

**Q1
2018**



Community Empowerment Network

Empowering Communities to Help Themselves

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.

Contents

[Condensed Statements of Activities \(Unaudited\)](#)

[Statement of Financial Condition \(Unaudited\)](#)

[Condensed Statements of Cash Flows \(Unaudited\)](#)

[Statement of Functional Revenue and Expenses \(Unaudited\)](#)

[Notes to Consolidated Financial Statements](#)

Condensed Statements of Activities (Unaudited)
January through March 2018 - Accrual Basis

	<u>Jan - Mar 18</u>	<u>Jan - Mar 17</u>
Ordinary Income/Expense		
Income		
4000 · Contributed Support		
4010 · Individual Contributions	124.96	1,674.44
4020 · Corporate Contributions	471.05	85.00
4400 · Fundraising Events		
4410 · Event Ticket Sales	0.00	198.00
Total 4400 · Fundraising Events	<u>0.00</u>	<u>198.00</u>
4492 · Silent Auction Sales	0.00	140.00
Total 4000 · Contributed Support	<u>596.01</u>	<u>2,097.44</u>
4150 · Donations In-Kind		
4152 · Donations In-Kind Non-Labor	0.00	0.00
4154 · Donations In-Kind Labor	0.00	252.63
Total 4150 · Donations In-Kind	<u>0.00</u>	<u>252.63</u>
4700 · Product Sales		
4750 · Product Sales - Program Related	0.00	270.00
4760 · Product Sales Non-Progr Related	0.00	24.10
Total 4700 · Product Sales	<u>0.00</u>	<u>294.10</u>
4770 · Sales Discount	0.00	-28.00
Total Income	<u>596.01</u>	<u>2,616.17</u>
Cost of Goods Sold		
5010 · Cost of Goods Sold	27.92	190.05
Total COGS	<u>27.92</u>	<u>190.05</u>
Gross Profit	<u>568.09</u>	<u>2,426.12</u>
Expense		
7500 · General & Administrative		
7510 · Fundraising Expenses	0.00	47.98
7540 · Professional fees - Volunteer	0.00	252.63
7560 · Professional fees - Officers	204.09	271.29
7590 · Gifts	0.00	0.00
Total 7500 · General & Administrative	<u>204.09</u>	<u>571.90</u>
8100 · Non-personnel expenses		
8115 · Computer & Software Expense	181.80	174.00
8130 · Telephone & telecommunications	94.21	65.94
8135 · Advertising Expense	0.00	1.00
8140 · Postage, shipping, delivery	21.98	47.14
8170 · Printing & copying	0.00	29.34
Total 8100 · Non-personnel expenses	<u>297.99</u>	<u>317.42</u>
8500 · Misc expenses		
8505 · Bank Fees	-2.71	-0.44
8590 · Other expenses	124.32	0.00
8500 · Misc expenses - Other	3.01	4.80
Total 8500 · Misc expenses	<u>124.62</u>	<u>4.36</u>
8600 · Business expenses		
8650 · Business License & Fees	0.00	75.00
Total 8600 · Business expenses	<u>0.00</u>	<u>75.00</u>
Total Expense	<u>626.70</u>	<u>968.68</u>
Net Ordinary Income	<u>-58.61</u>	<u>1,457.44</u>
Net Income	<u>-58.61</u>	<u>1,457.44</u>

Statement of Financial Position (Unaudited)
As of March 31, 2018 – Accrual Basis

	<u>Mar 31, 18</u>	<u>Mar 31, 17</u>
ASSETS		
Current Assets		
Checking/Savings		
1000 · Banner Bank	142.27	519.37
1025 · Paypal	471.05	65.98
Total Checking/Savings	<u>613.32</u>	<u>585.35</u>
Other Current Assets		
1200 · Inventory from Program Partner	895.69	1,045.12
Total Other Current Assets	<u>895.69</u>	<u>1,045.12</u>
Total Current Assets	1,509.01	1,630.47
Fixed Assets		
1500 · Fixed Assets		
1520 · Software	4,013.00	4,013.00
1590 · Accumulated Depreciation	<u>-4,013.00</u>	<u>-4,013.00</u>
Total 1500 · Fixed Assets	<u>0.00</u>	<u>0.00</u>
Total Fixed Assets	0.00	0.00
TOTAL ASSETS	<u>1,509.01</u>	<u>1,630.47</u>
LIABILITIES & EQUITY		
Liabilities		
Long Term Liabilities		
2500 · Loan Payable - LT		
2505 · Bortner Loan - LT	0.00	7.25
Total 2500 · Loan Payable - LT	<u>0.00</u>	<u>7.25</u>
2550 · Professional Fees Pbl - LT		
2255 · Bortner Prof Fees - LT	195.24	1,449.98
Total 2550 · Professional Fees Pbl - LT	<u>195.24</u>	<u>1,449.98</u>
Total Long Term Liabilities	<u>195.24</u>	<u>1,457.23</u>
Total Liabilities	195.24	1,457.23
Equity		
3010 · Unrestricted Net Assets/Deficit	1,372.38	-1,284.20
Net Income	<u>-58.61</u>	<u>1,457.44</u>
Total Equity	<u>1,313.77</u>	<u>173.24</u>
TOTAL LIABILITIES & EQUITY	<u>1,509.01</u>	<u>1,630.47</u>

Condensed Statements of Cash Flows (Unaudited)
January through March 2018

	<u>Jan - Mar 18</u>
OPERATING ACTIVITIES	
Net Income	-58.61
Adjustments to reconcile Net Income to net cash provided by operations:	
1200 · Inventory from Program Partner	149.43
Net cash provided by Operating Activities	<u>90.82</u>
FINANCING ACTIVITIES	
2505 · Bortner Loan - LT	-17.25
2255 · Bortner Prof Fees - LT	-777.80
Net cash provided by Financing Activities	<u>-795.05</u>
Net cash increase for period	-704.23
Cash at beginning of period	<u>1,317.55</u>
Cash at end of period	<u>613.32</u>

Statement of Functional Revenue and Expenses
January through March 2018 - Accrual Basis

	Administrative	Fundraising			Programs						TOTAL	
	Total Admin	General Donations	Total Online	Fundraising - Other	Total Fundraising	Community-based Tourism	Couro Ecologico	Jewelry	Entrepreneurship Project	General		Total Programs
Ordinary Income/Expense												
Income												
4000 · Contributed Support												
4010 · Individual Contributions	0.00	0.00	16.97	40.24	57.21	0.00	67.75	0.00	0.00	0.00	67.75	124.96
4020 · Corporate Contributions	0.00	0.00	471.05	0.00	471.05	0.00	0.00	0.00	0.00	0.00	0.00	471.05
Total 4000 · Contributed Support	0.00	0.00	488.02	40.24	528.26	0.00	67.75	0.00	0.00	0.00	67.75	596.01
Total Income	0.00	0.00	488.02	40.24	528.26	0.00	67.75	0.00	0.00	0.00	67.75	596.01
Total Cost of Goods Sold	0.00	0.00	0.00	0.00	0.00	0.00	27.92	0.00	0.00	0.00	27.92	27.92
Gross Profit	0.00	0.00	488.02	40.24	528.26	0.00	39.83	0.00	0.00	0.00	39.83	568.09
Expense												
7500 · General & Administrative												
7560 · Professional fees - Officers	0.00	0.00	0.00	0.00	0.00	59.74	135.63	0.00	8.72	0.00	204.09	204.09
Total 7500 · General & Administrative	0.00	0.00	0.00	0.00	0.00	59.74	135.63	0.00	8.72	0.00	204.09	204.09
8100 · Non-personnel expenses												
8115 · Computer & Software Expense	181.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	181.80
8130 · Telephone & telecommunications	92.11	0.00	0.00	0.00	0.00	0.00	2.10	0.00	0.00	0.00	2.10	94.21
8140 · Postage, shipping, delivery	14.73	0.00	0.00	0.00	0.00	0.00	7.25	0.00	0.00	0.00	7.25	21.98
Total 8100 · Non-personnel expenses	288.64	0.00	0.00	0.00	0.00	0.00	9.35	0.00	0.00	0.00	9.35	297.99
8500 · Misc expenses												
8505 · Bank Fees	-2.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2.71
8590 · Other expenses	0.00	0.00	0.00	0.00	0.00	0.00	35.85	86.78	86.78	1.69	124.32	124.32
8500 · Misc expenses - Other	0.00	3.01	0.00	0.00	3.01	0.00	0.00	0.00	0.00	0.00	0.00	3.01
Total 8500 · Misc expenses	-2.71	3.01	0.00	0.00	3.01	0.00	35.85	86.78	86.78	1.69	124.32	124.62
Total Expense	285.93	3.01	0.00	0.00	3.01	59.74	180.83	86.78	95.50	1.69	337.76	626.70
Net Ordinary Income	-285.93	-3.01	488.02	40.24	525.25	-59.74	-141.00	-86.78	-95.50	-1.69	-297.93	-58.61
Net Income	-285.93	-3.01	488.02	40.24	525.25	-59.74	-141.00	-86.78	-95.50	-1.69	-297.93	-58.61

Notes to Consolidated Financial Statements (Unaudited)
For the Quarter Ended March 31, 2018

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 in Ferndale, 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 Reais 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. 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.

e. Contributed Services

CEN receives donations from many volunteers for services necessary to meet our objectives. The services have been recognized at fair value of in-kind donations and expenses calculated by management based on similar not-for-profit rates of pay for positions of similar responsibilities.

In-kind services from all volunteers and board members totaled 67.2 hours valued at \$ 1662.38 for Q1 2018. The value of only in-kind *professional* services totaled \$191.88 for Q1 2018.

f. Tax-exempt Status

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

g. 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 2(e) above.