

TRANSLATORS WITHOUT BORDERS US, INC.

Financial Statements

for the year ended December 31, 2019 and the nine months ended December 31, 2018

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 December 31, 2019 and 2018 and the related statements of activities, functional expenses and cash flows for the year ended December 31, 2019 and nine months ended December 31, 2018 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 December 31, 2019 and 2018 and the changes in its net assets and its cash flows for the year and nine months then ended, respectively in conformity with accounting principles generally accepted in the United States of America.

Actis-Grande, Ronan & Company, LLC

September 11, 2020

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

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 709,752	\$ 613,553
Grants and contributions receivable	789,240	630,425
Trademark fees and other assets	<u>38,492</u>	<u>30,562</u>
 Total assets	 <u><u>\$ 1,537,484</u></u>	 <u><u>\$ 1,274,540</u></u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 281,705	\$ 215,886
Deferred revenue	50,223	216,480
Notes payable to officers and directors	<u>255,795</u>	<u>-</u>
 Total liabilities	 <u><u>587,723</u></u>	 <u><u>432,366</u></u>
Net assets:		
Without donor retrictions	713,141	693,822
With donor restrictions	<u>236,620</u>	<u>148,352</u>
 Total net assets	 <u><u>949,761</u></u>	 <u><u>842,174</u></u>
 Total liabilities and net assets	 <u><u>\$ 1,537,484</u></u>	 <u><u>\$ 1,274,540</u></u>

See notes to financial statements

Translators Without Borders US, Inc.
Statements of Activities

	Year Ended December 31, <u>2019</u>	9 Months Ended December 31, <u>2018</u>
Change in Net Assets Without Donor Restrictions		
Unrestricted revenue and gains:		
In-kind donations	\$ 3,503,857	\$ 3,324,540
Sponsorships and support	285,111	176,816
Sale of product	<u>800,253</u>	<u>440,071</u>
Total unrestricted revenue and gains	4,589,221	3,941,427
Net assets released from restrictions	<u>2,047,544</u>	<u>922,796</u>
Total unrestricted revenues, gains and other support	<u>6,636,765</u>	<u>4,864,223</u>
Expenses:		
Program services	5,993,055	4,398,936
Supporting services	<u>624,391</u>	<u>412,950</u>
Total expenses	<u>6,617,446</u>	<u>4,811,886</u>
Increase in unrestricted net assets	19,319	52,337
Change in Net Assets With Donor Restrictions		
Grants and contributions	2,135,812	956,868
Net assets released from restrictions	<u>(2,047,544)</u>	<u>(922,796)</u>
Net Increase in temporarily restricted net assets	<u>88,268</u>	<u>34,072</u>
Total increase in net assets	107,587	86,409
Net assets, beginning of year/period	<u>842,174</u>	<u>755,765</u>
Net assets, end of year/period	<u><u>\$ 949,761</u></u>	<u><u>\$ 842,174</u></u>

See notes to financial statements

Translators Without Borders US, Inc.
Statements of Cash Flows
Representing Increases (Decreases) in Cash

	Year Ended December 31, <u>2019</u>	9 Months Ended December 31, <u>2018</u>
Cash flows from operating activities:		
Increase in net assets	\$ 107,587	\$ 86,409
Amortization	4,125	2,103
Changes in operating assets and liabilities:		
Grants and contributions receivable	(158,815)	(275,812)
Accounts payable and accrued expenses	65,819	114,247
Deferred revenue	<u>(166,257)</u>	<u>73,498</u>
Net cash (used in) provided by operating activities	<u>(147,540)</u>	<u>445</u>
Cash flows from investing activities:		
Trademark fees and other assets	<u>(12,055)</u>	<u>(2,251)</u>
Cash flows from financing activities:		
Cash proceeds from notes payable	<u>255,795</u>	<u>-</u>
Net increase (decrease) in cash	96,199	(1,806)
Cash and cash equivalents, beginning of year/period	<u>613,553</u>	<u>615,359</u>
Cash and cash equivalents, end of year/period	<u><u>\$ 709,752</u></u>	<u><u>\$ 613,553</u></u>

See notes to financial statements

TRANSLATORS WITHOUT BORDERS US, INC.
Notes to Financial Statements
December 31, 2019 and 2018

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.

In June 2017, TWB acquired the assets of The Rosetta Foundation CLG (Rosetta). 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.

These financial statements include the activities of Rosetta for the years ended December 31, 2019 and 2018.

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
December 31, 2019 and 2018

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 Donor Restricted that increases that net asset class. When the 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 the years ended December 31, 2019 and nine months ended December 31, 2018, TWB volunteers translated 16,987,949 and 15,419,859 words, respectively, for donation equivalents of \$3,397,590 and \$3,169,109, and other donors contributed services and support with an aggregate estimated value of \$106,267 and \$117,011.

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, 2017 and thereafter 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 September 11, 2020, which is the date the financial statements were available to be issued.

TRANSLATORS WITHOUT BORDERS US, INC.
Notes to Financial Statements
December 31, 2019 and 2018

2. Program and Supporting Expenses

Program and supporting expenses consist of the following for the year ended December 31, 2019 and nine months ended December 31, 2018:

	<u>2019</u>	<u>2018</u>
Consulting and human resources	\$2,474,173	\$1,229,678
Travel	383,672	158,943
Professional fees	24,015	32,255
Other general and administrative	231,729	101,889
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	3,113,589	1,525,765
In-kind Expenses:		
Translators	3,397,590	3,169,109
Other supporting services	106,267	117,011
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	<u>\$6,617,446</u>	<u>\$4,811,885</u>

3. Notes Payable to Officers and Directors

The notes bear interest at 3.5% and were fully repaid subsequent to December 31, 2019.