

**Q3
2013**



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)

	Three-Months Ended		Six-Months Ended	
	Sept 30, 2013	Sept 30, 2012	Sept 30, 2013	Sept 30, 2012
Revenues				
Contributions	11,260	14,116	55,414	39,852
Product Sales	18	104	175	104
Other Sales	-	-	3,998	-
Total of Revenues	11,278	14,220	59,587	39,957
Cost of Goods Sold	-	88	80	66
Gross Profit	11,278	14,132	59,507	39,891
Expenses				
Administrative	5,737	6,986	21,178	22,164
Fundraising	2,287	5,440	11,980	16,042
Programs	4,786	3,150	28,474	8,672
Total Expenses	12,811	15,576	61,631	46,878
Change in Assets	(1,533)	(1,445)	(2,124)	(6,987)
Unrestricted Net Assets, Beg.	(33,463)	(25,482)	(32,872)	(19,940)
Unrestricted Net Assets, End	(34,996)	(26,927)	(34,996)	(26,927)

Condensed Balance Sheets (Unaudited)

	Sept 30, 2013	Sept 30, 2012
Assets		
Current Assets		
Cash	4,179	397
Other Current Assets		
Accounts Receivable	-	-
Inventory Assets	1,804	984
Undeposited Funds	-	-
Total Other Current Assets	<u>1,804</u>	<u>984</u>
Total Current Assets	<u>5,983</u>	<u>1,381</u>
Total Assets	<u><u>5,983</u></u>	<u><u>1,381</u></u>
Liabilities & Equity		
Liabilities		
Long-term Liabilities		
Loan Payable, Long-Term - R. Bortner	28,403	24,390
Prof. Fees Payable - R. Bortner	12,576	3,918
Total Long-term Liabilities	<u>40,979</u>	<u>28,308</u>
Total Liabilities	<u>40,979</u>	<u>28,308</u>
Net Assets - Unrestricted	<u>(34,996)</u>	<u>(26,927)</u>
Total Liabilities & Equity	<u><u>5,983</u></u>	<u><u>1,381</u></u>

Condensed Statements of Cash Flows (Unaudited)

	Six-months Ended	
	Sept 30, 2013	Sept 30, 2012
Cash Flows from Operating Activities		
Change in Net Assets	(2,124)	(6,987)
Change in Operating Assets/Liabilities		
Accounts Receivable	240	1,533
Inventories	(853)	83
Advances Received	(800)	-
Total Change in Operating Assets/Liabilities	<u>(1,413)</u>	<u>1,615</u>
Net Cash Provided by Operating Activities	<u>(3,537)</u>	<u>(5,371)</u>
Cash Flows from Financing Activities		
Loans Payable	6,359	4,501
Net Cash Provided by Financing Activities	<u>6,359</u>	<u>4,501</u>
Net Increase (Decrease) in Cash	<u>2,822</u>	<u>(871)</u>
Cash Balance, Beg.	1,357	1,268
Cash Balance, End.	<u><u>4,179</u></u>	<u><u>397</u></u>

Expenses by Sub-Class
Quarter Ended Sept 30, 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
7000 - Grant & contract expense																		
7010 - Contracts - program-related	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 7000 - Grant & contract expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7500 - General & Administrative																		
7500 - General & Administrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7510 - Fundraising Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7540 - Professional fees - other	5,490	-	-	-	2,277	-	-	-	-	-	-	708	1,143	-	-	10	795	10,424
7550 - Temporary help - contract	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7560 - Professional fees - Officers	-	-	-	-	-	-	-	-	-	-	-	281	688	-	15	-	1,144	2,128
7570 - Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7590 - Gifts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 7500 - General & Administrative	5,490	-	-	-	2,277	-	-	-	-	-	-	989	1,832	-	15	10	1,940	12,553
8100 - Non-personnel expenses																		
8110 - Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8111 - Sale expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8130 - Telephone & telecommunications	59	188	-	-	-	-	1	-	-	-	-	-	-	-	-	-	1	249
8140 - Postage, shipping, delivery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8170 - Printing & copying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 8100 - Non-personnel expenses	59	188	-	-	-	-	1	-	-	-	-	-	-	-	-	-	1	249
8200 - Occupancy expenses																		
8210 - Rent, parking, other occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 8200 - Occupancy expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8300 - Travel, Entertainment, Meetings																		
8300 - Travel, Entertainment, Meetings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8310 - Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8315 - Lodging	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8320 - Conference, convention, meeting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8350 - Meals-Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8355 - Meals & Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8365 - Mileage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8370 - Ground Transportation-Local	-	-	-	-	8	-	-	-	-	-	-	-	-	-	-	-	-	8
8380 - Ground Transportation- NonLocal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 8300 - Travel, Entertainment, Meetings	-	-	-	-	8	-	-	-	-	-	-	-	-	-	-	-	-	8
8500 - Misc expenses																		
8505 - Bank Fees	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	2
8520 - Insurance - non-employee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8530 - Membership dues - organization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8590 - Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 8500 - Misc expenses	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	2
8600 - Business expenses																		
8650 - Business License & Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 8600 - Business expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses and Cost of Goods Sold	5,549	188	-	-	2,285	-	1	-	-	2	-	989	1,832	-	15	10	1,941	12,811
% Total	43%	1%	0%	0%	18%	0%	0%	0%	0%	0%	0%	8%	14%	0%	0%	0%	15%	

**Contributed Support
Quarter Ended Sept 30, 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
4000 - Contributed support																	
4011 - Individual Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4012 - Corporate Contributions	-	-	-	-	112	-	-	10	4	-	-	-	-	-	-	-	126
4013 - Employee giving	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4020 - Board donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4120 - Board Donations in kind	2,323	-	-	-	1,122	-	-	-	-	-	218	-	-	-	-	218	3,881
4130 - Donations in kind revenue	3,167	-	-	-	1,155	-	-	-	-	-	490	1,143	-	-	10	577	6,544
4210 - Corporate/business grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4230 - Foundation/trust grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4280 - Fundraising Event Ticket Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4281 - Fundraising Income	-	-	-	-	710	-	-	-	-	-	-	-	-	-	-	-	710
4282 - Raffle Tickets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4290 - Silent Auction Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 4000 - Contributed support	5,490	-	-	-	3,099	-	-	10	4	-	708	1,143	-	-	10	795	11,260

Notes to Consolidated Financial Statements (Unaudited)
For the Quarter Ended Sept 30, 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 \$10,424 in the Q3 of 2013, compared to \$13,452 in Q3 2012. Of the services offered in Q3 2013, 24% were directly related to programs, 49% to administration, and 28% to

fundraising. Of the services offered in Q3 2012, 10% related to programs, 47% to administration, and 43% 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.