

CENTRO BINACIONAL PARA EL DESARROLLO  
INDIGENA OAXAQUENO, INC.  
(A California Nonprofit Corporation)  
September 30, 2012

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**JOE J. CHAIDEZ**

**CERTIFIED PUBLIC ACCOUNTANT**

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Independent Auditor's Report

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

I have audited the accompanying statement of financial position of Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc. as of September 30, 2012, and 2011, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the organization's management. 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. 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 my audit provides a reasonable basis for my 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 Para El Desarrollo Indigena Oaxaqueno, Inc., as of September 30, 2012, and 2011, and changes in activities, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated March 26, 2013 on my consideration of Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc. 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. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report.

*Joe J. Chaidez*, CPA  
March 26, 2013

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.  
Statement of Financial Position  
At September 30, 2012 and 2011

	2012	2011
<u>ASSETS</u>		
Cash and Equivalents (Note B)	\$ 371,466	\$ 193,304
Accounts Receivable (Note D)	49,967	65,344
Other Current Assets	<u>7,568</u>	<u>9,829</u>
Total Current Assets	429,001	268,477
Fixed Assets - Net of Depreciation (Note E)	<u>13,709</u>	<u>1,709</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 442,710</u></b>	<b><u>\$ 270,186</u></b>
<u>LIABILITIES</u>		
Accounts Payable	18,045	17,446
Unearned Revenue (Note G)	298,995	159,213
Other Accrued Expenses	<u>3,631</u>	<u>9,577</u>
<b>TOTAL LIABILITIES</b>	<b><u>320,671</u></b>	<b><u>186,236</u></b>
<u>NET ASSETS</u>		
Unrestricted Net Assets	122,039	\$ 83,950
Contingencies (Note F)	<u>-0-</u>	<u>-0-</u>
<b>TOTAL NET ASSETS</b>	<b><u>122,039</u></b>	<b><u>83,950</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 442,710</u></b>	<b><u>\$ 270,186</u></b>

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, 2012 and 2011

	Unrestricted	Temporarily Restricted	2012	2011
<u>REVENUES</u>				
Grants/ Contracts	\$ -0-	\$ 705,186	\$ 705,186	\$ 637,060
Unrestricted Revenue	12,615		12,615	23,069
Program Service Revenue	6,125		6,125	8,815
Special Events	12,201		12,201	-0-
Miscellaneous/ Other Income	3,886		3,886	16,064
Net Assets Released from Restriction	<u>705,186</u>	<u>&lt;705,186&gt;</u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL REVENUES</u>	<u>\$ 740,013</u>	<u>\$ -0-</u>	<u>\$ 740,013</u>	<u>\$ 685,008</u>
 <u>EXPENDITURES</u>				
Direct Program Services	686,587		686,587	635,703
General and Administration	17,808		17,808	24,987
Fundraising	<u>13,868</u>	<u>-0-</u>	<u>13,868</u>	<u>20,074</u>
<u>TOTAL EXPENDITURES</u>	<u>718,263</u>	<u>\$ -0-</u>	<u>\$ 718,263</u>	<u>680,764</u>
Increase <Decrease> in Net Assets	21,750	-0-	21,750	4,244
Prior Period Adjustment	16,339	-0-	16,339	<1,942>
Net Assets, Beginning of Year	<u>83,950</u>	<u>-0-</u>	<u>83,950</u>	<u>81,648</u>
Net Assets, End of Year	<u>\$ 122,039</u>	<u>\$ -0-</u>	<u>\$ 122,039</u>	<u>\$ 83,950</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 Fiscals Year Ended September 30, 2012 and 2011

UNRESTRICTED NET ASSETS	<u>2012</u>	<u>2011</u>
<u>Cash Flows From Operating Activities</u>		
Increase <Decrease> unrestricted net assets	\$ 21,750	\$ 2,302
Adjustments to Reconcile Net Cash to Net Cash Provided by Operating Activities		
Depreciation Expense	-0-	-0-
Increase in Receivables/ Grants	<15,377>	99,736
Increase in Other Assets	<2,261>	1,507
Increases in Payable and Accruals	<u>191,457</u>	<u>&lt;43,820&gt;</u>
Net Cash Provided by Operating Activities	<u>195,569</u>	<u>59,725</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of Fixed Assets - net	<u>&lt;17,407&gt;</u>	<u>\$ &lt;1,213&gt;</u>
<u>Cash Flows from Financing Activities</u>		
Payment on Long-term Debt	<u>&lt;-0-&gt;</u>	<u>\$ &lt;-0-&gt;</u>
Net Increase <Decrease> in Cash	178,162	58,512
Cash & Cash Equivalent - Beginning of year	<u>193,304</u>	<u>134,792</u>
Cash & Cash Equivalent - End of year	<u>\$ 371,466</u>	<u>\$ 193,304</u>
 <u>Supplemental Information</u>		
Interest Paid During the Year	<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 Year Ended September 30, 2012

	Calif. Endow.	1 <sup>st</sup> 5 Fresno	Immigrant Families	Calif. Wellness	1 <sup>st</sup> 5 Monterey
<u>REVENUES</u>	<u>\$ 41,155</u>	<u>\$ 29,628</u>	<u>\$ 65,460</u>	<u>\$ 103,488</u>	<u>\$ 119,059</u>
<u>EXPENSES</u>					
Salaries and Taxes	\$ 30,062	\$ 22,829	\$ 19,824	\$ 58,890	\$ 70,050
Other Benefits	244	1,120	208	3,111	3,056
Travel/ Mileage	979	1,038	4,659	9,556	6,507
Operations	4,174	2,352	626	6,132	15,442
Contract Services	1,583	956	34,334	6,990	3,964
Other Expenses	<u>4,113</u>	<u>1,333</u>	<u>5,809</u>	<u>18,809</u>	<u>12,040</u>
Total Expenditures	<u>\$ 41,155</u>	<u>\$ 29,628</u>	<u>\$ 65,460</u>	<u>\$ 103,488</u>	<u>\$ 119,059</u>
Excess	<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 Year Ended September 30, 2012

	Marguerite Casey	Guelaguetza	Policy Link	Tulare	McCarthur Fellow
<u>REVENUES</u>	<u>\$ 74,421</u>	<u>\$ 33,593</u>	<u>\$ 20,000</u>	<u>\$ 6,575</u>	<u>\$ 10,272</u>
<u>EXPENSES</u>					
Salaries and Taxes	\$ 41,496	\$ -0-	\$ 13,070	\$ -0-	\$ -0-
Other Benefits	4,218	-0-	107	-0-	-0-
Travel/ Mileage	4,879	3,147	4,962	-0-	6,716
Operations	5,654	1,960	807	-0-	2,557
Contract Services	10,090	2,614	800	6,575	-0-
Other Expenses	<u>8,084</u>	<u>25,872</u>	<u>254</u>	<u>-0-</u>	<u>999</u>
Total Expenses	<u>\$ 74,421</u>	<u>\$ 33,593</u>	<u>\$ 20,000</u>	<u>\$ 6,575</u>	<u>\$ 10,272</u>
Excess	<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 Year Ended September 30, 2012

	Consulate	Farmworkers	Kaiser	Others/ General	2012
<u>REVENUES</u>	<u>\$ 31,399</u>	<u>\$ 17,788</u>	<u>\$ 23,191</u>	<u>\$ 163,984</u>	<u>\$ 740,013</u>
<u>EXPENSES</u>					
Salaries and Taxes	\$ -0-	\$ 7,594	\$ 17,486	\$ 36,327	\$ 325,628
Other Benefits	-0-	118	97	1,517	13,796
Travel/ Mileage	5,467	508	566	12,901	61,885
Operations	6,479	542	2,816	28,722	78,263
Contract Services	4,021	3,973	1,295	45,600	122,795
Other Expenses	<u>15,432</u>	<u>5,053</u>	<u>931</u>	<u>17,167</u>	<u>115,896</u>
Total Expenses	<u>\$ 31,399</u>	<u>\$ 17,788</u>	<u>\$ 23,191</u>	<u>\$ 142,234</u>	<u>\$ 718,263</u>
Excess	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 21,750</u>	<u>\$ 21,750</u>



Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.  
Notes to Financial Statements  
September 30, 2012

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 implement programs that drive the civic participation, economic, social and cultural development of the indigenous communities. 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, 2012

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 No. 117, "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, 2012

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, 2012.

Note B.

CASH

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

	<u>2012</u>	<u>2011</u>
General Checking Account	\$ 366,243	\$ 188,123
Savings Account	5,158	5,158
Other Cash	<u>65</u>	<u>23</u>
Total	<u>\$ 371,466</u>	<u>\$ 193,304</u>

Note C.

LEASE COMMITMENT

The agency leases its main office at 744 & 748 N. Abby in Fresno, California, from Todd Gonzales under a 36 month lease commencing November 1, 2007. 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 Servicio de Inmigracion for office space at 110 S. Pine Street, No. 108, Santa Maria, CA. The lease terminates on February 2012.

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.  
Notes to Financial Statements  
September 30, 2012

Note D.	<u>ACCOUNTS RECEIVABLE</u>	
	Grants Receivable	\$ 32,917
	Accounts Receivable	20,879
	Less Allowance For Doubtful Accts.	<u>&lt;3,829&gt;</u>
	Net Accounts Receivable	<u>\$ 49,967</u>

Note E.	<u>PROPERTY AND EQUIPMENT</u>	
	Office Furniture and Equipment	\$ 39,534
	Vehicle- Van	12,000
	Less Accumulated Depreciation	<u>&lt;37,825&gt;</u>
	Net Fixed Assets	<u>\$ 13,709</u>

Note F. CONTINGENCIES  
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 year ended September 30, 2012. No accrual has been made on the financial statements for potential pay backs.

Note G.	<u>UNEARNED REVENUE</u>	
	Immigrant Families	\$ 29,326
	ABC	28,838
	The Future	30,930
	CA Endowment	30,776
	CRLA	25,303
	Others	<u>153,822</u>
	Total	<u>\$ 298,995</u>

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.  
Notes to Financial Statements  
September 30, 2012

Note H.      SUBSEQUENT EVENTS  
Management has evaluated subsequent events through March 26, 2013.

Note I.      RELATED PARTY TRANSACTIONS  
There were no transactions to be reported.

**JOE J. CHAIDEZ**

**CERTIFIED PUBLIC ACCOUNTANT**

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AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND COMPLIANCE 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 year ended September 30, 2012, and have issued my report thereon dated March 26, 2013. 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.

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.

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.

## Compliance and Other Matters

Compliance with Laws, regulations, contracts, and grant applications are the responsibility of the Agency. 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 were reported to management in a separate reported dated March 26, 2013.

This report is intended for the information of the Board of Directors, management and awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Joe J. Chaidez*, CPA  
March 26, 2013

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended September 30, 2012

FINANCIAL STATEMENTS

Type of audit's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	___ Yes <u> X </u> No
Significant Deficiencies(s) identified considered to be material weaknesses?	___ Yes <u> X </u> No
Noncompliance material to financial statements?	___ Yes <u> X </u> No

FEDERAL AWARDS

N/A – The agency received less than \$500,000 in Federal Awards.

CURRENT YEAR FINDINGS

Yes.

PRIOR YEAR FINDINGS

None.



CENTRO BINACIONAL PARA EL DESARROLLO  
INDIGENA OAXAQUENO, INC.

AUDITED FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2012