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Virginia M. Barry, Ph.D.  
Commissioner of Education  
Tel. 603-271-3144

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Deputy Commissioner of Education  
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STATE OF NEW HAMPSHIRE  
DEPARTMENT OF EDUCATION  
101 Pleasant Street  
Concord, N.H. 03301  
FAX 603-271-1953

January 3, 2017

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Education to enter into a contract with Corporate Translation Services, Inc. (d/b/a CTS LanguageLink), 911 Main Street, Vancouver, Washington (vendor code 273216), to provide the New Hampshire Department of Education with translation services for the provision of special education documents. This contract will be effective upon Governor and Council approval through June 30, 2017 in an amount not to exceed \$50,000.00; with an option to renew for one additional fiscal year. 100% federal funds.

Funding is available in the account titled Special Education-Elem/Sec.

06-56-56-561010-41100000-102-500731	<u>FY'17</u>
Contracts for Program Services	\$50,000.00

EXPLANATION

The Individuals with Disabilities Education Act (IDEA) 2004, Section 300.503 is clear concerning native language requirements. The Department of Education, Bureau of Special Education is required to provide special education documents to parents and/or guardians of English Language Learners in an understandable and uniform format, and to the extent practicable, in language that the parent and/or guardian can understand. The Department of Education, Bureau of Special Education is working to communicate with all its families by offering document translations identified in our key languages other than English.

The Department of Education prepared and published a Request for Proposals (RFP) "*Special Translation Document Translation Services*" for the provision of special education documents to parents or guardians of English Language Learners, and documents related to the Safe Schools and Healthy Students State Planning Grant to students, parents, and community members whose first language is not English, in an understandable and uniform format, and to the extent practicable, in a language that the individual can understand

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council

January 3, 2017

Page Two

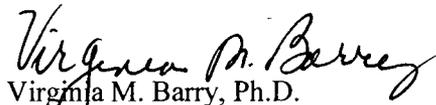
The RFP was advertised in the Manchester Union Leader, for the period February 15<sup>th</sup>, 16<sup>th</sup> and 17<sup>th</sup>, 2016, as well as posted on the Department website. Ten (10) proposals were received by the deadline. CTS LanguageLink's proposal met the criteria of the Request for Proposals (Attachment A).

The Department of Education, Bureau of Special Education would like to contract with Corporate Translation Services, Inc. (d/b/a CTS LanguageLink). Corporate Translation Services, Inc. (d/b/a CTS LanguageLink) has 25 years of experience providing superior translation services, specifically with State Educational Agencies. They have a strong history of retaining high quality translators, which undergo a rigorous quality assurance process to ensure technical correctness and cultural appropriateness as well as tested for terminology and specialize in educational translation.

This contract will be evaluated by the Department through monthly monitoring of the services provided.

In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Virginia M. Barry, Ph.D.  
Commissioner of Education

VMB:BJD  
Attachments

## Attachment A

New Hampshire Department of Education  
Special Education Document Translation Services  
April 25, 2016

**Criteria from RFP:**

- 4.1.1. A detailed statement of the bidder's professional qualifications and experience, including references and/or samples of products as they related to the Services to be Provided under this RFP. 30 Points
- 4.1.2 A narrative, which addresses the responsibilities as outlined in Section 1.0 of this RFP including a detailed description/outline of applicant's custom translation process from receipt of document to delivery of translated PDF file. 40 Points
- 4.1.3 A detailed budget and justification related to the bidder's services in the capacity described in the Services to be Provided: 30 Points
- 4.1.4.1 Cost Factor (25 points)
- 4.1.4.2 Budget is detailed and well justified for Services to be Provided (5 points)

Total: 100 Points

**Scoring for Proposals- 8 RFP's were received and Scored:**

	Bridget Brown	Amy Jenks	Elizabeth Carlotto	Mary Lane	Total Score
1) CTS LanguageLink	94	88	85	93	90
2) LTAN Language Services	91	76	100	70	84.25
3) RussTech	73	83	95	88	84.75
4) Lingualinx Language Solutions	79	83	93	80	83.75
5) Allworld Language Consultants	65	74	88	60	71.75
6) Indus Translation Services	66	87	35	65	63.25
7) Fox Translations	50	45	50	45	47.50
8) Language People	53	39	47	50	47.25

## Attachment A

The scoring for this proposal was conducted employing a consensus model.

The role of the committee members was advisory in nature. They provided information, analysis, and recommendations to present to the Commissioner of Education.

The committee members responsible for review of the Special Education Document Translation Services include the following individuals:

**Bridget Brown, Education Consultant**

Bridget has been with the Bureau of Special Education for 6 ½ years. Bridget works with the NH Rules for the Education of Children with Disabilities, understanding the Laws and Regulations required by IDEA with translation services. Bridget has reviewed and scored many requests for proposals over the years.

**Amy Jenks, Program Specialist IV**

Amy has been with the Bureau of Special Education for over 27 years. Amy has written and reviewed many requests for proposals over the years. Amy has been the Project Director for contracted services.

**Elizabeth Carlotto, Education Consultant**

Elizabeth has been working in special education for 5 years. Elizabeth has been a part of hiring and managing businesses; experience in knowing what is quality, what a comprehensive application looks like and quality of work.

**Mary Lane, Education Consultant**

Mary has been with the Bureau of Special Education for 15 years. Mary has written and reviewed many requests for proposals over the years. Mary is currently the Project Director for 6 contracted services with outside vendors.

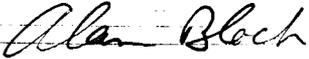
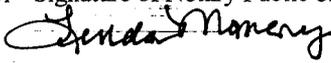
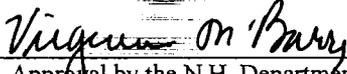
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name New Hampshire Department of Education Bureau of Special Education		1.2 State Agency Address 101 Pleasant Street Concord, New Hampshire 03301	
1.3 Contractor Name Corporate Translations Services, Inc d/b/a CTS LanguageLink		1.4 Contractor Address 911 Main Street, Suite 10 Vancouver, Washington 98660	
1.5 Contractor Phone Number 360-433-0441	1.6 Account Number See Exhibit B	1.7 Completion Date June 30, 2017	1.8 Price Limitation \$50,000.00
1.9 Contracting Officer for State Agency Santina Thibedeau, Administrator Bureau of Special Education		1.10 State Agency Telephone Number 603-271-3791	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Alan Bloch, controller	
1.13 Acknowledgement: State of <u>WA</u> , County of <u>CLARK</u>  On <u>9-2-16</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace <u>LINDA MOMENY</u>			
1.14 State Agency Signature 		Name and Title of State Agency Signatory <u>VIRGINIA M. BARRY</u> Commissioner of Education	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)  By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable)  By:  On: <u>12/16/16</u>			
1.18 Approval by the Governor and Executive Council (if applicable)  By: _____ On: _____			

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**2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

#### **8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

#### **9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**10. TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

**11. CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

**13. INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

#### **14. INSURANCE.**

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

**15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

**16. WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

**17. NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

**18. AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

**19. CONSTRUCTION OF AGREEMENT AND TERMS.**

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

**20. THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

**21. HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**22. SPECIAL PROVISIONS.** Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

**23. SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

## Exhibit A

### SCOPE OF SERVICES

Corporate Translation Services, Inc. (d/b/a CTS LanguageLink) will provide the following services to the New Hampshire Department of Education, Bureau of Special Education:

#### *SPECIAL EDUCATION DOCUMENT TRANSLATION SERVICES*

Translation services for the provision of: (1) special education documents to parents or guardians of English Language Learners, in an understandable and uniform format, and to the extent practicable, in a language that the parent can understand, and; (2) documents related to the Safe Schools and Healthy Students State Planning Grant to students, parents, and community members whose first language is not English, in an understandable and uniform format, and to the extent practicable, in a language that the individual can understand.

- Provide custom translation services of no less than twenty (20) documents into up to at least ten (10) languages per contract year upon request from the Bureau of Special Education.
- Each document will be translated by native speaking translators, proofed for accuracy and correct terminology, and made available in a PDF file version to the NHDOE, Bureau of Special Education for dissemination or posting.
- Each translated document will be translated and delivered within an agreed upon timeline between the applicant and NHDOE, Bureau of Special Education.
- Documents to be translated average between 500 and 20,000 words per document.
- Translate documents into at least Arabic, Bosnian, Chinese, Maay-Maay, Portuguese, Russian, Spanish, Vietnamese, Nepalese, and Indonesian.
- Within 30 days of delivery of translated document(s) will provide an invoice and a detailed description of services to the Bureau of Special Education.

Initial AS3  
Date 9/21/16

Exhibit B

Budget

Budget

Account number: 06-56-56-562510-60190000

Description of Services	FY'17
Translation Services on a per work rate from .15c to .215c	\$50,000.00
Total	\$50,000.00

Language Provided	Cost per word (US\$)	Minimum Charges
Arabic	\$0.150	\$75.00
Bosnian	\$0.165	\$75.00
Chinese	\$0.170	\$75.00
Maay-Maay	\$0.215	\$75.00
Russian	\$0.140	\$75.00
Indonesian	\$0.140	\$75.00
Nepalese	\$0.160	\$75.00
Portuguese	\$0.150	\$75.00
Spanish	\$0.120	\$75.00
Vietnamese	\$0.210	\$75.00

*Method of Payment:*

Payment will be made on the basis of monthly invoices that are received by the 10<sup>th</sup> of the following month which are supported by a summary of activities that have taken place in accordance with the terms of the contract.

Barbara Dauphinais, Program Specialist  
NH Department of Education  
Bureau of Special Education  
101 Pleasant Street  
Concord, New Hampshire 03301

Initial AB3  
Date 9/21/16

Exhibit C

The Department will exercise the option to renew for one additional fiscal year, if services are determined to be satisfactory and funds are available.

Any document(s) developed and published, as a project of the New Hampshire State Department of Education (NHDOE), Bureau of Special Education, will recognize the NHDOE, Bureau of Special Education as a sponsor. All documents created shall be the property of the Bureau of Special Education.

Initial ASB  
Date 9/21/16

# RESOLUTION GRANTING SIGNING AND AUTHORITY TO CONDUCT BUSINESS

WHEREAS, the Corporation desires to grant signing and authority to certain person(s) described hereunder.

RESOLVED, that the Board of Directors is hereby authorized and approved to grant signing and authority to conduct business to any one of the following person(s):

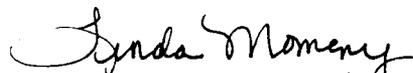
Alan Bloch, controller

The foregoing signing and authority granted shall include, but shall not be limited to, the execution of transfers, assignments, contracts, obligations, certificates, and other instruments of whatever nature entered into by this Corporation.

The undersigned hereby certifies that he/she is the duly elected and qualified Secretary and the custodian of the books and records of Corporate Translation Services, Inc., dba CTS LanguageLink, a corporation duly formed pursuant to the laws of the state of Washington, and that the foregoing is a true record of a resolution duly adopted at a meeting of the Board of Directors, and that said meeting was held in accordance with state law and the Bylaws of the above-named Corporation on September 21, 2016, and that said resolution is now in full force and effect without modification or rescission.

IN WITNESS WHEREOF, I have executed my name as Secretary of the above-named Corporation this 21<sup>st</sup> day of September, 2016.

  
Roberta K. Barger  
Secretary

  
Notary for State of WA,  
County of CLARK

My Commission expires Jan 1, 2020  
Sept. 21, 2016  
LINDA MOMENY



# State of New Hampshire Department of State

## CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CORPORATE TRANSLATION SERVICES, INC., a(n) Washington corporation, is authorized to transact business in New Hampshire and qualified on June 15, 2016. I further certify that all fees required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 18<sup>th</sup> day of July, A.D. 2016

A handwritten signature in cursive script, appearing to read "Wm Gardner".

William M. Gardner  
Secretary of State



### **Mission Statement**

CTS LanguageLink exists to be the trusted communication link for our clients, enabling them to overcome language and cultural barriers to open new markets, deliver equal access to services and establish quality customer relationships.

### **Corporate Overview**

Headquartered in Vancouver, Washington and incorporated in 1991, CTS LanguageLink is a mature and reputable company. 25 years of experience as a full-service multilingual communication agency goes into everything we do. Our Interpretation Division provides over-the-phone, video remote and on-site interpretation services in over 240 languages. Our Translation Division provides document translation, web localization and audio visual services in over 100 languages.

As a language services provider with a national presence we do more than simply state that we take pride in our relationships; we demonstrate it with client relationships that have lasted decades. The majority of our current clients are state and local government agencies, health care organizations and Fortune 500 companies. We have extensive experience providing multilingual services in health care, social services, legal arenas, education and general business. With more than two decades of experience, CTS LanguageLink has developed a level of institutional knowledge and streamlined processes that allow us to provide our clients worry-free service.

CTS LanguageLink takes great care in finding and using the most competent linguists available. In this way we provide quality interpretation and translation services specific to our clients' target audience in terms of regional dialect, culture and demographics. We maintain an extensive network of professional talent, and the industry expertise of our in-house resources allows us to provide our clients a full suite of interpretation, translation and localization solutions under one roof.

Translators are tasked with capturing the essence of source language material and communicating its meaning in the Target Language, which involves the complexity of using that Target Language's rules of grammar and spelling. Translators must have high fluency in English and the Target Language, the translators' job is a scholarly exercise, involving reference materials and legacy translation to produce a final translation that may be referenced again and again.

Our Translation Services Division provides language translation and localization services in all major media channels. This includes documents, graphics, web material, multimedia eLearning projects, complex Audio/Visual material, and more than 100 languages. Our suite of translation services also includes back translation, editing, proofreading, re-key, and transcription services for all forms of written communication, as well as glossary and Translation Memory management and development. Our Chief Operating Officer, Dan Nelson oversees the Project Management Office, Professional Services Group, and Account Services Group which work in concert to fulfill translation requests in a vast array of modes to ensure customer success.

CTS LanguageLink has been providing translation, typesetting, editing and proofing services since we were founded in 1991. We began translating election materials, such as voter's pamphlets, in 1993 and continue to service the needs of multiple counties throughout California. In 2015, CTS LanguageLink translated election materials totaling more than 237,000 English source words into eleven languages under extremely short turnaround times with zero impact to our other clients. We are proud to say that we translated over 8 million words in 2015.

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200 First Avenue West, Suite 302  
Seattle, Washington 98119-4219  
Phone (206) 728-2727 • Fax (206) 728-4413  
Website cpajla.com

February 29, 2016

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
Corporate Translation Services, Inc.  
Vancouver, WA 98660

Management is responsible for the accompanying financial statements of Corporate Translation Services, Inc., which comprise the balance sheet as of December 2015 and 2014, and the related statements of changes in stockholders' equity, income and retained earnings, cash flows, and supporting schedules, for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

*Jacobson, Lawrence & Associates, P.L.L.C.*

Certified Public Accountants

CORPORATE TRANSLATION SERVICES, INC.  
Balance Sheets

	ASSETS	
	December 31,	
	2015	2014
<b>CURRENT ASSETS:</b>		
Cash	\$ 2,005,872	\$ 2,421,905
Marketable securities less margin loan payable of \$7,880 and \$0 (Notes 2 and 3)	623,694	542,216
Accounts receivable, less allowance for doubtful accounts of \$24,006 and \$57,882 (Note 1)	2,900,851	1,769,563
Work in process	10,675	68,357
Receivable - OnLine Apps LLC (Note 6)	287,651	264,504
Receivable - Golden State LLC (Note 6)	0	50,000
Deposits	41,175	48,825
Prepaid expenses	208,788	139,524
<b>TOTAL CURRENT ASSETS</b>	<b>6,078,706</b>	<b>5,304,894</b>
<b>PROPERTY AND EQUIPMENT, net (Note 4)</b>	<b>684,481</b>	<b>1,015,557</b>
<b>OTHER ASSETS:</b>		
Intangible assets, less accumulated amortization of \$33,397 (Note 5)	241,707	241,707
<b>TOTAL OTHER ASSETS</b>	<b>241,707</b>	<b>241,707</b>
<b>TOTAL ASSETS</b>	<b>\$ 7,004,894</b>	<b>\$ 6,562,158</b>
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities	\$ 1,995,603	\$ 1,267,428
Current portion - long-term debt	56,612	54,371
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,052,215</b>	<b>1,321,799</b>
<b>LONG-TERM LIABILITIES (SEE SCHEDULE 1)</b>	<b>0</b>	<b>56,611</b>
<b>TOTAL LIABILITIES</b>	<b>2,052,215</b>	<b>1,378,410</b>
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock, par value \$.00033 per share; 20,000,000 shares authorized; 3,000,000 shares issued and outstanding	1,000	1,000
Additional paid-in capital	38,849	38,849
Retained earnings	5,007,207	5,175,589
Accumulated other comprehensive income: Unrealized gains (losses) on securities	(94,377)	(31,690)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>4,952,679</b>	<b>5,183,748</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 7,004,894</b>	<b>\$ 6,562,158</b>

See Independent Accountant's Compilation Report and Accompanying  
Notes to Financial Statements.

CORPORATE TRANSLATION SERVICES, INC.  
Statements of Changes in Stockholders' Equity  
For the Year Ended December 31, 2015 and 2014

	Common Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Compre- hensive Income	Total
Balance January 1, 2014	\$ 1,000	\$ 38,849	\$ 4,567,646	\$ (32,724)	\$ 4,574,771
Comprehensive income:					
Net income (loss) for the year ended December 31, 2014			1,225,652		1,225,652
Increase in unrealized gains on securities				1,034	1,034
Comprehensive income				1,226,686	1,226,686
Stockholder distributions			(617,709)		(617,709)
Balance December 31, 2014	1,000	38,849	5,175,589	(31,690)	5,183,748
Comprehensive income:					
Net income for the year ended December 31, 2015			987,377		987,377
Increase in unrealized gains (losses) on securities				(62,687)	(62,687)
Comprehensive income				924,690	924,690
Stockholder distributions			(1,155,759)		(1,155,759)
Balance December 31, 2015	\$ 1,000	\$ 38,849	\$ 5,007,207	\$ (94,377)	\$ 4,952,679

See Independent Accountant's Compilation Report and Accompanying Notes to Financial Statements.

CORPORATE TRANSLATION SERVICES, INC.  
Statements of Income and Retained Earnings

	For The Year Ended December 31,	
	2015	2014
REVENUE	\$ 33,060,478	\$ 28,986,126
DIRECT COSTS (See Schedule 2)	30,224,572	26,132,826
GROSS MARGIN	2,835,906	2,853,300
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSE (See Schedule 3)	1,964,797	1,685,163
INCOME FROM OPERATIONS	871,109	1,168,137
OTHER INCOME (EXPENSE):		
Interest and dividends	36,177	28,818
Gain (loss) on sale and disposal of assets and investments	74,674	17,911
Other income	5,417	10,786
	116,268	57,515
NET INCOME	987,377	1,225,652
RETAINED EARNINGS, Beginning of year	5,175,589	4,567,646
Stockholder distributions	(1,155,759)	(617,709)
RETAINED EARNINGS, End of year	\$ 5,007,207	\$ 5,175,589

See Independent Accountant's Compilation Report and Accompanying  
Notes to Financial Statements.

CORPORATE TRANSLATION SERVICES, INC.  
Statements of Cash Flows

	For The Year Ended December 31,	
	2015	2014
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 987,377	\$ 1,225,652
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	471,954	510,499
Bad debt expense (recovery)	0	(124,480)
(Gain) loss on sale and distribution of investments and assets	(74,674)	(17,911)
(Increase) decrease in:		
Accounts receivable	(1,097,412)	551,425
Prepaid expenses	(69,264)	(68,887)
Work in process	57,682	(45,646)
Receivable - OnLine Apps LLC	(23,147)	(101,718)
Receivable - Golden State LLC	50,000	(50,000)
Deposits	7,650	0
Increase (decrease) in:		
Accounts payable and accrued liabilities	728,175	222,392
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>1,038,341</b>	<b>2,101,326</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of equipment	(128,979)	(161,585)
Purchase of marketable securities	(1,755,367)	(1,288,340)
Proceeds from sale of marketable securities and equipment	1,632,221	1,163,957
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(252,125)</b>	<b>(285,968)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Stockholder distributions	(1,155,759)	(617,709)
Net borrowings (payments) Schwab margin loan	7,880	0
Note payable - Pacific Continental Bank	(54,370)	(52,268)
Note payable - Wells Fargo Equipment Finance, Inc.	0	(22,292)
<b>NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES</b>	<b>(1,202,249)</b>	<b>(692,269)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(416,033)</b>	<b>1,123,089</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>2,421,905</b>	<b>1,298,816</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 2,005,872</b>	<b>\$ 2,421,905</b>

See Independent Accountant's Compilation Report and Accompanying  
Notes to Financial Statements.

CORPORATE TRANSLATION SERVICES, INC.  
Statements of Cash Flows

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SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION

For The Year Ended  
December 31,

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	<u>2015</u>	<u>2014</u>
CASH PAYMENTS FOR:		
Interest	\$ <u>3,951</u>	\$ <u>6,094</u>

See Independent Accountant's Compilation Report and Accompanying  
Notes to Financial Statements.

CORPORATE TRANSLATION SERVICES, INC.  
Supporting Schedules

	For The Year Ended December 31,	
	2015	2014
<b>SCHEDULE 1 - LONG-TERM LIABILITIES:</b>		
Note payable - Pacific Continental Bank (Notes 11 and 12)	\$ 56,612	\$ 110,982
Less current portion	(56,612)	(54,371)
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$ 0</b>	<b>\$ 56,611</b>
 <b>SCHEDULE 2 - DIRECT COSTS:</b>		
Direct labor	\$ 4,980,168	\$ 4,914,510
Subcontractors	24,359,816	20,334,020
Officer wages	175,000	149,612
Rents	558,000	569,710
Direct supplies	134,003	149,467
Commission expenses	17,585	15,507
<b>TOTAL DIRECT COSTS</b>	<b>\$ 30,224,572</b>	<b>\$ 26,132,826</b>
 <b>SCHEDULE 3 - SELLING, GENERAL, AND ADMINISTRATIVE EXPENSE:</b>		
Advertising (Note 10)	\$ 16,835	\$ 18,646
Depreciation	471,954	510,499
Bad debt expense	0	(124,480)
Education	17,785	2,743
Insurance	82,395	81,008
Interest and finance charges	42,231	37,423
Operating expense	305,681	336,061
Postage	11,554	13,508
Professional services	196,675	128,836
Repairs and maintenance	3,742	3,598
Taxes and licenses	83,216	78,968
Telephone	677,655	509,108
Travel, meals and entertainment	55,074	89,245
<b>TOTAL SELLING, GENERAL, AND ADMINISTRATIVE EXPENSE</b>	<b>\$ 1,964,797</b>	<b>\$ 1,685,163</b>

See Independent Accountant's Compilation Report and Accompanying  
Notes to Financial Statements.

CORPORATE TRANSLATION SERVICES, INC.  
Notes to Financial Statements  
December 31, 2015 and 2014

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## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF ORGANIZATION:

Nature of Organization

Corporate Translation Services, Inc. provides a wide range of multilingual information services to business customers and government agencies and specializes in offering translation and interpretation services to companies in highly technical and engineering environments. The Company has offices in Washington and California. Its primary customers are located throughout the United States.

Use of Estimates

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, disclosures 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Company maintains cash balances at several financial institutions. At times, the balances may exceed federally insured limits. At December 31, 2015 and 2014, respectively, the Company maintained \$69 and \$5,981 in federally uninsured money market funds. Insurance on this amount is provided by the Securities Investor Protection Corporation (SIPC). The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit losses on cash and cash equivalents.

Depreciation

Fixed assets are stated at cost.

Depreciation of property and equipment is provided on the straight-line method over the following estimated useful lives of the assets. Depreciation expense for the years ended December 31, 2015 and 2014 was \$471,954 and \$510,499, respectively.

Furniture and equipment	3 - 10 years
Leasehold improvements	5 years

See Independent Accountant's Compilation Report.

CORPORATE TRANSLATION SERVICES, INC.  
Notes to Financial Statements  
December 31, 2015 and 2014

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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF ORGANIZATION  
(CONTINUED):

Fair Value of Financial Instruments

Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments approximate the carrying value of such amounts.

Accounts Receivable

Allowances have been made in the financial statements for any accounts judged to be uncollectible. Management periodically reviews accounts receivable for uncollectible amounts, and the allowance is adjusted accordingly. For the years ended December 31, 2015 and 2014, accounts receivable over 90 days past due were \$81,888 and \$67,876, respectively.

Compensated Absences

An accrual has been made on these financial statements for compensated absences. Employees of the Company are entitled to paid vacation and paid sick days depending on length of service and other factors per a written policy.

Investments

Investments consist of investments in publicly traded common stocks which are classified as available-for-sale securities carried at fair value. Net unrealized investment gains (losses) related to available-for-sale securities are recorded as a component of accumulated other comprehensive income in stockholders' equity. Interest and dividends earned are reported in interest and other income. The Company uses quoted market prices or public market information to determine the fair value of its investments.

Comprehensive Income

The Company has adopted accounting standards that address the reporting of comprehensive income. These standards require the Company to report the change in other financial activities affecting financial position, that are not included in the Statement of Income, as adjustments to net income to arrive at comprehensive income which is an additional measure of operating performance. Additionally, the standards require the Company to include the cumulative items comprising comprehensive income as a component of equity titled Accumulated Other Comprehensive Income. The Company's only element of Other Comprehensive Income relates to unrealized gains on available for sale investment securities.

See Independent Accountant's Compilation Report.

CORPORATE TRANSLATION SERVICES, INC.  
Notes to Financial Statements  
December 31, 2015 and 2014

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF ORGANIZATION  
(CONTINUED):

Goodwill

The Company does not amortize goodwill but reduces the carrying amount of goodwill if management determines that its implied fair value has been impaired.

NOTE 2 - MARKETABLE SECURITIES:

Marketable securities are classified as available-for-sale and, accordingly, are recorded at fair value in investments on the balance sheet, with the unrealized gains or losses on these securities reported as a component of accumulated other comprehensive income in stockholders' equity. The following summarizes the information relating to available-for-sale securities as of December 31:

	<u>Fair Value</u>	<u>Cost</u>	<u>Accumulated Unrealized Gain</u>
<u>December 31, 2015</u>			
Equities	<u>\$ 631,574</u>	<u>\$ 725,951</u>	<u>\$(94,377)</u>
<u>December 31, 2014</u>			
Equities	\$ 421,482	\$ 444,898	\$(23,416)
Exchange traded funds	<u>120,734</u>	<u>129,008</u>	<u>(8,274)</u>
	<u>\$ 542,216</u>	<u>\$ 573,906</u>	<u>\$(31,690)</u>

NOTE 3 - FAIR VALUE MEASUREMENTS:

The Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this topic are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access. All investments currently held by the Company are considered to be level 1.

See Independent Accountant's Compilation Report.

CORPORATE TRANSLATION SERVICES, INC.  
Notes to Financial Statements  
December 31, 2015 and 2014

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## NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED):

Level 2: Inputs to the valuation methodology include:

- a. Quoted prices for similar assets or liabilities in active markets,
- b. Quoted prices for identical or similar assets or liabilities in inactive markets,
- c. Inputs other than quoted prices that are observable for the asset or liability,
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## NOTE 4 - PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

	<u>2015</u>	<u>2014</u>
Office and computer equipment	\$2,049,372	\$1,922,604
Furniture and fixtures	268,837	268,837
Leasehold improvements	<u>508,652</u>	<u>511,378</u>
	2,826,861	2,702,819
Less accumulated depreciation	<u>2,142,380</u>	<u>1,687,262</u>
	<u>\$ 684,481</u>	<u>\$1,015,557</u>

See Independent Accountant's Compilation Report.

CORPORATE TRANSLATION SERVICES, INC.  
Notes to Financial Statements  
December 31, 2015 and 2014

## NOTE 5 - GOODWILL:

Goodwill consists of the excess of the purchase price over the fair value of net assets acquired of purchased divisions. The Company periodically reviews goodwill for impairment.

The change in the carrying value of goodwill during the year is as follows:

	<u>Carrying Value</u>	<u>Impairment Losses Recognized</u>	<u>Carrying Value</u>
December 31, 2015			
California Unit	\$ 236,832	\$ 0	\$ 236,832
Evergreen Unit	4,875	0	4,875
	<u>\$ 241,707</u>	<u>\$ 0</u>	<u>\$ 241,707</u>
December 31, 2014			
California Unit	\$ 236,832	\$ 0	\$ 236,832
Evergreen Unit	4,875	0	4,875
	<u>\$ 241,707</u>	<u>\$ 0</u>	<u>\$ 241,707</u>

## NOTE 6 - RELATED PARTY TRANSACTIONS:

The Company rents office space in Washington and California from Evergreen International Plaza, LLC and Golden State International, LLC. The LLCs are owned by the officers/stockholders of the Company and their children. Rental payments billed to the Company in 2015 and 2014 amounted to \$552,000 and \$552,500, respectively.

OnLine Apps LLC is owned 50 percent by an officer/stockholder. The receivable is unsecured and due on demand with an interest rate of 8 percent.

On December 31, 2014, Golden State LLC purchased equipment with a fair market value of \$50,000 from the Company. The receivable was unsecured and due on demand. It was paid off March 26, 2015.

The Company pays CTS Language Link (CTSLL) Dominicana SRL for services. CTSLL is located in the Dominican Republic and is owned 99.9 percent by an officer/stockholder. The Company paid \$852,274 and \$671,740 for services in 2015 and 2014, respectively.

In 2014, the officer/stockholder took distributions of \$175,000 from the Company to contribute to CTSLL Dominicana SRL for the purpose of purchasing an office building. In 2015, the officer/stockholder took distributions of \$400,000 to contribute to Evergreen International Place, LLC for the purpose of purchasing an office building.

See Independent Accountant's Compilation Report.

CORPORATE TRANSLATION SERVICES, INC.  
Notes to Financial Statements  
December 31, 2015 and 2014

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NOTE 7 - COMMITMENTS:

The Company leases office space under non-cancelable operating leases. The leases are month to month.

Rental expense for the years ended December 31, 2015 and 2014 amounted to \$558,000 and \$569,710, respectively.

NOTE 8 - INCOME TAXES:

The Company has elected under the Internal Revenue Code to be treated as an S corporation for income tax purposes. As such, the Company does not pay federal income tax on its taxable income. Instead, the stockholders are liable for individual federal income taxes on the Company's earnings.

The Company accounts for tax positions in accordance with the Recognition and Initial Measurement Sections of the Income Taxes Topic of Financial Accounting Standards Board Accounting Standards Codification. With few exceptions, the Company is subject to U.S. federal and state income tax examinations by tax authorities for the prior three years. Management has reviewed the Company's tax positions and determined there were no uncertain tax positions as of December 31, 2015 and 2014.

The Company recognizes income-tax related interest expense and penalties in operating expenses. During the years December 31, 2015 and 2014, the Company recognized no income-tax related interest or penalties.

NOTE 9 - RETIREMENT PLAN:

The Company provides a 401(k) plan for the benefit of eligible employees. The plan allows eligible employees to defer a portion of their annual compensation pursuant to Section 401(k) of the Internal Revenue Code.

NOTE 10 - ADVERTISING AND PROMOTIONAL EXPENSES:

The Company expenses advertising and promotional costs as they are incurred. Advertising and promotional expenses for the years ended December 31, 2015 and 2014 were \$16,835 and \$18,646, respectively.

NOTE 11 - NOTE PAYABLE - PACIFIC CONTINENTAL BANK:

Monthly payments of \$4,822.25 including interest at 4 percent beginning January 15, 2014. The note is secured by accounts receivable and equipment and is due December 15, 2016.

See Independent Accountant's Compilation Report.

CORPORATE TRANSLATION SERVICES, INC.  
Notes to Financial Statements  
December 31, 2015 and 2014

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NOTE 12 - MINIMUM PAYMENTS ON LONG-TERM DEBT:

The maturity of long-term debt is as follows:

	<u>December 31,</u>
2016	<u>\$ 56,612</u>
	<u>\$ 56,612</u>

NOTE 13 - SUBSEQUENT EVENTS:

Management has evaluated subsequent events through February 29, 2016, the date on which the financial statements were originally available to be issued.

See Independent Accountant's Compilation Report.

**Board of Directors**  
 Jeffrey Barger, CEO  
 Roberta Barger, CFO

Jeff and Roberta are not compensated for their board duties.

**Project Personnel**

<b>Staff Member/ Title</b>	<b>Duties/Authorities/Responsibilities</b>	<b>Experience/Qualifications</b>
<b>Translation Division</b>		
<b>Dan Nelson, COO</b>	Oversight of division operations and technical execution tracking, monitoring and control. Ensures operations meet contractual and internal quality requirements and standards. Highly effective in contractual costs, delivery and technical performance deliverables attainment.	Joining CTS LanguageLink in 2006 as Director of Information Technology, Dan then added the Interpretation Division to his duties as VP. Dan has almost 20 years of IT experience and extensive experience in analyzing and streamlining business processes through management and technical means.
<b>Kimila Johnson, VP of Sales and Marketing</b>	Kimila is responsible for our sales and marketing team. Her focus is increasing revenue, wither first priority is customer satisfaction as this leads to referrals and repeat business.	Kimila has been at CTS LanguageLink since 2008. She works at developing successful sales strategies, which contribute to us rising from number 15 to number 8 in the country's translation provider rankings. For the past 20 years her team has been responsible for developing successful long-term Sales strategies and annual Sales plans. Kimila establishes relationships through a strong customer focus, collaborating with management in each region to provide valuable insights about the industry.
<b>Jessica Banks, Quote Sales Director</b>	Jessica provides initial quotes for services, analyzing projects with clients to devise the best possible workflow for their material in an effort to fit budget and quality needs.	Jessica began working in the Translation industry since 2001. Jessica joined CTS in 2013 as a Localization Project Manager, and was promoted to the Quote Sales Director position in February of 2015. Jessica relies on 20 years of overall Project Management experience, and more than 30 years of proofreading and computer experience in Layout and Design to ensure that the quotes provided accurately represent the scope of work.

<b>Kimberly Rose, Manager Project Management Office</b>	Kimberly is responsible for leading CTS' team of highly qualified and experienced project managers and quality assurance analysts. These teams collaborate to ensure that all project deliverables drive our customers' success.	Kimberly has been with CTS for 3 years, and has extensive experience in project management and international program development. She has a Master's degree in Asian Studies.
<b>Brian Schlosser, Manager Professional Services Group (PSG)</b>	Brian is responsible for our in house translation production department, which includes document, web, eLearning, and A/V translation services.	Brian originally came to CTS in 2012. His focus is to provide the perfect balance between quality and efficiency while meeting each client's unique requirements and expectations. He has over 10 years of management experience in production environments and holds a Master's degree in English.
<b>Justin Paukert, Manager Account Services</b>	Justin is responsible for our account services team. This team goes beyond translation projects to work directly with customers to help them with navigating the industry and their overall account needs.	Justin Paukert has been with CTS LanguageLink for 5 years. He began as our organization's Quote Manager and quickly grew into a Project Management role. Today, he manages a team of Account Managers in our Account Services Group.
<b>Monique Hanson, Vendor Management Supervisor</b>	The Vendor Management department is tasked with recruiting qualified interpreters and translators for existing contracts and upcoming projects	Monique has been with CTS LanguageLink for three years. She began by managing recruitment for our FEMA contract, later moving into applying her skills to recruitment for the entire CTS organization.