

CENTRO BINACIONAL PARA EL DESARROLLO  
INDIGENA OAXAQUENO, INC.

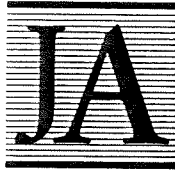
AUDITED FINANCIAL STATEMENTS  
Fiscal Year Ended September 30, 2008

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

Fiscal Year Ended September 30, 2008

TABLE OF CONTENTS

	PAGE
Independent auditor's report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5-6
Notes to the Financial Statement	7-9
Report on Internal Control Over Financial Reporting and on and matters Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards	10-11



**Jose Arechiga**

Certified  
Public  
Accountant

INDEPENDENT AUDITOR'S REPORT

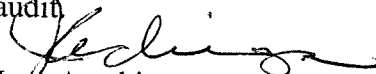
Board of Directors  
Centro Binacional Para El Desarrollo  
Indigena Oaxaqueno, Inc.  
Fresno, California

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, 2008 and the related statement of activities, functional expense, and cash flows for the year then ended. These financial statement 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 of 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, 2008, 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 March 18, 2009 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.

  
Jose Arechiga  
Certified Public Accountant  
March 18, 2009

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

**STATEMENT OF FINACIAL POSITION**  
September 30, 2008

**ASSETS**

**CURRENT ASSETS:**

Cash and Cash Equivalents	\$ 102,508
Prepays and Deposits	5,815
Grants Receivable (Note 3)	33,494
Accounts Receivable	4,165
Loans Receivable	<u>3,715</u>

Total Current Assets 149,697

**PROPERTY AND EQUIPMENT**

Property and Equipment	37,776
Less Accumulated Depreciation	<u>-35,995</u>

Total Equipment 1,781

**TOTAL ASSETS** \$ 151,478

**LIABILITIES AND NET ASSETS**

**LIABILITIES:**

Accounts Payable	\$ 17,902
Accrued Vacation	9,712
Deferred Revenue (Note 4)	<u>86,845</u>

Total Liabilities 114,459

**NET ASSETS:**

Unrestricted 37,019

Total Net assets 37,019

**TOTAL LIABILITIES AND  
NET ASSETS** \$ 151,478

See Accompanying Notes to Financial Statements

CENTRO BINACIONAL PARA EL DESARROLLO  
INDIGENA OAXAQUENO

STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2008

CHANGES IN UNRESTRICTED ASSETS

REVENUES

Donations	\$ 52,491
Fundraising	15,846
Interest & Misc.	4,347
Grants	<u>8,076</u>

TOTAL UNRESTRICTED REVENUES 80,760

EXPENSES

Program and Administrative	<u>72,174</u>
----------------------------	---------------

INCREASE IN UNRESTRICTED ASSETS 8,586

CHANGES IN TEMPORARILY RESTRICTED ASSETS

Revenues	
Grants/Contracts	574,439

Expenses	<u>574,439</u>
----------	----------------

INCREASE IN TEMPORARILY RESTRICTED ASSETS 0

INCREASE IN NET ASSETS 8,586

PRIOR PERIOD ADJUSTMENTS (Note 6) (9,500)

NET ASSETS AT THE BEGINNING OF THE  
YEAR (UNRESTRICTED) 37,933

NET ASSETS, END OF YEAR \$ 37,019

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

**STATEMENT OF CASH FLOWS**  
For the Year Ended September 30, 2008

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Increase in Net Assets	(\$ 914)
Adjustments to reconcile revenues over expenses to net cash provided form (used by) operating activities:	
Depreciation expense	3,836
Changes in :	
Accounts Receivable	(3,298)
Grants receivable	72,770
Loans Receivable	(2,343)
Prepaid Expenses	(4,641)
Accounts payable	14,238
Deferred Revenue	(234,666)
Accrued Vacation	<u>9,712</u>
<b>CASH FLOW PROVIDED FROM (USED BY) OPERATING ACTIVITIES</b>	 <u>(145,306)</u>
<b>CASH FLOW FROM INVESTING ASTIVITIES</b>	 <u>(1,192)</u>
Purchase of fixed Assets	
<b>NET INCREASE IN CASH</b>	 <u>(146,498 )</u>
CASH, beginning of year	<u>249,006</u>
CASH, end of year	<u>\$102,508</u>

See Accompanying Notes to financial Statements  
Page 4

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

FOR The year Ended September 30, 2008

	<u>Santa Barbara</u>	<u>Lib Hills</u>	<u>Cal Endow</u>	<u>Mar-guerite</u>	<u>1<sup>st</sup>. Five Mont Co</u>	<u>Fresno A. Council</u>	<u>Wellness Foundation</u>	<u>United Way Freeze</u>	<u>57 CPEHN</u>	<u>48 1<sup>ST</sup>. 5YH. Sta Barbara</u>
<u>Revenues</u>										
Contractual and grants	\$ 4,835	\$ 9,375	\$ 180,908	\$ 24,455	\$ 117,938	\$ 5,500	\$ 65,864	\$ 25,000	\$ 4,747	\$ 16,741
Fundraising Donations										
Int. & Misc.										
<u>Total Revenues</u>	<u>4,834</u>	<u>9,375</u>	<u>180,908</u>	<u>24,455</u>	<u>117,938</u>	<u>5,500</u>	<u>65,864</u>	<u>25,000</u>	<u>4,747</u>	<u>16,741</u>
<u>Expenses</u>										
Salaries	3,312		85,074	15,256	77,886		43,396	2,172	2,460	13,356
Fringe/P.R. Tax	453		14,905	2,318	9,513		7,033	324	407	1,804
Prof/Consultants		3,465	30,721	790	13,042		500			50
Liability Ins.		371	596		2,050					200
Communications		858	3,390	221	1,624		574	240	240	299
Evaluation			3,250							
Rent	866	1,355	9,632	2,588	6,933		5,862		400	
Travel			6,024	1,550	3,419	933	771	123	300	432
Office Exp.		1,571	5,799	1,447	1,824	500	3,671		940	600
Equipment & Off. Program Exp.	3	1,755	165	284	1,648		557	22,381		
Fundraising			4,063							
Fund Development			3,000			4,067	3,500			
Depreciation										
Training/Educ.	200		14,290							0
<u>Total Expenses</u>	<u>4,834</u>	<u>9,375</u>	<u>180,908</u>	<u>24,455</u>	<u>117,938</u>	<u>5,500</u>	<u>65,864</u>	<u>25,000</u>	<u>4,747</u>	<u>16,741</u>
Revenues Over (Under ) Expense.	-	-	-	-	-	-	-	-	-	-

See Accompanying Notes to Financial Statements  
Page 5

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

For the Year Ended September 30, 2008

TCW Sabb. <u>Wellness</u>	61 McCune <u>Foundation</u>	63 Kaw <u>Delta</u>	70 OERU 3	64 PANNA	Salud Del <u>Valle Sal</u>	Kaiser Per- <u>manente</u>	1 <sup>st</sup> . 5 <sup>th</sup> . <u>San Benito</u>	Other & Unres- <u>tricted</u>	<u>Total</u>
\$35,000	\$17,111	\$16,447	\$7,683	\$17,000	\$8,137	\$6,296	\$11,402	\$ 8,076	\$582,515
35,000	17,111	16,447	7,683	17,000	8,137	6,296	11,402	80,760	655,199
<b>Expenses</b>									
Salaries	21,000	9,374	5,893	14,712	5,369	4,176	7,500	32,315	352,458
Fringe/P.R Tax	3,720	1,307	880	2,141	779	624	1,120	3,394	51,794
Prof/Consultants	5,000	780	100		970		300	952	56,669
Liability Ins.		335			700			45	4,297
Communications		1,277	124					891	9,618
Evaluations									3,250
Rent	2,599		245					387	30,868
Travel	784	1,657	225	147	285	231	1,578	8,589	27,049
Office Exp.	479	2,686	216		34	40	585	5,709	31,381
Equipment & Off.							319	3,140	4,180
Program Exp.	579	1,303				905		8,450	41,371
Fundraising								4,216	8,283
Fund Development									6,500
Depreciation								3,836	3,836
Training/Educ.								250	15,060
Total Expenses	35,000	16,447	7,683	17,000	8,137	6,296	11,402	72,174	646,613
Revenue Over	-	-	-	-	-	-	-	8,586	8,586
(Under) Expenses	-	-	-	-	-	-	-	-	-

See Accompanying Notes to Financial Statements  
Page 6

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

**NOTES TO THE FINANCIAL STATEMENTS**

September 30, 2008

**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.

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

**NOTES TO FINANCIAL STATEMENT  
September 30, 2008**

**Summary of Significant Accounting Policies ( Contd.)**

**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. 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 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 of the assets, which range from 3-10 years.

**Note 3 - Grants Receivable**

Guelaquetza	\$ 9,412
1 <sup>st</sup> . 5 Monterey	23,135
Kaweah Delta	<u>947</u>
	\$33,494

**Note 4 - Deferred Revenue**

Santa Barbara	\$ 4,396
Marguerite	23,703
Wellness	19,081
UCLA Calif. Mex.	2,323
CPEHN	1,061
McCune Foundation	7,889
CA Endowment	5,000
OERU 3	3,254
Kaiser	10,704
1 <sup>st</sup> 5 San Benito	4,472
Health Net	3,000
Other	<u>1,962</u>
	\$86,845

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

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2008

**Note 5 - Lease Commitments**

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 \$1600. Future annual lease payments under this lease are as follows:

10/01/09-09/30/09	\$ 19,200
10/01/09-09/30/10	19,200

A one year contract was entered with Raul Sanchez starting December 5, 2007 for an office at 916 Oak Ave. in Greenfield, California. The monthly payment is \$700.

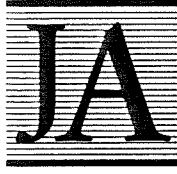
**Note 6 -Prior Period Adjustments**

To expense audit fee for prior fiscal year.

**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, 2008, is the same level of support provided for the 2008-2009 fiscal year.



**Jose Arechiga**

Certified  
Public  
Accountant

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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, 2008, and have issued my report thereon dated March 18, 2009. 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.'s internal control over financial reporting as a basis for designing my audit procedures for the pupose of expressing my opinion on the financial statements, but not for the purpose of expressing and opinon on the effectiveness of Centro Binacional Para El Desarrollo Indigena Oaxaqueno's 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a conrol deficiency or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial date reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

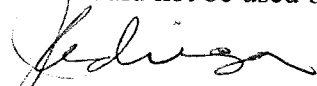
A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote like hood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

### 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 agreements, 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 provision 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.

This report is intended solely for the information and use of management, the audit committee, Board of Trustees, and federal awards agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Jose Arechiga  
Fresno, California  
Marc 18, 2009