

Q4 2014



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.

Contents

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

[Condensed Balance Sheets \(Unaudited\)](#)

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

[Income by Sub-Class](#)

[Expenses by Sub-Class](#)

[Notes to Consolidated Financial Statements](#)

Condensed Statements of Activities (Unaudited)

	Three-Months Ended		Twelve-Months Ended	
	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013
Revenues				
Contributions	9,348	8,465	87,643	63,879
Product Sales	191	-	389	175
Other Sales	-	-	-	3,998
Total of Revenues	9,539	8,465	68,052	54,542
Cost of Goods Sold	64	-	64	80
Gross Profit	9,475	8,465	87,968	67,972
Expenses				
Administrative	5,836	4,020	25,124	25,198
Fundraising	2,206	1,863	13,531	13,842
Programs	2,303	3,336	12,022	31,810
Total Expenses	10,345	9,219	50,677	70,851
Change in Assets	(870)	(754)	37,290	(2,878)
Unrestricted Net Assets, Beg.	2,867	(34,996)	(35,294)	(32,872)
Unrestricted Net Assets, End	1,997	(35,750)	1,997	(35,750)

Condensed Statements of Financial Position (Unaudited)

	Dec 31, 2014	Dec 31, 2013
Assets		
Current Assets		
Cash	524	1,494
Other Current Assets		
Accounts Receivable	327	-
Inventory Assets	1,739	1,804
Undeposited Funds	-	-
Total Other Current Assets	<u>2,066</u>	<u>1,804</u>
Total Current Assets	<u>2,590</u>	<u>3,297</u>
Total Assets	<u><u>2,590</u></u>	<u><u>3,297</u></u>
Liabilities & Equity		
Liabilities		
Current Liabilities		
Advances Received	-	-
Total Current Liabilities	-	-
Liabilities		
Long-term Liabilities		
Loan Payable, Long-Term - R. Bortner	36	25,037
Prof. Fees Payable - R. Bortner	557	14,010
Total Long-term Liabilities	<u>593</u>	<u>39,048</u>
Total Liabilities	<u>593</u>	<u>39,048</u>
Net Assets - Unrestricted	<u>1,997</u>	<u>(35,750)</u>
Total Liabilities & Equity	<u><u>2,590</u></u>	<u><u>3,297</u></u>

Condensed Statements of Cash Flows (Unaudited)

	Twelve-months Ended	
	Dec 31, 2014	Dec 31, 2013
Cash Flows from Operating Activities		
Change in Net Assets	37,290	(2,878)
Change in Operating Assets/Liabilities		
Accounts Receivable	(327)	240
Inventories	65	(853)
Advances Received	456	(800)
Total Change in Operating Assets/Liabilities	<u>(1,413)</u>	<u>(1,413)</u>
Net Cash Provided by Operating Activities	(4,291)	(4,291)
 Cash Flows from Financing Activities		
Loans Payable	(38,454)	4,428
Net Cash Provided by Financing Activities	<u>(38,454)</u>	<u>4,428</u>
 Net Increase (Decrease) in Cash	<u>(970)</u>	<u>136</u>
 Cash Balance, Beg.	1,494	1,357
 Cash Balance, End.	<u><u>524</u></u>	<u><u>1,494</u></u>

Income by Sub-Class
Quarter Ended Dec 31, 2014

	Administrative		Fundraising				Programs				TOTAL	
	Marketing	Administrative Other	Annual/EOY Campaign	General Donations	Total Online	Fundraising - Other	Banco da Mulher	C Clear Project	Total CBT	Couro Ecologico		Suruacá School Electrification
4000 - Contributed Support												
4010 - Individual Contributions	-	-	125	-	-	-	-	-	100	-	-	225
4020 - Corporate Contributions	-	-	-	430	285	-	-	-	-	-	-	715
4100 - Board Donations												
4115 - Board - In-Kind Labor	-	2,502	-	-	-	1,312	-	-	-	-	-	3,814
Total 4100 - Board Donations		2,502	-	-	-	1,312	-	-	-	-	-	3,814
4150 - Donations In-Kind												
4154 - Donations In-Kind Labor	-	3,176	-	-	-	850	65	2	196	218	87	4,594
Total 4150 - Donations In-Kind		3,176	-	-	-	850	65	2	196	218	87	4,594
Total 4000 - Contributed Support	-	5,678	125	430	285	2,162	65	2	296	218	87	9,348
4700 - Product Sales												
4750 - Product Sales - Mission	-	-	-	-	-	-	-	-	-	191	-	191
Total 4700 - Product Sales										191	-	191
Total Income	-	5,678	125	430	285	2,162	65	2	296	409	87	9,539
Cost of Goods Sold												
5010 - Cost of Goods Sold	-	-	-	-	-	-	-	-	-	64	-	64
Total COGS										64	-	64
Net Income	-	5,678	125	430	285	2,162	65	2	296	345	87	9,475
% Total	0%	60%	1%	5%	3%	23%	1%	0%	3%	4%	1%	

Expenses by Sub-Class
Quarter Ended Dec 31, 2014

	Administrative		Fundraising		Programs					TOTAL
	Marketing	Administrative - Other	Annual/EOY Campaign	Fundraising - Other	Banco da Mulher	C Clear Project	Community Based Tourism	Couro Ecologico	Suruacá School Electrification	
7000 · Grant & contract expense										
7050 · Specific assistance	-	-	-	-	-	-	1,016	-	-	1,016
Total 7000 · Grant & contract expense	-	-	-	-	-	-	1,016	-	-	1,016
7500 · General & Administrative										
7540 · Professional fees - Volunteer	-	5,678	-	2,162	65	2	196	218	87	8,408
7560 · Professional fees - Officers	-	-	-	-	49	146	139	315	-	648
Total 7500 · General & Administrative	-	5,678	-	2,162	114	147	335	533	87	9,057
8100 · Non-personnel expenses										
8110 · Supplies	54	-	-	-	-	-	-	-	-	54
8130 · Telephone & telecommunications	13	89	-	-	-	-	5	-	-	108
8140 · Postage, shipping, delivery	-	-	-	-	-	-	-	40	-	40
Total 8100 · Non-personnel expenses	67	89	-	-	-	-	5	40	-	202
8300 · Travel, Entertainment, Meetings										
8310 · Travel	-	2	-	-	-	-	-	-	-	2
Total 8300 · Travel, Entertainment, Meetings	-	2	-	-	-	-	-	-	-	2
8500 · Misc expenses										
8505 · Bank Fees	-	-	4	-	-	-	18	7	-	29
Total 8500 · Misc expenses	-	-	4	-	-	-	18	7	-	29
8600 · Business expenses										
8650 · Business License & Fees	-	-	-	40	-	-	-	-	-	40
Total 8600 · Business expenses	-	-	-	40	-	-	-	-	-	40
Total Expenses	67	5,769	4	2,202	114	147	1,374	580	87	10,345
% Total	1%	56%	0%	21%	1%	1%	13%	6%	1%	

**Notes to Consolidated Financial Statements (Unaudited)
For the Quarter Ended Dec 31, 2014**

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 \$8,408 for Q4 of 2014, or 88% of the total revenues for the quarter. 22% of all expenses including in-kind services were spent on programs, 57% on administration, and 21% on fundraising in Q4. Excluding in-kind services though, 90% of expenses were spent on programs, 8% 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.