

TRANSLATORS WITHOUT BORDERS US, INC.

Financial Statements
for the years ended March 31, 2018 and 2017

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Translators Without Borders US, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Translators Without Borders US, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Organization's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Translators Without Borders US, Inc. as of March 31, 2018 and 2017 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Actis-Grande, Ronan & Company, LLC

December 28, 2018

Translators Without Borders US, Inc.
Statements of Financial Position
as of March 31,

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 615,359	\$ 532,240
Grants and contributions receivable	354,613	365,246
Trademark fees and other assets	<u>30,415</u>	<u>16,277</u>
 Total assets	 <u>\$ 1,000,387</u>	 <u>\$ 913,763</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 101,640	\$ 98,179
Deferred revenue	<u>142,982</u>	<u>71,713</u>
 Total liabilities	 <u>244,622</u>	 <u>169,892</u>
Net assets:		
Unrestricted	641,485	447,440
Temporarily restricted	<u>114,280</u>	<u>296,431</u>
 Total net assets	 <u>755,765</u>	 <u>743,871</u>
 Total liabilities and net assets	 <u>\$ 1,000,387</u>	 <u>\$ 913,763</u>

See notes to financial statements

Translators Without Borders US, Inc.
Statements of Activities
for the years ended March 31,

	<u>2018</u>	<u>2017</u>
Unrestricted Net Assets:		
Unrestricted revenue and gains:		
In-kind donations	\$ 2,889,460	\$ 2,451,751
Sponsorships and support	251,556	385,793
Sale of product	<u>289,756</u>	<u>32,368</u>
 Total unrestricted revenue and gains	 3,430,772	 2,869,912
 Net assets released from restrictions	 <u>1,148,381</u>	 <u>1,116,393</u>
 Total unrestricted revenues, gains and other support	 <u>4,579,153</u>	 <u>3,986,305</u>
 Expenses:		
Program services	3,969,520	3,363,763
Supporting services	<u>425,707</u>	<u>341,675</u>
 Total expenses	 <u>4,395,227</u>	 <u>3,705,438</u>
 Increase in unrestricted net assets	 183,926	 280,867
 Temporarily Restricted Net Assets:		
Grants and contributions	966,230	1,278,365
Net assets released from restrictions	<u>(1,148,381)</u>	<u>(1,116,393)</u>
 (Decrease) increase in temporarily restricted net assets	 <u>(182,151)</u>	 <u>161,972</u>
 Total (decrease) increase in net assets	 1,775	 442,839
 Net assets, beginning of year	 743,871	 301,032
Net asseys acquired	<u>10,119</u>	<u>-</u>
 Net assets, end of year	 <u>\$ 755,765</u>	 <u>\$ 743,871</u>

See notes to financial statements

Translators Without Borders US, Inc.
Statements of Cash Flows
Representing Increases (Decreases) in Cash
for the years ended March 31,

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Increase in net assets	\$ 1,775	\$ 442,839
Amortization	1,316	1,288
Changes in operating assets and liabilities:		
Grants and contributions receivable	10,633	(307,546)
Accounts payable and accrued expenses	3,461	62,298
Deferred revenue	71,269	17,005
	<u>88,454</u>	<u>215,884</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Trademark fees and other assets	(15,454)	(5,504)
Cash and other net assets acquired	10,119	-
	<u>(5,335)</u>	<u>(5,504)</u>
Net cash used in investing activities		
Net increase in cash	83,119	210,380
Cash and cash equivalents, beginning of year	532,240	321,860
	<u>615,359</u>	<u>532,240</u>
Cash and cash equivalents, end of year	\$	\$

See notes to financial statements

TRANSLATORS WITHOUT BORDERS US, INC.
Notes to Financial Statements
March 31, 2018 and 2017

1. Summary of Significant Accounting Policies

Nature of Activities:

Translators Without Borders US, Inc. (“TWB”) is a not-for-profit, 501(c)(3), organization that facilitates the transfer of knowledge from one language to another by creating and managing a community of Non-Government–Organizations who need translation and professional, vetted translators who volunteer their time to help. Through the sophisticated TWB platform, important aid groups easily connect directly with professional translators, breaking down the barriers of language and building up the transfer of information to those who need it.

Acquisition:

In June 2017, TWB acquired the assets of The Rosetta Foundation CLG (Rosetta) for no consideration. Rosetta is a non-profit organization incorporated in the Republic of Ireland whose not-for-profit international principal activities consist of supporting activities for those who want to provide equal access to information across languages.

Net assets assumed at the acquisition date were \$10,119 and consisted principally of cash.

Rosetta reports its activities on a December year these financial statements include the activities of Rosetta from June 1 through December 31, 2017.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents:

Cash and cash equivalents consist of bank accounts and all highly liquid investments purchased with a maturity of three months or less.

Revenue Recognition and Contributed Services:

TWB’s revenue consists of sponsorship revenue, donations, proceeds from fundraising activities and in-kind contributions from translators and other service providers. Sponsorship revenue is deferred and recognized ratably over the period of the sponsorship (generally one year), donations and fundraising revenues are recognized when received. The value of contributed services meeting the requirements for recognition in the financial statements are recorded in the period the services are provided. In addition, many individuals volunteer their time and perform a variety of tasks that assist TWB, but these services do not meet the criteria for recognition as contributed services.

TRANSLATORS WITHOUT BORDERS US, INC.
Notes to Financial Statements
March 31, 2018 and 2017

1. **Summary of Significant Accounting Policies (continued)**

Contributions are recognized when the donor makes an unconditional promise to give. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

In fiscal years 2018 and 2017, TWB volunteers translated 13,714,260 and 11,529,850 words, respectively, for donation equivalents of \$2,742,852 and \$2,305,970, and other donors contributed services and support with an aggregate estimated value of \$147,000 and \$146,000.

Contributions:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted contributions and are reflected as increases in those net asset categories. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of assets, liabilities and net assets as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as unrestricted.

Net Asset Categories:

To ensure observance of limitations and restrictions that may be placed on the use of resources available, the accounts of TWB are maintained in the following net asset categories:

Unrestricted – Unrestricted net assets represent available resources other than donor restricted contributions. Donor restricted contributions which are satisfied in the same reporting period when the contribution is received are treated as unrestricted contributions. Included in unrestricted net assets are grants and contracts that are earmarked for the general-purpose use of TWB.

Temporarily Restricted – Temporarily restricted net assets represent contributions that are restricted by the donor either as to purpose or as to time of expenditure.

Permanently Restricted- Permanently restricted net assets represent contributions that are limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled otherwise removed by actions of TWB.

TRANSLATORS WITHOUT BORDERS US, INC.
Notes to Financial Statements
March 31, 2018 and 2017

1. **Summary of Significant Accounting Policies (continued)**

Functional Allocation of Expenses:

The costs of providing programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Supporting services consist of general and administrative expenses.

Income Taxes:

TWB annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions TWB takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification.

TWB's Forms 990, Return of Organization Exempt from Income Tax, for the years ending March 31, 2015 and 2014 are subject to tax examination, generally for three years after they were filed.

Subsequent Events:

TWB evaluated the effect subsequent events would have on the financial statements through December 28, 2018, which is the date the financial statements were available to be issued.

2. **Program and Supporting Expenses**

Program and supporting expenses consist of the following for the years ended March 31:

	<u>2018</u>	<u>2017</u>
Consulting and human resources	\$1,296,950	\$1,060,301
Travel	119,494	108,990
Professional fees	37,600	38,901
Other general and administrative	51,723	45,495
	<u>1,505,767</u>	<u>1,253,687</u>
In-kind Expenses:		
Translators	2,742,853	2,305,970
Other supporting services	146,607	145,781
	<u>\$4,395,227</u>	<u>\$3,705,438</u>