

**Q1  
2013**



**Community Empowerment Network**  
*Empowering Communities to Help Themselves*

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Community Empowerment Network empowers rural communities in the Brazilian Amazon to become more self-reliant by:

- Helping residents understand that they can solve their own problems
- Strengthening the skills and resources they need to lead their communities and build sustainable livelihoods
- Partnering with a wide range of organizations to remove obstacles, such as lack of energy or limited access to capital and markets, that could otherwise prevent their success

As result, communities and their residents are able to break the cycle of poverty and foster long-term, sustainable development

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**Condensed Statements of Activities (Unaudited)**

	<b>Three-Months Ended</b>	
	<b>March 31, 2013</b>	<b>March 31, 2012</b>
<b>Revenues</b>		
Contributions	30,859	12,173
Product Sales	97	-
Other Sales	3,998	-
<b>Total of Revenues</b>	<u>34,954</u>	<u>12,173</u>
 Cost of Goods Sold	 47	 -
<b>Gross Profit</b>	<u>34,906</u>	<u>12,173</u>
 <b>Expenses</b>		
Administrative	7,334	7,514
Fundraising	6,872	3,366
Programs	18,393	3,904
<b>Total Expenses</b>	<u>32,599</u>	<u>14,784</u>
 <b>Change in Assets</b>	<u>2,307</u>	<u>(2,612)</u>
 Unrestricted Net Assets, Beg.	 (32,872)	 (19,940)
<b>Unrestricted Net Assets, End</b>	<u>(30,564)</u>	<u>(22,552)</u>

**Condensed Balance Sheets (Unaudited)**

	March 31, 2013	March 31, 2012
<b>Assets</b>		
<b>Current Assets</b>		
Cash	3,431	272
<b>Other Current Assets</b>		
Accounts Receivable	-	-
Inventory Assets	1,836	1,067
Undeposited Funds	-	-
<b>Total Other Current Assets</b>	<u>1,836</u>	<u>1,067</u>
<b>Total Current Assets</b>	<u>5,267</u>	<u>1,339</u>
<b>Total Assets</b>	<u><u>5,267</u></u>	<u><u>1,339</u></u>
<b>Liabilities &amp; Equity</b>		
<b>Liabilities</b>		
<b>Long-term Liabilities</b>		
Loan Payable, Long-Term - R. Bortner	27,573	22,507
Prof. Fees Payable - R. Bortner	8,258	1,384
<b>Total Long-term Liabilities</b>	<u>35,831</u>	<u>23,891</u>
<b>Total Liabilities</b>	<u>35,831</u>	<u>23,891</u>
<b>Net Assets - Unrestricted</b>	<u>(30,564)</u>	<u>(22,552)</u>
<b>Total Liabilities &amp; Equity</b>	<u><u>5,267</u></u>	<u><u>1,339</u></u>

**Condensed Statements of Cash Flows (Unaudited)**

	March 31, 2013	March 31, 2012
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	2,307	(2,612)
<b>Change in Operating Assets/Liabilities</b>		
Accounts Receivable	240	1,533
Inventories	(885)	-
Advances Received	(800)	-
<b>Total Change in Operating Assets/Liabilities</b>	<u>(1,445)</u>	<u>1,533</u>
<b>Net Cash Provided by Operating Activities</b>	<u>862</u>	<u>(1,079)</u>
<b>Cash Flows from Financing Activities</b>		
Loans Payable	<u>1,211</u>	<u>84</u>
<b>Net Cash Provided by Financing Activities</b>	<u>1,211</u>	<u>84</u>
<b>Net Increase (Decrease) in Cash</b>	<u>2,074</u>	<u>(995)</u>
Cash Balance, Beg.	1,357	1,268
<b>Cash Balance, End.</b>	<u><u>3,431</u></u>	<u><u>272</u></u>

**Expenses by Sub-Class**  
**Quarter Ended March 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
<b>7000 - Grant &amp; contract expense</b>																		
7010 - Contracts - program-related	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total 7000 - Grant &amp; contract expense</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>7500 - General &amp; Administrative</b>																		
7500 - General & Administrative	-	-	-	-	109	-	-	-	-	-	-	-	-	-	-	-	-	109
7510 - Fundraising Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7540 - Professional fees - other	6,961	-	-	-	5,579	-	-	-	-	-	392	131	337	654	110	1,416	15,579	
7550 - Temporary help - contract	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	253	253	
7560 - Professional fees - Officers	-	-	-	-	-	-	-	-	-	-	2,139	382	1,459	-	-	4,278	8,258	
7570 - Professional Services	-	-	-	-	25	-	-	-	-	-	-	-	-	-	-	280	305	
7590 - Gifts	-	-	-	-	-	-	-	-	-	-	-	-	11	11	5	27	53	
<b>Total 7500 - General &amp; Administrative</b>	<b>6,961</b>	-	-	-	<b>5,713</b>	-	-	-	-	-	<b>2,531</b>	<b>513</b>	<b>1,806</b>	<b>664</b>	<b>115</b>	<b>6,234</b>	<b>24,558</b>	
<b>8100 - Non-personnel expenses</b>																		
8110 - Supplies	7	-	-	-	21	60	-	-	-	184	46	-	32	-	-	59	408	
8111 - Sale expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8130 - Telephone & telecommunications	-	143	-	-	-	-	-	-	-	7	27	-	22	-	3	60	261	
8140 - Postage, shipping, delivery	-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	6	6	
8170 - Printing & copying	-	-	-	-	3	-	-	-	-	9	-	-	19	1	-	10	41	
<b>Total 8100 - Non-personnel expenses</b>	<b>7</b>	<b>143</b>	-	-	<b>23</b>	<b>60</b>	<b>6</b>	-	-	<b>200</b>	<b>73</b>	-	<b>73</b>	<b>1</b>	<b>3</b>	<b>129</b>	<b>717</b>	
<b>8200 - Occupancy expenses</b>																		
8210 - Rent, parking, other occupancy	-	-	-	-	-	-	-	-	-	95	-	-	-	-	-	-	-	95
<b>Total 8200 - Occupancy expenses</b>	-	-	-	-	-	-	-	-	-	<b>95</b>	-	-	-	-	-	-	-	<b>95</b>
<b>8300 - Travel, Entertainment, Meetings</b>																		
8300 - Travel, Entertainment, Meetings	-	-	-	-	-	-	-	-	-	-	10	-	10	-	-	-	20	
8310 - Travel	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	2	2	
8315 - Lodging	-	-	-	-	-	-	-	-	-	-	113	37	87	-	-	1,196	1,432	
8320 - Conference, convention, meeting	-	-	-	-	-	-	75	-	-	-	-	-	-	-	-	75	75	
8350 - Meals-Travel	-	-	-	-	-	-	-	-	-	-	177	-	151	1	-	1,006	1,335	
8355 - Meals & Entertainment	47	-	-	(130)	13	655	-	-	-	56	10	12	10	-	-	395	1,069	
8365 - Mileage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8370 - Ground Transportation-Local	-	-	-	-	-	-	-	-	-	-	-	-	66	7	4	47	123	
8380 - Ground Transportation- NonLocal	-	-	-	-	4	-	-	-	-	-	52	2	39	-	-	1,960	2,057	
<b>Total 8300 - Travel, Entertainment, Meetings</b>	<b>47</b>	-	-	<b>(130)</b>	<b>16</b>	<b>655</b>	<b>75</b>	-	-	<b>56</b>	<b>362</b>	<b>51</b>	<b>365</b>	<b>8</b>	<b>4</b>	<b>4,604</b>	<b>6,113</b>	
<b>8500 - Misc expenses</b>																		
8505 - Bank Fees	2	-	-	-	-	43	-	-	-	-	-	-	-	-	-	37	82	
8520 - Insurance - non-employee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	800	800	
8530 - Membership dues - organization	50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50	
8590 - Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total 8500 - Misc expenses</b>	<b>51</b>	-	-	-	-	<b>43</b>	-	-	-	-	-	-	-	-	-	<b>837</b>	<b>932</b>	
<b>8600 - Business expenses</b>																		
8650 - Business License & Fees	125	-	-	-	60	-	-	-	-	-	-	-	-	-	-	-	185	
<b>Total 8600 - Business expenses</b>	<b>125</b>	-	-	-	<b>60</b>	-	-	-	-	-	-	-	-	-	-	-	<b>185</b>	
<b>Total Expenses and Cost of Goods Sold</b>	<b>7,190</b>	<b>143</b>	-	<b>(130)</b>	<b>5,812</b>	<b>758</b>	<b>81</b>	-	-	<b>351</b>	<b>2,967</b>	<b>564</b>	<b>2,244</b>	<b>673</b>	<b>121</b>	<b>11,824</b>	<b>32,599</b>	
<b>% Total</b>	<b>22%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>18%</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>1%</b>	<b>9%</b>	<b>2%</b>	<b>7%</b>	<b>2%</b>	<b>0%</b>	<b>36%</b>	

**Contributed Support**  
**Quarter Ended March 31, 2013**

	Administrative		Fundraising							Programs						Total	
	Administrative - Other	Marketing	Events (Other)	Marathon	Fundraising - Other	General Donations	Amazon	Facebook	Ebay	VPP Program	C Clear	Jua Project	MicroHydrokinetic	Product Commercialization	Suruaca		Tourism
<b>4000 - Contributed support</b>																	
4011 - Individual Contribution	-	-	-	-	-	1,524	-	-	-	-	-	-	-	-	-	-	1,524
4012 - Corporate Contributions	-	-	-	-	26	30	17	-	-	-	-	-	-	-	-	-	72
4013 - Employee giving	-	-	-	-	-	374	-	-	-	-	-	-	-	-	-	-	374
4020 - Board donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4120 - Board Donations in kind	10,298	-	-	-	1,993	-	-	-	-	-	-	-	-	-	-	-	12,291
4130 - Donations in kind revenue	4,327	-	-	-	4,409	-	-	-	-	-	392	131	337	654	110	1,416	11,776
4210 - Corporate/business grants	-	-	-	-	-	250	-	-	-	-	-	-	-	-	-	-	250
4230 - Foundation/trust grants	-	-	-	-	-	-	-	-	-	-	-	3,000	-	-	-	-	3,000
4280 - Fundraising Event Ticket Sales	-	-	80	-	-	-	-	-	-	-	-	-	-	-	-	-	80
4281 - Fundraising Income	-	-	937	-	-	-	-	-	-	488	-	-	-	-	-	-	1,425
4282 - Raffle Tickets	-	-	-	-	-	-	-	-	-	66	-	-	-	-	-	-	66
4290 - Silent Auction Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total 4000 - Contributed support</b>	<b>14,624</b>	<b>-</b>	<b>1,017</b>	<b>-</b>	<b>6,428</b>	<b>2,178</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>554</b>	<b>392</b>	<b>3,131</b>	<b>337</b>	<b>654</b>	<b>110</b>	<b>1,416</b>	<b>30,859</b>

**Notes to Consolidated Financial Statements (Unaudited)**  
**For the Quarter Ended March 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 to 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 \$24,067 in the Q1 of 2013, compared to \$11,694 in Q1 2012. Of the services offered in Q1 2013, 20% were directly related to programs, 47% to administration, and 33% to

fundraising. Of the services offered in Q1 2012, 13% related to programs, 60% to administration, and 27% to fundraising.

**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.