

CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO, INC.
(A California Nonprofit Corporation)
September 30, 2014

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JOE J. CHAIDEZ

CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report on the Financial Statements

To the Board of Directors of
Centro Binacional Para El Desarrollo
Indigena Oaxaqueno, Inc.
Fresno, CA

Report on the Financial Statements

I have audited the accompanying statement of financial position of Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc. as of September 30, 2014, and 2013, and the related statements of activities, cash flows, and functional expenses for the year then ended, and related notes to the financial statements.

Managements Responsibility for the Financial Statements

The management of Centro Binacional is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal controls relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the agency's preparation and fair presentation of the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

To the Board of Directors of
Centro Binacional
Fresno, California

Opinion

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Centro Binacional, as of September 30, 2014 and 2013, and changes in activities, cash flows, and related notes to the financial statements for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Requirements by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated January 20 2015, on my consideration of Centro Binacional internal control over financial reporting and my testing of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of my testing and not to issue an opinion on internal control and on compliance accordingly, I do not express such an opinion. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Other Matters

My audit was performed solely for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedule of Expenses by Program is presented for purposes of additional analysis and is not a required part of the basic financial statements of Centro Binacional. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Joe J. Chaidez, CPA
Clovis, California
January 20, 2015

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
Statement of Financial Position
September 30, 2014 and 2013

	2014	2013
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Equivalents (Note B)	\$ 262,269	\$ 473,974
Accounts Receivable (Note D)	79,556	41,432
Other Current Assets	<u>12,530</u>	<u>10,665</u>
Total Current Assets	354,355	526,071
Fixed Assets – Net of Depreciation (Note E)	<u>14,890</u>	<u>17,290</u>
TOTAL ASSETS	<u>\$ 369,245</u>	<u>\$ 543,361</u>
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 19,725	\$ 25,421
Unearned Revenue (Note G)	184,904	359,124
Other Accrued Expenses	<u>16,796</u>	<u>11,956</u>
TOTAL LIABILITIES	<u>221,425</u>	<u>396,501</u>
<u>NET ASSETS</u>		
Unrestricted Net Assets	147,820	146,860
Restricted Net Assets	-0-	-0-
Contingencies (Note F)	<u>-0-</u>	<u>-0-</u>
TOTAL NET ASSETS	<u>147,820</u>	<u>146,860</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 369,245</u>	<u>\$ 543,361</u>

The accompanying notes are an integral part of these financial statements

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
Statement of Activities and Changes in Net Assets
For the Fiscal Years Ended September 30, 2014 and 2013

	Unrestricted	Temporarily Restricted	2014	2013
<u>REVENUES</u>				
Foundation/Grants	\$ -0-	\$ 662,452	\$ 662,452	\$ 717,274
Direct Public Support	27,982		27,982	13,526
Program Service Revenue	10,749		10,749	23,039
Special Events	26,834		26,834	36,304
Miscellaneous/ Other Income	1,471		1,471	1,549
Net Assets Released from Restriction	<u>662,452</u>	<u><662,452></u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL REVENUES</u>	<u>\$ 729,488</u>	<u>\$ -0-</u>	<u>\$ 729,488</u>	<u>\$ 791,692</u>
<u>EXPENDITURES</u>				
Direct Program Services	672,381		672,381	725,067
General and Administration	34,896		34,896	36,425
Fundraising	<u>21,251</u>	<u>-0-</u>	<u>21,251</u>	<u>5,379</u>
<u>TOTAL EXPENDITURES</u>	<u>728,528</u>	<u>\$ -0-</u>	<u>728,528</u>	<u>\$ 766,871</u>
Increase in Net Assets	960	-0-	960	24,821
Net Assets, Beginning of Year	<u>146,860</u>	<u>-0-</u>	<u>146,860</u>	<u>122,039</u>
Net Assets, End of Year	<u>\$ 147,820</u>	<u>\$ -0-</u>	<u>\$ 147,820</u>	<u>\$ 146,860</u>

The accompanying notes are an integral part of these financial statements.

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
Statement of Cash Flows
For the Fiscal Years Ended September 30, 2014 and 2013

UNRESTRICTED NET ASSETS	<u>2014</u>	<u>2013</u>
<u>Cash Flows From Operating Activities</u>		
Increase <Decrease> unrestricted net assets	\$ 960	\$ 24,821
Adjustments to Reconcile Net Cash to Net Cash Provided by Operating Activities		
Depreciation Expense	2,400	-0-
Increase in Receivables/ Grants	<38,124>	<8,535>
Increase in Other Assets	<1,865>	<3,097>
Decrease in Payable and Accruals	<u><175,076></u>	<u>72,946</u>
Net Cash Used by Operating Activities	<u><211,705></u>	<u>103,205</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of Fixed Assets - net	<u><-0-></u>	<u><697></u>
<u>Cash Flows from Financing Activities</u>		
Payment on Long-term Debt	<u><-0-></u>	<u><-0-></u>
Net Increase <Decrease> in Cash	<211,705>	102,508
Cash & Cash Equivalent - Beginning of year	<u>473,974</u>	<u>371,466</u>
Cash & Cash Equivalent - End of year	<u>\$ 262,269</u>	<u>\$ 473,974</u>
 <u>Supplemental Information</u>		
Interest Paid During the Year	<u>\$ -0-</u>	<u>\$ 252</u>

The accompanying notes are an integral part of these financial statements.

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
 Schedule of Revenue and Expenses- Program Services
 For the Fiscal Year Ended September 30, 2014

	Calif. Endow.	ILRC DACA	McCune	Calif. Wellness	1 ST 5 Monterey
<u>REVENUES</u>	<u>\$ 41,037</u>	<u>\$ 28,496</u>	<u>\$ 15,209</u>	<u>\$ 58,315</u>	<u>\$ 115,639</u>
<u>EXPENSES</u>					
Salaries / Wages	\$ 32,228	\$ 17,565	\$ 9,486	\$ 31,587	\$ 83,071
Fringe Benefits & W/C	1,200	2,434	110	836	2,860
Travel/ Mileage	764	1,436	339	478	2,536
Facilities	3,364	4,693	2,200	5,473	12,489
Operations	1,037	2,068	3,072	5,918	10,105
Contract Services	2,045	-0-	-0-	13,360	3,386
Awards/ Grants	-0-	-0-	-0-	138	-0-
Other Expenses	<u>399</u>	<u>300</u>	<u>2</u>	<u>525</u>	<u>1,192</u>
Total Expenditures	<u>\$ 41,037</u>	<u>\$ 28,496</u>	<u>\$ 15,209</u>	<u>\$ 58,315</u>	<u>\$ 115,639</u>
Excess (Loss)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements.

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
Schedule of Revenue and Expenses – Program Services
For The Fiscal Year Ended September 30, 2014

	KWFF	Marguerite Casey	MCF Member	James Irvine	McCarthur Fellowship
<u>REVENUES</u>	<u>\$ 27,090</u>	<u>\$ 50,214</u>	<u>\$ 70,791</u>	<u>\$ 66,887</u>	<u>\$ 21,578</u>
<u>EXPENSES</u>					
Salaries / Wages	\$ 12,982	\$ 43,829	\$ 36,962	\$ 35,034	\$ 626
Fringe Benefits & W/C	1,967	5,920	4,942	697	89
Travel/ Meetings	649	252	1,672	3,305	3,990
Facilities	-0-	213	5,151	2,340	700
Operations	177	-0-	17,720	11,334	10,876
Contract Services	1,635	-0-	608	13,926	5,290
Awards/ Grants	\$ 9,679	-0-	869	-0-	-0-
Other Expenses	<u>1</u>	<u>-0-</u>	<u>2,867</u>	<u>251</u>	<u>7</u>
Total Expenses	<u>27,090</u>	<u>\$ 50,214</u>	<u>\$ 70,791</u>	<u>\$ 66,887</u>	<u>\$ 21,578</u>
Excess (Loss)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements.

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
 Schedule of Revenues and Expenses – Program Services
 For The Fiscal Year Ended September 30, 2014

	OSHA	Farmworkers- SM	Teatro Tierra	Others and General	Totals
<u>REVENUES</u>	<u>\$ 19,320</u>	<u>\$ 26,464</u>	<u>\$ 33,486</u>	<u>\$ 154,962</u>	<u>\$ 729,488</u>
<u>EXPENSES</u>					
Salaries / Wages	\$ 11,425	\$ 12,503	\$ 5,647	\$ 46,841	\$ 379,786
Fringe Benefits & W/C	365	365	725	3,133	25,644
Travel/ Meetings	-0-	-0-	66	16,096	31,584
Facilities	1,803	3,053	2,400	20,971	64,850
Operations	207	1,310	458	28,812	93,094
Contract Services	-0-	193	18,500	34,736	92,679
Awards/ Grants	5,520	9,040	5,690	384	31,320
Other Expenses	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3,029</u>	<u>9,571</u>
Total Expenses	<u>\$ 19,320</u>	<u>\$ 26,464</u>	<u>\$ 33,486</u>	<u>\$ 154,002</u>	<u>\$ 728,528</u>
Excess (Loss)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 960</u>	<u>\$ 960</u>

The accompanying notes are an integral part of these financial statements.

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
Notes to Financial Statements
September 30, 2014

Note A.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

In 1993 Centro Binacional Para El Desarrollo Indigena Oaxaqueno (hereafter CBDIO) was established as a non-profit organization by a group of indigenous leaders with support of grass-root organization Frente Indigena de Organizaciones Binacionales (FIOB). Its mission is to foster and strengthen the the civic participation, economic, social, and cultural development, as well as the resistance of the indigenous community. Centro's headquarters is in Fresno with satellite offices in Santa Maria, Los Angeles, and Greenfield California.

Basis of Accounting

The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made and changes in financial position.

All governmental funds are accounted for using the accrual basis of accounting. Revenues are recognized when they become measurable and available. Revenue under state grants is recognized when costs of a grant are obligated. All revenues are susceptible to accrual.

Expenditures or expenses are recognized when paid, with certain adjustments made to convert the records to the accrual basis of accounting for financial statement purposes at the month and year end, in order to recognize liabilities incurred but not paid.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Property and Equipment

Property acquired with contract supported funds is considered to be owned by the Agency while used in the program for which it was purchased or in other authorized programs. Equipment not fully consumed in the performance of a contract remains the property of the funding source and is considered temporarily restricted. Property and office equipment acquisitions are recorded at cost or, in the case of donated property, at their estimated fair value at date of receipt. Depreciation is computed on the straight-line method over estimated useful lives.

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
Notes to Financial Statements
September 30, 2014

Note A.
Cont.

Cash and Cash Equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and investments are near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

Income Taxes

The Agency is a not-for-profit California corporation organized as described in Section 501(c)(3) of the Internal Revenue services Revenue Code.

Financial Statement Presentation

The financial statements are presentation in accordance with Statement of Financial Accounting Standards, "Financial Statements of Not-For-Profit Organizations", which requires the agency to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets

The Unrestricted Net Assets is the generalized operating fund of the Agency. It is used to account for all financial resources except those required to be accounted for in another fund.

Temporarily Restricted Net Assets

The Temporarily Restricted Net Assets consists of all federal and state financial assistance programs whose revenues and expenditures are restricted and controlled by the individual grant program.

Permanently Restricted Net Assets

The Permanently Restricted Net Assets is utilized to report resources, if any, restricted by the grantor or donor to provide a source of income or to be permanently held and not sold.

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
Notes to Financial Statements
September 30, 2014

Note A.
Cont.

Contributions

Unrestricted contributions are recognized as an increase in unrestricted net assets when received. Contributions restricted by the donors are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the donor-imposed restriction. When restrictions are satisfied, either by the passage of time or by the accomplishment of purpose, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the activity statement as net assets released from restrictions. When restrictions are satisfied in the same accounting period as the receipt of the contribution, the organization reports both the revenue and the related expense in the unrestricted net asset class.

Fair Value Measurements

The agency does not have any financial instruments as of September 30, 2014.

Note B.

CASH

The agency considers all highly liquid debt instruments to be cash equivalents.

	<u>2014</u>	<u>2013</u>
General Checking Account	\$ 256,997	\$ 468,680
Savings Account	5,166	5,164
Other Cash	<u>106</u>	<u>130</u>
Total	<u>\$ 262,269</u>	<u>\$ 473,974</u>

Note C.

LEASE COMMITMENT

The agency leases its main office at 744 & 748 N. Abby in Fresno, California, from Todd Gonzales under a monthly lease extended to January 10, 2016. The current monthly lease payment is \$1,600.

A lease was entered with Juan Carlos and Sara Perez for the property at 237-A El Camino Real, Greenfield, CA, starting December 1, 2008. The monthly payment is \$600.

A lease was entered on February 14, 2011 with Ladera Property Management for office space at 108 S. Pine Street, No. 108, Santa Maria, CA. The lease terminates on October 31, 2014. On August 12, 2014 the lease was extended one year to October 31, 2015.

On August 5, 2014 the agency entered into a (2) year lease agreement with Madera County for a facility located at 14215 Rd 28 Madera CA. The monthly rent payment is \$100 per month plus expenses.

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
Notes to Financial Statements
September 30, 2014

Note D. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Grants Receivable	\$ 68,991	\$ 28,562
Accounts Receivable	14,297	16,699
Less Allowance For Doubtful Accts.	<u><3,732></u>	<u><3,829></u>
Net Accounts Receivable	<u>\$ 79,556</u>	<u>\$ 41,432</u>

Note E. PROPERTY AND EQUIPMENT

Office Furniture and Equipment	\$ 45,516	\$ 45,516
Vehicle- Van	12,000	12,000
Less Accumulated Depreciation	<u><42,625></u>	<u><40,226></u>
Net Fixed Assets	<u>\$ 14,890</u>	<u>\$ 17,290</u>

Note F. CONTINGENCY

Continuing program funding is contingent upon availability of funds from funding sources and program performance. Periodic audits may be performed by granting agencies and costs may be questioned as not being reimbursable under the terms of the grant or contract. Such audits could lead to reimbursement to the granting agency. Management is of the opinion that no material liability will result for the fiscal years ended September 30, 2014, and September 30, 2013.

Note G. UNEARNED REVENUE

	<u>2014</u>	<u>2013</u>
James Irvine	\$ 30,801	\$ 33,689
Immigrant Families	-0-	17,636
Macarthur Foundation	20,600	42,178
CA Wellness	21,802	30,117
CA Endowment	-0-	38,836
MCF Membership	45,717	70,791
WKFF	26,968	-0-
TCE Drought	23,456	-0-
Others	<u>15,560</u>	<u>125,877</u>
Total	<u>\$ 184,904</u>	<u>\$ 359,124</u>

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
Notes to Financial Statements
September 30, 2014

Note H. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 20, 2015.

Note I. RELATED PARTY TRANSACTIONS

During the year a board member's wife worked as the project coordinator at the Greenfield office. She was supervised by the agency's executive director.

During the year a board member's sister worked as a community worker at the Fresno office. She was supervised by senior staff.

JOE J. CHAIDEZ

CERTIFIED PUBLIC ACCOUNTANT

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AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Centro Binacional Para El Desarrollo
Indigena Oaxaqueno, Inc.
Fresno, CA

I have audited the financial statements of Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc. as of and for the years ended September 30, 2014 and 2013, and have issued my report thereon dated January 20, 2015. The financial statements comprise the statement of financial position as of September 30, 2014, and the related statements of activities, cash flows, and related notes to the financial statements. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc. internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements, but not to provide assurance on the internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control that there is a reasonable possibility that a material misstatement in the financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those in charge with Government

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies or material weaknesses have been identified. I did not identify any deficiency in internal control over financial reporting that I consider to be material weaknesses or other deficiencies that I consider to be significant deficiencies. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, other matters have been reported to Management in a separate report dated January 20, 2015.

Purpose of this Report

The purpose of this report is intended solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control or compliance.

Joe J. Chaidez, CPA
Clovis, California
January 20, 2015

CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO, INC.

AUDITED FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2014

By: Joe J. Chaidez, CPA