

SEWA INTERNATIONAL INC., USA

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

YEARS ENDED DECEMBER 31, 2016 AND 2015



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SEWA INTERNATIONAL INC., USA

YEARS ENDED DECEMBER 31, 2016 AND 2015

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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 organization, which comprise the statements of financial position as of December 31, 2016 and 2015, 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 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, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bankole, Okoye & Associates PC

Houston, Texas
May 2, 2017

Financial Statements

SEWA INTERNATIONAL INC., USA

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 1,299,093	\$ 1,679,900
Stocks	40,248	15,447
Prepaid expenses	<u>800</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 1,340,141</u>	<u>\$ 1,695,347</u>
LIABILITIES AND NET ASSETS		
LIABILITES		
Accrued liabilities	<u>\$ 27,941</u>	<u>\$ -</u>
Total liabilities	<u>27,941</u>	<u>-</u>
NET ASSETS		
Temporarily restricted	1,036,687	1,174,914
Unrestricted	<u>275,513</u>	<u>520,433</u>
Total net assets	<u>1,312,200</u>	<u>1,695,347</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,340,141</u>	<u>\$ 1,695,347</u>

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

SEWA INTERNATIONAL INC., USA

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Total
REVENUES			
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	1,479,132	(1,479,132)	-
TOTAL REVENUES	2,093,466	(138,227)	1,955,239
EXPENSES			
Program expenses	2,007,824	-	2,007,824
Administrative and general	168,742	-	168,742
Fundraising	161,820	-	161,820
TOTAL EXPENSES	2,338,386	-	2,338,386
CHANGE IN NET ASSETS	(244,920)	(138,227)	(383,147)
NET ASSETS, BEGINNING OF YEAR	520,433	1,174,914	1,695,347
NET ASSETS, END OF YEAR	\$ 275,513	\$ 1,036,687	\$ 1,312,200

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

SEWA INTERNATIONAL INC., USA

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES:			
Contributions	\$ 777,210	\$ 1,507,978	\$ 2,285,188
Events registration and related revenues	29,139	-	29,139
Inkind revenues	18,124	-	18,124
Other income	2,493	-	2,493
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>707,247</u>	<u>(707,247)</u>	<u>-</u>
TOTAL REVENUES	<u>1,534,213</u>	<u>800,731</u>	<u>2,334,944</u>
EXPENSES:			
Program expenses	1,294,826	-	1,294,826
Administrative and general	84,530	-	84,530
Fundraising	<u>101,285</u>	<u>-</u>	<u>101,285</u>
TOTAL EXPENSES	<u>1,480,641</u>	<u>-</u>	<u>1,480,641</u>
CHANGE IN NET ASSETS	53,572	800,731	854,303
NET ASSETS, BEGINNING OF YEAR	<u>466,861</u>	<u>374,183</u>	<u>841,044</u>
NET ASSETS, END OF YEAR	<u>\$ 520,433</u>	<u>\$ 1,174,914</u>	<u>\$ 1,695,347</u>

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

SEWA INTERNATIONAL INC., USA

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	<u>\$ (383,147)</u>	<u>\$ 854,303</u>
Adjustments to reconcile change in net assets to net cash (used in)/provided by operating activities:		
Value of donated stocks	(24,801)	(14,496)
Changes in operating assets and liabilities:		
Changes in accrued expenses	27,941	(1,836)
Prepaid expenses	<u>(800)</u>	<u>-</u>
Total adjustment	<u>2,340</u>	<u>(16,332)</u>
Net cash (used in)/provided by operating activities	<u>(380,807)</u>	<u>837,971</u>
Net (decrease)/increase in cash and cash equivalents	(380,807)	837,971
Cash and cash equivalents, beginning of year	<u>1,679,900</u>	<u>841,929</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 1,299,093</u></u>	<u><u>\$ 1,679,900</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, 2016 and 2015

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.

SEWA INTERNATIONAL INC., USA

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 and 2015

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, 2016 or 2015. 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 thousands of 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.

SEWA INTERNATIONAL INC., USA

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 and 2015

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 raising funds for the Organizations programs and mission.

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 cash equivalents of \$0 and \$11,501 as of December 31, 2016 or 2015, respectively. Management believes that the carrying amounts reported for cash and cash equivalents in the statements of financial position approximate their fair values.

Stocks

Stock 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.

SEWA INTERNATIONAL INC., USA

NOTES TO FINANCIAL STATEMENTS
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Major improvements and renewals that extend the life of the property or equipment are capitalized. The Organization had no property and equipment as of December 31, 2016 or 2015.

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, 2016 and 2015. 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 2013 through 2015 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 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 the effect of the adoption of ASU 2016-02 on its financial statements.

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*, which revises the not-for-profit financial reporting model. Among other provisions, ASU 2016-14 requires enhanced disclosures around the nature and amount of net asset restrictions (both donor-imposed and board-designated), as well as enhanced disclosures regarding how entities manage their liquidity. ASU 2016-14 will become effective for the Organization’s 2018 financial statements. The Organization is currently evaluating the effect of the adoption of ASU 2016-14 on its financial statements.

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 practice of yoga.
- Awareness and Education – The Aspire program focus is on overall development of the kids giving them all the tool required 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 group.

≈ 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 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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 and 2015

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

SEWA INTERNATIONAL INC., USA

NOTES TO FINANCIAL STATEMENTS
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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 following is a summary of the Organization's financial instruments by level, within the fair value hierarchy, as of December 31, 2015:

	Fair Value Measurement			Total	Cost Basis
	Level 1	Level 2	Level 3		
<u>December 31, 2015:</u>					
Stocks/Equities	\$ 15,447	\$ -	\$ -	\$ 15,447	\$ 6,195
Total	<u>\$ 15,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,447</u>	<u>\$ 6,195</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, 2016 and 2015, 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, 2016 and 2015.

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

	2016	2015
Interest and dividend income	\$ 422	\$ 145
Net realized and unrealized gain on investments	(821)	1,548
Net return on investments	<u>\$ (399)</u>	<u>\$ 1,693</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 stocks/equities 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 (FDIC), which is \$250,000 per customer per bank. At December 31, 2016 and 2015, the Organization's deposit balances with certain financial institutions exceeded the FDIC insured limit by a combined total

SEWA INTERNATIONAL INC., USA

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 and 2015

of \$710,640 and \$1,078,473, 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, 2016 and 2015.

5. NET ASSETS

Unrestricted Net Assets: The Organization had unrestricted net assets of \$275,513 and \$520,433 as of December 31, 2016 and 2015, respectively, which were available to support its programs and activities.

Temporarily Restricted Net Assets: Temporarily restricted net assets in the amounts of \$1,036,687 as of December 31, 2016 and \$1,174,914 as of December 31, 2015, were available for the following purposes:

PROJECT	2016	2015
Nepal Earthquake Relief	\$ 498,039	\$ 744,596
SIB Education Project	175,000	230,000
Tamil Nadu Flood Relief	1,363	109,637
Uttarakhand Flood Relief	-	71,679
Yezdis Support	13,265	13,215
Student Scholarship Program	6,000	4,000
Vanvasi Kalyan Ashram	1,787	1,787
Sponsor a Child	155,141	-
Fund Development	41,668	-
Stop Diabetes Movement	27,118	-
Family Services Projects	24,411	-
Hindu Seva Prithasthana-Seva Kirana	24,165	-
Feeding the Hungry-DCA	23,051	-
Eual Vision Goshala	19,373	-
Hindu Seva Prithasthana	6,200	-
Louisiana Flood Relief	5,691	-
Vanvasi Kalyan Ashram-Karnataka	4,500	-
Om Shanti Dham	3,120	-
Tribal Girl Education in Assam	2,840	-
Houston Flood Relief	1,500	-
International Higher Education	1,454	-
Eklavya Foundation	1,001	-
TOTAL	\$ 1,036,687	\$ 1,174,914

Permanently Restricted Net Assets: The Organization had no permanently restricted net assets as of December 31, 2016 or 2015.

SEWA INTERNATIONAL INC., USA

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 and 2015

6. LEASE COMMITMENT

The Organization leases apartment space for its refugee rehabilitation program in Houston, Texas. The current lease will mature on October 31, 2016. The following table presents the minimum future payments under the lease agreement:

<u>Year Ending December 31,</u>	<u>Amount</u>
2017	<u>\$ 8,000</u>

Apartment rental expenses for the years ended December 31, 2016 and 2015 were \$11,500 and \$8,388, respectively.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 2, 2017. 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 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 organization, as of and for the years ended December 31, 2016 and 2015, and have issued our report thereon dated May 2, 2017, 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

Houston, Texas
May 2, 2017

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
TOTAL EXPENSES	<u>\$ 2,007,824</u>	<u>\$ 168,742</u>	<u>\$ 161,820</u>	<u>\$ 2,338,386</u>

SEWA INTERNATIONAL INC., USA

SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

	Program Service	Administrative and General	Fundraising	Total
Charitable Contribution	\$ 988,358	\$ -	\$ -	\$ 988,358
Professional Fees	48,357	38,364	20,445	107,166
Leasing and Rental Expenses	64,556	368	14,216	79,140
Payroll Expenses	71,353	5,709	-	77,062
Travels, Lodging and Meals	12,457	5,621	21,064	39,142
Materials and Supplies	18,043	62	12,138	30,243
Bank Charges and Service Fees	3,220	352	21,050	24,622
Advertising and Promotional Expenses	6,496	12,660	3,672	22,828
In-kind Expenses	4,924	13,200	-	18,124
Printing and Stationery	8,301	610	1,101	10,012
Medical Yatra	9,528	-	-	9,528
Equal Vision Goshala	9,281	-	-	9,281
Donations of Food Items	9,272	-	-	9,272
Americorp Fee	5,733	-	-	5,733
Marathon Run	5,295	-	-	5,295
Bloomington Expenses	5,042	-	-	5,042
Transportation Charges	2,090	-	2,919	5,009
Repairs and Maintenance	-	4,209	-	4,209
Family Services	4,145	-	-	4,145
Utilities and Telephones	2,426	1,148	-	3,574
Insurance	-	-	3,316	3,316
Death & Distress Expenses	2,895	-	-	2,895
Registration Fees and Expenses	2,192	18	500	2,710
STOP Diabetes Movement	2,537	-	-	2,537
Student Scholarship	2,000	-	-	2,000
YFS-Internship Fees	1,965	-	-	1,965
Dues & Subscriptions	75	1,472	-	1,547
Volunteer Programs	1,489	-	-	1,489
Get Inspired	1,179	-	-	1,179
Shipping Charges	238	428	302	968
Booth Setup	561	-	-	561
Artists' Fees	-	-	500	500
Chai pe Charcha	242	-	-	242
ALIEF PROJECT	226	-	-	226
MLK Program	200	-	-	200
Cricket for Charity	150	-	-	150
Miscellaneous Expenses	-	309	62	371
TOTAL EXPENSES	\$ 1,294,826	\$ 84,530	\$ 101,285	\$ 1,480,641