

FY 2013



Community Empowerment Network
Empowering Communities to Help Themselves

Community Empowerment Network is an organization dedicated to breaking the cycle of poverty and dependency of many poor communities by helping them acquire and apply the basic skills, habits and mindsets necessary to be self-reliant in the modern economy.

Condensed Statements of Activities (Unaudited)

	Twelve-Months Ended	
	Dec 31, 2013	Dec 31, 2012
Revenues		
Contributions	63,879	54,408
Product Sales	175	134
Other Sales	3,998	-
Total of Revenues	68,052	54,542
Cost of Goods Sold	80	99
Gross Profit	67,972	54,443
Expenses		
Administrative	25,198	28,851
Fundraising	13,842	20,978
Programs	31,810	17,545
Total Expenses	70,850	67,375
Change in Assets	(2,878)	(12,932)
Unrestricted Net Assets, Beg.	(32,872)	(19,940)
Unrestricted Net Assets, End	(35,750)	(32,872)

Condensed Statements of Financial Position (Unaudited)

	Dec 31, 2013	Dec 31, 2012
Assets		
Current Assets		
Cash	1,493	1,357
Other Current Assets		
Accounts Receivable	-	240
Inventory Assets	1,804	951
Undeposited Funds	-	-
Total Other Current Assets	<u>1,804</u>	<u>1,191</u>
Total Current Assets	<u>3,297</u>	<u>2,548</u>
Total Assets	<u><u>3,297</u></u>	<u><u>2,548</u></u>
Liabilities & Equity		
Liabilities		
Current Liabilities		
Advances Received	-	800
Total Current Liabilities	-	800
Liabilities		
Long-term Liabilities		
Loan Payable, Long-Term - R. Bortner	25,037	26,956
Prof. Fees Payable - R. Bortner	14,010	7,664
Total Long-term Liabilities	<u>39,047</u>	<u>34,620</u>
Total Liabilities	<u>39,047</u>	<u>35,420</u>
Net Assets - Unrestricted	<u>(35,750)</u>	<u>(32,872)</u>
Total Liabilities & Equity	<u><u>3,297</u></u>	<u><u>2,548</u></u>

Condensed Statements of Cash Flows (Unaudited)

	Twelve-months Ended	
	Dec 31, 2013	Dec 31, 2012
Cash Flows from Operating Activities		
Change in Net Assets	(2,878)	(12,932)
Change in Operating Assets/Liabilities		
Accounts Receivable	240	1,293
Inventories	(853)	116
Advances Received	(800)	800
Total Change in Operating Assets/Liabilities	<u>(1,413)</u>	<u>2,209</u>
Net Cash Provided by Operating Activities	(4,291)	(10,723)
Cash Flows from Financing Activities		
Loans Payable	4,427	10,813
Net Cash Provided by Financing Activities	<u>4,427</u>	<u>10,813</u>
Net Increase (Decrease) in Cash	136	90
Cash Balance, Beg.	1,357	1,268
Cash Balance, End.	<u><u>1,493</u></u>	<u><u>1,357</u></u>

Expenses by Sub-Class Year Ended Dec 31, 2013

	Administrative		Fundraising								Programs						Total																		
	Administrative - Other	Marketing	Marathon	One Night Brazil	Fundraising - Other	General Donations	Grants	Amazon.com	Ebay/Mission Fish	Facebook	VPP Program	C Clear Project	Jua Project	MicroHydrokinetic	Product Commercialization	Suruaca		Tourism																	
Administrative: Administrative Fundraising: E Fundraising: Events: One Ni Fundraising: General Donato Fundraising: C Fundraising: C Fundraising: C Fundraising: VPP Program																		Programs: MicroHydrokinetic Programs: Sur Programs: Tourism																	
7000 - Grant & contract expense																																			
7010 - Contracts - program-related	7010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																		
Total 7000 - Grant & contract expense																																			
7500 - General & Administrative																																			
7500 - General & Administrative	7500	38	-	-	109	-	-	-	-	-	-	-	-	-	-	-	147																		
7510 - Fundraising Expenses	7510	-	-	-	456	-	-	-	-	-	-	-	-	-	-	-	472																		
7540 - Professional fees - other	7540	23,633	-	-	11,993	-	-	-	-	-	1,928	2,483	337	654	135	4,352	45,516																		
7550 - Temporary help - contract	7550	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	753																		
7560 - Professional fees - Officers	7560	-	-	-	-	-	-	-	-	-	3,179	1,512	1,479	205	-	7,636	14,010																		
7570 - Professional Services	7570	400	-	-	25	-	-	-	-	-	-	-	-	-	-	-	705																		
7590 - Gifts	7590	-	-	-	-	-	-	-	-	-	-	-	11	11	5	27	53																		
Total 7500 - General & Administrative		24,071			12,583						5,108	3,996	1,826	869	141	13,064	61,656																		
8100 - Non-personnel expenses																																			
8100 - Non-personnel expenses	8100																																		
8110 - Supplies	8110	41	11	-	21	60	-	-	-	-	184	54	-	32	23	-	484																		
8111 - Sale expenses	8111	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																		
8130 - Telephone & telecommunications	8130	204	509	-	15	-	1	-	-	-	7	27	-	22	-	5	851																		
8140 - Postage, shipping, delivery	8140	3	-	-	-	-	6	-	-	-	-	-	-	-	-	-	9																		
8170 - Printing & copying	8170	18	-	-	3	-	-	-	-	-	9	-	-	19	7	-	65																		
8180 -	8180	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10																		
Total 8100 - Non-personnel expenses		275	520		38	60	7				200	80		73	31	5	1,419																		
8200 - Occupancy expenses																																			
8200 - Occupancy expenses	8200																																		
8210 - Rent, parking, other occupancy	8210	-	-	-	-	-	-	-	-	-	95	-	-	-	-	-	6																		
Total 8200 - Occupancy expenses											95						6																		
8300 - Travel, Entertainment, Meetings																																			
8300 - Travel, Entertainment, Meetings	8300																																		
8300 - Travel, Entertainment, Meetings	8300	-	-	-	-	-	-	-	-	-	10	-	10	-	-	-	20																		
8310 - Travel	8310	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																		
8315 - Lodging	8315	-	-	-	-	-	-	-	-	-	-	113	37	87	-	-	1,432																		
8320 - Conference, convention, meeting	8320	-	-	-	-	-	75	-	-	-	-	-	-	-	-	-	75																		
8350 - Meals-Travel	8350	-	-	-	-	-	-	-	-	-	-	177	-	153	1	-	1,006																		
8355 - Meals & Entertainment	8355	106	-	(130)	13	655	-	-	-	-	56	10	12	10	-	-	1,137																		
8365 - Mileage	8365	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																		
8370 - Ground Transportation-Local	8370	-	-	-	8	-	-	-	-	-	-	17	-	66	7	4	272																		
8380 - Ground Transportation- NonLocal	8380	-	-	-	4	-	-	-	-	-	-	52	2	39	-	-	1,960																		
Total 8300 - Travel, Entertainment, Meetings		106		(130)	24	655	75				56	379	51	365	8	4	4,839																		
8500 - Misc expenses																																			
8500 - Misc expenses	8500																																		
8505 - Bank Fees	8505	2	-	-	14	43	-	-	-	-	2	-	-	-	-	-	37																		
8520 - Insurance - non-employee	8520	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	800																		
8530 - Membership dues - organization	8530	60	-	-	60	-	-	-	-	-	-	-	-	-	-	-	120																		
8590 - Other expenses	8590	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	0																		
Total 8500 - Misc expenses		61			74	43				2				0			837																		
8600 - Business expenses																																			
8600 - Business expenses	8600																																		
8650 - Business License & Fees	8650	165	-	-	60	-	-	-	-	-	-	-	-	-	-	-	225																		
Total 8600 - Business expenses		165			60												225																		
Total Expenses and Cost of Goods Sold		24,678	520		(130)	12,779	758	82		2	351	5,567	4,047	2,264	908	149	18,876																		
% Total		35%	1%	0%	0%	18%	1%	0%	0%	0%	0%	8%	6%	3%	1%	0%	27%																		

**Contributed Support
Year Ended Dec 31, 2013**

	Administrative		Fundraising								Programs										TOTAL	
	Admin-Other	Marketing	Events-Other	VPP Program	Fundraising - Other	General Donations	Amazon.com	Ebay/Mission Fish	Facebook	Planned Giving	Couro Ecologico	Entrepreneur Group	Women's Group Evaluation	Eixo Forte CBT	Jua	Jua Project - Other	Micro-Hydrokinetic	Entrepreneur Group	Suruacá School Electrification	Tourism		Programs-Other
4000 - Contributed Support																						
4005 - Indiv/business contribution	-	-	-	-	187	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	187
4010 - Individual Contributions	-	-	50	15	410	1,524	-	-	-	30	-	-	-	-	-	-	-	-	-	-	-	2,029
4015 - Employee Giving	-	-	-	-	-	374	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	374
4020 - Corporate Contributions	-	-	-	-	170	-	254	10	10	-	-	-	-	-	-	-	-	-	-	-	-	444
4100 - Board Donations	10,012	-	-	-	4,899	-	-	-	-	-	-	218	-	-	-	-	-	-	-	218	7,664	23,011
4150 - Donations In-Kind	13,621	-	-	-	7,918	-	-	-	-	-	1,384	44	283	1,939	545	-	337	654	135	4,134	-	30,994
4210 - Corporate Grants	-	-	-	-	-	250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	250
4220 - Foundation & Trust Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000	-	-	-	-	-	3,000
4400 - Fundraising Events																						
4410 - Event Ticket Sales	-	-	80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80
4420 - Raffle Ticket Sales	-	-	-	66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66
4490 - Fundraising Income Other	-	-	66	488	2,850	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,404
4492 - Silent Auction Sales	-	-	-	-	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40
	23,633	-	196	569	16,474	2,148	254	10	10	30	1,384	44	501	1,939	545	3,000	337	654	135	4,352	7,664	63,879
	37%	0%	0%	1%	26%	3%	0%	0%	0%	0%	2%	0%	1%	3%	1%	5%	1%	1%	0%	7%	12%	

Notes to Consolidated Financial Statements (Unaudited)
For the Year Ending December 31 2013

1. Organization

The Community Empowerment Network (“CEN”) is a US-based non-profit which empowers rural communities in developing countries by helping residents build basic life skills, habits and mind-sets to become more self-reliant, and then collaborating closely with residents, their leaders, government and other partners to offer a range of business development services and break down structural barriers so residents can build sustainable livelihoods and improve their quality of life. These efforts break the cycle of poverty, and foster long-term, sustainable development.

CEN is headquartered near Bellingham, Washington. The organization is funded through grants, fund-raising events, and Board donations, as well as by advances in the forms of notes payable from its founder and executive director, Robert Bortner.

CEN’s efforts have been focused primarily on the Brazilian Amazon.

2. Summary of Significant Accounting Policies

a. Basis of Financial Presentation

CEN’s financial statements have been prepared on the accrual basis of accounting. Contributions are recognized as revenues in the period in which they are committed and the board believes that receipt is more likely than not to occur.

b. Cash

Cash consists substantially of U.S.-denominated demand deposits. The organization periodically carries Brazilian Real for which balances are *de minimus*.

c. Inventories

Inventory consists of items available for sale on the CENshop online store. Inventory is reported at cost, with no impairments deemed appropriate by the board.

d. Property and Equipment

Property and equipment are recorded at cost and are depreciated on a straight-line basis over estimated useful lives of the assets. For all periods presented, CEN’s property and equipment consisted of computer software with a cost of \$4,013, which was fully depreciated.

e. Notes Payable

Notes payable relate to expenses and services rendered by CEN’s executive director for which cash payment has not yet been made. Amounts payable are classified in full as non-current due to uncertainty as to the timing of payments.

The note executed with the executive director is non-interest-bearing. Its balance has not been discounted to present value, nor accreted thereafter, due to uncertainty regarding its repayment schedule.

f. Contributed Services

Services contributed by volunteers are recognized at fair value as non-monetary, in-kind donations and expenses if such services require particular skills needed by the organization, and if such skills would need to be purchased if not donated. CEN applies values for contributed hours from sources deemed by management to represent not-for-profit rates of pay for positions of similar responsibility.

Donations of in-kind services totaled \$53,288 for FY 2013, or 75% of the total revenues for the year. 33% of all expenses, including in-kind services, were spent on programs, 44% on administration, and 23% on

fundraising in 2013. Excluding in-kind services though, 81% of expenses were spent on programs, 9% on administration, and 10% on fundraising in 2013.

g. Tax-exempt Status

CEN is exempt from federal income taxes under Internal Revenue Code section 501(c)(3).

h. Presentation of Expenses

Administrative expenses relate to costs incurred in the operation of the organization and in the effort of obtaining grants and other funding.

Program expenses relate to discrete projects. A program is a unique service with specific resources that is executed by a team and for which direct financial support is sought. A program is deemed to commence when a budget, team-based organization, and work breakdown structure have been created and the Board of Directors has approved its execution. Costs are allocated between programs and administration based on management's judgment.

3. Related Parties

CEN's principal liability is to its founder and executive director, Robert Bortner, from whom contributions are also received from time to time. For additional information, see note 1(e) above.