FOUND IN TRANSLATION, INC.

FINANCIAL STATEMENTS

with

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

YEARS ENDED AUGUST 31, 2015 AND 2014

Smith Sullivan & Brown PC
CERTIFIED PUBLIC ACCOUNTANTS

80 Flanders Road, Suite 200 Westborough, Massachusetts 01581
Tel: 508.871.7178 Fax: 508.871.7179 www.ssbcpa.com

FOUND IN TRANSLATION, INC.

REPORT ON FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2015 AND 2014

Mission Statement

Found in Translation helps homeless and low-income multilingual women to achieve economic security through the use of their language skills and reduces ethnic, racial and linguistic disparities in health care by unleashing bilingual talent into the workforce.

www.found-in-translation.org

FOUND IN TRANSLATION, INC.

REPORT ON FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2015 AND 2014

C O N T E N T S

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Found in Translation, Inc.
Cambridge, Massachusetts

We have reviewed the accompanying statements of financial position of Found in Translation, Inc. (a Massachusetts nonprofit organization) as of August 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Accountants' Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Smith, Sullivan & Brown, PC.

Westborough, Massachusetts
February 1, 2018

FOUND IN TRANSLATION, INC.

STATEMENTS OF FINANCIAL POSITION
AS OF AUGUST 31, 2015 AND 2014

ASSETS

	2015	2014
CURRENT ASSETS:		
Cash	$ 83,331	$ 113,174
Grant Receivable	50,000	-
Total Current Assets	133,331	113,174
TOTAL ASSETS	$ 133,331	$ 113,174

LIABILITIES AND NET ASSETS

	2015	2014
CURRENT LIABILITIES:		
Accounts Payable and Accrued Expenses	$ 4,199	$ 1,596
Accrued Payroll and Related Costs	5,881	5,353
Total Current Liabilities	10,080	6,949
TOTAL LIABILITIES	10,080	6,949
NET ASSETS:		
Unrestricted Net Assets	123,251	106,225
Total Net Assets	123,251	106,225
TOTAL LIABILITIES AND NET ASSETS	$ 133,331	$ 113,174

FOUND IN TRANSLATION, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014

	2015	2014
SUPPORT AND REVENUES:		
Gifts, Grants and Contributions	$ 293,705	$ 259,544
Program Revenue	12,133	-
TOTAL SUPPORT AND REVENUES	**305,838**	**259,544**
FUNCTIONAL EXPENSES:		
Program Services	179,677	116,369
Administrative	64,901	48,055
Fund Raising	44,234	62,096
TOTAL FUNCTIONAL EXPENSES	**288,812**	**226,520**
CHANGE IN UNRESTRICTED NET ASSETS	**17,026**	**33,024**
UNRESTRICTED NET ASSETS - BEGINNING OF YEAR	**106,225**	**73,201**
UNRESTRICTED NET ASSETS - END OF YEAR	**$ 123,251**	**$ 106,225**

FOUND IN TRANSLATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR YEAR ENDED AUGUST 31, 2015

	PROGRAM SERVICES	ADMINI-STRATIVE	FUND RAISING	TOTAL FUNCTIONAL EXPENSES
Salaries	$ 104,414	$ 34,805	$ 34,805	$ 174,024
Payroll Taxes	10,085	3,362	3,362	16,809
Employee Benefits	2,911	971	971	4,853
Program Instructors	16,805	-	-	16,805
Program Supplies	7,539	-	-	7,539
Supportive Services	19,224	-	-	19,224
Professional Fees	-	13,370	-	13,370
Travel	5,688	-	-	5,688
Staff Development and Training	2,091	697	697	3,485
Occupancy	10,920	3,640	3,640	18,200
Information Technology	-	512	-	512
Advertising and Promotion	-	-	759	759
Dues and Subscriptions	-	813	-	813
Insurance	-	3,151	-	3,151
Office Expenses	-	3,580	-	3,580
Total Functional Expenses	**$ 179,677**	**$ 64,901**	**$ 44,234**	**$ 288,812**

FOUND IN TRANSLATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR YEAR ENDED AUGUST 31, 2014

	PROGRAM SERVICES	ADMINI-STRATIVE	FUND RAISING	TOTAL FUNCTIONAL EXPENSES
Salaries	$ 58,957	$ 27,998	$ 45,399	$ 132,354
Payroll Taxes	7,860	3,668	5,939	17,467
Employee Benefits	922	1,844	3,666	6,432
Program Instructors	24,195	-	-	24,195
Program Supplies	9,575	-	-	9,575
Supportive Services	6,242	-	-	6,242
Payroll Processing Fees	-	6,165	-	6,165
Travel	1,857	868	1,403	4,128
Staff Development and Training	1,551	724	1,172	3,447
Occupancy	3,662	1,710	2,767	8,139
Information Technology	-	928	-	928
Advertising and Promotion	-	-	581	581
Dues and Subscriptions	-	931	-	931
Insurance	-	107	-	107
Office Expenses	1,548	3,112	1,169	5,829
Total Functional Expenses	**$ 116,369**	**$ 48,055**	**$ 62,096**	**$ 226,520**

FOUND IN TRANSLATION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ 17,026	$ 33,024
Adjustments to Reconcile the Above to Net Cash Provided by (Used) Operating Activities:		
(Increase) Decrease in Current Assets:		
Grant Receivable	(50,000)	-
Prepaid Expenses	-	247
Increase (Decrease) in Current Liabilities:		
Accounts Payable and Accrued Expenses	2,603	1,596
Accrued Payroll and Related Costs	528	5,353
Net Adjustment	(46,869)	7,196
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**(29,843)**	**40,220**
NET INCREASE (DECREASE) IN CASH BALANCES	**(29,843)**	**40,220**
CASH BALANCES - BEGINNING OF YEAR	**113,174**	**72,954**
CASH BALANCES - END OF YEAR	**$ 83,331**	**$ 113,174**

NOTE 1 ORGANIZATION

Found in Translation, Inc. ("FIT" or the "Organization") was incorporated on December 22, 2011 under Massachusetts General Laws Chapter 180. The Organization is exempt from federal taxes as a tax-exempt, nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code. The Organization is primarily funded through individual, foundation, and corporate donations and grants. The Organization has been classified as an organization which is not a private foundation under Section 509(a); accordingly, contributions made to this Organization quality for the maximum charitable deduction for federal income tax purposes.

NOTE 2 PROGRAM SERVICES

Found In Translation, Inc. provides Medical Interpreter Certificate training, job placement and ongoing career development to low-income bilingual women through its Language Access Fellowship Program. With an Ivy League admissions rate and over 100 hours of training, our high support/high expectations model prepares exceptional interpreters. The program is free-of-charge; includes common-sense supports such as on-site childcare, transportation assistance and mentoring; and leads directly to well-paying jobs.

Through the Interpreter Services Program, the Organization provides affordable, high-quality language access services for people with Limited English Proficiency in medical, legal and community settings; creates well-paying job opportunities for our Language Access Fellows; and generates revenue that supports the next class of Language Access Fellows and promotes the Organization's long-term sustainability.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies which affect significant elements of the Organization's financial statements are described below to enhance the usefulness of the financial statements to the reader. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting:

The Organization's policy is to maintain its books and prepare its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Revenues and gains are recognized in the period in which they become due and expenses and losses are recognized in the period in which the liability is incurred.

NOTE 3 *(Continued)*

Financial Statement Presentation:

As required by the *FASB Accounting Standards Codification™*, the Organization reports information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. These classifications are related to the existence or absence of donor-imposed restrictions as presented below:

Unrestricted Net Assets - consists of assets, public support and program revenues which are available and used for operations and programs. Unrestricted net assets represent the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Contributions are considered available for unrestricted use unless specifically restricted by the donor. In addition, unrestricted net assets of the Organization may include funds which represent unrestricted resources designated by the Board of Directors for specific purposes. For the years presented, all net assets of the Organization were unrestricted.

Temporarily Restricted Net Assets - includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the Organization. Resources of this nature originate from gifts, grants, bequests, contracts and investment income earned on restricted funds.

Permanently Restricted Net Assets - includes resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the Organization to expend part or all of the income derived from the donated assets.

Grant Receivable:

Grant Receivable represents the balance due on a single grant award that was promised in FY 2015 and received subsequent to yearend. The amount is classified as current as it is scheduled for payment within one year. Management considers this amount fully collectible and no allowance for uncollectible amounts was recorded as of August 31, 2015. If amounts are subsequently determined to be uncollectible, a provision for uncollectible accounts would be recognized at that time.

Gifts, Grants and Contributions:

As required by the *FASB Accounting Standards Codification™*, contributions are required to be recorded as receivables and revenues and the Organization is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, collection items, or promises to give.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value.

NOTE 3 *(Continued)*

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction until the restriction expires, at which time temporarily restricted net assets are reclassified to unrestricted net assets. The Organization has adopted a policy that donor-restricted contributions with restrictions expiring during the year are recorded as unrestricted contributions.

Donated Goods, Services and Facilities:

As required by the *FASB Accounting Standards Codification*™, the Organization maintains a policy whereby the value of donated goods and services which require a specialized skill and/or which would have otherwise been purchased by the Organization, are recognized on the Statement of Activities and are listed as expenses on the Statement of Functional Expenses. For the years presented, the Organization did not have any donated goods, services or facilities that met the recognition criteria.

Functional Expenses:

As required by the *FASB Accounting Standards Codification*™, the Organization allocates its expenses on a functional basis among various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated using payroll and time usage formulas.

Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

Administrative - includes all activities related to the Organization's internal management and accounting for program services.

Fund Raising - includes all activities related to maintaining contributor information, writing grant proposals, direct mail solicitation, costs of fund raising events, distribution of materials and other similar projects related to the procurement of funds.

Tax Position:

The Organization currently evaluates all tax positions, and makes a determination regarding the likelihood of those positions being upheld under review. The primary tax positions made by the Organization are the nonexistence of Unrelated Business Income Tax and the Organization's status as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. For the years presented, the Organization has not recognized any tax benefits or loss contingencies for uncertain tax positions based on this evaluation.

NOTE 4 REVENUE CONCENTRATIONS

For the years ended August 31, 2015 and 2014, amounts received from two funders accounted for 36% and 48%, respectively, of total support and revenue.

NOTE 5 CONDITIONAL FUNDING

As of August 31, 2015, the Organization had two conditional funding commitments totaling $206,667. Subsequent payments on these awards are conditional upon the successful submission of performance related reports.

NOTE 6 SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the financial statements. Therefore, Management has evaluated subsequent events through February 1, 2018, the date which the financial statements were available for issue, and noted the following event which met the disclosure criteria.

Delinquent Federal and State Filings:

Due to extenuating circumstances, the Organization has fallen behind on its federal and state information filings. As of this report date, Management has submitted the FY 2015 filings to the IRS and Massachusetts Attorney General's office. Management is also in the process of preparing the FY 2016 and FY 2017 filings and plans to file all years as soon as possible to bring the Organization into compliance. Management plans to request an abatement of any assessments or penalties for the late filings.