

CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO, INC.

AUDITED FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2006

**CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO, INC.**

Fiscal Year Ended September 30, 2006

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Jose Arechiga

Certified
Public
Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Centro Binacional Para El Desarrollo
Indigena Oaxaqueno, Inc.
Fresno, California

I have audited the accompanying statements of financial position of Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc, (a nonprofit organization) as of September 30, 2006, and the related statements of activities, functional expenses, and cash flows 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 above present fairly, in all material respects, the financial position of Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc., as of September 30, 2006, and the changes in its net assets and its 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 issued my report December 11, 2007, on my consideration of this Organization's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 in considering the results of my audit.

Fresno California
December 11, 2007

CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO, INC.

STATEMENT OF FINANCIAL POSITION
September 30, 2006

ASSETS

CURRENT ASSETS:	
Cash	\$251,920
Prepays and Deposits	15,634
Accounts Receivable (Note 3)	25,336
Loans Receivable	<u>2,095</u>
Total Current Assets	294,985
PROPERTY AND EQUIPMENT:	
Property and Equipment	36,584
Less: Allowance for Depreciation	<u>-29,448</u>
Total Equipment	<u>7,136</u>
TOTAL ASSETS	<u>\$302,121</u>

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts Payable	\$ 960
Accrued Vacation Payable	750
Deferred Revenue (Note 4)	<u>263,497</u>
TOTAL LIABILITIES	265,207
NET ASSETS	
Unrestricted	<u>36,914</u>
Total Net Assets	36,914
TOTAL LIABILITIES AND NET ASSETS	<u>\$302,121</u>

See Accompanying Notes to Financial Statements

CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2006

CHANGES IN UNRESTRICTED ASSETS

REVENUES

Donations	\$ 9,167
Interest & Misc.	2,278
Other Revenue	31,013
Grants	<u>11,894</u>

TOTAL UNRESTRICTED REVENUES 54,352

EXPENSES

Program and Administrative	<u>57,840</u>
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DECREASE IN UNRESTRICTED ASSETS 3,488

CHANGES IN TEMPORARILY RESTRICTED ASSETS

Revenues

Grants/Contracts	556,485
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Expenses	<u>556,485</u>
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INCREASE IN TEMPORARILY RESTRICTED ASSETS 0

DECREASE IN NET ASSETS 3,488

NET ASSETS AT THE BEGINNING OF THE YEAR (UNRESTRICTED)	<u>40,402</u>
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NET ASSETS, END OF YEAR	<u>\$ 36,914</u>
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**CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO, INC.**

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2006

CASH FLOW FROM OPERATING ACTIVITIES	
Decrease in Net Assets	(\$ 3,488)
Adjustments to reconcile revenues over expenses to net cash provided from (used by) operating activities:	
Depreciation expense	10,492
Changes in:	
Accounts Receivable	25,995
Prepaid Deposits	(14,612)
Loans Receivable	2,100
Accounts payable	955
Deferred revenue	196,848
Accrued Vacation	<u>(750)</u>
 CASH FLOW PROVIDED FROM (USED BY) OPERATING ACTIVITIES	 <u>217,540</u>
 CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	<u>0</u>
 NET INCREASE IN CASH	 <u>217,540</u>
 CASH, beginning of year	 <u>34,380</u>
 CASH, end of year	 <u>\$251,920</u>
 Interest Paid during the fiscal year	 -0-

See Accompanying Notes to Financial Statements

CENTRO BINACIONAL PARA EL DESARROLLO INDIGENA OAXAQUENO, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For The year Ended September 30, 2006

<u>Revenues</u>	<u>J Irwin</u>	<u>1st 43 Five Cal</u>	<u>Mar-</u>	<u>First</u>	<u>1st.44</u>	<u>1st Five</u>	<u>Rocke-</u>	<u>Welfare</u>
		<u>Endow</u>	<u>gueritte</u>	<u>20 Five</u>	<u>Five Mo</u>	<u>48 Sta.</u>	<u>feller</u>	<u>2nd 36 Fund</u>
Contractual and Grants	\$29,200	\$30,000	\$173,171	\$16,299	\$66,788	\$31,815	\$7,045	\$96,069
Donations								
Fees								
Fund-raising								
Miscellaneous								
Total Revenues	29,200	30,000	173,171	16,299	66,788	31,815	7,045	96,069
<u>Expenses</u>								
Salaries			49,184	10,131	43,002	24,522	2,727	21,097
Fringe/P.R Tax.			11,077	2,435	10,047	3,313	500	4,680
Insurance		701		467				
Prof/Consultants	7,560	11,190	35,064	1,808	860	1,927	1,800	27,197
Communications		549	5,856	1,719	693	456	3,035	11,808
Evaluation			6,000			432		1,101
Rent		3,006	5,203	3,600			4,000	1,800
Travel	9,501	744	8,218	1,925	2,966	838	440	15,576
Office Exp.		4,996	7,429	3,147		690		2,637
Equipment & Off.		5,814	2,600		240		12,000	980
Program Supplies	9,639	2,400		980		14	278	
Fund development			4,950					
Depreciation								
Workshops		600	4,839				5,569	
Indirect Costs	2,500		21,659					
Traditional Talents			6,000					
Training/Educ.			5,092			50		
Total Expenses	29,200	30,000	173,171	16,299	66,788	31,815	7,045	96,069
Revenues Over								
(Under) Expenses	-	-	-	-	-	-	-	-

See Accompanying Notes to Financial Statements

CENTRO BINACIONAL PARA EL DESARROLLO INDIGENA OAXAQUEÑO, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2006

<u>Revenues</u>	<u>Fresno 39 Arts</u>	<u>Liberty Hills 41</u>	<u>Wellness 47 Ca</u>	<u>Unrestricted</u>	<u>OERU CCLS-46</u>	<u>Total</u>
Contractual						
And Grants						
Unrestricted	\$10,000	\$ 21,000	\$47,083	\$11,894	\$ 9,922	\$568,378
Donations				31,013		31,013
Int. Misc.				9,167		9,167
Total Revenues	<u>10,000</u>	<u>21,000</u>	<u>47,083</u>	<u>2,278</u>	<u>9,922</u>	<u>610,837</u>
 <u>Expenses</u>						
Salaries		16,885	22,569	7,288	9,630	207,034
Fringe/P.R Tax			2,894	1,022	292	36,241
Insurance		1,018	62	400		2,647
Prof/Consultants	575		500	15,096		115,385
Communications	531	621		380		14,941
Evaluations						6,000
Rent		2,275	2,014	2,860		24,758
Travel	1,250			6,351		51,266
Office Exp.	498	201	405	4,945		26,146
Equipment & Off.						20,054
Program Supplies	2,460		100	1,092		16,963
Fund Development			18,539			23,489
Depreciation				10,492		10,492
Workshop	3,336			3,999		18,343
Indirect Costs						24,159
Traditional Talents	1,350			3,850		11,200
Training/Educ.				<u>65</u>		<u>5,207</u>
Total Expenses	<u>10,000</u>	<u>21,000</u>	<u>47,083</u>	<u>57,840</u>	<u>9,922</u>	<u>614,325</u>
Revenue Over				-		
(Under) Expenses				- 3,488		- 3,488

See Accompanying Notes to Financial statements

**CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO, INC.**

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

Note 1 - Organization

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc., is a non-profit organization incorporated under the laws of the State of California. The organization was formed to provide financial and technical assistance for the economic and educational development of native Oaxaqueno communities.

Note 2 - Summary of Significant Accounting Policies

Accounting Method

The financial statements of Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc. have been prepared on the accrual basis of accounting.

Financial Statement Presentation

Temporarily Restricted, and Unrestricted Funds:

Temporarily restricted funds are utilized to record resources received that are restricted as to the use preserved by the donor or grantor. When these funds are used for their specific purpose, they are reclassified as to unrestricted.

Unrestricted funds are utilized to record donations and fund raising income and other revenue and expenditures related to the general operations of the organization.

Tax Exempt Status

Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc., is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and Section 23701(d) of the Franchise Tax Board of the State of California.

Use of Estimates

Generally accepted accounting principles requires management to estimate some amounts reported in the financial statements. Accordingly, actual results could differ.

Property and Equipment

Property acquired with contract supported funds is considered to

CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2006

Summary of Significant Accounting Policies (Contd.)

Property and Equipment (contd.)

be owned by the Agency while used in the program for which it was purchased or in other authorized programs. However, the government has reversionary interest in the property equal to the share of the contract to which acquisition cost of the property was charged; equipment not fully consumed in the performance of the contract remains the property of the funding sources 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 of the assets, which range from 3 to 10 years.

Note 3 - Accounts Receivable

Advances Receivable outstanding as of September 30, 2006 were issued as follows:

Unrestricted	\$ 1,448
Cal End.	16,843
1 st . 48 Five St. Barb.	<u>7,045</u>
	\$ 25,336

Note 4 - Deferred Revenue

Sta 19 Barb.	\$ 8,189
UCLA 33	2,500
First Five Monterey	8,185
Public Welfare	12,682
Wellness Ca Foun	152,917
Latin Amer St.	5,000
Margue Casey 51	<u>74,024</u>
	\$263,497

CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2006

Note 5 - Lease Commitments

The agency leases its main office at 2014 Tulare Street, Suite 223, Fresno, California, from T.W Patterson Investors II under a month to month lease entered into September 1, 2004 ending within 30 day notice. The current monthly lease payment is \$870.46. Future minimum monthly lease payments under this lease are as follows:

10/01/05-9/30/06	\$10,446
10/01/06-9/30/07	10,446
10/01/07-9/30/08	10,446

Note 7 - Commitments and Contingencies

Revenue received under cost reimbursement and grant agreements are subject to audit and retroactive adjustment by third-party payers. There are no pending audits or proposed adjustments, and no provision for estimated retroactive adjustments has been provided.

The organization receives a substantial amount of its support from foundations, other non-profit organizations, and private donations. A significant reduction in the level of this support, if this were to occur, may have an effect on the organization's programs and activities. It is management opinion that the same level of support received for the fiscal year ended September 30, 2006, is the same level of support provided for the 2006-2007 fiscal year.



Jose Arechiga

Certified
Public
Accountant

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

I have audited the financial statements of Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc., (a nonprofit organization) as of and for the year ended September 30, 2006, and have issued my report thereon dated December 11, 2007. 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.

Compliance

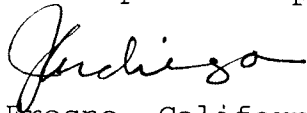
As part of obtaining reasonable assurance about whether Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc.'s financial statements are free of material misstatement, I performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which 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 my 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.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Centro Binacional Para El Desarrollo Indigena Oaxaqueno Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected withing a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, I noted other matters involving the internal control over financial reporting, which I have reported to management of Centro Binacional Para El Desarrollo Indigena Oaxaqueno, Inc. in a separate letter dated December 11, 2007.

This report is intended solely for the information and use of the audit committee, management, others within the organization and awarding/contracting agencies and pass-through entities and is not intended to be and should not be used by anyone other than specified parties.



Fresno, California
December 11, 2007