and Lee Herrin for their years of tireless and persistent efforts on behalf of what was the FCC. They kept the fires burning through the lean years and Fernwood owes them a debt of gratitude for that!!

Lisa Helps stepped up to chair Fernwood NRG and has done a great job of encouraging staff, corralling our effervescent board meetings and in addition she's a hands-on volunteer editing our monthly Village Vibe. Her passion and commitment were acknowledged earlier this year when Lisa was awarded the prestigious Trudeau Scholarship for her research on the History of Homelessness.

Our annual report is an opportunity to acknowledge and mark some of our milestones as an organization. For the past two years, our revenue has exceeded a million dollars per year. Although this sounds like a lot of money, it is actually quite lean considering the number and quality of programs and services we offer. Reaching this financial threshold allows us to gain an economy of scale that being smaller just couldn't support. For instance, we are now able to hire a full time bookkeeper- Aura Moyna, and then were able to split off front-desk & reception from recreation duties and created two full-time positions to fill these important roles. Jacqueline Walker has become the new "voice" of Fernwood NRG with the retirement of our long time [12 years!] Fernwood staffer, Dr. Shauna Voss, and after years of part-time work, James Thornton is now our full-time recreation programmer and special events programmer. Lenore Rankin has moved from development coordinator, in charge of grants and fundraising, into Cornerstone Café manager as we move in the direction of slowly but surely becoming an ENP (Enterprising Non Profit) and lessening our reliance on external funding.

In terms of Daycare, this year has been a challenge with the Federal Conservatives revoking the previous Liberal government's increased childcare funding and then we had to navigate the resulting uncertainty about what the Provincial Liberals response would be~ initially they passed along the cuts in Child-Care Operating Grant Funding but then gave us a reprieve for half the funding. Amidst these challenges, we have managed to provide child care for 110 children per month, some spaces of which we subsidize. After 11 years with Fernwood NRG, our daycare supervisor Tina Seymour has just headed home to Newfoundland. She has built up a great team in the 3-5 daycare and Joy Roberts will be taking over. We will miss you Tina!

Our Victoria Best Babies program continues to provide great support to expectant moms. It is headed by Germaine Asplin, who has been with us for 13 years, and her team of Kathy Logie and Lyn Joth bring diverse skill sets to the program.

Our food security team, all NRG volunteers, has made great strides with the Fernwood Fruit Tree Mapping Project, the Balcony Garden and the Sharing Backyards Program. Not to be outdone, the Village Vibe committee has just produced its 27<sup>th</sup> consecutive monthly neighbourhood newspaper- watch for number 28 in your mailboxes next week! Thanks to Fernwood resident Marianne Unger for making the Village Vibe look so hot!

Just so you know, others are standing up and taking notice of the work that Fernwood NRG has done, with visits and requests to speak from across the country. The Pond Mills Community Resource Centre is in the process of changing their name to the South East London Neighbourhood Resource Group; that's South East London NRG! McMahon Family Services from Alberta are coming to meet with us, just as a group of service providers from the Cowichan Valley did earlier this year! The Cornerstone will be featured on a tour hosted by the first international conference on the social economy in October. Thanks to all our staff, board and other volunteers who have helped make this another fantastic step forward in our *resident powered neighbourhood evolution!*

All in all, not the restful year we'd planned! : ]

Roberta Martell

Executive Director, Fernwood NRG



## Staff list [or Cast of Characters who helped create great Fernwood NRG!]

Yuri Pomeroy	Krizsanta Greco	Cora Fischer
Trevor Tuckwell	Kayliah McKinnon	Christa Blaak
Tanya Weldon	Kathleen Logie	Chris Howard
Tanya Powell	Joy Roberts	Cathleen Bell
Stephanie Kuhn	Jo-anne Kine [Seniors]	Carly Bird
Shelley McGrath	Jo-ann Hache	Brenda Scott
Sean Solberg	Jennifer Freeman [GFB]	Aurora Demonte
Roberta Martell	Jennifer Bowick	Aura Moyna
Rebecca Giles	Janelle Hatch	Anna Binakaj
Rebecca Games	James Thornton	Andrea Buono
Paul Henry Oppers	Jacqueline Walker	Amber Whittle
Oriana Cameron	Germaine Asplin	Amber Streukens
Maria Csizmuzia	Drew Davies	Amal Akouri
Lyn Joth	Diana Neufield	Alison Power
Lenore Rankin	Courtney Zehanoviz	Alanna Mayne
Leah McColm	Corrie Lepage	

## Treasurer's Report



The financial year 2006/07 was a challenging but rewarding year for Fernwood NRG. As you will see in our financial statements, we continued to deliver on our commitments to the neighbourhood as outlined in our principles:

### Principle 2

**WE are committed to ensuring neighbourhood control or ownership of neighbourhood institutions and assets.**

In October 2006 we had a ribbon cutting ceremony which represented the grand opening of the Cornerstone Building at 1301 Gladstone. November 1<sup>st</sup>, four families moved into the four 3-bedroom affordable housing units that we had created upstairs. A few weeks later, we opened the doors to the Cornerstone Café. With the heavy snow that fell after Christmas, the Café was full and neighbourhood residents were glad to have a local gathering place once again for a warm drink on a cold day. With the new restaurant, Stage, leasing the middle space in January 2007, the Cornerstone Building was fully occupied for the first time in five years, and was on the way to once again becoming the beating heart of the neighbourhood.

Completing this project and opening the Cornerstone Café [as an enterprising non-profit business] represented a further investment of \$646,654 into rejuvenating the heart of our neighbourhood. This investment brought our assets to \$2.1 million of property, plant and equipment, up 41% from the previous year.

Additionally, the society made a \$5,000 deposit on the property at 1222 Yukon Street, which, once built, will provide affordable housing for another 6 families in our neighbourhood. Construction on this project is scheduled to begin in the winter of 2007/08.

### Principle 3

**WE are committed to using our resources prudently and to becoming financially self-reliant.**

At March 31<sup>st</sup>, 2007 Fernwood NRG was showing a slight loss from operations of \$22,537 which represents less than 2% of the society's annual revenue. This loss was not of concern to the Board of Directors as we had expected the Cornerstone Café to generate an operating loss for the first few months of operations. However, the Café is in an excellent location [on the corner in a now-bustling neighbourhood] and as I write this is already generating income which is contributing back to the operations of Fernwood NRG.

At March 31<sup>st</sup>, 2007 Fernwood NRG was experiencing a cash flow challenge. This is because, at that time, we had finished making all of the investments into the Cornerstone Building out of our own resources and credit but had not yet received substantial payments from various government funders which had been promised to us. Those payments showed up in April and eased our cash flow concerns.

Certainly, the level of investment Fernwood NRG made into the heart of the neighbourhood represented a risk to the Society—a necessary risk in our eyes given the way in which the neighbourhood was deteriorating prior to our purchase of the Cornerstone Building.

However, it is extremely important to understand the long term impact of developing our own sources of revenue. In 2006/2007, for the first time government sources of revenue make up less than half of the

revenue of the Society [down from nearly 70% in 2002/03]. This has occurred without a full year of operations of the Cornerstone Building and the Cornerstone Café. Next year, with those two operations running year-round, it is foreseeable that government as a source of funding of Fernwood NRG will drop well below 50%.

In coming years, this will significantly increase our financial self-reliance and will enable us to continue to be responsive to local need as opposed to being externally directed based on whatever the priorities may be of the government of the day.

**Table: Government funding as a percentage of total revenue, 1999 to 2007**

Fiscal year ending	Funding Type		Total Revenue	% Govt Funding
	Gov't Grants	Bingo & Gaming		
2007	\$ 517,267	\$ 86,539	\$ 1,213,023	49.8%
2006	\$ 512,744	\$ 90,667	\$ 1,150,168	52.5%
2005	\$ 406,764	\$ 21,079	\$ 843,132	50.7%
2004	\$ 448,708	\$ 71,548	\$ 841,489	61.8%
2003	\$ 509,567	\$ 142,065	\$ 938,967	69.4%
2002	\$ 516,027	\$ 52,239	\$ 873,470	65.1%
2001	\$ 496,340	\$ 27,819	\$ 817,091	64.1%
2000	\$ 432,360	\$ 30,446	\$ 756,820	61.2%
1999	\$ 419,224	\$ 33,254	\$ 718,000	63.0%

**FERNWOOD NEIGHBOURHOOD RESOURCE GROUP SOCIETY**  
**Statement of Financial Position**  
**March 31, 2007**

	2007	2006
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 54,800	\$ 157,764
Accounts receivable	65,976	50,404
Inventory	9,176	-
Prepaid expenses	10,261	3,508
	<u>140,213</u>	<u>211,676</u>
PROPERTY, PLANT AND EQUIPMENT (Note 6)	2,099,235	130,696
PROPERTY UNDER CONSTRUCTION	-	1,358,200
	<u>\$ 2,239,448</u>	<u>\$ 1,700,572</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Bank indebtedness (Note 8)	\$ 160,101	\$ -
Short term loan payable (Note 7)	90,000	90,000
Accounts payable	163,059	31,406
Deferred contributions (Note 9)	134,228	135,133
Current portion of long term debt (Note 10)	9,607	8,169
	<u>556,995</u>	<u>264,708</u>
LONG TERM DEBT (Note 10)	611,642	621,248
DEFERRED INCOME (Note 11)	386,560	87,272
	<u>1,555,197</u>	<u>973,228</u>
<b>NET ASSETS</b>		
Invested in property, plant and equipment	1,001,426	682,207
Unrestricted net assets	(317,175)	45,137
	<u>684,251</u>	<u>727,344</u>
	<u>\$ 2,239,448</u>	<u>\$ 1,700,572</u>

ON BEHALF OF THE BOARD

\_\_\_\_\_ Director

\_\_\_\_\_ Director

(See Accompanying Notes)

**OBARA LEE & CO.**  
 CHARTERED ACCOUNTANTS

**FERNWOOD NEIGHBOURHOOD RESOURCE GROUP SOCIETY**

**Statement of Operations**

Year Ended March 31, 2007

	2007	2006
<b>REVENUE</b>		
Grants	\$ 517,267	\$ 512,744
Day care and out-of-school care	526,384	443,232
Donations and fund raising	11,012	58,878
Rentals	59,898	34,846
Bingo and gaming	86,539	90,667
Programs	11,722	9,345
Interest	201	456
	<u>1,213,023</u>	<u>1,150,168</u>
<b>EXPENSES</b>		
Advertising	9,120	4,808
Bad debts	17,363	9,019
Bank charges and interest	7,987	2,403
Delivery, freight and express	594	-
Expenditures from bingo and gaming account	86,539	90,667
Field trips and transportation	8,054	3,988
Food program expenses	49,540	58,990
General supplies and program expenses (Note 16)	37,006	71,908
Insurance	14,732	11,077
Office	29,955	21,483
Photocopy and printing	21,073	11,521
Postage	4,390	5,217
Professional fees	22,913	33,277
Repairs and maintenance	12,968	23,158
Telephone and hydro	24,392	18,312
Wages, salaries and contracts	888,934	702,872
	<u>1,235,560</u>	<u>1,068,700</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>(22,537)</u>	<u>81,012</u>
<b>OTHER INCOME (EXPENSES)</b>		
Cornerstone Cafe operations (Note 16)	(5,984)	-
Amortization	(36,315)	(11,723)
Amortization of deferred contributions	21,743	2,895
Gain on sale of 1423 Fernwood Road	-	254,173
	<u>(20,556)</u>	<u>245,345</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ (43,093)</u>	<u>\$ 326,357</u>

(See Accompanying Notes)

**OBARA LEE & CO.**  
 CHARTERED ACCOUNTANTS

Thank you to all our staff, volunteers and funders for another great year!

**Front Cover:** Picture of the Fernwood NRG's newly renovated Cornerstone Building on opening day, October 30, 2006

**Back Cover:** Collage of 06/07 Fernwood NRG Style

**Fernwood Neighbourhood Resource Group Society**

**Fernwood N.R.G.**

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