

**SEWA INTERNATIONAL INC., USA**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**YEARS ENDED DECEMBER 31, 2017 AND 2016**



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SEWA INTERNATIONAL INC., USA

YEARS ENDED DECEMBER 31, 2017 AND 2016

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## INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

The Board of Directors of  
Sewa International Inc., USA

We have audited the accompanying financial statements of Sewa International Inc., USA, a Georgia nonprofit corporation, which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and statements of cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted for nonprofit organizations 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 from 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 auditors' 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 auditors consider 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 the 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 accounting policies 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 Sewa International Inc., USA, as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted for nonprofit organizations in the United States of America.

*Bankole, Okoye & Associates PC*

Bankole, Okoye & Associates PC  
Houston, Texas  
April 30, 2018

## Financial Statements

SEWA INTERNATIONAL INC., USA

STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,438,100	\$ 1,299,093
Stocks	55,326	40,248
Contributions receivable	5,000	-
Prepaid expenses	29,284	800
Property and equipment, net	<u>6,872</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,534,582</u>	<u>\$ 1,340,141</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accrued liabilities	<u>\$ 29,067</u>	<u>\$ 27,941</u>
<b>Total liabilities</b>	<u>29,067</u>	<u>27,941</u>
<b>NET ASSETS</b>		
Unrestricted net assets		
Designated by the Board for endowment (See Note 6)	1,650,000	-
Undesignated	<u>361,167</u>	<u>275,513</u>
<b>Total unrestricted net assets</b>	2,011,167	275,513
Temporarily restricted net assets	<u>1,494,348</u>	<u>1,036,687</u>
<b>Total net assets</b>	<u>3,505,515</u>	<u>1,312,200</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 3,534,582</u>	<u>\$ 1,340,141</u>

*The accompanying notes are an integral part of this financial statement.*

SEWA INTERNATIONAL INC., USA

STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES:			
Contributions	\$ 2,275,554	\$ 1,844,962	\$ 4,120,516
Events registration and related revenues	133,688	-	133,688
Inkind revenues	16,714	-	16,714
Other income	60,204	-	60,204
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>1,387,301</u>	<u>(1,387,301)</u>	<u>-</u>
TOTAL REVENUES	<u>3,873,461</u>	<u>457,661</u>	<u>4,331,122</u>
EXPENSES:			
Program expenses	1,866,234	-	1,866,234
Fundraising	128,218	-	128,218
Administrative and general	<u>143,355</u>	<u>-</u>	<u>143,355</u>
TOTAL EXPENSES	<u>2,137,807</u>	<u>-</u>	<u>2,137,807</u>
CHANGE IN NET ASSETS	1,735,654	457,661	2,193,315
NET ASSETS, BEGINNING OF YEAR	<u>275,513</u>	<u>1,036,687</u>	<u>1,312,200</u>
NET ASSETS, END OF YEAR	<u>\$ 2,011,167</u>	<u>\$ 1,494,348</u>	<u>\$ 3,505,515</u>

*The accompanying notes are an integral part of this financial statement.*

SEWA INTERNATIONAL INC., USA

STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES</b>			
Contributions	\$ 506,402	\$ 1,340,905	\$ 1,847,307
Events registration and related revenues	80,003	-	80,003
Inkind revenues	26,166	-	26,166
Other income	1,763	-	1,763
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>1,479,132</u>	<u>(1,479,132)</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<u>2,093,466</u>	<u>(138,227)</u>	<u>1,955,239</u>
<b>EXPENSES</b>			
Program expenses	2,007,824	-	2,007,824
Fundraising	161,820	-	161,820
Administrative and general	<u>168,742</u>	<u>-</u>	<u>168,742</u>
<b>TOTAL EXPENSES</b>	<u>2,338,386</u>	<u>-</u>	<u>2,338,386</u>
<b>CHANGE IN NET ASSETS</b>	(244,920)	(138,227)	(383,147)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>520,433</u>	<u>1,174,914</u>	<u>1,695,347</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 275,513</u>	<u>\$ 1,036,687</u>	<u>\$ 1,312,200</u>

*The accompanying notes are an integral part of this financial statement.*

SEWA INTERNATIONAL INC., USA

STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	<u>\$ 2,193,315</u>	<u>\$ (383,147)</u>
Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:		
Depreciation	3,434	-
Value of donated stocks	(15,078)	(24,801)
Changes in operating assets and liabilities:		
Contribution receivable	(5,000)	-
Prepaid expenses	(28,484)	(800)
Accrued liabilities	<u>1,126</u>	<u>27,941</u>
Total adjustment	<u>(44,002)</u>	<u>2,340</u>
Net cash provided by/(used in) operating activities	<u>2,149,313</u>	<u>(380,807)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(10,306)</u>	<u>-</u>
Net cash used in investing activities	<u>(10,306)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	2,139,007	(380,807)
Cash and cash equivalents, beginning of year	<u>1,299,093</u>	<u>1,679,900</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 3,438,100</u></u>	<u><u>\$ 1,299,093</u></u>

*The accompanying notes are an integral part of this financial statement.*



SEWA INTERNATIONAL INC., USA

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 and 2016

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business

Sewa International Inc., USA, (the “Organization”) is a Hindu faith-based, humanitarian, nonprofit service organization incorporated in the State of Georgia on June 13, 2003, whose objective is to serve humanity in distress, aid local communities, and promote volunteerism, all as part of a vision in pursuit of a world of equality where everyone is happy, enjoying good health, and living in harmony with nature. The Organization devotes its resources mostly to disaster relief and rehabilitation and in development projects in the areas of health, education, empowerment, and community development. The Organization is affiliated with ‘Sewa International,’ a larger movement that started in India in 1989 and has currently spread to about 20 countries. Although the Organization and the ‘Sewa International’ movement are founded on similar philosophy and principles, the Organization is legally independent of the ‘Sewa International’ movement. The Organization maintains its own separate Board of Directors, and is independently registered in, and follows the applicable laws and regulations of the United States, as well as designs and operates its own programs.

The Organization is funded primarily through individual and corporate contributions and admission fees from fundraising events.

Basis of Accounting

The Financial Accounting Standards Board (FASB) is the designated organization for establishing standards of financial accounting that govern the preparation of financial reports by nongovernmental entities, including nonprofit organizations, in the United States of America.

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted for nonprofit organizations in the United States of America. Under the accrual method, revenues are recorded in the period earned and when the amount and timing of the revenue can be reasonably determined. Expenses and asset additions are recognized at the time a liability arises which is normally at the time title passes to, or a service is received by, the Organization.

Financial Statement Presentation

The Organization prepares its financial statements in accordance with the requirements of FASB’s Accounting Standards Codification (ASC) Topic 958-205, *Financial Statements of Not-For-Profit Organizations*, and reports information regarding its financial position and activities according to the following three classes of net assets, as applicable:

*Unrestricted Net Assets* – These are resources that are not subject to donor-imposed stipulations and can be used for the general operations of the Organization.

*Temporarily Restricted Net Assets* – These are resources that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time.

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NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 and 2016

*Permanently Restricted Net Assets* – These are resources that are subject to donor restrictions requiring that the principal be held in perpetuity and any income thereon may be used by the Organization.

The Organization is also required under FASB ASC Topic 958-205 to present a statement of cash flows as a basic financial statement.

*Revenue Recognition*

In accordance with FASB ASC Topic 958-605, *Not-for-Profit Entities – Revenue Recognition*, contributions received by the Organization are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions are recognized as revenues in the period the Organization receives any direct cash donation or any unconditional promises to give cash. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. The Organization did not have any conditional promises to give as of December 31, 2017 or 2016. Contributions of assets other than cash are recorded at their estimated fair value at the date of the contribution. 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 and reported in the statement of activities as net assets released from restrictions. When both restricted and unrestricted resources are available for use for the same purpose, it is the Organization's policy to use restricted resources first, then unrestricted resources as they are needed.

Registration fees and ticket sales revenues from fundraising events are recorded when cash is received from registrants or from the sales of the events' tickets.

Other incomes, including interest, dividends and other investment income, as well as miscellaneous revenues, are recognized when received.

*Donated Goods, Facilities, and Services*

In accordance with FASB ASC Topic 958-605, *Non-for-Profit Entities - Accounting for Contributions Received and Contributions Made*, donated goods, facilities, and services are reflected as in-kind contributions and expensed in the accompanying financial statements at their estimated fair value at the date of receipt. The Organization recognizes contributed services at their estimated fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Organization receives many hours of donated services from Board members and other volunteers helping with the Organization's administrative and program activities. While these services are beneficial to the Organization, no amount has been recognized for them in the accompanying financial statements because they did not meet the criteria for recognition contained in accounting principles generally accepted in the United States of America.

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NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 and 2016

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. No significant estimates have been included in the accompanying financial statements.

Functional Allocation of Expenses

In accordance with FASB ASC Topic 958-720-45-2, *Functional Classification of Expenses*, the costs of providing various programs and other activities of the Organization have been summarized on a functional basis (i.e., expenses have been grouped according to the purpose for which they were incurred) in the statements of activities and in the supplementary schedules of functional expenses. The primary functional classifications of the Organization's uses of resources are *program services expenses*, *administrative and general expenses*, and *fundraising expenses*. Administrative and general expenses include those expenses that are not directly identifiable with the core function but provide for the overall support and direction of the Organization. Fundraising expenses are costs incurred in connection with special events and other activities targeted at increasing public awareness and raising funds for the Organizations programs and activities.

Cash and Cash Equivalents

The Organization reports as cash and cash equivalents all monies in banks and investments that are available for current use with maturity dates of less than three months from the date of acquisition. The Organization had no cash equivalents as of December 31, 2017 or 2016. Management believes that the carrying amounts reported for cash in the statements of financial position approximate their fair values.

Stocks

Stocks and other marketable securities donated to the Organization are sometimes held for a period of time before they are sold. Such stocks and other marketable securities held at the year-end are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the net return on investments reported in the statements of activities. Proceeds from sales of stocks and other marketable securities, which are held in money market accounts, are recorded as cash equivalents. Returns from stock and other marketable securities are reported as an increase or decrease in unrestricted net assets unless their use is limited by donor-imposed restrictions.

Property and Equipment

Property and equipment are generally recorded at cost. The Organization follows the policy of capitalizing all expenditures exceeding \$500 for each unit of property and equipment at cost (whether acquired by purchase or by donation). Property and equipment are depreciated and amortized using the straight-line method based on their estimated useful lives ranging from five years for equipment and furniture to 39 years for buildings and improvements. Maintenance and repairs are charged to operations when incurred. Major improvements and renewals that extend the life of the property or equipment are capitalized.

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 and 2016

Income Taxes

The Organization is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the “Code”) and is classified as a public charity under Section 509(a)(2) of the Code. However, income generated from activities unrelated to the Organization’s exempt purpose is subject to tax under Section 511 of the Code. The Organization did not conduct any unrelated business activities in the years ended December 31, 2017 and 2016. Accordingly, the Organization has made no provision for federal income taxes in the accompanying financial statements.

The Organization files Form 990, *Return of Organization Exempt from Income Tax*, for its exempt activities in the federal jurisdiction within the United States. The federal income tax returns of the Organization for years 2014 through 2016 remain subject to examination by the Internal Revenue Service, generally for three years after they were filed.

New Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. This Update requires a lessee of property under an operating lease agreement, such as but not limited to leases of an office or storage space, to recognize in the statement of financial position (a) a liability to make lease payments (the lease liability) and (b) a right-of-use “asset” representing its right to use the underlying asset for the lease term. The implementation of this new standard, which will become effective for the Organization’s 2020 financial statements, would result in the following new accounting requirements:

- i. Initial measurement, and inclusion in the statement of financial position, of the right-of-use asset and the corresponding lease liability at the present value of the lease future payments based on the term of the lease;
- ii. Recognition of a single lease cost, calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis; and
- iii. Classification of all cash payments for operating leases within the operating activities section in the statement of cash flows.

The Organization is currently evaluating how ASU No. 2016-02 might affect the presentation of its financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*, which revises the financial reporting model of nonprofit organizations. Among other provisions, ASU No. 2016-14 requires enhanced disclosures around the nature and amounts of net asset restrictions (both donor-imposed and board-designated), as well as enhanced disclosures regarding how entities manage their liquidity. ASU No. 2016-14 will become effective for the Organization’s 2018 financial statements. The adoption of ASU No. 2016-14 will result in certain changes to the presentation of the Organization’s financial statements and footnote disclosures beginning from the year ending December 31, 2018.

## 2. PROGRAMS

The Organization delivers a variety of programs in furtherance of its mission. Although the Organization is a Hindu faith-based humanitarian organization, it does not use any portion of its financial resources for proselytizing activities. In addition, the Organization maintains a non-discriminatory service philosophy. Accordingly, exposure, adherence, or conversion to any religious doctrine is not required from the beneficiaries of services provided by the Organization.

The costs of performing the following major program activities are included in the accompanying financial statements:

### ≈ Disaster Relief and Rehabilitation

The Organization executes rescue and relief activities immediately after a disaster, and supports rehabilitation projects from the stress caused by natural disasters such as floods, landslides, earthquakes, hurricanes, and forest fires that devastate humanity, animals and infrastructure.

### ≈ Family Services

Based on the concept of Hindu families, the Organization has developed and organized the Family Services program across its chapters with three main areas of focus:

- Emergency Support Services to needy families.
- Health and Wellness - Such as Stop Diabetes Movement - an initiative to prevent diabetes through therapy and the practice of yoga.
- Awareness and Education – The Aspire Program focuses on the overall development of kids, giving them all the tools they require for social and academic success. After-school tutoring and homework assistance are available for youth in the underserved communities. Other educational activities include workshops on financial management and focused sessions based on age groups.

### ≈ Human Development and Empowerment

*International Development Projects* - International development projects are conducted by the Organization through and along with its sister organizations worldwide. Since the Sewa movement is in more than 20 countries, this network helps the Organization in implementing its development projects. Currently the Organization is focused on education, child and tribal welfare, youth and women empowerment, vocational training, rural development, and the environment.

*Bhutanese Empowerment (in the USA)* - The Organization played a significant role in the settlement, education, and support of Bhutanese refugees in various states across the USA during 2008 through 2013. Due to the challenging nature of this project, the Organization also provided innovative programs, including women empowerment programs, skillset improvements, job and vocational training services, life skills improvement programs, education and emergency services.

### ≈ Volunteer Development

Volunteer Development projects are implemented by the Organization through its various Chapters in support of their local communities. The Organization provides volunteer resources to community

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organizations that require a particular task done such as: Spring cleaning of temples or city parks; soup kitchen; stocking the food banks; day visits to terminally or chronologically ill children; managing and running community events; etc.

In addition, volunteer-based development programs focus on family services; child, tribal and refugee welfare; women empowerment; health; and education in the USA and many other countries.

≈ *Sponsor a Child*

The *Sponsor a Child* project serves children of low-income families through donating fees, uniforms, books, subject coaching, career guidance, and counseling. The program provides a holistic development opportunity for students. Apart from their regular class work, all students can participate in sports and cultural events. They are also provided exposure to computers and video-based education.

### 3. FAIR VALUE MEASUREMENTS

FASB ASC Topic 820-10, *Fair Value Measurements*, provides the definition of fair value and establishes a framework for measuring fair value. Fair value is defined as the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Statement also establishes a fair value hierarchy that distinguishes between inputs based on market data from independent sources (observable inputs) and a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs).

The Organization measures and reports certain assets at fair value and within a hierarchal disclosure framework which prioritizes and ranks the level of observable inputs used in measuring fair value. At each balance sheet date, the Organization performs an analysis of all instruments subject to fair value measurements.

The fair value three-tier hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value under FASB ASC Topic 820-10 are as follows:

*Level 1:* Quoted market prices in active markets for identical assets or liabilities.

*Level 2:* Inputs other than Level 1 inputs that are either directly or indirectly observable such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable; or other inputs not directly observable, but derived principally from, or corroborated by, observable market data.

*Level 3:* Less observable or unobservable inputs that are supported by little or no market activity. The following is a summary of the Organization's financial instruments by level, within

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the fair value hierarchy, as of December 31, 2017:

	Fair Value Measurement			Total	Cost Basis
	Level 1	Level 2	Level 3		
<u>December 31, 2017:</u>					
Money Market Funds	\$ 11,501	\$ -	\$ -	\$ 11,501	\$ 11,842
Stocks/Equities	43,825	-	-	43,825	28,911
Total	<u>\$ 55,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,326</u>	<u>\$ 40,753</u>

The following is a summary of the Organization's financial instruments by level, within the fair value hierarchy, as of December 31, 2016:

	Fair Value Measurement			Total	Cost Basis
	Level 1	Level 2	Level 3		
<u>December 31, 2016:</u>					
Money Market Funds	\$ 11,842	\$ -	\$ -	\$ 11,842	\$ 11,842
Stocks/Equities	28,406	-	-	28,406	13,492
Total	<u>\$ 40,248</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,248</u>	<u>\$ 25,334</u>

The Organization's financial instruments are exposed to various risks such as custodial credit risks which are described in Note 4 in greater details, interest rate risks, and market risks.

All assets have been valued using a market approach, except the cash equivalents which are carried at book value because this value-basis is considered to approximate fair value at December 31, 2017 and 2016, due to the relatively short-term nature of these accounts. There were no changes in the valuations techniques applied to financial instruments during the years ended December 31, 2017 and 2016.

The following schedule summarizes investment returns in the statements of activities:

	2017	2016
Interest and dividend income	\$ 708	\$ 422
Net realized and unrealized gain/(loss)	5,137	(821)
Net return on investments	<u>\$ 5,845</u>	<u>\$ (399)</u>

#### 4. CONCENTRATION OF CREDIT RISKS

Custodial credit risk refers to the risk that in the event of the failure of a depository financial institution, the depositor will not be able to recover the deposits. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are not otherwise collateralized. The Organization's financial instruments that are subject to concentrations of credit risk consist of cash deposited with financial institutions and marketable securities held by broker. The Organization maintains cash deposit balances with financial institutions considered by management as credit-worthy and strong. These deposit balances may occasionally exceed limits insured by the Federal Deposit Insurance Corporation

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(FDIC), which is \$250,000 per customer per bank. At December 31, 2017 and 2016, the Organization's deposit balances with certain financial institutions exceeded the FDIC insured limit by a combined total of approximately \$2,910,000 and \$711,000, respectively, which were not otherwise insured. The Organization did not experience any loss of assets resulting from a custodial credit risk during the years ended December 31, 2017 and 2016.

5. NET ASSETS

*Unrestricted Net Assets:* The Organization had unrestricted net assets of \$2,011,167 as of December 31, 2017, of which \$1,650,000 was designated by the Board for endowment as more fully described in Note 6. The Organization had unrestricted net assets of \$275,513 as of December 31, 2016. Unrestricted net assets were available to support the Organization's programs and activities.

*Temporarily Restricted Net Assets:* Temporarily restricted net assets in the amounts of \$1,494,348 as of December 31, 2017 and \$1,036,687 as of December 31, 2016, were available for the following purposes:

	2017	2016
Nepal Earthquake Relief	\$ 428,039	\$ 498,039
Hurricane Harvey Case Grant	362,120	-
Hurricane Harvey Relief	346,981	-
Sponsor a Child	148,068	155,141
SIB Education Project	3,500	175,000
Family Services Projects	77,422	24,411
Stop Diabetes Movement	32,286	27,118
Hindu Seva Prathisthana-Seva Kirana	21,103	24,165
Fund Development	-	41,668
Feeding the Hungry-DCA	14,062	23,051
Equal Vision Goshala	11,394	19,373
Yezdis Support	13,265	13,265
Hindu Seva Prathisthana	6,200	6,200
Student Scholarship Program	6,000	6,000
Louisiana Flood Relief	5,691	5,691
Vision India Foundation	6,407	-
Tribal Girl Education in Assam	2,840	2,840
Hurricane Irma Relief	4,818	-
Vanvasi Kalyan Ashram-Karnataka	-	4,500
Tamil Nadu Flood Relief	2,365	1,363
Vanvasi Kalyan Ashram	1,787	1,787
Om Shanti Dham	-	3,120
Houston Flood Relief	-	1,500
International Higher Education	-	1,454
Eklavya Foundation	-	1,001
	<u>\$ 1,494,348</u>	<u>\$ 1,036,687</u>



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6. BOARD-DESIGNATED ENDOWMENT FUND

In 2017 the Organization received unrestricted donations of \$1,650,000 from a family. In 2017 the Organization's governing board passed a voluntary resolution designating the donations altogether to function as the *Bhagawathibai Gehani Family Endowment Fund*, in honor of the donor. The associated funds will be invested in accordance with the Organization's investment policy and investment objectives for such funds.

7. LEASE COMMITMENT

The Organization leases an apartment unit for its refugee rehabilitation program in Houston, Texas. The current lease will mature on October 31, 2018. The following table presents the minimum future payments under the lease agreement:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	<u>\$ 8,500</u>

Apartment rental expenses for the years ended December 31, 2017 and 2016 were \$11,500 and \$8,388, respectively.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 30, 2018. This was the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date, which would require adjustments to, or disclosure in, the financial statements.

## Supplementary Information

INDEPENDENT AUDITORS' REPORT ON THE SUPPLEMENTARY INFORMATION

The Board of Directors of  
Sewa International Inc., USA

We have audited the financial statements of Sewa International Inc., USA, a Georgia nonprofit corporation, as of and for the years ended December 31, 2017 and 2016, and have issued our report thereon dated April 30, 2018, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole.

The schedules of functional expenses on pages 16 and 17 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the Organization's financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Bankole, Okoye & Associates PC*

Bankole, Okoye & Associates PC  
Houston, Texas  
April 30, 2018

SEWA INTERNATIONAL INC., USA

SCHEDULE OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2017

	Program Service	Administrative and General	Fundraising	Total
Charitable Contribution	\$ 1,360,924	\$ -	\$ -	\$ 1,360,924
Professional Services Fees	75,590	50,652	6,726	132,968
Leasing and Rental Expenses	71,062	242	25,991	97,295
Payroll Expenses	198,586	58,007	44,860	301,453
Travels, Lodging and Meals	17,949	3,919	24,055	45,923
Donations of Food Items	22,830	-	-	22,830
Artists' Fees and Expenses	-	-	12,299	12,299
Bank Charges and Service Fees	21,903	281	3,348	25,532
Advertising and Promotional Expenses	34,629	4,796	1,082	40,507
Printing, Stationery, and Office Expenses	7,243	2,320	2,235	11,798
Registration Fees and Expenses	1,151	888	50	2,089
Materials and Supplies	35,433	6,307	7,572	49,312
Utilities and Telephones	4,103	2,942	-	7,045
Miscellaneous Expenses	953	-	-	953
Insurance	3,680	5,289	-	8,969
Scholarships and Sponsorships	5,350	-	-	5,350
Repairs and Maintenance	1,897	1,593	-	3,490
Shipping Charges	1,301	122	-	1,423
Booth Setup	1,650	-	-	1,650
Dues & Subscriptions	-	2,098	-	2,098
Licenses	-	465	-	465
Depreciation	-	3,434	-	3,434
<b>TOTAL EXPENSES</b>	<b>\$ 1,866,234</b>	<b>\$ 143,355</b>	<b>\$ 128,218</b>	<b>\$ 2,137,807</b>

SEWA INTERNATIONAL INC., USA

SCHEDULE OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2016

	Program Service	Administrative and General	Fundraising	Total
Charitable Contribution	\$ 1,585,056	\$ -	\$ -	\$ 1,585,056
Professional Services Fees	156,663	74,428	-	231,091
Leasing and Rental Expenses	49,833	25,960	55,432	131,225
Payroll Expenses	60,113	30,842	-	90,955
Travels, Lodging and Meals	27,282	2,375	33,987	63,644
Donations of Food Items	52,678	-	-	52,678
Artists' Fees and Expenses	-	-	49,826	49,826
Bank Charges and Service Fees	26,086	25	11,590	37,701
Advertising and Promotional Expenses	7,869	17,780	2,517	28,166
Printing, Stationery, and Office Expenses	6,166	5,364	2,855	14,385
Bloomington Expenses	13,658	-	-	13,658
Registration Fees and Expenses	5,715	1,374	500	7,589
Materials and Supplies	4,297	105	2,250	6,652
Utilities and Telephones	3,477	1,004	-	4,481
Miscellaneous Expenses	1,241	2,634	-	3,875
Insurance	400	1,734	1,600	3,734
Student Scholarship	3,001	-	-	3,001
Repairs and Maintenance	-	2,972	-	2,972
Shipping Charges	1,214	293	1,263	2,770
Booth Setup	1,975	-	-	1,975
Dues & Subscriptions	-	1,249	-	1,249
Death & Distress Expenses	1,000	-	-	1,000
Inkind Expenses	100	603	-	703
<b>TOTAL EXPENSES</b>	<b>\$ 2,007,824</b>	<b>\$ 168,742</b>	<b>\$ 161,820</b>	<b>\$ 2,338,386</b>