



2020

Annual Report

SERRYV[™]
INTERNATIONAL

A year in the making

Moving our fair trade mission forward through COVID-19

Dear Friend of SERRV:

Without a doubt, 2020 was a challenging year. As the year began, a pandemic wasn't on any of our wish lists (or radar).

By March, staff trips to Bangladesh and Vietnam were canceled, and hundreds of stores that buy SERRV products went on extended COVID lockdowns. Two months later, our store in Madison was vandalized. Throughout spring and summer, regular updates from our global artisan partners on lockdown had us worried for them, and for safe completion and delivery of their fall products.

But as office staff went home to work, they combined digital technology with a will to make things work. At the warehouse, a scaled-back team put safety measures in place and pushed past COVID fears to come to work every day. And as fall approached, customers didn't just wait on late products; they placed unprecedented holiday orders in support of our global community...then patiently waited again on unprecedented postal shipping delays.

Tackling 2020 required a community that supported us like never before, a devoted staff that didn't give up, and artisans that persevered through adversity. Yes, many of us grew more gray hairs, but we got smarter and more flexible, remained safe, and turned exhaustion into exhilaration with record earnings for the organization.

Looking back on a year with so many unexpected silver linings, we're immensely grateful for our empowering fair trade community.



Loreen Epp

Loreen Epp
President/CEO
Serrv International

Cover: One of our artisan partners at Get Paper in Nepal crafting handmade paper.

What made us think

Few things change the world quite like a pandemic, and COVID-19 made the world a smaller place. This disease affected all of us, no matter our location or resources.

But as fear of COVID made much of the world shelter in place with weeks of supplies, we heard too many stories of artisans now on the streets begging for food. As some of our producer partners broke local curfews to access income or food, it was a reality check that many in the world feared hunger more than COVID.

Even as the pandemic made the world feel a little smaller, it also highlighted inequality.

What our artisan partners told us

Hearing COVID updates from our artisan partners wasn't easy. While struggling to get raw materials, money, masks and food to remote artisans during shutdowns, their emergency funds simply ran out. To make matters worse, they faced cancelled orders from many buyers as the global economy slowed.

In addition to limiting order cancellations, SERRV was able to send donations to over 40 artisan partners in 20 countries in 2020. With generous donations from both customers and employees to our COVID-relief fund, our partners were able to purchase food packages, COVID tests for artisans, and safety equipment.

What (and who) we missed

Every year, many hundreds of volunteers travel to Maryland to help our warehouse team get products ready to ship. As COVID required us to close the building in late February to all but our small full time staff, our volunteer tables went empty. We missed our volunteers' enthusiasm, their smiles and their help, and hope to welcome them back soon.



What made us smile

In a year with so much uncertainty and worry, many of us found comic relief in our four legged friends.

With a knack for finding the camera on our laptops, Wrex, Ben, Chiba and our full staff roster of canines and felines invited themselves to every 'zoom' call. No meeting was without a paw, tail, bark, or pointed ear surfacing somewhere on the screen. They were a gift.



What we tried for the first time

So many things required us to adapt and grow in 2020—the challenges of working from home with spotty internet connections, designing our 68-page catalog remotely, and paring back our warehouse staff to an impossibly lean team.

But we adapted, beginning our first warehouse night shift to increase safety as we brought in more staff in fall, moving customer call reps home to take calls, and working with our devoted Consignment community to host an online, rather than in-person, sale.



What we don't need to do again

Our one and only store in Wisconsin faced COVID shutdowns in March, only to be followed by vandalism by rioters two months later.

As downtown Madison boarded up windows and doors for many more months of social unrest, we struggled to continue operations. When we finally reopened in October, the losses were steep and we closed our store permanently at Christmas.



What you liked

It was our top-liked Facebook post! Back in January 2020, we asked our followers to choose between two beautiful handmade Indonesian nativities for our Christmas lineup. In a vote of 4:1, our Facebook fans chose the one on the left—and they were right on. The nativity sold well, and sold out!



What you did

With so many customers choosing SERRV for their holiday gifts, our fall was the busiest on record—enabling new purchase orders for small-scale artisans and farmers who added COVID to their many challenges. With your purchases, donations and loans, we were able to purchase over \$3 million of handmade products from these gifted and resourceful partners.

Even with 2020 sales down 10% overall due to COVID, nearly half a million handmade items found their way to customers across North America.



What moved us to tears

Many of our shipped parcels in December went AWOL as Santa seemed to lose his sleigh. Packages stacked high at FedEx and the post office, and we could do little but ask customers to be patient before they requested a refund.

As our customers (and Customer Care team) sweated out holiday shipping delays, so many of them chose to be understanding. Here's just one example.

I just got my package, more than a month since ordering. BIG DEAL! With the world in an uproar as it is, this was the smallest of inconveniences. The ladies at work loved their gifts, and chocolate delayed is still as sweet. This of all years we should all be understanding - and we were laughing as people were comparing shipping stories.—K.



Why it all mattered

Every purchase and donation in 2020 didn't just matter; it mattered more than ever. Beyond our shared goal to empower women and men, send children to school and help fund healthy communities, our mission in 2020 shifted to ensuring our partners that we would be ok. Hearing news of COVID in the US, they were worried first for us, then for the healthy economy and buyers in the United States that they rely on.

Thank you for helping us assure them that we are in this together, and that a brighter future is possible through fair trade.

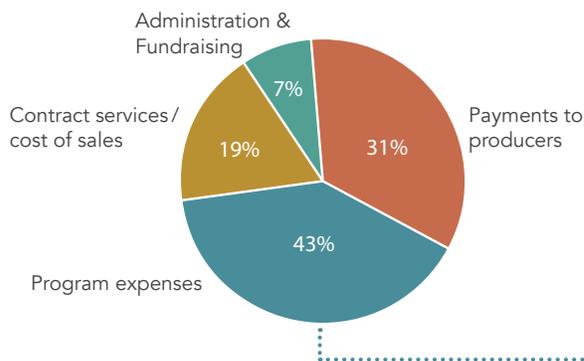
INCOME STATEMENT

REVENUE	2020	2019
Sales of handcrafts & food	9,349,688	10,409,173
Shipping / other income	1,302,249	841,817
Contributions	275,072	142,475
Gross Revenue	10,927,009	11,393,465
COGS / producer payments	(3,156,432)	(3,696,753)
Contract services	(1,210,560)	(1,475,488)
Credit card / bank fees / other cost of sales	(703,300)	(645,221)
Net Revenue	5,856,717	5,576,003
EXPENSES	2020	2019
Program expenses	4,341,457	4,490,073
Administrative	675,973	733,938
Fundraising costs	31,926	38,129
Total Expenses	5,049,356	5,262,140
CHANGES IN NET ASSETS	807,361	293,980

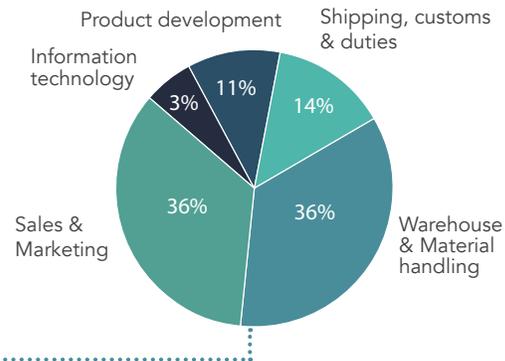
BALANCE SHEET

ASSETS	2020	2019
Cash / cash equivalents	3,918,136	2,918,856
Accounts receivable	236,575	446,986
Inventories	1,173,202	1,105,797
Other assets	605,183	591,451
TOTAL ASSETS	5,933,096	5,063,090
LIABILITIES		
Inventory financing payable	1,204,207	1,119,730
Accounts payable	291,639	472,891
Notes payable	1,750,744	1,608,611
Miscellaneous liabilities	221,614	204,327
Total Liabilities	3,468,204	3,405,559
NET ASSETS	2,464,892	1,657,531
TOTAL LIABILITIES + NET ASSETS	5,933,096	5,063,090

TOTAL EXPENSES



PROGRAM EXPENSES



To our customers, partners, donors, investors, volunteers, staff, and board:
We rely on your support and your spirit, and couldn't do what we do without you. *Thank you!*

2020 SERRV BOARD OF DIRECTORS

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Donations from the SERRV COVID-19 relief fund went out to 40 partner groups in 20 countries, helping them purchase food, protective equipment, and other needed supplies.