



GAIN INTERNATIONAL d/b/a GAIN USA,
A SUBSIDIARY OF CRU GLOBAL, INC.

Financial Statements
With Independent Auditors' Report

August 31, 2017 and 2016

GaiN INTERNATIONAL
d/b/a GaiN USA, a subsidiary of CRU Global, Inc.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
GAiN International
d/b/a GAiN USA, a subsidiary of CRU Global, Inc.
Plano, Texas

We have audited the accompanying financial statements of GAiN International, d/b/a GAiN USA, a subsidiary of CRU Global, Inc. (GAiN) which comprise the statements of financial position as of August 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
GAiN International
d/b/a GAiN USA, a subsidiary of CRU Global, Inc.
Plano, Texas

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GAiN International d/b/a GAiN USA, a subsidiary of CRU Global, Inc. as of August 31, 2017 and 2016, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The accompanying financial statements are those of GAiN International d/b/a GAiN USA, a subsidiary of CRU Global Inc. as described in Note 1, and are not those of the primary reporting entity.

Capin Crouse LLP

Grapevine, Texas
December 15, 2017

GaiN INTERNATIONAL
d/b/a GaiN USA, a subsidiary of CRU Global, Inc.

Statements of Financial Position

	August 31,	
	2017	2016
ASSETS:		
Cash and cash equivalents	\$ 1,267,326	\$ 299,985
Prepaid expenses and other assets	43,714	198,143
Inventory	8,042,085	6,762,418
Capital assets–net	1,475,985	1,453,571
Total Assets	\$ 10,829,110	\$ 8,714,117
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and other liabilities	\$ 162,190	\$ 88,033
Net assets:		
Unrestricted:		
Operating	1,148,850	410,095
Inventory	8,042,085	6,762,418
Equity in capital assets–net	1,475,985	1,453,571
	10,666,920	8,626,084
Total Liabilities and Net Assets	\$ 10,829,110	\$ 8,714,117

See notes to financial statements

GAiN INTERNATIONAL
d/b/a GAiN USA, a subsidiary of CRU Global, Inc.

Statements of Activities

	August 31,	
	2017	2016
UNRESTRICTED NET ASSETS:		
Revenue and support:		
Contributions	\$ 3,688,187	\$ 2,909,520
Gift-in-kind contributions	12,215,497	10,757,798
Contributed services	2,040,733	1,439,583
Contributed services—inventory enhancement	1,452,326	1,308,415
Event registration fees	477,488	391,811
Other income	200,744	149,462
Contributed rent	129,517	120,004
Reclassifications—net assets released from restrictions:		
Satisfaction of purpose restrictions	-	125,443
Total Unrestricted Revenues and Reclassifications:	20,204,492	17,202,036
Expenses:		
Program services	16,404,339	15,608,053
Supporting activities:		
General and administrative	748,534	535,793
Fundraising	1,010,783	791,595
Total Expenses	18,163,656	16,935,441
TEMPORARILY RESTRICTED NET ASSETS:		
Reclassifications—net assets released from restrictions:		
Satisfaction of purpose restrictions	-	(125,443)
Change in Temporarily Restricted Net Assets	-	(125,443)
Change in Unrestricted Net Assets	2,040,836	266,595
Change in Net Assets	2,040,836	141,152
Net Assets, Beginning of Year	8,626,084	8,484,932
Net Assets, End of Year	\$ 10,666,920	\$ 8,626,084

See notes to financial statements

GAIN INTERNATIONAL
d/b/a GAIN USA, a subsidiary of CRU Global, Inc.

Statements of Cash Flows

	Year Ended August 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,040,836	\$ 141,152
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Donated inventory	(13,667,823)	(12,010,934)
Distributed inventory	12,609,927	12,287,492
Depreciation expense	82,401	73,177
Net change in operating assets and liabilities:		
Prepaid expenses and other assets	154,429	(172,684)
Purchased inventory	(221,771)	(364,271)
Accounts payable and other liabilities	74,157	(23,947)
Related party payable	-	(60,852)
Net Cash Provided (Used) by Operating Activities	1,072,156	(130,867)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of capital assets	(104,815)	(24,244)
Net Cash Used by Investing Activities	(104,815)	(24,244)
Net Change in Cash and Cash Equivalents	967,341	(155,111)
Cash and Cash Equivalents, Beginning of Year	299,985	455,096
Cash and Cash Equivalents, End of Year	\$ 1,267,326	\$ 299,985

See notes to financial statements

GAIN INTERNATIONAL
d/b/a GAIN USA, a subsidiary of CRU Global, Inc.

Notes to Financial Statements

August 31, 2017 and 2016

1. NATURE OF ORGANIZATION:

GAiN International d/b/a GAiN USA (GAiN), was incorporated as a nonprofit organization in the State of California in 1994. GAiN is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and is not a private foundation under Section 509(a) of the Code. Income for GAiN is primarily generated by cash and gift-in-kind contributions from individuals, churches, and other relief organizations.

GAiN's board of directors is composed of members of Campus Crusade for Christ, Inc. and the public constituency. Campus Crusade for Christ, Inc. (Cru) and Cru Global Inc.'s board of directors have voting authority over the GAiN board.

The purpose of GAiN is to provide humanitarian aid and assistance including food, clothing, vegetable seeds, medical supplies and services, educational assistance, clean water initiatives, emergency relief, and other compassionate aid to help meet the needs of the poor and disadvantaged in the United States and around the world. These efforts are done in coordination with international staff members of Cru, other partner ministries, and churches in locations around the world.

In several countries, GAiN has established programs to provide emergency relief food items to bring tangible help and hope for people affected by military conflict. The material aid is distributed through local partner ministries in these countries.

Other projects have taken place in parts of Zambia, Zimbabwe, Liberia, East Africa, Middle East, Peru, and Tanzania to bring relief for people affected by diseases from unclean water and refugee displacement by providing pharmaceuticals, food, medical supplies, blankets, and funds to repair and dig new water wells to aid in the humanitarian crisis.

Several short-term mission teams have been deployed to countries such as Zambia, Zimbabwe, Tanzania, Tajikistan, Greece, and Middle East countries. Humanitarian aid including clothing, care packs of school supplies, wheelchairs, glasses, blankets, seeds, food and other medical equipment have been shipped via ocean freight bound for many of the locations where GAiN conducted mission trips. Team members helped in the process of fitting adults and children for wheelchairs and glasses.

GAiN works with other related organizations throughout the world, such as GAiN Australia, GAiN Canada, GAiN Germany, and GAiN Holland. These related organizations are legally separate from GAiN, and each organization is governed by an independent board of directors. Therefore, the assets, liabilities, net assets, and results of their activities have not been included in this report.

GAIN INTERNATIONAL
d/b/a GAIN USA, a subsidiary of CRU Global, Inc.

Notes to Financial Statements

August 31, 2017 and 2016

2. SIGNIFICANT ACCOUNTING POLICIES:

GAiN uses estimates and assumptions in preparing financial statements with the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of any contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include petty cash on hand and checking accounts. The accounts may, at times, exceed federally insured limits. GAiN has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk.

INVENTORY

Inventory consists of items such as clothing, healthcare items, vegetable seeds, and other materials purchased by GAiN or donated to GAiN. Purchased inventory is recorded at the lower of cost or fair market value. GAiN reports its gifts-in-kind inventory and the related revenue and expenses based on market sources and inputs to estimate fair value using an exit price notion.

CAPITAL ASSETS

GAiN capitalizes all individual capital assets greater than \$7,500 and groups of fixed assets in excess of \$10,000 at cost. Depreciation is computed on the straight-line basis over estimated useful life ranging from 3 to 39 years.

NET ASSETS

Unrestricted net assets are those currently available for use in GAiN's operations, preferred contributions for the support of GAiN's projects, and those resources invested in inventory and capital assets.

Temporarily restricted net assets are comprised of donor-restricted contributions for the support of GAiN's projects.

SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash or unconditional promises are made or received or when ownership of donated assets is transferred to GAiN. Contributions restricted by the donor for a specific purpose are recorded as temporarily restricted support. Upon satisfaction of the restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from purpose restrictions. GAiN reports contributions net of Cru assessments for administrative and other services provided that were \$374,779 and \$253,642 for the years ended August 31, 2017 and 2016, respectively.

GAIN INTERNATIONAL
d/b/a GAIN USA, a subsidiary of CRU Global, Inc.

Notes to Financial Statements

August 31, 2017 and 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, continued

GAIN receives donations of clothing, shoes, medical and school supplies, and other materials for use in its ministry programs. Such gifts are recorded at their estimated fair market value on the date of donation. The fair market value of donated materials is based on market sources and inputs using an exit price notion. Gifts received are reported in the statements of activities as unrestricted gift-in-kind contributions, unless restricted by the donor for a specific purpose. Amounts used during the year are included in program services expense in the statements of activities. Amounts remaining at year-end are included in inventory in the statements of financial position.

Event registration fees and other income are recorded when earned.

CONTRIBUTED SERVICES

GAIN records contributed services at fair market value of the services received. GAIN has agreed with Cru to have individuals work as seconded employees of GAIN. GAIN directs these individuals' job descriptions; however, the salaries and related benefits of these individuals are paid by Cru. The value of these services received from Cru is recognized as contributed services revenue and expense in the statements of activities (see Note 7).

GAIN also records the fair market value of services received from volunteers who enhance the value of inventory. The value of these services received is recognized as contributed services–inventory enhancement in the statements of activities.

FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are recognized when incurred within the accrual basis of accounting.

The costs of providing program services and supporting activities of GAIN have been summarized on a functional basis in the statements of activities. Certain costs, such as occupancy costs, depreciation, and payroll, have been allocated among the program services and supporting activities benefited.

GAIN incurs shipping and handling costs to ship their containers of donated goods. For the years ended August 31, 2017 and 2016, shipping and handling costs incurred was approximately \$717,000 and \$687,000, respectively. These costs are included in program activities in the statements of activities.

GaiN INTERNATIONAL
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Notes to Financial Statements

August 31, 2017 and 2016

3. INVENTORY:

Inventory consists of:

	August 31,	
	2017	2016
Clothing	\$ 3,671,528	\$ 3,436,435
Toys	1,079,944	35,456
Healthcare items	1,015,390	1,003,134
Shoes	994,197	254,265
Seeds	639,506	711,886
Blankets	296,355	222,026
Other	181,415	563,047
Food items	84,070	447,625
Carepacks	79,680	88,544
	\$ 8,042,085	\$ 6,762,418

4. CAPITAL ASSETS–NET:

Capital assets–net consist of:

	August 31,	
	2017	2016
Land	\$ 225,000	\$ 225,000
Building and improvements	1,763,114	1,681,549
Furniture and equipment	114,862	91,612
	2,102,976	1,998,161
Accumulated depreciation	(626,991)	(544,590)
	\$ 1,475,985	\$ 1,453,571

GAIN INTERNATIONAL
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Notes to Financial Statements

August 31, 2017 and 2016

5. OPERATING LEASES:

GAiN leases office space in Plano, Texas, as well as equipment and software to support its operations under operating leases. Rent expense under these leases for the years ended August 31, 2017 and 2016, was \$284,319 and \$265,258, respectively. Future minimum lease payments are:

<u>Year Ending August 31,</u>	<u>Amounts</u>
2018	\$ 164,679
2019	156,394
2020	13,033
	<u>\$ 334,106</u>

6. CONTRIBUTED RENT:

As part of the above operating leases, GAiN is provided below-market rent from a third party organization. The difference between the rent paid and the fair market value of the rent has been recorded as contributed rent in the statements of activities. GAiN received contributed rent income of \$129,517 and \$120,004 during the years ended August 31, 2017 and 2016, respectively.

7. RELATED PARTY TRANSACTIONS:

During the years ended August 31, 2017 and 2016, GAiN participated in related party transactions with Cru and its related ministries. The related party transactions consist of:

	<u>August 31,</u>	
	<u>2017</u>	<u>2016</u>
Contributed services provided by Cru	\$ 2,040,733	\$ 1,439,583
Payments made to Cru for expenses paid by Cru on behalf of GAiN	\$ 1,245,425	\$ 1,170,823
Contributions received from Cru	\$ 1,085,003	\$ 1,165,895
Contributions made to Cru affiliates	\$ 13,500	\$ -

8. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through December 15, 2017, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTAL INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION**

Board of Directors
GAiN International
d/b/a GAiN USA, a subsidiary of CRU Global, Inc.
Plano, Texas

We have audited the financial statements of GAiN International d/b/a GAiN USA, a subsidiary of CRU Global, Inc. as of and for the years ended August 31, 2017 and 2016, and our report thereon dated December 15, 2017, which expresses an unmodified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Capin Crouse LLP

Grapevine, Texas
December 15, 2017

GAIN INTERNATIONAL
d/b/a GAIN USA, a subsidiary of CRU Global, Inc.

Schedule of Functional Expenses

Year Ended August 31, 2017

	Program Services	Supporting Activities		Total
		Management and General	Fund- raising	
Aid and assistance	\$ 11,058,273	\$ 13,000	\$ -	\$ 11,071,273
Contributed services	1,532,559	301,211	206,963	2,040,733
Contributed services–inventory enhancement	1,687,753	-	-	1,687,753
Salaries and benefits	214,615	181,332	475,195	871,142
Shipping and distribution	717,250	-	-	717,250
Travel	323,073	63,246	14,923	401,242
Occupancy	298,166	48,452	26,090	372,708
Professional fees	69,391	34,182	247,298	350,871
Office expenses	167,033	29,651	17,635	214,319
Technology	128,792	20,929	11,269	160,990
Training and meetings	49,600	34,459	4,082	88,141
Depreciation	65,921	10,712	5,768	82,401
Other expenses	56,676	4,733	1,540	62,949
Promotion and advertising	18,328	6,627	20	24,975
Scrap gift-in-kind	16,909	-	-	16,909
	<u>\$ 16,404,339</u>	<u>\$ 748,534</u>	<u>\$ 1,010,783</u>	<u>\$ 18,163,656</u>

GAIN INTERNATIONAL
d/b/a GAIN USA, a subsidiary of CRU Global, Inc.

Schedule of Functional Expenses

Year Ended August 31, 2016

	Program Services	Supporting Activities		Total
		Management and General	Fund- raising	
Aid and assistance	\$ 10,058,402	\$ -	\$ -	\$ 10,058,402
Contributed services	1,186,277	155,646	97,660	1,439,583
Contributed services–inventory enhancement	2,250,968	-	-	2,250,968
Salaries and benefits	323,977	149,856	271,127	744,960
Shipping and distribution	684,574	2,682	-	687,256
Travel	217,873	50,076	27,199	295,148
Occupancy	251,802	60,418	32,533	344,753
Professional fees	97,983	42,093	338,932	479,008
Office expenses	111,224	19,060	6,058	136,342
Technology	112,306	18,250	9,827	140,383
Training and meetings	32,070	18,154	1,932	52,156
Depreciation	58,542	9,513	5,122	73,177
Other expenses	4,325	3,195	948	8,468
Promotion and advertising	29,724	6,850	257	36,831
Scrap gift-in-kind	188,006	-	-	188,006
	<u>\$ 15,608,053</u>	<u>\$ 535,793</u>	<u>\$ 791,595</u>	<u>\$ 16,935,441</u>