

**Q1
2019**



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.

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Condensed Statements of Activities (Unaudited)
January through March 2019 - Accrual Basis

	<u>Jan - Mar 19</u>	<u>Jan - Mar 18</u>
Ordinary Income/Expense		
Income		
4000 · Contributed Support		
4010 · Individual Contributions	61.63	124.96
4020 · Corporate Contributions	0.00	471.05
Total 4000 · Contributed Support	<u>61.63</u>	<u>596.01</u>
Total Income	61.63	596.01
Cost of Goods Sold		
5010 · Cost of Goods Sold	0.00	27.92
Total COGS	<u>0.00</u>	<u>27.92</u>
Gross Profit	61.63	568.09
Expense		
7500 · General & Administrative		
7560 · Professional fees - Officers	14.01	285.78
Total 7500 · General & Administrative	<u>14.01</u>	<u>285.78</u>
8100 · Non-personnel expenses		
8115 · Computer & Software Expense	309.20	181.80
8130 · Telephone & telecommunications	92.11	94.21
8140 · Postage, shipping, delivery	0.00	21.98
Total 8100 · Non-personnel expenses	<u>401.31</u>	<u>297.99</u>
8500 · Misc expenses		
8505 · Bank Fees	0.00	3.11
8590 · Other expenses	0.00	121.51
Total 8500 · Misc expenses	<u>0.00</u>	<u>124.62</u>
Total Expense	<u>415.32</u>	<u>708.39</u>
Net Ordinary Income/(loss)	<u>-353.69</u>	<u>-140.30</u>
Net Income/(loss)	<u>-353.69</u>	<u>-140.30</u>

Statement of Financial Position (Unaudited)
As of March 31st, 2019 – Accrual Basis

	<u>Mar 31, 19</u>	<u>Mar 31, 18</u>
ASSETS		
Current Assets		
Checking/Savings		
1000 · Banner Bank	126.37	142.27
1025 · Paypal	0.00	471.05
Total Checking/Savings	<u>126.37</u>	<u>613.32</u>
Other Current Assets		
1200 · Inventory from Program Partner	670.59	895.69
Total Other Current Assets	<u>670.59</u>	<u>895.69</u>
Total Current Assets	796.96	1,509.01
Fixed Assets		
1500 · Fixed Assets		
1520 · Software	4,013.00	4,013.00
1590 · Accumulated Depreciation	-4,013.00	-4,013.00
Total 1500 · Fixed Assets	<u>0.00</u>	<u>0.00</u>
Total Fixed Assets	0.00	0.00
TOTAL ASSETS	<u>796.96</u>	<u>1,509.01</u>
LIABILITIES & EQUITY		
Liabilities		
Long Term Liabilities		
2500 · Loan Payable - LT		
2505 · Bortner Loan - LT	309.20	0.00
Total 2500 · Loan Payable - LT	<u>309.20</u>	<u>0.00</u>
2550 · Professional Fees Pbl - LT		
2255 · Bortner Prof Fees - LT	137.90	276.93
Total 2550 · Professional Fees Pbl - LT	<u>137.90</u>	<u>276.93</u>
Total Long Term Liabilities	<u>447.10</u>	<u>276.93</u>
Total Liabilities	447.10	276.93
Equity		
3010 · Unrestricted Net Assets/Deficit	703.55	1,372.38
Net Income/(loss)	-353.69	-140.30
Total Equity	<u>349.86</u>	<u>1,232.08</u>
TOTAL LIABILITIES & EQUITY	<u>796.96</u>	<u>1,509.01</u>

Condensed Statements of Cash Flows (Unaudited)
January through March 2019

	<u>Jan - Mar 19</u>
OPERATING ACTIVITIES	
Net Income	-353.69
Net cash provided/(used) by Operating Activities	<u>-353.69</u>
FINANCING ACTIVITIES	
2505 - Bortner Loan - LT	289.21
2255 - Bortner Prof Fees - LT	-216.00
Net cash provided/(used) by Financing Activities	<u>73.21</u>
Net cash increase for period	-280.48
Cash at beginning of period	<u>406.85</u>
Cash at end of period	<u><u>126.37</u></u>

Statement of Functional Revenue and Expenses
January through March 2019 - Accrual Basis

	Administrative			Fundraising			Programs		TOTAL
	Marketing	Admin.- Other	Total Admin	Amazon.com	Fundraising - Other	Total Fundraising	Entrepren- eurship Project	Total Programs	
Ordinary Income/Expense									
Income									
4000 - Contributed Support									
4010 - Individual Contributions	0.00	0.00	0.00	21.23	40.40	61.63	0.00	0.00	61.63
Total 4000 - Contributed Support	0.00	0.00	0.00	21.23	40.40	61.63	0.00	0.00	61.63
Total Income	0.00	0.00	0.00	21.23	40.40	61.63	0.00	0.00	61.63
Gross Profit	0.00	0.00	0.00	21.23	40.40	61.63	0.00	0.00	61.63
Expense									
7500 - General & Administrative									
7560 - Professional fees - Officers	0.00	0.00	0.00	0.00	0.00	0.00	14.01	14.01	14.01
Total 7500 - General & Administrative	0.00	0.00	0.00	0.00	0.00	0.00	14.01	14.01	14.01
8100 - Non-personnel expenses									
8115 - Computer & Software Expense	309.20	0.00	309.20	0.00	0.00	0.00	0.00	0.00	309.20
8130 - Telephone & telecommunications	0.00	92.11	92.11	0.00	0.00	0.00	0.00	0.00	92.11
Total 8100 - Non-personnel expenses	309.20	92.11	401.31	0.00	0.00	0.00	0.00	0.00	401.31
Total Expense	309.20	92.11	401.31	0.00	0.00	0.00	14.01	14.01	415.32
% of total expenses			97%			0%		3%	100%
Net Ordinary Income	-309.20	-92.11	-401.31	21.23	40.40	61.63	-14.01	-14.01	-353.69
Net Income	-309.20	-92.11	-401.31	21.23	40.40	61.63	-14.01	-14.01	-353.69

Notes to Consolidated Financial Statements (Unaudited)
For the Quarter Ended March 31, 2019

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 29.94 hours valued at \$ 841.35 for Q1 2019. The value of only in-kind *professional* services totaled \$414.28 for Q1 2019.

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.