



# 2018

## ANNUAL REPORT



25

COUNTRIES



69

YEARS OF TRADE



7,697

ARTISANS



1,877

VOLUNTEERS



575,298

HANDMADE  
ITEMS SOLD



\$3.7 million

ORDERS TO  
ARTISANS

# serrv

# A YEAR IN THE MAKING

## What motivated and moved our fair trade mission in 2018

Dear Friend,

When asked what they want most, our artisan and farmer partners around the world answer the same way. They want orders for their handmade products. They want to work.

In 2018, Serv International supported the work of nearly 7,700 artisan and farming producers in 25 countries, and our positive growth and earnings have translated to larger orders for many of them this year.

Our producer partners are at the heart of our mission, and we're deeply devoted to achieving the goals of a global fair trade movement. Poverty comes in many forms and levels, and as we celebrate our 70th anniversary in 2019, we remain committed to working with our trusted fair trade producers, regardless of their resources.

Our mission to empower artisans through fair and meaningful employment is rewarding beyond measure, but there are very real challenges with a fair trade business model and an increasingly competitive retail market. Your support means everything to us and those we serve.

To all of you in 2018 who purchased our products or donated to us, who lent us money or helpful advice along the way, **thank you!** You continue to keep our mission alive...and each of us grateful and inspired.



*Loreen Epp*

Loreen Epp  
President/CEO  
Serv International

Cover: Annalise making our Layered Peace Wreath in the Philippines. Photo by Serv Buyer, Liz Marczak (2018).



## What made us smile

Being able to see clearly is critical to earning handcrafting income, and in 2018 Serv was able to fund free eye exams for more than 1,000 artisans in India, Cambodia and Uganda. With your ongoing support, we also shipped 1,250 pairs of glasses from Wisconsin's Lions Foundation Eyeglass Recycling Center to artisans in Peru, eSwatini, Vietnam, Cambodia and Nepal.

Recipients were all smiles—and so were we. From the Hill Tribe artisans with Craft Link in Vietnam (pictured left), "Thank you for bringing eyesight back to our artisans."

## Where we purchased

It would be more efficient to import products from just a few countries, but our mission is global, and in 2018 we purchased handcrafts from 58 artisan groups in 25 countries—from Indonesia to Mexico, from Peru to Vietnam. Our buyers visited producer partners in Peru, Ecuador, India and the Philippines, working on new product designs, and visiting 22 workshops.



## What we couldn't keep in stock

Who knew dish towels could cause such euphoria? Made from recycled Indian saris with traditional kantha embroidery, these kitchen favorites got 5-star reviews for their unique beauty and absorbency. But when our stock of these drying towels dried up, orders became backorders as anxious customers awaited the next shipment.

A container from Kolkata finally reached the Baltimore port on August 10th to the relief of staff, stores and dish dryers everywhere.



## What broke our hearts

Our out-of-stock products can hide a deeper reality, which was the case with our popular handcrafted ceramics from Cameroon. Crafting bowls and canisters with wood-fired kilns in a village without electricity, our artisans at Prescraft work near the Presbyterian school where 80 children were kidnapped by armed separatists in late 2018. Getting handcrafts through violence-ravaged regions to a sea port became risky, and delivery to us remains indefinite.

Many of our artisan partners face difficult situations. You just wouldn't know it by the smiles on their faces.



## What we tried for the first time

Under the skylights of the Javits Center in New York City, Serv debuted on the national trade show scene in 2018. With a goal to increase orders for our artisans, we shared our fine handcrafts with some of the country's largest retail buyers, and welcomed new customers to our wholesale family.

Our display booth was an all-hands-on-deck project, with staff donning staple guns and drills to assist our young carpenter.



## What we don't need to try again

It takes a hearty furnace to heat a large warehouse in Maryland. And when ours stopped working during our busy holiday season, stopping work wasn't an option.

Forcing heat through a makeshift duct into our cavernous space was slightly hopeless, but with layers of sweaters and a mission to meet, your orders were shipped!



## What you liked

We loved your thumbs-up responses to our Instagram and Facebook posts on handmade Indian handbags and colorful African baskets. But one of your most-liked posts was our *Green Machine*.

Purchased in 2017 as a way to recycle the cardboard boxes our artisan partners use to ship our orders, this machine shredded 35,000 pounds of reusable packaging in 2018 for shipments to customers.



## What you did

With your purchases, donations and loans, we were able to import over \$3.7 million of handmade products from our global artisans in 2018! From that large supply, Serv filled 72,239 customer orders, and well over half a million handmade items found their way into the hands, homes and hearts of customers across North America.

We also broke a single-day shipping record when 1,497 parcels were processed and shipped out by our staff and volunteers on November 30th.



© NY NOW with Pura Vida Worldly Art

## Why it all mattered

Every customer purchase and donation in 2018 helped sustain a string of happy occurrences...from empowering women and sending children to school, to planting trees and building wells. We believe in sustainable employment and fair wages because we know that behind every meaningful job are meaning-filled lives.

**Thank you for helping us empower those lives and communities around the world!**

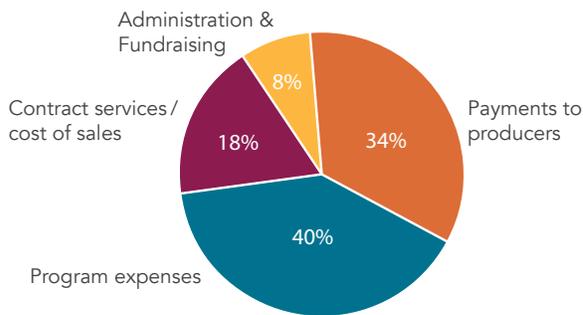
## INCOME STATEMENT

REVENUE	2018	2017
Sales of handcrafts & food	10,161,244	10,021,056
Shipping / other income	815,857	776,336
Contributions	146,069	153,700
<b>Gross Revenue</b>	<b>11,123,170</b>	<b>10,951,092</b>
COGS / producer payments	(3,755,858)	(3,743,569)
Contract services	(1,319,890)	(1,230,397)
Credit card / bank fees / other cost of sales	(626,352)	(602,667)
<b>Net Revenue</b>	<b>5,421,070</b>	<b>5,374,459</b>
EXPENSES	2018	2017
Program expenses	4,346,017	4,344,628
Administrative	814,303	810,143
Fundraising costs	39,812	39,442
<b>Total Expenses</b>	<b>5,200,132</b>	<b>5,194,213</b>
<b>CHANGES IN NET ASSETS</b>	<b>220,938</b>	<b>180,246</b>

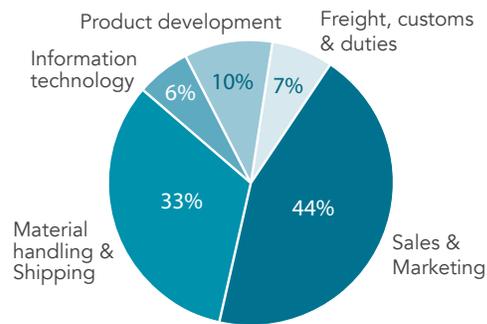
## BALANCE SHEET

ASSETS	2018	2017
Cash / cash equivalents	2,179,066	1,727,869
Accounts receivable	438,645	447,654
Inventories	1,127,219	1,142,356
Other assets	706,428	621,157
<b>TOTAL ASSETS</b>	<b>4,451,358</b>	<b>3,939,036</b>
LIABILITIES		
Inventory financing payable	1,204,941	995,351
Accounts payable	363,660	364,784
Notes payable	1,411,985	1,345,490
Miscellaneous liabilities	103,375	87,252
<b>Total Liabilities</b>	<b>3,083,961</b>	<b>2,792,877</b>
<b>NET ASSETS</b>	<b>1,367,397</b>	<b>1,146,159</b>
<b>TOTAL LIABILITIES + NET ASSETS</b>	<b>4,451,358</b>	<b>3,939,036</b>

### TOTAL EXPENSES



### PROGRAM EXPENSES



Financial Data is for calendar years ended December 31, 2018 and 2017. For a complete copy of our audited financial statements, please contact us at 410.635.8755.

## 2018 SERRV BOARD OF DIRECTORS

Cathy Dowdell  
CHAIR  
Bonnie Dahan  
VICE-CHAIR  
Darian Griffin  
TREASURER  
Matt Greget  
SECRETARY

Milan Bhattarai  
Patti Carpenter  
Donna Jared  
Lora LaDew  
Joseph Lewczak  
Jacqui MacDonald  
Laura Ann Sweitzer

## IN MEMORY

As staff and board, we were heartbroken when our 2019 Chair, Darian Griffin, passed away suddenly on Feb 11, 2019, at just 49 years old. Darian will forever be remembered not just for his insights and wisdom, but for a smile as big as his heart.

*Darian visiting our partners in Nepal.*



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!