

Q4 2013



Community Empowerment Network
Empowering Communities to Help Themselves

Community Empowerment Network is an organization dedicated to breaking the cycle of poverty and dependency of many poor communities by helping them acquire and apply the basic skills, habits and mindsets necessary to be self-reliant in the modern economy.

Condensed Statements of Activities (Unaudited)

	Three-Months Ended		Twelve-Months Ended	
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
Revenues				
Contributions	8,465	28,023	63,879	54,408
Product Sales	-	100	175	134
Other Sales	-	-	3,998	-
Total of Revenues	8,465	28,123	68,052	54,542
Cost of Goods Sold	-	71	80	99
Gross Profit	8,465	28,052	67,972	54,443
Expenses				
Administrative	4,020	6,688	25,198	28,851
Fundraising	1,863	4,936	13,842	20,978
Programs	3,336	8,873	31,810	17,545
Total Expenses	9,219	20,497	70,851	67,375
Change in Assets	(754)	7,555	(2,878)	(12,932)
Unrestricted Net Assets, Beg.	(34,996)	(40,427)	(32,872)	(19,940)
Unrestricted Net Assets, End	(35,750)	(32,872)	(35,750)	(32,872)

Condensed Statements of Financial Position (Unaudited)

	Dec 31, 2013	Dec 31, 2012
Assets		
Current Assets		
Cash	1,494	1,357
Other Current Assets		
Accounts Receivable	-	240
Inventory Assets	1,804	951
Undeposited Funds	-	-
Total Other Current Assets	<u>1,804</u>	<u>1,191</u>
Total Current Assets	<u>3,297</u>	<u>2,548</u>
Total Assets	<u><u>3,297</u></u>	<u><u>2,548</u></u>
Liabilities & Equity		
Liabilities		
Current Liabilities		
Advances Received	-	800
Total Current Liabilities	-	800
Liabilities		
Long-term Liabilities		
Loan Payable, Long-Term - R. Bortner	25,037	26,956
Prof. Fees Payable - R. Bortner	<u>14,010</u>	<u>7,664</u>
Total Long-term Liabilities	<u>39,048</u>	<u>34,620</u>
Total Liabilities	<u>39,048</u>	<u>35,420</u>
Net Assets - Unrestricted	<u>(35,750)</u>	<u>(32,872)</u>
Total Liabilities & Equity	<u><u>3,297</u></u>	<u><u>2,548</u></u>

Condensed Statements of Cash Flows (Unaudited)

	Twelve-months Ended	
	Dec 31, 2013	Dec 31, 2012
Cash Flows from Operating Activities		
Change in Net Assets	(2,878)	(12,932)
Change in Operating Assets/Liabilities		
Accounts Receivable	240	1,293
Inventories	(853)	116
Advances Received	(800)	800
Total Change in Operating Assets/Liabilities	<u>(1,413)</u>	<u>2,209</u>
Net Cash Provided by Operating Activities	(4,291)	(10,723)
Cash Flows from Financing Activities		
Loans Payable	4,428	10,813
Net Cash Provided by Financing Activities	<u>4,428</u>	<u>10,813</u>
Net Increase (Decrease) in Cash	136	90
Cash Balance, Beg.	1,357	1,268
Cash Balance, End.	<u><u>1,494</u></u>	<u><u>1,357</u></u>

Expenses by Sub-Class
Quarter Ended Dec 31, 2013

	Administrative		Fundraising	Programs					Total
	Administrative - Other	Marketing	Fundraising	C Clear Project	Jua Project	MicroHydrokinetic	Suruacá	Tourism	
7500 · General & Administrative									
7540 · Professional fees - other	3,862	-	1,833	795	882	-	5	218	7,595
7560 · Professional fees - Officers	-	-	-	314	137	20	-	964	1,435
Total 7500 · General & Administrative	3,862	-	1,833	1,109	1,019	20	5	1,182	9,030
8100 · Non-personnel expenses									
8130 · Telephone & telecommunications	87	11	15	-	-	-	1	-	114
8180 · Books, subscriptions, reference	10	-	-	-	-	-	-	-	10
Total 8100 · Non-personnel expenses	97	11	15	-	-	-	1	-	124
8500 · Misc expenses									
8505 · Bank Fees	-	-	15	-	-	-	-	-	15
8530 · Membership dues - organization	10	-	-	-	-	-	-	-	10
Total 8500 · Misc expenses	10	-	15	-	-	-	-	-	25
8600 · Business expenses									
8650 · Business License & Fees	40	-	-	-	-	-	-	-	40
Total 8600 · Business expenses	40	-	-	-	-	-	-	-	40
Total Expenses and Cost of Goods Sold	4,009	11	1,863	1,109	1,019	20	6	1,182	9,219
% Total	43%	0%	20%	12%	11%	0%	0%	13%	

Contributed Support
Quarter Ended Dec 31, 2013

	Administrative		Fundraising				Programs				TOTAL
	Administrative - Other	Marketing	Events- Other	Fundraising - Other	Amazon.com	Ebay/Mission Fish	C Clear Project	Jua Project	Suruacá	Tourism	
4000 - Contributed Support											
4005 · Indiv/business contribution	-	-	-	187	-	-	-	-	-	-	187
4010 · Individual Contributions	-	-	50	440	-	-	-	-	-	-	490
4020 · Corporate Contributions	-	-	-	90	95	7	-	-	-	-	192
4100 · Board Donations											
4110 · Board - In-Kind Non-Labor	1,526	-	-	1,212	-	-	-	-	-	-	2,738
4150 · Donations In-Kind	2,336	-	-	621	-	-	795	883	5	218	4,858
Total 4000 - Contributed Support	3,862	-	50	2,550	95	7	795	883	5	218	8,465
Total Contributions	3,862	-	50	2,550	95	7	795	883	5	218	8,465
% Total	46%	0%	1%	30%	1%	0%	9%	10%	0%	3%	

Notes to Consolidated Financial Statements (Unaudited)
For the Quarter Ended Dec 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.

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 \$7,597 for Q4 of 2013, or 39% of the total revenues for the quarter. 34% of all expenses including in-kind services were spent on programs, 44% on administration, and 20% on fundraising in Q4. Excluding in-kind services though, 88% of expenses were spent on programs, 10% on

administration, and 2% on fundraising in Q4. We feel this is a much more appropriate measure of success using our donor support responsibly because it more accurately reflects the value of the expenses to which monetary donations are spent.

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.