



Clockwise from top left: Artisan family in the Philippines; ZeeBee Market in St. Louis; weavers with Tintsaba in Swaziland; three of our 2016 catalog covers

Dear Serrv friends,

I am pleased to share with you our 2016 Annual Report.

I am proud that the extraordinary efforts of our staff, artisan and farmer partners, donors and loyal customers have allowed Serrv to return to profitability.

However, as always, our main focus is on our mission of reducing poverty through fair trade.

Though we face many challenges, we take heart from your support and the words of people like the Catholic Worker activist Dorothy Day who wrote, "People say, what is the sense of our small effort? They cannot see that we must lay one brick at a time, take one step at a time. A pebble cast into a pond causes ripples that spread in all directions. Each one of our thoughts, words and deeds is like that."

As I prepare to retire after having had the privilege of serving as Serrv CEO for almost 28 years, I am pleased that Loreen Epp, an experienced merchandiser, who shares our values and commitment to fair trade, has agreed to become our new CEO and joined Serrv on April 1, 2017.

I will continue to work as the Manager of the Serrv LLC Loan Fund, confident that with Loreen's leadership and your support, Serrv will continue to increase its impact on struggling families across the globe as a leader in the fair trade movement.

We couldn't do it without you! Thank you!



Bob Chase



Bob Chase, Serrv CEO
1989- March 2017



Loreen Epp, Serrv CEO

Where we worked

Though we provide a wide variety of assistance to our artisan and farmer partners, our greatest impact is through the purchases we make from them every year. We ordered fair trade food and handcrafts from 57 fair trade partner organizations in 24 countries. The amounts shown below are the sums of spring and fall purchase orders and are not calendar year-based.

COUNTRY	PURCHASES (\$)	COUNTRY	PURCHASES (\$)	COUNTRY	PURCHASES (\$)
Bangladesh	183,595	Indonesia	126,331	Sri Lanka	2,821
Cambodia	17,206	Israel	65,887	Swaziland	25,180
Cameroon	27,585	Kenya	85,939	Uganda	34,515
Ecuador	40,810	Mexico	85,355	USA	51,574
Egypt	13,815	Nepal	148,102	Vietnam	167,777
Ghana	29,561	Pakistan	10,967	West Bank	90,573
Ghana & Germany	542,675	Peru	149,578		
Haiti	58,272	Philippines	70,133		
India	1,383,979	South Africa	49,267		
				GRAND TOTAL	\$3,461,496

INCOME STATEMENT FOR 2016

REVENUE

Sales of fairly traded handcrafts and food	10,039,231
Partial reimbursement of shipping costs	681,040
Contributions	164,273
Other non-operating income	15,916
GROSS REVENUE	10,900,460

Credit card, bank fees, and other cost of sales	(210,501)
Contract services	(1,056,674)
Payments to producers for goods sold	(3,733,798)
NET REVENUE	\$5,899,487

EXPENSES

Program salaries and benefits	1,840,831
Postage and outbound shipping costs	1,245,116
Payment of international shipping for producers	404,265
Promotion	508,391
Occupancy including warehouse rent	371,044
Program supplies	221,764
Consultants to assist producers, other services	47,194
Interest on advances to producers and inventory	110,116
Donations to partner organizations	52,092
Miscellaneous program expenses	53,825
Volunteer expenses	21,499
Telephone	32,332
Travel	24,850
Grants to producers, producer development, and special projects	34,223
PROGRAM EXPENSES SUBTOTAL	4,967,542

Administrative and fundraising	766,741
TOTAL EXPENSES	\$5,734,283

CHANGES IN NET ASSETS	\$165,204
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BALANCE SHEET AS OF 12/31/16

ASSETS

Cash and cash equivalents	1,475,863
Accounts receivable	529,994
Allowance for doubtful accounts	(13,400)
Inventories	1,625,236
Reserve for obsolete inventory	(75,000)
Advances to producers and partners	357,844
Prepaid supplies and miscellaneous accounts	239,987
Equipment and leasehold improvements	49,977
TOTAL ASSETS	\$4,190,501

LIABILITIES

Inventory financing payable	1,669,529
Accounts payable	205,646
Accounts payable inventory	0
Payable to partner organizations	55,790
FASB 106 obligation	11,677
Notes payable	1,187,753
Miscellaneous liabilities	94,193
TOTAL LIABILITIES	\$3,224,588

NET ASSETS	\$965,913
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TOTAL LIABILITIES AND NET ASSETS	\$4,190,501
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For a complete copy of our audited financial statements, please contact us at 410.635.8755.

Morsheda (left) was able to send her daughter Afroza (right) to school with income from weaving baskets for Serrv partner Dhaka Handicrafts in Bangladesh.



Education impact



As a fair trade organization, we are dedicated to protecting children's rights. We believe children should be able to thrive through security, education, and play. Our fair trade partners are passionate about these values too, and many run schools and development centers for children of artisans and their communities.

They offer financial help with school fees, books and uniforms, and raise awareness about the importance of sending children to school. Fair trade purchases and donations help to make these dreams a reality for marginalized students and their families.

In 2016, we connected with three of our partner organizations to provide financial support toward their local educational programs. In South Africa, our donation to Turqle Trading helped cover school fees for the children of their employees. Our funds for Get Paper Cooperative in Nepal were used to expand a food program to provide more nutrition for 80 young students. And in India, our partner Tara Projects runs a community school in a Delhi slum and our funds meant they could enroll additional students, mainly girls.

At Serrv, we believe education is a crucial tool needed for families and communities to break the cycle of poverty. By providing education for children and fair wages to adults, Serrv and our fair trade partners have a direct impact on poverty now and over the long term.

Many thanks

We would like to express our sincere gratitude to those who helped make 2016 a successful year. In particular, our thanks go to:

- > Artisan and Farmer Partners
- > Our Dedicated Staff
- > Board of Directors
- > Individual, Store, and Church Customers
- > Donors
- > Shared Interest UK
- > Serrv LLC Loan Fund Investors
- > Volunteers
- > Fair Trade Allies including the Fair Trade Federation, World Fair Trade Organization, Catholic Relief Services, and the United Methodist Committee on Relief
- > MarketPlace: Handwork of India

Serrv could not accomplish our mission without the participation and support of everyone who is a part of our work. Thank you for helping us create a better world!

SERRV INTERNATIONAL 2017 BOARD OF DIRECTORS

Cathy Dowdell
Chair of the Board

Tom Greenwood
Vice-Chair

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Treasurer

Matt Greget
Secretary

Milan Bhattarai
Artisan Partner Representative

Frank Millero

Jacqui MacDonald

Lora LaDew

Laura Ann Sweitzer

Donna Jared

Loreen Epp, CEO/President

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OUR MISSION

to eradicate poverty wherever it resides
by providing opportunity and support
to artisans and farmers worldwide

serrv.org
1.800.423.0071

