

**Q2
2017**



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)
April through June 2017 - Accrual Basis

	<u>Apr - Jun 17</u>	<u>Apr - Jun 16</u>	<u>Jan - Jun 17</u>
Ordinary Income/Expense			
Income			
4000 - Contributed Support			
4010 - Individual Contributions	574.85	375.16	2,249.29
4020 - Corporate Contributions	197.00	0.00	282.00
4400 - Fundraising Events			
4410 - Event Ticket Sales	0.00	0.00	198.00
Total 4400 - Fundraising Events	<u>0.00</u>	<u>0.00</u>	<u>198.00</u>
4492 - Silent Auction Sales	0.00	0.00	140.00
Total 4000 - Contributed Support	<u>771.85</u>	<u>375.16</u>	<u>2,869.29</u>
4150 - Donations In-Kind			
4152 - Donations In-Kind Non-Lab	0.00	0.00	0.00
4154 - Donations In-Kind Labor	711.02	277.31	963.65
Total 4150 - Donations In-Kind	<u>711.02</u>	<u>277.31</u>	<u>963.65</u>
4700 - Product Sales			
4750 - Product Sales - Program Re	0.00	85.00	270.00
4760 - Product Sales Non-Progr R	0.00	27.90	24.10
Total 4700 - Product Sales	<u>0.00</u>	<u>112.90</u>	<u>294.10</u>
4770 - Sales Discount	0.00	0.00	-28.00
Total Income	<u>1,482.87</u>	<u>765.37</u>	<u>4,099.04</u>
Cost of Goods Sold			
5010 - Cost of Goods Sold	0.00	46.83	190.05
Total COGS	<u>0.00</u>	<u>46.83</u>	<u>190.05</u>
Gross Profit	<u>1,482.87</u>	<u>718.54</u>	<u>3,908.99</u>
Expense			
7500 - General & Administrative			
7510 - Fundraising Expenses	0.00	0.00	47.98
7540 - Professional fees - Volunte	711.02	277.31	963.65
7560 - Professional fees - Officers	446.32	219.70	717.61
7590 - Gifts	0.00	0.00	0.00
Total 7500 - General & Administrative	<u>1,157.34</u>	<u>497.01</u>	<u>1,729.24</u>
8100 - Non-personnel expenses			
8110 - Supplies	0.00	3.58	0.00
8115 - Computer & Software Expe	0.00	66.45	174.00
8130 - Telephone & telecommunic	85.15	12.28	151.09
8135 - Advertising Expense	0.00	0.00	1.00
8140 - Postage, shipping, delivery	0.00	15.93	47.14
8170 - Printing & copying	0.00	0.00	29.34
8180 - Books, subscriptions, refer	0.00	19.00	0.00
Total 8100 - Non-personnel expenses	<u>85.15</u>	<u>117.24</u>	<u>402.57</u>
8300 - Travel, Entertainment, Meetings			
8370 - Ground Transport - Local	0.00	4.50	0.00
Total 8300 - Travel, Entertainment, Me	<u>0.00</u>	<u>4.50</u>	<u>0.00</u>
8500 - Misc expenses			
8505 - Bank Fees	-8.80	31.56	-9.24
8590 - Other expenses	0.00	4.06	0.00
8500 - Misc expenses - Other	17.56	9.75	22.36
Total 8500 - Misc expenses	<u>8.76</u>	<u>45.37</u>	<u>13.12</u>
8600 - Business expenses			
8650 - Business License & Fees	0.00	100.00	75.00
Total 8600 - Business expenses	<u>0.00</u>	<u>100.00</u>	<u>75.00</u>
Total Expense	<u>1,251.25</u>	<u>764.12</u>	<u>2,219.93</u>
Net Ordinary Income	<u>231.62</u>	<u>-45.58</u>	<u>1,689.06</u>
Net Income	<u>231.62</u>	<u>-45.58</u>	<u>1,689.06</u>

Statement of Financial Position (Unaudited)
As of June 30, 2017 – Accrual Basis

	<u>Jun 30, 17</u>	<u>Jun 30, 16</u>
ASSETS		
Current Assets		
Checking/Savings		
1000 · Banner Bank	676.77	0.00
1010 · KeyBank Checking	0.00	376.70
1015 · KeyBank Checking - Brazil	0.00	14.93
1025 · Paypal	105.73	0.00
Total Checking/Savings	<u>782.50</u>	<u>391.63</u>
Other Current Assets		
1200 · Inventory from Program Partner	1,045.12	1,363.04
Total Other Current Assets	<u>1,045.12</u>	<u>1,363.04</u>
Total Current Assets	<u>1,827.62</u>	<u>1,754.67</u>
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	<u>0.00</u>	<u>0.00</u>
TOTAL ASSETS	<u><u>1,827.62</u></u>	<u><u>1,754.67</u></u>
LIABILITIES & EQUITY		
Liabilities		
Long Term Liabilities		
2500 · Loan Payable - LT		
2505 · Bortner Loan - LT	-535.15	4,264.35
2500 · Loan Payable - LT - Other	19.00	0.00
Total 2500 · Loan Payable - LT	<u>-516.15</u>	<u>4,264.35</u>
2550 · Professional Fees Pbl - LT		
2255 · Bortner Prof Fees - LT	1,938.91	949.90
Total 2550 · Professional Fees Pbl - LT	<u>1,938.91</u>	<u>949.90</u>
Total Long Term Liabilities	<u>1,422.76</u>	<u>5,214.25</u>
Total Liabilities	<u>1,422.76</u>	<u>5,214.25</u>
Equity		
3010 · Unrestricted Net Assets/Deficit	-1,284.20	-2,292.84
Net Income	1,689.06	-1,166.74
Total Equity	<u>404.86</u>	<u>-3,459.58</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,827.62</u></u>	<u><u>1,754.67</u></u>

Condensed Statements of Cash Flows (Unaudited)
April through June 2017

	<u>Apr - Jun 17</u>
OPERATING ACTIVITIES	
Net Income	231.62
Net cash provided by Operating Activities	<u>231.62</u>
FINANCING ACTIVITIES	
2500 · Loan Payable - LT	19.00
2505 · Bortner Loan - LT	-499.79
2255 · Bortner Prof Fees - LT	446.32
Net cash provided by Financing Activities	<u>-34.47</u>
Net cash increase for period	197.15
Cash at beginning of period	<u>585.35</u>
Cash at end of period	<u><u>782.50</u></u>

Statement of Functional Revenue and Expenses
April through June 2017 - Accrual Basis

	Administrative	Fundraising			Programs						TOTAL	
	Total Admin	General Donations	Total Online	Fundraising - Other	Total Fundraising	Rural Family Home	CBT - Other	Total CBT	Couro Ecologico	Entrepreneurship Project		Total Programs
Ordinary Income/Expense												
Income												
4000 · Contributed Support												
4010 · Individual Contributions	0.00	480.00	38.37	56.48	574.85	0.00	0.00	0.00	0.00	0.00	0.00	574.85
4020 · Corporate Contributions	0.00	0.00	197.00	0.00	197.00	0.00	0.00	0.00	0.00	0.00	0.00	197.00
Total 4000 · Contributed Support	0.00	480.00	235.37	56.48	771.85	0.00	0.00	0.00	0.00	0.00	0.00	771.85
4150 · Donations In-Kind												
4154 · Donations In-Kind Labor	711.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	711.02
Total 4150 · Donations In-Kind	711.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	711.02
Total Income	711.02	480.00	235.37	56.48	771.85	0.00	0.00	0.00	0.00	0.00	0.00	1,482.87
Gross Profit	711.02	480.00	235.37	56.48	771.85	0.00	0.00	0.00	0.00	0.00	0.00	1,482.87
Expense												
7500 · General & Administrative												
7540 · Professional fees - Volunteer	711.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	711.02
7560 · Professional fees - Officers	0.00	0.00	0.00	0.00	0.00	21.95	15.87	37.82	408.50	0.00	446.32	446.32
7590 · Gifts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total 7500 · General & Administrative	711.02	0.00	0.00	0.00	0.00	21.95	15.87	37.82	408.50	0.00	446.32	1,157.34
8100 · Non-personnel expenses												
8130 · Telephone & telecommunications	84.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.21	0.21	85.15
Total 8100 · Non-personnel expenses	84.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.21	0.21	85.15
8500 · Misc expenses												
8505 · Bank Fees	-8.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-8.80
8500 · Misc expenses - Other	0.00	17.56	0.00	0.00	17.56	0.00	0.00	0.00	0.00	0.00	0.00	17.56
Total 8500 · Misc expenses	-8.80	17.56	0.00	0.00	17.56	0.00	0.00	0.00	0.00	0.00	0.00	8.76
Total Expense	787.16	17.56	0.00	0.00	17.56	21.95	15.87	37.82	408.50	0.21	446.53	1,251.25
Share of Total Expenses	63%	1%	0%	0%	1%	2%	1%	3%	33%	0%	36%	
Net Ordinary Income	-76.14	462.44	235.37	56.48	754.29	-21.95	-15.87	-37.82	-408.50	-0.21	-446.53	231.62
Net Income	-76.14	462.44	235.37	56.48	754.29	-21.95	-15.87	-37.82	-408.50	-0.21	-446.53	231.62

Notes to Consolidated Financial Statements (Unaudited)
For the Quarter Ended June 301, 2017

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 241.68 hours valued at \$6,192.97 for Q2 2017. The value of only in-kind *professional* services totaled \$711.02 for this quarter.

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.