

CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO, INC.

AUDITED FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2005

CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO, INC.

Fiscal Year Ended September 30, 2005

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Jose Arechiga
Certified
Public
Accountant

INDEPENDENT AUDITOR'S REPORT

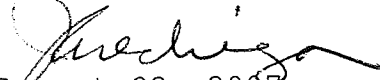
Board of Directors
Centro Binacional Para El Desarrollo
Indigena Oaxaqueno, Inc.
Fresno, California

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, 2005, 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, 2005, 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 August 22, 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.


August 22, 2007

CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO, INC.

STATEMENT OF FINANCIAL POSITION
September 30, 2005

ASSETS

CURRENT ASSETS:	
Cash	\$ 34,380
Prepays and Deposits	1,022
Advances Receivable (Note 3)	47,105
Accounts Receivable	4,226
Loans Receivable	<u>4,195</u>
Total Current Assets	90,928
PROPERTY AND EQUIPMENT:	
Property and Equipment	36,584
Less: Allowance for Depreciation	<u>-18,956</u>
Total Equipment	<u>17,628</u>
TOTAL ASSETS	<u>\$108,556</u>

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts Payable	\$ 5
Accrued Vacation Payable	1,500
Deferred Revenue (Note 4)	<u>66,649</u>
TOTAL LIABILITIES	68,154
NET ASSETS	
Temporarily Restricted	561
Unrestricted	<u>39,841</u>
Total Net Assets	40,402
TOTAL LIABILITIES AND NET ASSETS	<u>\$108,556</u>

See Accompanying Notes to Financial Statements

CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2005

CHANGES IN UNRESTRICTED ASSETS

REVENUES

Donations	\$ 24,371
Interest & Misc.	2,055
Grants	<u>18,402</u>

TOTAL UNRESTRICTED REVENUES 44,828

EXPENSES

Program and Administrative	<u>40,447</u>
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INCREASE IN UNRESTRICTED ASSETS 4,381

CHANGES IN TEMPORARILY RESTRICTED ASSETS

Revenues

Grants/Contracts	472,478
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Expenses	<u>471,917</u>
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INCREASE IN TEMPORARILY RESTRICTED ASSETS 561

INCREASE IN NET ASSETS 4,942

NET ASSETS AT THE BEGINNING OF THE YEAR (UNRESTRICTED)	<u>35,460</u>
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NET ASSETS, END OF YEAR	<u>\$ 40,402</u>
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See Accompanying Notes to Financial Statement

CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO, INC.

STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2005

CASH FLOW FROM OPERATING ACTIVITIES	
Increase in Net Assets	\$ 4,942
Adjustments to reconcile revenues over expenses to net cash provided from (used by) operating activities:	
Depreciation expense	7,920
Changes in:	
Accounts Receivable	(1,008)
Grants receivable	18,053
Advances Receivable	(47,105)
Loans Receivable	(4,195)
Accounts payable	(7,041)
Deferred revenue	(206,559)
Accrued Vacation	<u>(732)</u>
 CASH FLOW PROVIDED FROM (USED BY) OPERATING ACTIVITIES	 <u>(235,725)</u>
 CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	<u>(5,253)</u>
 NET INCREASE IN CASH	 <u>(240,978)</u>
 CASH, beginning of year	 <u>275,358</u>
 CASH, end of year	 <u>\$ 34,380</u>

See Accompanying Notes to Financial Statements

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

For The year Ended September 30, 2005

Revenues	<u>J</u>	<u>MacArthur</u>	<u>Cal</u>	<u>Mar-</u>	<u>First</u>	<u>Hisp.</u>	<u>March</u>	<u>Rocke-</u>	<u>Public</u>
Contractual and Grants	<u>Irwin</u>	<u>Cal</u>	<u>Endow</u>	<u>queritte</u>	<u>Five</u>	<u>In Phil</u>	<u>of Dimes</u>	<u>feller</u>	<u>Welf Fund</u>
Donations									
Fees									
Fund-raising									
Miscellaneous									
Total Revenues	20,800	39,855	139,395	34,472	73,877	49,112	12,159	53,931	44,226
Expenses									
Salaries			68,367	26,116	42,162	21,913	8,772	23,400	
Fringe/P.R. Tax.			9,295	1,245	8,309	75	701	4,000	
Insurance									
Prof/Consultants	7,080	23,487	14,462	3,119	9,770	2,454	660	7,321	932
Communications			2,935	5,662	5,130	2,400	2,746	1,731	
Evaluation				4,899	6,627	2,000	1,166	5,138	32,101
Rent				10,286	4,309	2,524	146	2,102	1,520
Travel				2,500	2,705	4,200		2,631	2,625
Office Exp.					275	203		2,102	
Administrative					1,315	671		2,631	
Equipment & Off.								1,898	
Program Supplies	6,321		1,125	1,315			714	2,560	5,317
Fund development									
Depreciation			1,661						
Workshops			1,486						
Indirect Costs				3,726					
Training/Educ.			19,161	794					
Total Expenses	20,800	39,855	138,833	34,572	73,877	49,113	12,159	53,931	44,226
Revenues Over									
(Under) Expenses	()	-	562	-	-	-1	-	-	-

See Accompanying Notes to Financial Statements

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

For the Year Ended September 30, 2005

	Unrestricted- Total UCIA	March 27 Of Dimes	Unrestricted- Total Guelaguetán	Unrestricted- Total
<u>Revenues</u>				
Contractual				
And Grants	\$13,500	\$ 4,551	\$ 2,692	\$ 2,210
Donations				\$ 490,880
Fund-raising				24,371
Int. Misc.				0
Total Revenues	<u>13,500</u>	<u>4,551</u>	<u>2,692</u>	<u>2,055</u>
				<u>517,306</u>
<u>Expenses</u>				
Salaries		3,200		4,419
Fringe/P.R Tax		288		1,053
Insurance				75
Prof/Consultants				334
Communications	253	133		290
Evaluations				0
Rent	1,570		523	1,964
Travel		100	3,100	12,546
Office Exp.		94	366	839
Administrative Exp.		209		500
Equipment & Off.				161
Program Supplies		527	459	2,468
Fund Development				628
Depreciation				4,361
Workshop				35
Indirect Costs				4,027
Training/Educ.				551
Total Expenses	<u>1,823</u>	<u>4,551</u>	<u>4,448</u>	<u>34,176</u>
Revenue Over				<u>512,364</u>
(Under) Expenses	<u>11,677</u>	<u>-</u>	<u>-1,756</u>	<u>- 5,540</u>
				<u>4,942</u>

See Accompanying Notes to Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2005

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, 2005

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 - Advances Receivable

Advances Receivable outstanding as of September 30, 2005 were issued as follows:

January 13, 2005	\$ 9,211
March 31, 2005	5,634
August 12, 2005	<u>32,260</u>
	\$ 47,105

Note 4 - Deferred Revenue

March of Dimes	\$ 2,841
Margguerite	16,299
First Five	4,451
Rockefeller	19,884
Irwin	4,200
CA Endowment	<u>18,974</u>
	\$ 66,649

CENTRO BINACIONAL PARA EL DESARROLLO
INDIGENA OAXAQUENO, INC.

NOTES TO FINANCIAL STATEMENTS
September 30, 2005

Note 5 - Lease Commitments

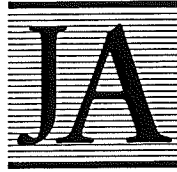
The agency leases its main office at 2014 Tulare Street, Suite 223, Fresno, California, from T.W Patterson Investors II under a month to month lease entered into September 1, 2004 ending within 30 day notice. The current monthly lease payment is \$870.46. Future minimum monthly lease payments under this 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, 2005, is the same level of support provided for the 2005-2006 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, 2005, and have issued my report thereon dated August 22, 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 August 22, 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
August 22, 2007