



CNC

ANNUAL REPORT

2019-2020

UPPER MURRAY INNOVATION FOUNDATION

CORRYONG NEIGHBOURHOOD HOUSE INC

UPPER MURRAY COMMUNITY BAKERY

UPPER MURRAY COMMUNITY GARAGE



UMIF

Upper Murray Innovation Foundation

What We Did in 2019/20:

Youth Program

- Youth Space
- Engage program
- Youth Bushfire Working Group
- Bus

Event & Project Management

- Elyne Mitchell Writing Awards
- Garden Getabout

Groups and Activities

- Garden Group
- Craft, sewing & quilting
- Drawing
- Ladies Dinner Group
- Water Exercises
- Resin Workshop

Community Foundation (UMIF)

- Managing Bushfire Recovery Funds
- Engaging with philanthropic sector

Education & training support

- ACFE pre-accredited training
- Fee for service
- IT support & training – Be Connected
- Promotion and support of locally offered vocational education
- Gun Safety & boat licence
- Internal Traineeships & Apprenticeships
- Regional TAFE facilitation

Social Enterprise

- Upper Murray Community Bakery
- Upper Murray Community Garage

Community Services

- Centrelink Agency
- VicRoads Agency
- Community support and development – planning, grant application and delivery assistance
- Participation/Leadership in community and regional driver groups
- Community Engagement
- Outreach employment, hardship, & legal services
- Mental health & crisis intervention
- Civic & advocacy support
- Bushfire Recovery
- Engaging & linking with services
- Grant & Project auspice

CNC





CORRYONG & THE UPPER MURRAY

- Corryong Population approx. 1500, Upper Murray region approx. 3500
 - 2 Shires & 2 States – 3500 sq kms
- Ageing population with difficulty retaining young people after leaving school (32% 60+ only 3% 20-24yo)
 - Only 49% in labour force – underemployment, not unemployment main problem
 - Average weekly household income 68% of the national average (Corryong 55%)
- 68% of population actively involved in organised volunteer work (national average 17.8%)
 - 120kms from nearest regional centre (Albury/Wodonga)
 - No public transport
- Severely Impacted by bushfires in January 2020 – roads closed, power out for several weeks, substantial property, fencing & stock losses, followed by floods and run off damage
 - Isolated by Covid restrictions – loss of tourism, jobs, services, recovery process

2020 Chairperson's Report

2019/20 has certainly been a year of 2 halves. Up to 31 Dec, we were successfully working towards completing our approved operating plan, CNC core operations were running smoothly, bakery sales were improving in line with expectations & the garage had established a solid team and their sales were improving. We were looking towards consolidating our hard work and moving to into a phase of solid sales growth and improved staff management and governance practices as well as expanding our youth program and exploring new and innovative projects for our community.

However, on New Year's Eve, that all changed. With the devastating bushfires which swept through the Upper Murray in January and the worldwide impact of the Covid-19 virus which followed, our focus shifted to prioritising direct community support and recovery initiatives. Everyone has worked tirelessly through personal and operational challenges to contribute to the recovery and sustainability of our region and I would like to thank and congratulate our staff, committee and volunteers for their resilience and commitment during these difficult times. As an organisation, we are now involved in many aspects of the formal recovery process; have created new and consolidated existing networks and partnerships to provide services and support and are driving and auspicing a range of projects which will help to address the short, medium and longer term needs of our community.

These changing circumstances have made it difficult to plan ahead, especially for the next 6-12 months. But I believe that, as an organisation, we are focused on our mission and ready for the future, whatever it may bring.

Tom Newton
Chair

2020 CO-ORDINATOR'S REPORT

It is safe to say that 2019/20 has been a very interesting year. At the start of the year, we were looking forward to a year of consolidation. We had secured a loan from WAW which provided some much needed financial security and were focusing on reducing our debts, consolidating the growth and governance of our social enterprises, expanding our youth program and investigating opportunities for community projects, new education delivery strategies and community partnerships and networking. By the end of the year, all of these plans & priorities had been pushed to the background. Following the January bushfires and the impacts on everyday life of Covid-19, our daily business routine has become a cycle of Centrelink, border permits, assisting with digital access problems, resolving issues with staff & equipment and participating in virtual meetings.

For all the stress and disruption these changes have caused, we have pulled together and largely still managed to meet many of the objectives we had set ourselves, even though these achievements look slightly different to what we expected:

- Financially, we are in a better position than expected thanks to Government support and the ongoing strength of bakery sales
- We have updated and documented many of our policies and procedures to make sure we are dealing with new challenges in a consistent and appropriate manner and to reduce the stress for staff & volunteers in dealing with day to day operation.
- Despite the loss of the Festival and general tourism to the Upper Murray, bakery sales have remained extremely strong due to catering for support workers and the local population staying home for winter and shopping more locally
- While it was necessary for the garage to close for several months, overall it is showing potential for sustainable growth over time and has a solid customer base
- Although our usual youth program cannot run, we are at the centre of youth recovery initiatives, have received grant funds to improve our facilities and are poised to undertake a more meaningful and impactful youth program in the future

There are even some positives which have come out of these difficult times. The common use of digital meetings means that more of us are able to participate in many activities and events which were previously considered too costly or too time consuming. Through involvement in people's changed circumstances, we have significantly increased the reach and knowledge of the CNC across the community. And, probably most importantly, we have made and improved many community and wider network connections through increased participation in recovery initiatives.

I cannot thank our staff, committee and volunteers enough for their tireless efforts to keep the CNC operating and succeeding through this period, even when many of us have been facing our own challenges. We hope that the CNC has been supportive during this time and we will endeavour to continue to be so into the future.

Our existing operations continue to head towards our goals and we have new opportunities on the horizon. As Covid restrictions hopefully ease, I think we can be very positive about the year to come.

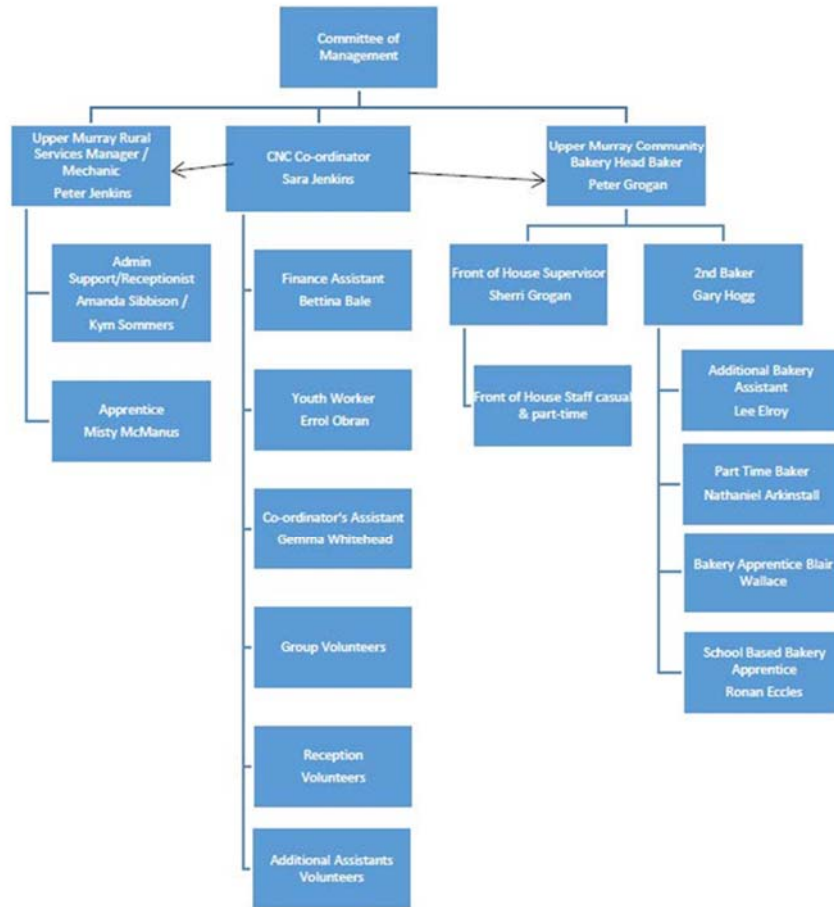
Sara Jenkins
Co-ordinator

Corryong Neighbourhood Centre

Incorporating Corryong Neighbourhood House Inc & Upper Murray Innovation Foundation Inc

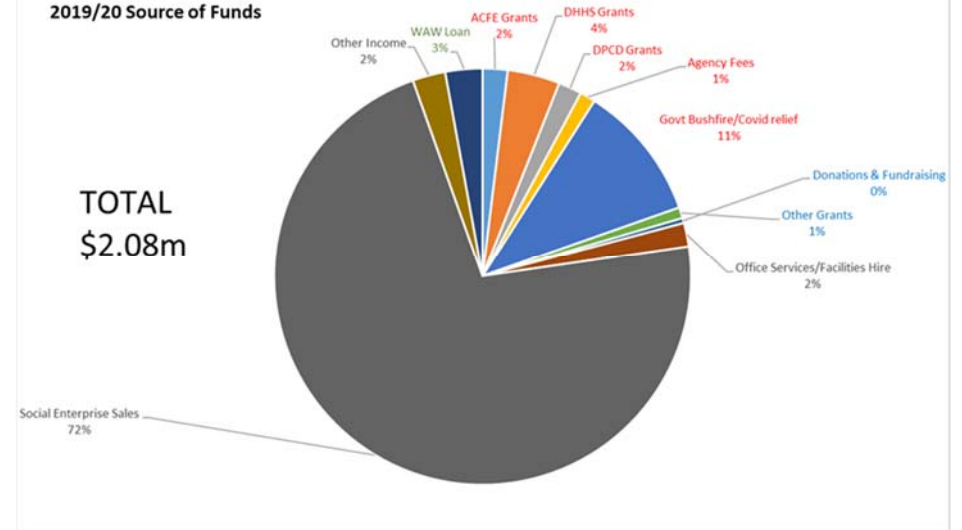
Organisational Chart – June 2020

Total Paid FTE 15.88



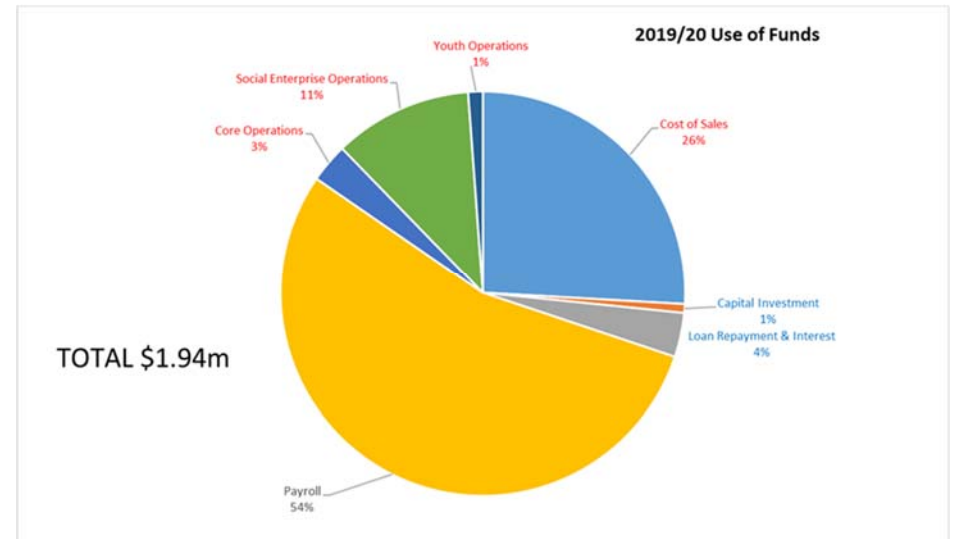
2019/20 Source of Funds

TOTAL \$2.08m

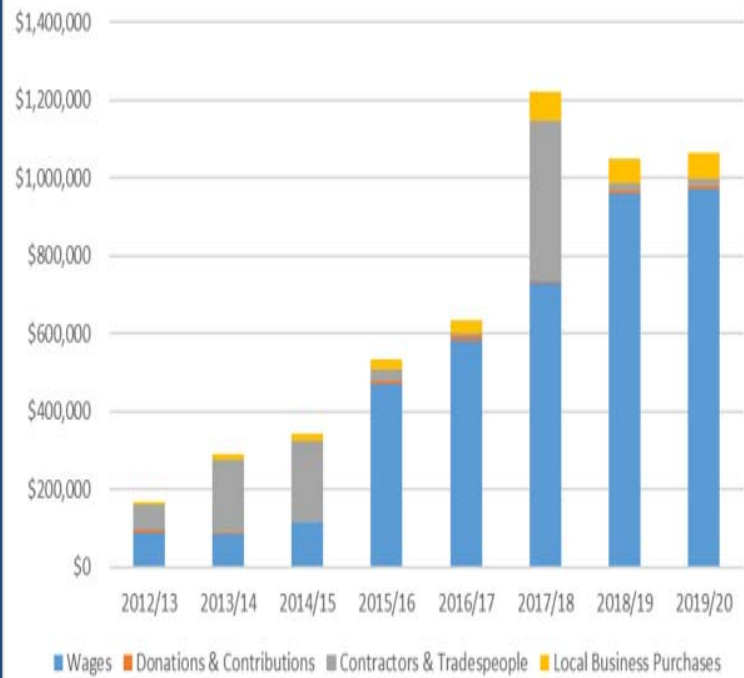


2019/20 Use of Funds

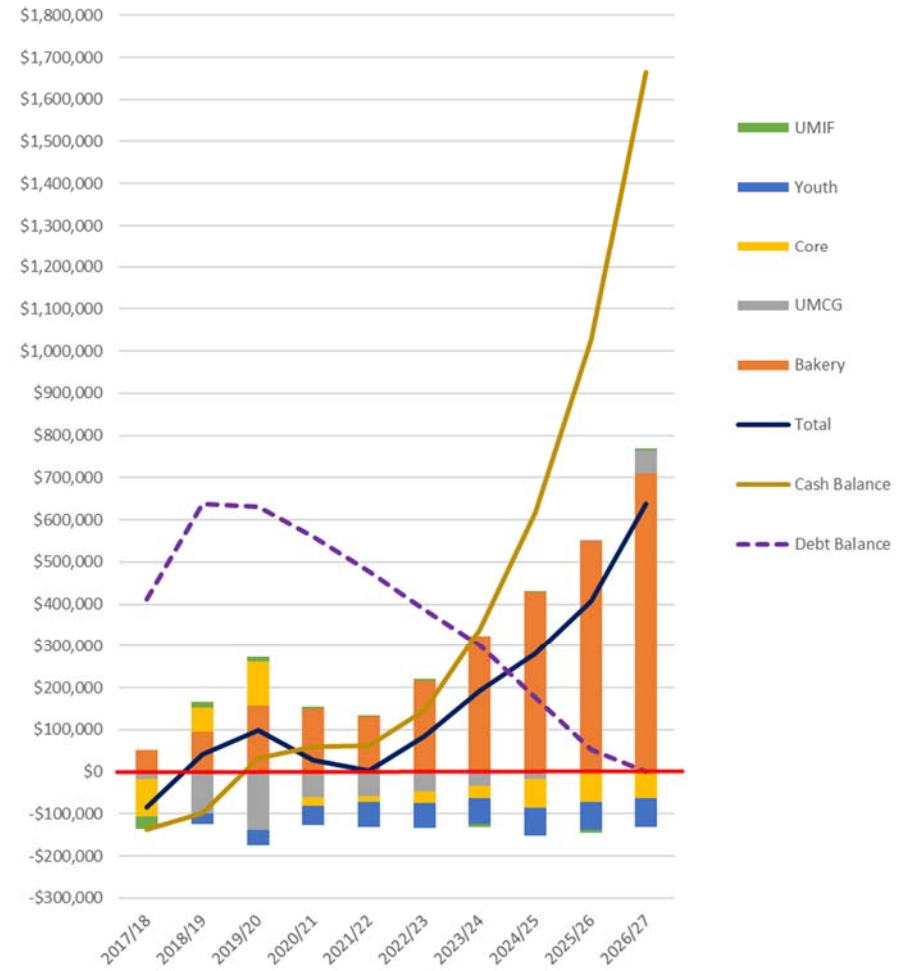
TOTAL \$1.94m



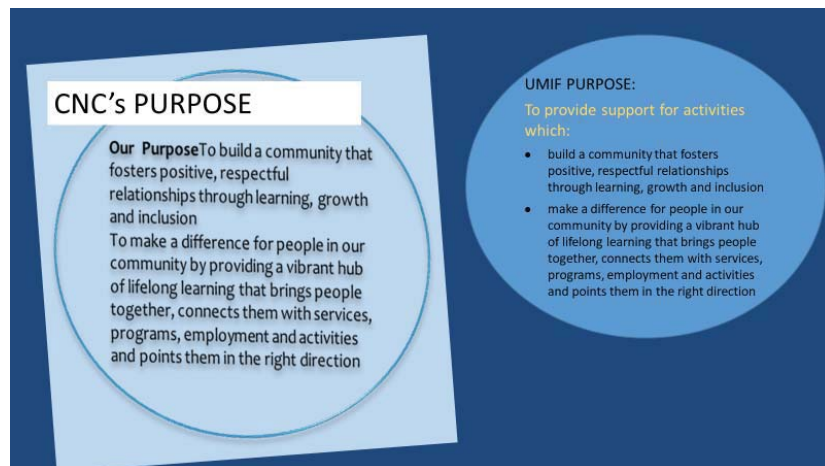
Financial Input Direct to Upper Murray Community



10 Year Budget Surplus/Deficit by Activity as per current budget



About the CNC & UMIF



The CORRYONG NEIGHBOURHOOD CENTRE (CNC) was formed in April 2012 with the joining together of the Corryong Neighbourhood House (CNH) and the Corryong Community Education Centre (CEC). After existing grants and contracts were completed, all further operations and trading was done through the CNC, a registered trading name for the CNH.

Towards the end of 2014, it became evident that the funding received by the CNC via Education and Neighbourhood House core funding and project & other grants was insufficient to sustain the rapidly expanding core service demands and that any additional future funding was unlikely to allow for building sustainable capacity or meet identified community needs in a timely manner.

As a solution, in July 2015, the CNC purchased the town's bakery and started the Upper Murray Community Bakery, a social enterprise focused on:

- generating immediate and sustainable revenue to meet the CNC's needs and wider community purpose
- increasing the CNC's relevance and involvement in the community
- leading by example with a sustainable and mutually beneficial business and employment model
- creating opportunities for employment and training

CNC SOCIAL ENTERPRISE MODEL

- Meets a need within the Upper Murray Community
- Not in direct competition with existing business
- Manager available with appropriate industry skills & experience and commitment to the social enterprise model
- Business premises in need of refurbishment or renewal
- Opportunities for employment & training
- Profitable (in the long term)

The bakery has been hugely successful in its first 5 years with an average of 20% pa sales growth and a total surplus of \$409k utilised to support other CNC activities.

In May 2018, after 18 months of planning and sourcing funds, the CNC opened its 2nd social enterprise venture, the Upper Murray Community Garage in Walwa, a small township 50km from Corryong. The 2nd venture is based on the same social enterprise model, but with a specific focus on:

- making a notable physical improvement in a declining, small, rural township
- passing on skills and experience
- bringing real learning into the workplace and linking employability skills to school & post school education

While the CNC social enterprise model requires the ventures to ultimately generate a financial surplus, this is not expected from Upper Murray Community Garage until 2026.

UMIF

During this time, the CEC was largely inactive, but continued to own the primary buildings and assets being utilised by the CNC. In May 2016, the CEC changed its name to UPPER MURRAY INNOVATION FOUNDATION (UMIF) and established itself as a community foundation. Its purpose is to provide support for the CNC and other community activities in line with the CNC's purpose.

The properties owned by UMIF have been used as security for the CNC's social enterprise establishment loans. CNC also utilises the UMIF owned properties and equipment for its operations. A nominal fee is paid for property rent and bus use to partially cover costs. There is no charge for the use of equipment. Most of the equipment owned by UMIF was originally purchased by the CNC, through grants and capital investment. A Balance Sheet non-current loan exists between the 2 organisations to reflect the transfer of these assets to UMIF without payment on 1 July 2019 in accordance with auditor recommendations.

In exchange, the CNC provides all necessary governance, administrative and financial services for UMIF without fee.

The CNH and UMIF have tax exempt status and are registered as charities with ACNC.

The CNC & UMIF currently share a common volunteer Committee of Management and therefore mutual authority to control operational and financial matters for both organisations.

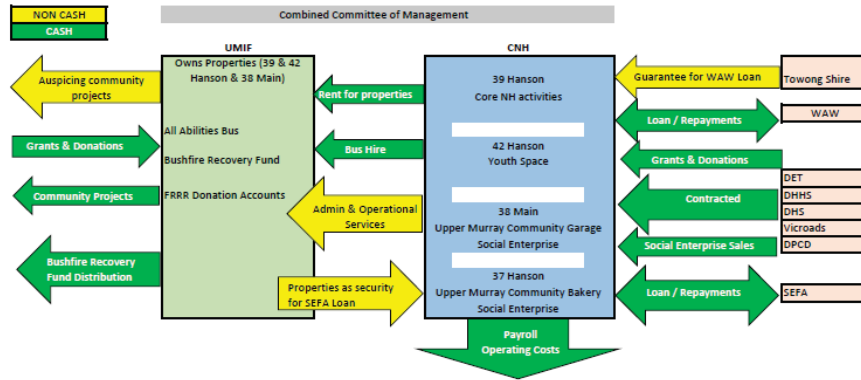
Through a special resolution passed in June 2016, the CNC is required to donate all profits in excess of operating requirements to UMIF via an annual declaration. While the CNC is establishing its social enterprises and is servicing debt, no excess profits are expected. However, when all debts are repaid (on or before June 2027), the CNC is expected to contribute approx. \$500k pa to UMIF.

When this occurs, or before if UMIF obtains funding/donations from other sources, UMIF will form a separate Committee of Management which focuses on funds distribution and grant making to benefit the wider community. While there will always be at least 2 shared Committee members to ensure that UMIF maintains its support for the CNC and their mutual purpose, it is important to draw experience and representation from across the region and the philanthropic sector to establish best practice for the ongoing activities of the community foundation.

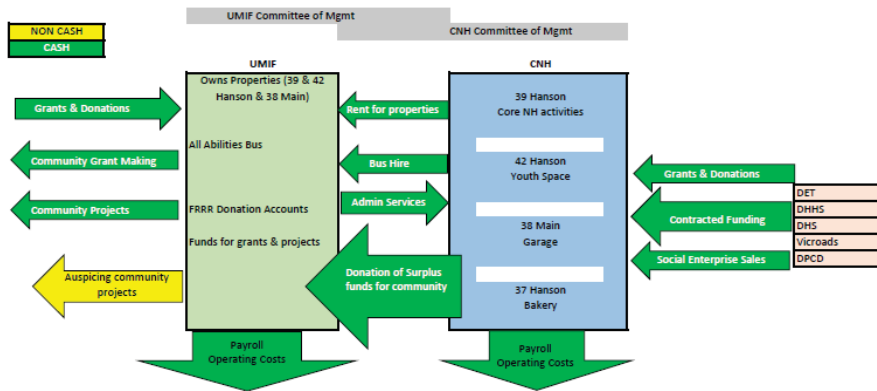
CNH/UMIF TIMELINE

Year	UMIF	CNH	Notes
1984 - 2012	Corryong Community Education Centre Inc	Corryong Neighbourhood House Inc	Community Education Centre & NH working as one entity 21/6/1984 Split to separate entities 9/1/1996 Garden Getabout commenced
2012-13			Rejoined, retaining 2 separate entities - April 2012 Trading as Corryong Neighbourhood Centre Building Renovations & fencing MACE partnership, Uni4U, Millinery Course Upgrade to Centrelink Agency
2013-14			Established Youth Space CEEP Project, 20/30 Plan, Broadband for Seniors Administration of Elyne Mitchell Writing Awards (EMWA) Project manage Youth Club Hall project Hosted Victorian Women on Farms Gathering Apr 2014 Secured funding from SEFA for social enterprise venture
2014-15			Purchased Bakery, renovated and commenced trading 1/7/2015 Delivered Upper Murray Challenge CEEP completed, Garden Getabout, EMWA Anzac Centenary Celebrations & 100 Year Ride Back
2015-16			Engage Youth Program commenced Took over Vicroads Agency Garden Getabout, EMWA, Broadband for Seniors
2016-17			Engage (2nd round), ACFE, Garden Getabout, EMWA Garage purchased, renovated, equipped and commenced trading Garden Getabout, EMWA, Be Connected
2017-2018			Engage - GRIP, Resilience Project, Rhymer Theory ABC Backroads episode & ABC News coverage Changed staffing to single Co-ordinator Garden Getabout, EMWA, Nuts & Bolts, Engage 5 year strategic plan implemented
2018-19			Obtained loan from WAW with guarantee provided by Towong Shire Install new oven in bakery Final EMWA Awards & presentation ACFE, CAIF, Engage
2019-20			Focus on Centrelink & bushfire related support
2020-21			Bushfire recovery, Playles Hill SEFA loans refinanced

CNH UMIF
Cash & Non Cash Connections
2020



CNH UMIF
Cash & Non Cash Connections
2027



Corryong Neighbourhood House Incorporated

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Revenue	2	1,991,206	1,540,105
Purchases – Social Enterprise		532,109	414,802
Employee expense		1,123,183	981,425
Depreciation	8	28,310	33,517
Occupancy expenses		84,742	87,057
Program expenses		20,954	31,765
Administration costs		15,872	21,475
R&M /minor assets		26,867	29,910
Finance costs		50,260	41,751
Other expenses		41,514	45,146
		<u>1,923,811</u>	<u>1,686,848</u>
Surplus/deficit) before income tax		67,395	(146,743)
Income tax expense	1(c)	-	-
Net surplus/(deficit)		<u>67,395</u>	<u>(146,743)</u>
Other comprehensive income		-	-
Total comprehensive result for the year		<u>67,395</u>	<u>(146,743)</u>

The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Corryong Neighbourhood House Incorporated

Statement of financial position

As at 30 June 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	147,202	108,051
Trade and other receivables	4	68,164	9,863
Inventories	5	68,095	88,402
Other assets	6	1,555	1,609
Total current assets		<u>285,016</u>	<u>207,925</u>
Non-current assets			
Trade and other receivables	7	197,216	-
Property, plant and equipment	9	193,883	402,011
Intangibles	8	180,000	180,000
Total non-current assets		<u>571,099</u>	<u>582,011</u>
Total assets		<u>856,115</u>	<u>789,936</u>
LIABILITIES			
Current liabilities			
Trade and other payables	10	118,656	111,150
Borrowings	11	95,416	109,013
Provisions	12	82,400	76,743
Other	13	30,702	57,657
Total current liabilities		<u>327,174</u>	<u>354,563</u>
Non-current liabilities			
Borrowings	14	551,354	525,181
Total non-current liabilities		<u>551,354</u>	<u>525,181</u>
Total liabilities		<u>878,528</u>	<u>879,744</u>
Net Assets		<u>(22,413)</u>	<u>(89,808)</u>
EQUITY			
Retained profits		(22,413)	(89,808)
Total equity		<u>(22,413)</u>	<u>(89,808)</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

FULL FINANCIAL STATEMENTS AVAILABLE ON
REQUEST OR AT www.corryongnc.org

Upper Murray Innovation Foundation

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Revenue	2	35,949	25,585
Expenditure			
Administration		6,858	3,230
Depreciation		40,014	29,910
Motor vehicle		8,027	9,674
		<u>54,899</u>	<u>42,814</u>
Surplus/(Deficit) before income tax		<u>(18,950)</u>	<u>(17,229)</u>
Income tax expense	1(c)	-	-
Net surplus/(deficit)		<u>(18,950)</u>	<u>(17,229)</u>
Other comprehensive income		-	-
Total comprehensive result for the year		<u>(18,950)</u>	<u>(17,229)</u>

The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Upper Murray Innovation Foundation

Statement of financial position

As at 30 June 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	54,022	29,484
Trade and other receivables	4	38,009	1,117
Total current assets		<u>92,031</u>	<u>30,601</u>
Non-current assets			
Property, plant and equipment	5	616,049	443,545
Total non-current assets		<u>616,049</u>	<u>443,545</u>
Total assets		<u>708,080</u>	<u>474,146</u>
LIABILITIES			
Current liabilities			
Trade and other payables	6	1,365	1,667
Other Liabilities	7	55,970	-
Total current liabilities		<u>57,335</u>	<u>1,667</u>
Non-Current liabilities			
Trade and other payables	8	197,216	-
Total non-current liabilities		<u>197,216</u>	<u>-</u>
Total liabilities		<u>254,551</u>	<u>1,667</u>
Net Assets		<u>453,529</u>	<u>472,479</u>
EQUITY			
Reserves		-	-
Retained profits		453,529	472,479
Total equity		<u>453,529</u>	<u>472,479</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

FULL FINANCIAL STATEMENTS AVAILABLE ON
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Neighbourhood Houses
The heart of our community



ENGAGE!

SEFA
INNOVATIVE LENDING



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