FOUND IN TRANSLATION, INC.

FINANCIAL STATEMENTS

August 31, 2016 and 2015

With Independent Accountant's Review Report

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Found in Translation, Inc.

We have reviewed the accompanying financial statements of Found in Translation, Inc. (the Organization), which comprise the statement of financial position as of August 31, 2016, and the related statements of activities and changes in net assets (deficit), functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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 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 these financial statements in accordance with U.S. generally accepted accounting principles; 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with U.S. generally accepted accounting principles. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with U.S. generally accepted accounting principles.

Report on 2015 Financial Statements

The financial statements of Found in Translation, Inc. as of August 31, 2015 were reviewed by other accountants whose report dated February 1, 2018, stated that based on their procedures, they are not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with U.S. generally accepted accounting principles.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
November 8, 2018

FOUND IN TRANSLATION, INC.

Statements of Financial Position

August 31, 2016 and 2015

ASSETS

	2016	2015
Current assets		
Cash	**$ 26,742**	$ 83,331
Grants receivable	**50,000**	50,000
Total current assets	**76,742**	133,331
Property and equipment		
Furniture, fixtures, and equipment	**1,660**	-
Less accumulated depreciation	**(252)**	-
Net property and equipment	**1,408**	-
Total assets	**$ 78,150**	$ 133,331

LIABILITIES AND NET ASSETS

	2016	2015
Current liabilities		
Accounts payable and accrued expenses	**$ 18,984**	$ 4,199
Accrued payroll and related liabilities	**10,666**	5,881
Due to related parties, current portion	**50,000**	-
Total current liabilities	**79,650**	10,080
Due to related parties, less current portion	**10,000**	-
Total liabilities	**89,650**	10,080
(Deficit) net assets		
Unrestricted (deficit) net assets	**(11,500)**	123,251
Total net assets	**(11,500)**	123,251
Total liabilities and net assets	**$ 78,150**	$ 133,331

See independent accountant's review report. The accompanying notes are an integral part of these financial statements.

FOUND IN TRANSLATION, INC.

Statements of Activities and Changes in Net Assets (Deficit)

Years Ended August 31, 2016 and 2015

	2016	2015
Revenues and support		
Gifts, grants and contributions	**$ 226,623**	$ 299,307
Program revenue	**25,958**	6,531
Total revenues and support	**252,581**	305,838
Expenses		
Program services	**272,020**	179,677
Administrative	**70,694**	64,901
Fundraising	**44,618**	44,234
Total expenses	**387,332**	288,812
Change in unrestricted (deficit) net assets	**(134,751)**	17,026
Unrestricted net assets, beginning of year	**123,251**	106,225
Unrestricted (deficit) net assets, end of year	**$ (11,500)**	$ 123,251

See independent accountant's review report. The accompanying notes are an integral part of these financial statements.

FOUND IN TRANSLATION, INC.

Statement of Functional Expenses

Year Ended August 31, 2016

	Program Services	Administrative	Fundraising	Total
Salaries	$ 144,915	$ 34,102	$ 34,102	$ 213,119
Payroll taxes	12,546	2,952	2,952	18,450
Employee benefits	12,472	2,935	2,935	18,342
Program instructors	53,282	-	-	53,282
Program supplies	14,282	-	-	14,282
Supportive services	13,722	-	-	13,722
Professional fees	-	11,210	-	11,210
Staff development and training	6,969	2,845	-	9,814
Occupancy	13,832	4,611	4,611	23,054
Information technology	-	1,280	-	1,280
Advertising and promotion	-	593	-	593
Dues and subscriptions	-	207	18	225
Insurance	-	1,545	-	1,545
Other	-	7,363	-	7,363
Interest	-	799	-	799
Depreciation	-	252	-	252
Total expenses	$ 272,020	$ 70,694	$ 44,618	$ 387,332

See independent accountant's review report. The accompanying notes are an integral part of these financial statements.

FOUND IN TRANSLATION, INC.

Statement of Functional Expenses

August 31, 2015

	Program Services	Administrative	Fundraising	Total
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
Other	-	3,580	-	3,580
Total expenses	$ 179,677	$ 64,901	$ 44,234	$ 288,812

See independent accountant's review report. The accompanying notes are an integral part of these financial statements.

FOUND IN TRANSLATION, INC.

Statements of Cash Flows

Years Ended August 31, 2016 and 2015

	2016	2015
Cash flows from operating activities		
Change in unrestricted net assets (deficit)	**$ (134,751)**	$ 17,026
Adjustments to reconcile change in unrestricted net assets (deficit) to cash used by operating activities		
Depreciation	**252**	-
Increase in grant receivable	**-**	(50,000)
Increase in		
Accounts payable and accrued expenses	**14,785**	2,603
Accrued payroll and related liabilities	**4,785**	528
Net cash used by operating activities	**(114,929)**	(29,843)
Cash flows from investing activities		
Purchases of equipment	**(1,660)**	-
Net cash used by investing activities	**(1,660)**	-
Cash flows from financing activities		
Advances from related parties	**60,000**	-
Net cash provided by financing activities	**60,000**	-
Net decrease in cash	**(56,589)**	(29,843)
Cash, beginning of year	**83,331**	113,174
Cash, end of year	**$ 26,742**	$ 83,331

See independent accountant's review report. The accompanying notes are an integral part of these financial statements.

Nature of Operations

Found in Translation, Inc. (FIT or the Organization) was incorporated on December 22, 2011 under Massachusetts General Laws Chapter 180. The Organization provides medical interpreter certificate training, job placement and ongoing career development to low-income bilingual women through its Language Access Fellowship Program.

Through its 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 its language access fellows; and generates revenue that supports the next class of language access fellows and promotes the Organization's long-term sustainability.

1. Significant Accounting Policies

Basis of Presentation

Net assets and revenues, support and expenses are classified based on the existence or absence of donor-imposed restrictions in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. Under this guidance, net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Agency and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Agency.

For the years ended August 31, 2016 and 2015, there were no temporarily or permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

The Organization maintains cash in interest-bearing bank deposit accounts, which may at times exceed federally insured limits.

Grant Receivable

Grant receivable represents the balance due on a single grant award that was promised in one fiscal year and received subsequent to year-end. 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, 2016 or 2015. If amounts are subsequently determined to be uncollectible, a provision for the uncollectible portion would be recognized at that time.

Gifts, Grants and Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions to be received beyond one year from the statement of financial position date are reduced by a discount rate, which is commensurate with the risk involved, to reflect the present value of the future payments to be received. The periodic reduction in the discount is recorded as contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, 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

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.

Functional Expenses

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.

Fundraising - 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.

Income Taxes

The Organization is a nonprofit corporation exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (Code) whereby only unrelated business income, as defined by Section 512(a)(l) of the Code, is subject to federal income tax.

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.

Due to extenuating circumstances, the Organization has fallen behind on its federal and state information filings. As of November 8, 2018, Management has submitted fiscal year 2015 filings to the Massachusetts Attorney General's office. Management is also in the process of preparing the fiscal year 2016 and fiscal year 2017 filings and plans to file all years as soon as possible to being the Organization into compliance. Management plans to request and anticipates abatement of any assessments or penalties for the late filings.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with GAAP, the Organization has considered transactions or events occurring through November 8, 2018, which was the date the financial statements were available to be issued.

2. Revenue Concentration

For the years ended August 31, 2016 and 2015, amounts received from two funders accounted for 65% and 48%, respectively, of total revenue and support.

3. Conditional Funding

As of August 31, 2016, the Organization had two conditional funding commitments totaling $147,500. The receipt of future funding is contingent upon the submission and approval of required progress reports.

4. Due to Related Parties

The Organization has amounts due to two Board members of $60,000 as of August 31, 2016. The unsecured advances are non interest-bearing with no repayment terms; however, $50,000 was repaid during 2017, and management expects to repay the remaining balance in 2019.