SEWA INTERNATIONAL INC., USA

FINANCIAL STATEMENTS AND COMPLIANCE AUDIT REPORTS

YEAR ENDED DECEMBER 31, 2023
(With Summarized Financial Information Presented for the Year Ended December 31, 2022)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of
Sewa International Inc., USA

Report on the Audit of the Financial Statements

Auditors' Opinion

We have audited the accompanying financial statements of Sewa International Inc., USA, a nonprofit corporation, (the "Organization"), which comprise the statements of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Auditors' Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Organization’s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Bankole, Okoye & Associates PC

Bankole, Okoye & Associates PC
Houston, Texas
August 28, 2024

Financial Statements

SEWA INTERNATIONAL INC., USA

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE INFORMATION PRESENTED FOR DECEMBER 31, 2022)

	2023	2022
ASSETS		
Cash and cash equivalents	$ 6,503,262	$ 11,422,696
Accounts receivable	306,990	194,077
Investments (Note 3)	20,194,256	11,077,980
Notes receivable (Note 4)	514,754	650,000
Prepaid expenses	14,160	14,364
Other assets	19,792	19,792
Property and equipment, net (Note 5)	15,143	5,675
Operating lease right-of-use assets (Note 9)	462,282	-
TOTAL ASSETS	$ 28,030,639	$ 23,384,584
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	$ 1,190,990	$ 67,603
Unearned grant programs revenues	133,126	146,257
Operating lease liabilities (Note 9)	465,936	-
Total liabilities	1,790,052	213,860
NET ASSETS		
Net assets without donor restrictions:		
Designated by the Board for endowment (Note 6)	10,438,881	7,058,473
Undesignated	6,112,691	5,521,116
Total net assets without donor restrictions	16,551,572	12,579,589
Net assets with donor restrictions (Note 8)	9,689,014	10,591,135
Total net assets	26,240,587	23,170,724
TOTAL LIABILITIES AND NET ASSETS	$ 28,030,639	$ 23,384,584

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

SEWA INTERNATIONAL INC., USA

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE INFORMATION PRESENTED FOR THE YEAR ENDED DECEMBER 31, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	**Total**	**Total**
OPERATING ACTIVITIES				
Revenues and Other Support				
Contributions	$ 3,123,553	$ 2,552,472	**$ 5,676,025**	**$ 5,263,791**
Events registration and related revenues	389,810	-	**389,810**	**247,531**
Inkind revenues	21,648	-	**21,648**	**13,340**
Investment income	459,686	-	**459,686**	**253,108**
Grant programs revenues	1,325,881	-	**1,325,881**	**611,066**
Net assets released from restrictions:				
Satisfaction of purpose restrictions	3,454,593	(3,454,593)	**-**	**-**
Total operating revenues and other support	8,775,170	(902,121)	**7,873,050**	**6,388,837**
Expenses				
Program services	6,093,926	-	**6,093,926**	**7,300,142**
Fundraising	161,126	-	**161,126**	**138,931**
Management and general	364,621	-	**364,621**	**466,082**
Total operating expenses	6,619,673	-	**6,619,673**	**7,905,155**
Change in net assets from operating activities	2,155,497	(902,121)	**1,253,377**	**(1,516,318)**
NON-OPERATING ACTIVITIES				
Net realized and unrealized gain/(loss) on investments	1,754,348	-	**1,754,348**	**(4,104,712)**
Other income	62,139	-	**62,139**	**16,350**
Total non-operating activities	1,816,486	-	**1,816,486**	**(4,088,362)**
CHANGE IN NET ASSETS	3,971,983	(902,121)	**3,069,863**	**(5,604,680)**
NET ASSETS, BEGINNING OF YEAR	12,579,589	10,591,135	**23,170,724**	**28,775,404**
NET ASSETS, END OF YEAR	$ 16,551,572	$ 9,689,014	**$ 26,240,587**	**$ 23,170,724**

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

SEWA INTERNATIONAL INC., USA

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

(WITH SUMMARIZED COMPARATIVE INFORMATION PRESENTED FOR THE YEAR ENDED DECEMBER 31, 2022)

	2023								
	Program Services Expenses					Supporting Services Expenses			
	Community Service and Emergency Response	COVID-19 Vaccine Outreach & Education Federal Grant Program	American Rescue Plan Act Federal Grant Program	AmeriCorps Federal Grant Program	**Total Expenses for Program Services**	**Fundraising Expenses**	**Management and General Expenses**	**Total Expenses 2023**	**Total Expenses 2022**
Charitable Donations	$ 3,317,691	$ -	$ -	$ -	$ 3,317,691	$ -	$ -	**$ 3,317,691**	**$ 5,619,524**
Purchase of Food Items	75,330	3,036	27,024	8,447	113,836	-	136	**113,972**	**55,086**
Materials and Supplies	137,454	11,205	1,820	64,502	214,981	8,658	3,016	**226,655**	**157,535**
Death & Distress Expenses	29,486	-	-	-	29,486	-	-	**29,486**	**32,598**
Professional Services	210,092	136,997	240	153,125	500,454	26,202	40,563	**567,219**	**433,343**
Leasing and Rentals (includes inkind of $21,648 for 2023 and $9,840 for 2022)	218,292	-	200	-	218,492	51,435	3,000	**272,926**	**178,669**
Payroll Expenses	279,342	87,639	23,419	661,177	1,051,578	-	166,731	**1,218,308**	**851,953**
Payroll Taxes	23,876	6,023	-	52,509	82,408	-	13,552	**95,960**	**66,236**
Contractual and Consulting Services	153,034	22,492	400	11,647	187,573	-	-	**187,573**	**128,586**
Travels, Lodging and Meals	35,862	28,945	-	15,053	79,860	1,330	18,623	**99,813**	**107,711**
Artists' Fees and Expenses	-	-	-	-	-	28,317	-	**28,317**	**2,500**
Bank Charges and Service Fees	18,500	2,478	-	1,283	22,262	2,498	33,637	**58,397**	**66,578**
Advertising and Promotional Expenses	6,432	120,729	-	12,407	139,568	1,605	45,711	**186,884**	**47,188**
Printing, Stationery, and Office Expenses	8,566	14,946	-	1,095	24,608	2,443	634	**27,685**	**29,082**
Registration Fees and Expenses	1,531	965	10,000	47,210	59,706	-	2,925	**62,631**	**23,109**
Utilities and Telephones	6,259	-	-	1,782	8,041	-	1,473	**9,514**	**22,246**
Other Expenses	303	-	-	10,028	10,331	-	-	**10,331**	**3,142**
Insurance	8,558	-	-	734	9,292	-	3,055	**12,347**	**5,330**
Scholarships and Sponsorships	809	-	-	-	809	-	-	**809**	**7,500**
Repairs and Maintenance	2,133	-	-	923	3,056	-	4,917	**7,972**	**3,015**
Shipping Charges	5,463	141	-	150	5,753	27	64	**5,845**	**27,742**
Booth Setup	1,500	3,447	-	-	4,947	-	-	**4,947**	**3,554**
Dues & Subscriptions	6,666	-	261	2,267	9,194	-	17,180	**26,374**	**24,801**
Depreciation	-	-	-	-	-	-	9,404	**9,404**	**3,113**
Honorarium	-	-	-	-	-	38,612	-	**38,612**	**5,010**
Total for 2023	$ 4,547,179	$ 439,044	$ 63,364	$ 1,044,339	$ 6,093,926	$ 161,126	$ 364,621	**$ 6,619,673**	**$ 7,905,155**
Total for 2022	$ 6,633,567	$ 209,477	$ 28,743	$ 428,355	$ 7,300,142	$ 138,931	$ 466,082	$ 7,905,155	

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

SEWA INTERNATIONAL INC., USA

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE INFORMATION PRESENTED FOR THE YEAR ENDED DECEMBER 31, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 3,069,863	$ (5,604,680)
Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:		
Depreciation	9,404	3,113
Amortization of lease liabilities in excess of right-of-use assets	3,654	-
Changes in operating assets and liabilities:		
Accounts receivable	(112,914)	(157,542)
Prepaid expenses	204	22,186
Other assets	-	(18,792)
Accounts payable and accrued liabilities	1,123,387	(77,919)
Unearned revenue	(13,131)	146,257
Total adjustment	1,010,604	(82,697)
Net cash provided by/(used in) operating activities	4,080,467	(5,687,377)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net purchases of investments	(9,116,275)	(2,502,309)
Proceeds from/(advances to acquire) notes receivable	135,246	(350,000)
Purchases of property and equipment	(18,872)	(7,685)
Net cash used in investing activities	(8,999,901)	(2,859,995)
Net decrease in cash and cash equivalents	(4,919,434)	(8,547,372)
Cash and cash equivalents, beginning of year	11,422,696	19,970,068
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 6,503,262	$ 11,422,696

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

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

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, admission fees from fundraising events, and certain federal, state and foundation grants.

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 Organization reports its financial activities on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP) for nonprofit organizations. These financial statements reflect all significant asset and liability balances as of December 31, 2023 and 2022, as well as all revenues earned and expenses incurred by the Organization for the years then ended. 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, *Nonprofit Organizations – Presentation of Financial Statements,* as updated. Net assets, revenues, and expenses are classified based on the existence or absence of donor/externally imposed restrictions. Accordingly, the Organization reports information regarding its financial position and activities according to the following two classes of net assets:

1. *Net Assets Without Donor/External Restrictions* – These are resources that are not subject to donor-imposed stipulations and can be used for the general operations of the Organization.

2. *Net Assets With Donor/External Restrictions* – 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. This class of net assets also includes 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 by FASB ASC Topic 958-205 as updated, to present a statement of cash flows and an analysis of its expenses by both functional and natural classifications, as well as to make enhanced disclosures about its liquidity and availability of resources.

Revenue Recognition

In accordance with FASB ASC Topic 958-605, *Not-for-Profit Entities – Revenue Recognition*, contributions received by the Organization are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and nature of any donor restrictions.

Contributions are recognized as revenues in the period the Organization receives any direct donation of financial and non-financial assets, or any unconditional promises to give financial or non-financial assets that are acceptable to the Organization. Such contributions received are recorded as net assets without donor-restrictions or net assets with donor-restrictions, depending on the existence and nature of any donor-restrictions. Contributions with donor-restrictions (i.e., when the donors have directed how and when their gifts should be used by the Organization, or when donations are in a direct response to specified purposes for which the Organization is soliciting donations) are reported as increases in net assets with donor-restrictions. When a restriction expires, net assets with donor-restrictions are reclassified to net assets without donor-restrictions 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. Contributions of non-financial assets are recorded at their estimated fair value at the date of the contribution.

Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met or if the promisor lifts the conditions. The Organization did not have any conditional promises to give as of December 31, 2023 or 2022.

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.

Grant revenues are recorded when and only to the extent that allowable costs are incurred for allowable activities under the award contract agreements with the grantors or the funding agencies. Grant funds received ahead of such expenditures are recorded as unearned revenue and are later reclassified to grant revenue based on the revenue recognition criteria.

Other incomes, including interest, dividends and other investment income, as well as miscellaneous revenues, are recognized when received. Net realized and unrealized gain or loss on investments is recognized on a period basis.

Expenses are recorded as decreases in net assets without donor-restrictions. Gains and losses on assets or liabilities, including unrealized gains or losses on investments as of the reporting date, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation.

Donated Services and Materials

In accordance with FASB ASC Topic 958-605-25-2, *Non-for-Profit Entities - Accounting for Contributions Received*, contributions of non-financial assets are recorded at their estimated fair value at the date of the contribution. The Organization recorded in-kind revenues comprising various consumables and supplies valued at $0 and $13,340 for the years ended December 31, 2023 and 2022, respectively, which the Organization donated to various communities as part of its COVID-19 relief efforts. These were included in program services expenses in the statements of activities.

Donated services for which the Organization made no payment or compensation are recognized as in-kind contributions at their estimated fair value at the date of receipt if the services received (a) created or enhanced nonfinancial assets or (b) required specialized skills, were performed by individuals processing those skills, and would typically need to be purchased if not provided by donation. The Organization received many hours of donated services from volunteers helping with the Organization's administrative and program activities. The Organization recorded volunteer hours that totaled $2,179,973 and $1,779,694, for the years ended December 31, 2023 and 2022, respectively, which were not included in revenues and expenses in the statements of activities because they did not meet the criteria for recognition as revenue under U.S. GAAP.

Donated Use of Facilities

The Organization uses certain facilities for its office space and project sites for which it pays no rent and utility costs. The Organization is not related to the donors of these facilities. The Organization accounts for such contributions at the amounts the Organization would have paid for the facilities under existing lease agreements or based on current market rates to lease the facilities, and in the case of utilities, based on the actual billed amounts. For the years ended December 31, 2023 and 2022, the Organization has recorded a total of $21,648 and $9,840 respectively, for donated facilities and utilities, which are included in in-kind revenues and program services expenses in the statements of activities.

Management's Judgment and 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 following aspects of the financial statements:

1. The reported amounts of assets and liabilities,
2. The disclosure of contingent assets and liabilities at the date of the financial statements, and
3. The reported amounts of revenues and expenses during the reporting period.

Significant estimate included in the financial statements relates primarily to the functional classifications of expenses and the valuation of certain in-kind revenues and expenses.

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 statements of functional expenses. The primary functional classifications of the Organization's uses of resources are as follows:

1. Program Services expenses.
2. Fundraising expenses.
3. Management and General expenses.

Management 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. The Organization's core programs are described in Note 2.

Certain categories of expenses that are attributable to more than one program or function have been allocated among the programs or functions benefited. Expenses that are directly attributed to a program or function are classified to that program or function and are not allocated to other programs and functions. Such expenses are mapped to the program or function in the accounting system. Approximately 80% of the Organization's total expenses for the year are not allocable as they totally relate directly to only a program or function. The allocated major expenses have included the following:

- Personnel costs are allocated based on estimates of time and effort that benefited the different functions.
- Relevant professional services costs are allocated to functions based on estimates of the vendors' service benefits to the different functions.
- Bank charges and financial services fees are allocated, where applicable, based on estimates of how the costs benefited the different functions.

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, 2023 or 2022. Management believes that the carrying amounts reported for cash in the statements of financial position approximate their fair values.

Investments

Stocks and other marketable securities purchased by or donated to the Organization are typically held for a period of time before they are sold. Such 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 investment income reported in the non-operating activities Section of statements of activities. Returns from stock and other marketable securities are reported as an increase or decrease in net assets without donor-restrictions unless their use is limited by donor-imposed restrictions. Any proceeds from sales of donated stocks and other marketable securities that are without donor-restrictions, which are temporarily held in money market accounts, are recorded as cash equivalents.

Notes Receivable

Notes receivable are carried at unpaid principal balances, less an allowance for loan losses and any net deferred loan fees and unearned discounts. Allowance for loan losses is increased by charges to the change in net assets and decreased by charge-offs (net of recoveries). Management's periodic evaluation of the adequacy of any allowance is based on the Organization's past loan loss experience, specific impaired loans, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and current economic conditions. Past due status is determined based on contractual terms. Loans are considered impaired if full principal or interest payments are not anticipated in accordance with the contractual terms. The Organization's practice is to charge off any loan or portion of a loan when the loan is determined by management to be uncollectible due to the borrower's failure to meet repayment terms, the borrower's deteriorating or deteriorated financial condition, the depreciation of the underlying collateral, or for other reasons.

Notes receivable are placed on a nonaccrual status when management believes, after considering economic conditions, business conditions, and collection efforts that the loans are impaired or collection of interest is doubtful. Uncollected interest previously accrued is charged off or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received. Management did not consider it necessary to record any allowance on the outstanding notes receivable at December 31, 2023. Additionally, the Organization did not have any past due notes receivable as of December 31, 2023.

Interest on notes receivable is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding. The Organization does not charge loan origination and commitment fees to the borrowers. Accordingly, there are no deferred or amortizable loan fees.

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. Estimated useful lives of property and equipment are as follows:

Classification	Estimated Life
Office equipment	3 years

Recent Accounting Pronouncements

On December 13, 2023, the FASB issued Accounting Standards Update (ASU) 2023-08, *Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets*. The amendments in ASU 2023-08 require that an entity measure crypto assets at fair value in the statement of financial position and recognize changes from remeasurement in net income. The amendments also require that an entity provide certain enhanced disclosures for both annual and interim reporting periods. The update will be effective for the year ending December 31, 2025.

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, 2023 and 2022. 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 2022 through 2020 remain subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Advertising Costs

The Organization uses advertising to promote its programs among the audiences from whom it solicits donations, as well as to educate the public about its activities. The production costs of advertising are expensed the first time the advertising takes place. Total advertising expense for the years ended December 31, 2023 and 2022, was $186,884 and $47,188, respectively.

2. ORGANIZATION'S PROGRAMS AND ACTIVITIES

The Organization provides a variety of services and community benefits 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 activities have been summarized into program services expenses in the accompanying financial statements:

A. Community Service and Emergency Response

The Organization's community service and emergency response program comprises a variety of activities in the USA and in various regions of the world. The major activities include the following:

1. *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.

2. *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:

2.1 Emergency Support Services to needy families including home health services, grief counseling, legal services, and poverty alleviation initiatives.

2.2 Health and Wellness such as Stop Diabetes Movement - an initiative to prevent diabetes through therapy and the practice of yoga. Through its health and wellness program, the Organization promotes Yoga and Meditation for improving physical and mental health in the broader community by organizing free workshops round the year and large-scale public programs on International Day of Yoga on June 21.

2.3 Awareness and Education – This includes connecting families with appropriate community organizations to address their specific needs and conducting workshops and seminars on relevant topics including "Marriage 101," "Living Will," "Secrets of Working with a Teen," and "Raising a Culturally Balanced Child". These programs provide families with the tools and knowledge necessary to maintain a healthy and balanced lifestyle.

3. *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.

ASPIRE – The Organization has been actively working towards empowering and assisting communities in need across the United States. Sewa International made significant progress with its ASPIRE (Achieving Student Progress, Instilling Resilience and Excellence) program. The program focuses on addressing language deficits and academic difficulties among students from underprivileged communities. The program has led to an improvement in student attendance, high school graduation rate, college enrollment and employment, with students gaining marketable skills and academic distinction.

LEAD - Leadership Education and Development (LEAD) program provides unpaid internships to high school students that trains and equips future non-profit leaders and promotes youth volunteerism. This program caters to over 800 interns serving their local communities and has presence in twenty of the organization's forty-two chapters.

4. *Volunteer Development*

Volunteer Development projects including SELF and SERVE programs 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 banks; day visits to terminally or chronically 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. Youth internship programs are also conducted in the USA and other countries.

5. *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.

6. *Girls' Toilet and Hygiene*

The Toilet and Hygiene for Girl Child is an ongoing project in India to build sanitation facilities for the vulnerable sections of the society to overcome practices of open defecation. Lack of toilets in schools is a major contributor to high dropout rate of girls in middle and high schools. Focus of the project is on building toilets for girls in schools and neighborhoods to reverse this trend.

7. *Doctors for Sewa*

Doctors for Sewa, with about 200 doctors, have been providing medical assistance to those in need. This program focuses on various areas of medical care, including mentorship, international medical camps, telehealth, and free clinics. The Organization has mentored international and local students interested in pursuing a career in medicine. In partnership with the American Association of Physicians of Indian Origin (AAPI), the Organization provides telehealth services to beneficiaries.

B. COVID-19 Vaccine Outreach and Education Grant program

The Organization was awarded a federal pass-through grant by Texas A& M Health. Using this grant, the execution team supported efforts to reduce vaccine hesitancy among vulnerable community members and extend outreach efforts beyond the community to include those who are also at-risk. This program included developing culturally sensitive and linguistically appropriate vaccine education materials for community awareness and conducting one to one outreach in 89 zip codes and 21 counties in Texas, in collaboration with over 500 local community partners.

C. American Rescue Plan Act

The Organization was awarded pass-through federal grants under American Rescue Plan Act under Non-Profit Grant Program to be used for economic relief in response to the COVID-19 pandemic for assistance to households and small businesses. This program includes activities like food procurement and distribution, vaccination outreach, rehabilitation, after school enrichment and skill-based training to COVID 19 affected households.

D. AmeriCorps Program

The Organization is a subrecipient of the AmeriCorps federal grant awards. The objectives of the AmeriCorps program include developing national service resources for responding to disasters and for assisting people and businesses affected by disasters through their recovery efforts. Additional objectives include enabling and stimulating volunteer community service. The Organization participates in the training of enrollees. The program requires the Organization to match at least 24% of federal funds with non-federal financial resources.

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

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: Valuations are based on quoted prices in active markets for identical investments. Accordingly, valuations of these securities do not entail a significant degree of judgment.

Level 2: Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, and determined through the use of models or other valuation methodologies.

Level 3: Valuations are based on significant unobservable inputs based on the best information available in the circumstances and include management's assumptions and situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Fair value for these investments are determined using valuation methodologies that consider a range of factors, including but not limited to the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance, and financial transactions subsequent to the acquisition of the investment. The inputs into the determination of fair value require significant management judgment.

Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following is a summary of the Organization's financial instruments, excluding cash and accounts receivable, within the fair value hierarchy, as of December 31, 2023:

	December 31, 2023					
	Fair Value Measurement as at December 31, 2023, Using:					
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Instruments Reported at NAV	**Total 2023**	**Total 2022**
Fixed income instruments	$ 14,894,693	$ -	$ -	$ -	**$ 14,894,693**	**$ 6,361,059**
Equity Securities	1,479,380	-	-	-	**1,479,380**	**1,772,134**
Hedge funds	-	-	276,460	1,125,582	**1,402,042**	**1,324,155**
Other ETPs	2,028,000	-	-	-	**2,028,000**	**1,230,492**
	18,402,073	-	276,460	1,125,582	**19,804,115**	**10,687,840**
Non-marketable convertible foreign securities	-	-	-	390,141	**390,141**	**390,141**
Total Investments	$ 18,402,073	$ -	$ 276,460	$ 1,515,723	**$ 20,194,256**	**$ 11,077,981**

During the year ended December 31, 2023, there were no transfers among Level 1, Level 2 or Level 3 instruments.

Investments in Hedge Funds

Investment in a hedge fund valued at $1,125,582 and $969,655 at December 31, 2023 and 2022, respectively, is in a private fund that invests primarily in U.S. common stocks and other level 1 securities. The fair values of the investments in this class have been estimated using the net asset value (NAV) per share of the investments as a practical expedient. Investments measured using a NAV per share, or its equivalent, are not classified in the fair value hierarchy above because they may or may not be redeemed at the NAV or because redemption at NAV is uncertain. Because of the use of net asset value as a practical expedient, the hedge fund investments are no longer classified in the fair value hierarchy. The fair value amounts for hedge fund investments presented in the table above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position. On the basis of its analysis of the nature, characteristics, and risks of the investments, the Organization has determined that it is appropriate to present them as a single class.

The Organization's investment in a *secured income hedge fund* was valued at $276,460 and $354,500 at December 31, 2023 and 2022, respectively. The hedge fund invested 100% of its assets to acquire 8.7% of the Class B Common Shares of an affiliated mortgage lending private trust company. Market quotations are not readily available for the Organization's investment in the hedge fund and for the hedge fund's investment in the trust company, which is included in Level 3 of the fair value hierarchy. In measuring this asset, the Organization has used the hedge fund's (third-party) pricing, which was based on discounted cash flows of the trust company's assets (industrial buildings) and liabilities after adjusting for certain costs, losses, cash distributions, and depreciation reversals. The trust company's main activities are several loans issued to borrowers for the development of industrial buildings.

Investment in Convertible Foreign Securities

Non-marketable convertible foreign securities consist of an investment in compulsorily convertible preference shares of a private limited company, without readily determinable market values but valued by the Organization at $390,141 at December 31, 2023. The securities were acquired in 2019 at $200,000. The Organization has valued this investment at the unit rate that the issuer sold similar category of shares in private placements at a date near the year end, discounted by 15% for the investee company's current operating losses and for lack of a ready market for the asset, in the absence of other observable transactions or evidence of impairment that would warrant further adjustments as of the reporting date and through the date these financial statements were issued. The reported value has also taken into consideration any unrealized exchange gain or loss between the US Dollar and Indian Rupees. Currency exchange loss was observed as of December 31, 2023 and 2022, but were considered insignificant in total.

The Organization adjusts the carrying value of non-marketable securities up or down for observable price changes in orderly transactions for identical or similar investments of the same issuer and for impairment, if any (referred to as the measurement alternative). All gains and losses on non-marketable securities, realized and unrealized, are recognized in the statement of activities as changes in net assets.

Risks and Uncertainties

The Organization's investment in hedge funds and in private unmarketable securities are highly illiquid and there is no assurance that the investee companies will achieve their investment objectives, including targeted returns.

Additionally, the Organization's financial instruments, including investments reported at fair value, are exposed to various risks such as custodial credit risk, interest rate risk, foreign currency risk, and market price risk which are described in greater details in Note 11.

There were no changes in the valuation techniques applied to financial instruments during the years ended December 31, 2023 and 2022.

The following schedule summarizes investment returns in the statement of activities. Unrealized gains from investments reported at fair value at the measurement dates, which are included in net return on investments, are not guaranteed to be realized in cash due to unpredictable fluctuations in the investments fair value.

	2023	2022
Interest and dividend income	$ 459,686	$ 253,108
Net realized and unrealized gain/(loss)	1,754,348	(4,104,712)
Net return on investments	$ 2,214,033	$ (3,851,604)

4. NOTES RECEIVABLE

The Organization purchased the following promissory notes:

On November 23, 2021, the Organization purchased a $300,000, 5% convertible promissory note ("Note") issued by a limited liability company incorporated under the laws of Cayman Islands, in support of the company's research in therapeutic cures of certain ailments. The Note initially matured on September 30, 2023, and was renewed through September 30, 2024. On May 12, 2023, the Organization purchased additional $100,000 convertible promissory note, bearing interest at 10% payable with the principal at the December 15, 2023 maturity date. The maturity date has been extended through September 30, 2024. The Notes has been reported at face value in the financial statements as of December 31, 2023. In accordance with the terms of the Notes, interest has been accrued through December 31, 2023 and included in revenue and other receivables. Principal balance outstanding at December 31, 2023 was $400,000.

On October 6, 2022, the Organization purchased a $500,000 promissory note (the "Loan") issued by a Texas nonprofit organization to enable the borrower to complete a construction project. The Note bears interest at 6%, payable monthly through October 6, 2025, when the principal will become due and payable in full. The principal balance outstanding at December 31, 2023 was $114,754.

5. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment, at cost less accumulated depreciation, at December 31, 2023 and 2022:

Depreciation expense for the years ended December 31, 2023 and 2022 amounted to $3,113 and $3,113 respectively.

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
Office equipment	$ 31,021	$ 18,872	$ (23,369)	$ 26,523
Furniture	1,689	-	-	1,689
Total cost	32,710	18,872	(23,369)	28,212
Accumulated depreciation	(27,035)	(9,404)	23,369	(13,070)
Property and equipment, net	$ 5,675	$ 9,468	$ -	$ 15,143

6. BOARD-DESIGNATED ENDOWMENT FUND

As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

In 2017 the Organization received contributions of $1,650,000 without donor-restrictions from a family. In 2017 the Organization's governing board passed a voluntary resolution designating the contributions and any subsequent additional contributions from the donor and increases from investment returns thereof, to altogether function as the *Bhagawathibai Gehani Family Endowment Fund*, for an unspecified period of time, in honor of the donor family. The purpose of this quasi endowment fund is to generate income for a variety of projects and growth of the Organization. Additional principal donations of $8,907,311 received from the same source since the establishment of this quasi endowment fund plus various net returns on the invested funds have been added to the fund.

The Organization has established investment and spending policies to govern the management of its quasi endowment fund and other liquid assets in excess of its current spending requirements, which may be invested in marketable securities or other forms of investment instruments authorized by the governing board. Under this policy, the fund's assets are invested in a manner that is intended to preserve their purchasing power while assuming a moderate level of investment risk, as well as provide the Organization with a predictable and stable stream of financial support. The Organization's primary investment objective is to earn an average annual return that exceeds the nominal spending rate policy plus the rate of inflation, net of all fees, including investment management advisory fees and custody charges, over the long term. Annual investment management fees are estimated at 2% of the average of the beginning of year and end of year total balances of the quasi endowment accounts. The Organization's investment income spending policy allows the governing board to distribute no more than 5% of the net return on investments in any year to support the Organization's purposes. The balance of the quasi endowment account is reduced by applicable fees and distributions from the account.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places greater emphasis on publicly traded equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Changes in the quasi endowment fund's net assets for the year ended December 31, 2023, were as follows:

	Board-Designated Endowment
Balance at December 31, 2022	$ 7,058,473
Summary of current year activity:	
Additional contributions to the designated endowment	1,400,000
Amount appropriated for expenditures	(138,806)
	8,319,667
Net return on investments	2,119,214
Ending balance at December 31, 2023	$ 10,438,881

7. GRANT PROGRAMS REVENUES

As shown in the statement of functional expenses, the Organization's program services to the communities have continued to expand to include multiple federally funded, cost reimbursement award programs, including the AmeriCorps program; immunization programs; and disaster and emergency response activities covered by the American Rescue Plan Act (ARPA). Any of the Organization's expenditures for these programs reimbursed with federal funds are reported as grant programs revenues in the statement of activities.

8. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2023 and 2022, the total net assets with donor-restrictions in terms of the purpose and/or the timing of their use were $9,689,014 and $10,591,135, respectively. The following table presents the composition of net assets with donor-restrictions, by purpose and by region, as of December

31, 2023 and 2022, as well as the net assets released from restrictions through expenses in the current year:

Program/Purpose	Region	Balance as at 12/31/2022	Additions in 2023	Spendings in 2023	Balance as at 12/31/2023
Disaster Relief	USA	$ 225,748	$ 65,116	$ 66,875	$ 223,989
Disaster Relief	India	8,525,725	449,792	1,216,021	7,759,497
Education	India	839,224	877,339	1,083,679	632,884
Education	USA	335,422	259,725	260,887	334,260
Education	South Asia	-	8,266	8,266	-
Family Services	USA	145,384	48,172	82,632	110,924
Family Services	South Asia	106,725	-	-	106,725
Family Services	South America	5,733	5,000	5,000	5,733
Health & Hygeine	India	115,564	222,964	299,823	38,706
Health & Hygeine	USA	10,030	74,859	69,945	14,944
Other Projects	India	175	208,965	208,965	175
Rural Development	India	3,039	57,820	36,746	24,113
Volunteer Development	USA	160,752	138,286	37,712	261,326
Volunteer Development	India	117,612	136,168	78,042	175,738
Totals		**$ 10,591,135**	**$ 2,552,472**	**$ 3,454,593**	**$ 9,689,014**

9. COMMITMENTS AND CONTINGENCIES

Lease Transactions and Related Commitments

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which superseded existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued series of additional ASUs, which amend and clarify Topic 842. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statement of financial position. The new lease standard became effective for the year ended December 31, 2022; however, during that year the Organization did not have leases that met the criteria for the application of the new lease standard, because the then existing leases were short term. During the year ended December 31, 2023, the Organization entered into long term lease agreements and as a result adopted the new lease accounting standard in 2023. Accordingly, the Organization did not need to retrospectively apply the new lease standard to the year ended December 31, 2022.

The Organization's leases have included very short duration leases of facilities for fundraising events and warehousing of program supplies, as well as non-cancellable term leases of certain facilities for some of its program sites and office spaces in Houston, Texas, and Los Angeles and Bay Area, California. The current non-cancellable term leases will mature at different dates through June 30, 2027. Some of the leases are subject to escalating lease payments. The Organization enjoyed the use of some of the facilities with term lease agreements at no-rent or reduced-rent basis in 2023 and 2022. Donated rental benefits have been included in in-kind revenues and expenses.

In accordance with FASB ASC Topic 842, *Leases*, as updated, the Organization recognized in the 2023 statement of financial position (1) the operating lease right-of-use assets of $462,282, representing the estimated dollar value of the Organization's right to use the underlying assets and facilities for the remainder of the lease terms, and (2) total operating lease liabilities of $465,936 based on the present value of the remaining lease future payments. These lease related assets and liabilities were determined by utilizing the risk-free discount rate of 5%, which represents the Organization's estimated incremental borrowing rate based on the information available during the year. The remaining lease terms as of December 31, 2023, are used as the amortization-lives of the right-of-use assets. The Organization's lease agreements do not include renewal option clauses.

The following summarizes the line items in the statements of financial position which include amounts for operating leases as of December 31, 2023.

	Total Balance (Discounted to Present Value)	Amortizable Within One Year	Amortizable After More Than One Year
Operating lease right-of-use assets	$ 462,282	$ 152,523	$ 306,759

	Total Balance (Discounted to Present Value)	Current Portion	Noncurrent Portion
Operating lease liabilities	$ 465,936	$ 149,391	$ 316,545

Total operating lease and rental expenses for the years ended December 31, 2023 and 2022, were $272,926 and $178,669 respectively. Lease and rental expenses for the year ended December 31, 2023 were reported by function in the statement functional expenses and statement of activities as follows:

	Program Services	Fundraising	Management and General	Total
Leasing and rentals (program services includes inkind of $21,648)	$ 218,492	$ 51,434	$ 3,000	$ 272,926

The following is a schedule of the estimated minimum annual payments under the existing operating lease agreements:

Year Ending December 31,	Amount
2024	$ 168,520
2025	131,727
2026	135,678
2027	68,842
Thereafter	-
Total	$ 504,767

Additional information about the Organization's leases is as follows:

Weighted-average remaining lease term (in years) ……………………..	1.56
Weighted-average discount rate …………………………………...…	5%

Contingencies

The Organization received federal awards for certain federal programs as presented in the statement of activities and statement of functional expenses. Failure to satisfy the requirements of contract agreements could result in disallowed costs and return of funds to grantors.

10. LIQUIDITY MANAGEMENT

As of December 31, 2023, the Organization had $7,276,613 of financial assets available within one year of the latest balance sheet date to meet cash needs for general expenditures, consisting of the following:

	2023
Cash and cash equivalents	$ 6,503,262
Accounts receivable	306,990
Notes receivable	514,754
Investments	20,194,256
Financial assets at year end	27,519,262
Less those unavailable for general purpose within one year due to:	
- Internal limit from board designated fund	10,438,881
- Resources restricted by donors for specific programs	9,689,014
- Note receivable not maturing within one year	114,754
Financial assets available to meet cash needs for general expenditures within one year	$ 7,276,613

The Organization reasonably estimates its cash needs on a month to month basis and is able to structure its financial assets to provide cash for its general expenditures, liabilities, and other obligations as they become due.

11. CONCENTRATIONS

Concentrations of Business Risks Related to Investments and Other Financial Instruments

Investments and other financial instruments are subject to a variety of risks, including custodial credit risks, interest rate risks, and market price 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, resulting in a financial loss to the Organization. Deposits are exposed to custodial credit risks 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 risks consist of cash deposited with financial institutions and marketable securities held by brokers.

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. Cash deposits include money market funds with financial institutions which are insured by FDIC because they did not meet the criteria to be insured by the Securities Investor Protection Corporation (SIPC). At December 31, 2023 and 2022, the Organization's cash deposit balances with certain financial institutions exceeded the FDIC insured limit by a combined total of approximately $11,771,512 and $10,918,465, 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, 2023 and 2022.

Market price risk is the risk that changes in market prices – e.g. interest rates, foreign exchange rates, equity prices, and credit spreads – will affect the Organization's income or the fair values of its holdings of financial instruments. Return on investments included in the current period's revenues may include unrealized gains inherent in the investments' fair values, which may or may not be realizable in cash in the foreseeable future due to subsequent changes in the investments' fair values. The fair values of financial instruments regularly fluctuate as a result of changes in market prices (other than those arising from interest rate risks or currency risks), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market. Market price risks are managed by the investment manager by diversifying the portfolio, but diversification is not always a foolproof mitigant against fluctuations of investments' fair values.

The Organization invests in financial instruments in accordance with its investment management strategy. The Organization invested in U.S. marketable securities, including stocks, mutual funds, and other investment instruments described in Note 3. These investments valued at $13,914,242 and $6,385,827 as December 31, 2023 and 2022, respectively, which included cash components of $113,604 and $423,514 at December 31, 2023 and 2022, respectively, were held by U.S. investment companies. The SIPC insures each investor against custodial risks up to $500,000, inclusive of a sublimit of $250,000 for claims of eligible cash. Investments in excess of SIPC insured limit were not otherwise insured.

As more fully described in Note 3, the Organization's investments also included certain non-marketable convertible foreign securities, which were reported at $790,141 and $690,141 at December 31, 2023 and 2022, respectively. These assets may be subject to exchange rate risks in addition to market and custodial risks. These assets are not otherwise insured.

Operations Outside the United States of America

In the years ended December 31, 2023 and 2022, approximately 48% and 75%, respectively, of the Organization's program service expenses were for activities outside the United States.

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 28, 2024. This was the date the financial statements were available to be issued. No events have occurred subsequent to the latest statement of financial position date, which would require adjustments to, or disclosure in, the financial statements.

Supplementary Information

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through Entity Identifying Number	ALN Number	Federal Expenditures	Passed Through to Subrecipients
Corporation for National and Community Service				
Direct Program				
AmeriCorps September 11th National Day of Service and Remembrance Grants	-	94.012	$ 46,570	$ -
Pass-Through:				
OneStar National Service Commission				
AmeriCorps State and National - 2023-2024	-	94.006	364,528	-
AmeriCorps State and National - 2022-2023	-	94.006	93,433	-
The Georgia Department of Community Affairs				
AmeriCorps State and National - 2023-2024	-	94.006	80,378	-
AmeriCorps State and National - 2022-2023	-	94.006	128,121	-
New Jersey Commission on National and Community Service				
AmeriCorps Environmental Stewardship Planning	-	94.006	22,021	-
OPR/ California Volunteers				
AmeriCorps State and National - 2023-2024	-	94.006	35,979	-
AmeriCorps Mental Health Program - 2023-2024	-	94.006	42,821	-
Total for ALN 94.006**			767,280	-
Total for Corporation for National and Community Service			813,851	-
U.S. Department of Treasury				
Fort Bend County, Texas				
COVID-19 Coronavirus State Fiscal Recovery Fund	-	21.027	52,100	-
The City of Simi Valley, California				
COVID-19 Coronavirus State Fiscal Recovery Fund	-	21.027	11,031	-
Total for ALN 21.027			63,131	-
Total for Department of Treasury			63,131	
U.S. Department of Health & Human Services - Center for Disease Control & Prevention				
Pass-Through				
Texas A&M University Health Science Center				
Immunization Cooperative Agreements	-	93.268	416,553	-
Total for ALN 93.268			416,553	-
Total for Department of Health & Human Services			416,553	-
Total Federal Financial Assistance			**$ 1,293,534**	$ -

** Audited as major federal program.

Note 1 – The Organization and Purpose

Sewa International Inc., USA, ("the Organization") received federal funds to provide a variety of community based services in different states in the United States of America.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activities of the Organization under programs of the federal government for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("federal Uniform Guidance"). Because the Schedule presents only a selected portion of the Organization's operations, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 3 - Summary of Significant Accounting Policies

In accordance with U.S. generally accepted accounting principles, the Organization accounts for all federal award programs on an accrual basis of accounting. Accordingly, expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the federal Uniform Guidance, wherein certain types of expenditures are not allowable or are limited by the award contract.

Federal grant funds are considered earned to the extent of qualifying expenditures made under the provisions of the grants. When such funds are advanced to the Organization, they are recorded as refundable advances until earned. Otherwise, federal grant funds are received on a cost reimbursement basis from the federal grantor agencies or pass-through entities.

Note 4 – Indirect Cost Rate

The Organization elected to use the 10% de minimis cost rate where applicable.

Note 5 – Program Income

The Organization did not generate program income. Accordingly, no program income was used to reduce the amount of federal funds expended in providing the programs.

Note 6 - Relationship of the Schedule to Financial Reports Submitted to Grant Awarding Agencies

Expenditures included on the Schedule may differ from amounts reflected in the financial reports submitted to the grant awarding or pass-through entities because of the following reasons:

1. Program matching costs that are reported, where applicable, in the financial reports submitted to grant awarding agencies are not included in the amounts reported on the Schedule.
2. Differences may exist between grant periods and the Organization's accounting period.

Note 7 - Contingencies

Federal grants require the fulfillment of certain conditions set forth in grant agreements, and may be regularly monitored and reviewed by grantors, both during and after the programs. Failure to satisfy the requirements of contract agreements could result in disallowed costs and return of funds to grantors.

Single Audit Section

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors of
Sewa International Inc., USA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Sewa International Inc., USA (the "Organization"), a nonprofit organization, which comprise the statement of financial position as of December 31, 2023, and the related statement of activities, statement of functional expenses, and statement of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 28, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.

CONTINUATION

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bankole, Okoye & Associates PC

Bankole, Okoye & Associates PC
Houston, Texas
August 28, 2024

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE FEDERAL UNIFORM GUIDANCE.

To the Board of Directors of
Sewa International Inc., USA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Sewa International Inc., USA's ("the Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2023. The Organization's major federal programs are identified on page 32 in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE FEDERAL UNIFORM GUIDANCE.

CONTINUATION

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bankole, Okoye & Associates PC

Bankole, Okoye & Associates PC
Houston, Texas
August 28, 2024

PART 1: SUMMARY OF AUDITORS' RESULTS

Financial Statement Section:

1. The type of report issued by the independent auditors on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America was:

   ☒ Unmodified ☐ Modified ☐ Adverse ☐ Disclaimed

2. The independent auditors' report on internal control over financial reporting described:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

   Noncompliance considered significant to the financial statements? ☐ Yes ☒ None reported

Federal Awards Section:

3. The independent auditors' report on internal control over compliance with requirements applicable to major federal awards programs described:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

4. The opinion expressed in the independent auditors' report on compliance with requirements applicable to major federal awards was:

   ☒ Unmodified ☐ Modified ☐ Adverse ☐ Disclaimed

5. The audit disclosed findings that are required to be reported under Section 200.516(a) of the Uniform Guidance? ☐ Yes ☒ No

6. Identification of Major Programs:

ALN Number	*Name of Federal Program or Cluster*
94.006	AmeriCorps State and National

7. The dollar threshold used to distinguish between Type A and Type B programs: $750,000

8. Auditee qualified as low-risk auditee as defined in

   Section 200.520 of the Uniform Guidance? ☐ Yes ☒ No

PART 2: FINANCIAL STATEMENT FINDING SECTION

This section identifies material weaknesses, significant deficiencies, fraud, illegal acts, violation of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a federal Uniform Guidance audit.

No matters were reported.

PART 3: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

This section identifies the audit findings required to be reported by Section §200.516, *Audit Findings*, of the federal Uniform Guidance, such as material instances of noncompliance, including questioned costs, and material weaknesses or significant deficiencies in internal control over compliance for federal grant programs, as well as any abuse findings involving federal awards that are material to a major program.

No matters were reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CURRENT STATUS:

This section identifies prior audit findings and provides information on the current status of the corrective action plan previously provided by management.

No findings were reported in the prior period.