

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, 2010, 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, 2010, 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 June 23, 2011 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

June 23, 2011

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
Statement of Financial Position
At September 30, 2010

ASSETS

Cash and Equivalents (Note B)	\$ 134,792
Accounts Receivable (Note D)	106,653
Other Current Assets	<u>10,294</u>
Total Current Assets	251,739
Fixed Assets - Net of Depreciation (Note E)	<u>496</u>
TOTAL ASSETS	<u>\$ 252,235</u>

LIABILITIES

Accounts Payable	18,659
Unearned Revenue (Note G)	134,738
Other Accrued Expenses	<u>17,190</u>
TOTAL LIABILITIES	<u>170,587</u>

NET ASSETS

Unrestricted Net Assets	\$ 81,648
Temporarily Restricted Assets	-0-
Contingencies (Note F)	<u>-0-</u>
TOTAL NET ASSETS	<u>81,648</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 252,235</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 Year Ended September 30, 2010

	Unrestricted	Temporarily Restricted	Totals
<u>REVENUES</u>			
Grants/ Contracts	\$ -0-	\$ 720,679	\$ 710,679
Unrestricted	17,791		17,791
Donations	19,876		19,876
Program Service Fees	11,165		11,165
Miscellaneous/ Other Income	314		314
Net Assets Released from Restriction	720,679	<720,679>	-0-
<u>TOTAL REVENUES</u>	<u>\$ 769,825</u>	<u>\$ -0-</u>	<u>\$ 769,825</u>
<u>EXPENDITURES</u>			
Direct Program Services	698,952		698,952
Program and Administration	29,217		29,217
Fundraising	19,313	-0-	19,313
<u>TOTAL EXPENDITURES</u>	<u>747,482</u>	<u>\$ -0-</u>	<u>747,482</u>
Increase <Decrease> in Net Assets	22,343	-0-	22,343
Net Assets, Beginning of Year	59,305	-0-	59,305
Net Assets, End of Year	<u>\$ 81,648</u>	<u>\$ -0-</u>	<u>\$ 81,648</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 Year Ended September 30, 2010

UNRESTRICTED NET ASSETS

Cash Flows From Operating Activities

Increase <Decrease> unrestricted net assets	\$ 22,343
Adjustments to Reconcile Net Cash to Net Cash Provided by Operating Activities	
Depreciation Expense	408
Increase in Receivables/ Grants	<4,049>
Increase in Other Assets	<34,561>
Increases in Payable and Accruals	<u><166,080></u>
Net Cash Used by Operating Activities	<u><181,939></u>

Cash Flows from Investing Activities

Purchase of Fixed Assets - net	<u>\$ <-0-></u>
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Cash Flows from Financing Activities

Payment on Long-term Debt	<u>\$ <-0-></u>
Net Increase <Decrease> in Cash	<181,939>
Cash & Cash Equivalent - Beginning of year	<u>316,731</u>
Cash & Cash Equivalent - End of year	<u>\$ 134,792</u>

Supplemental Information

Interest Paid During the Year	<u>\$ -0-</u>
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The accompanying notes are an integral part of these financial statements.

Centro Binacional Para El of Desarrollo Indigena Oaxaqueno, Inc.
 Schedule of Expenses- Program Services
 For the Year Ended September 30, 2010

	Kaweah Delta	McCune Foundation	Calif. Endow	Marg. Casey	Liberty Hill
<u>EXPENSES</u>					
Salaries and Wages	\$ 9,908	\$ 8,460	\$ 67,086	\$ 11,197	\$ 12,705
Fringe Benefits	1,194	1,152	11,870	2,168	1,709
Professional Fees	-0-	300	10,880	-0-	-0-
Office Expense	-0-	598	3,069	-0-	165
Rent	-0-	11,625	1,915	1,793	-0-
Travel/ Mileage	1,361	195	7,804	2,763	164
Work Shops	-0-	-0-	5,509	-0-	-0-
Telephone	-0-	1,950	3,385	-0-	-0-
Other Expenses	<u>5,292</u>	<u>359</u>	<u>20,964</u>	<u>785</u>	<u>257</u>
Total Expenditures	<u>\$ 17,755</u>	<u>\$ 24,639</u>	<u>\$ 132,482</u>	<u>\$ 18,706</u>	<u>\$ 15,000</u>

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

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
Schedule of Expenses – Program Services
For The Year Ended September 30, 2010

	First 5- Monterey	Kaiser	OERU	Wellness Found	First 5- San Benito
<u>EXPENSES</u>					
Salaries and Wages	\$ 97,123	\$ 23,770	\$ 19,761	\$ 27,419	\$ 35,071
Fringe Benefits	11,281	2,942	1,887	4,759	4,028
Professional Fees	338	-0-	-0-	2,000	513
Office Expense	2,908	1,012	-0-	2,808	998
Rent	10,402	5,847	100	4,860	-0-
Travel/ Mileage	5,514	434	-0-	3,603	2,339
Work Shops	780	-0-	-0-	-0-	913
Telephone	1,398	600	-0-	299	893
Other Expenses	<u>6,479</u>	<u>3,246</u>	<u>374</u>	<u>7,689</u>	<u>4,931</u>
Total Expenses	<u>\$ 136,223</u>	<u>\$ 37,851</u>	<u>\$ 22,122</u>	<u>\$ 53,437</u>	<u>\$ 49,686</u>

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

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
Schedule of Expenses – Program Services
For The Year Ended September 30, 2010

	HIP	CRLA	Weingart	Others	Totals
<u>EXPENSES</u>					
Salaries and Wages	\$ 32,920	\$ -0-	\$ 2,800	\$26,812	\$ 375,032
Fringe Benefits	6,487	-0-	388	5,388	53,544
Professional Fees	800	1,720	500	2,519	19,570
Office Expenses	-0-	-0-	86	14,523	26,167
Rent	-0-	4,732	1,200	8,873	51,353
Travel/ Mileage	378	1,087	-0-	21,245	46,887
Work Shops	-0-	-0-	-0-	457	7,659
Telephone	-0-	-0-	1,190	1,288	11,003
Other Expenses	<u>410</u>	<u>1,428</u>	<u>35</u>	<u>55,588</u>	<u>107,737</u>
Total Expenses	<u>\$ 40,995</u>	<u>\$ 8,967</u>	<u>\$ 6,199</u>	<u>\$ 134,890</u>	<u>\$ 698,952</u>

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
Notes to Financial Statements
September 30, 2010

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 five satellite offices in Santa Maria, Los Angeles, Greenfield and Pajaro, 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, 2010

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, 2010

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, 2010.

Note B.

CASH

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

General Checking – Bank of America	\$ 129,597
Savings Account	5,153
Other Cash	<u>42</u>
Total	<u>\$ 134,792</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 with Center for Employment Training commencing December 31, 2008 to January 1, 2010. The total lease amounted to \$11,059.20 (\$921.60 monthly).

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
Notes to Financial Statements
September 30, 2010

Note D. ACCOUNTS RECEIVABLE

Fresno Art	\$ 6,748
First – 5	89,809
CAPSLO	1,800
Others	<u>8,296</u>
Total	<u>\$ 106,653</u>

Note E. PROPERTY AND EQUIPMENT

Office Furniture and Equipment	\$ 37,775
Less Accumulated Depreciation	<u><37,279></u>
Net Fixed Assets	<u>\$ 496</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, 2010. No accrual has been made on the financial statements for potential pay backs.

Note G. DEFERRED REVENUE

Mc Cune Foundation	\$ 6,712
Kaiser Permanente	24,375
Werner- Kohn Stamm Family Giving Fund	15,000
Marguerite	28,585
HIP	8,311
Others	<u>51,755</u>
Total	<u>\$ 134,738</u>

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
Notes to Financial Statements
September 30, 2010

Note H. SUBSEQUENT EVENTS
Management has evaluated subsequent events through June 23, 2011.

Note I. RELATED PARTY TRANSACTIONS
INTERESTED PERSONS
During the year, the Executive Director's wife was an employee of the agency.

During the year, a Board Member was related by marriage to an employee of the agency.

During the year, the Interim Executive Director on occasions supervised an employee who was his sister-in-law.

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, 2010, and have issued my report thereon dated June 23, 2011. 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.

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 charged with governance.

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.

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

June 23, 2011

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2010

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

None.

PRIOR YEAR FINDINGS

None.

CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO, INC.

AUDITED FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2010

CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO, INC.
(A California Nonprofit Corporation)
September 30, 2010

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