



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

Financial Statements
With Independent Auditors' Report

August 31, 2016 and 2015

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, 2016 and 2015, 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 audit. We conducted our audit 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, 2016 and 2015, 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

Dallas, Texas
December 12, 2016

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

Statements of Financial Position

	August 31,	
	2016	2015
ASSETS:		
Cash and cash equivalents	\$ 299,985	\$ 455,096
Prepaid expenses and other assets	198,143	25,459
Inventory	6,762,418	6,674,705
Capital assets–net	1,453,571	1,502,504
Total Assets	\$ 8,714,117	\$ 8,657,764
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 86,733	\$ 89,280
Related party payable	-	60,852
Deferred revenue	1,300	22,700
	88,033	172,832
Net assets:		
Unrestricted:		
Inventory	6,762,418	6,674,705
Equity in capital assets-net	1,453,571	1,502,504
Operating	410,095	182,280
	8,626,084	8,359,489
Temporarily restricted	-	125,443
	8,626,084	8,484,932
Total Liabilities and Net Assets	\$ 8,714,117	\$ 8,657,764

See notes to financial statements

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

Statements of Activities

	Year Ended August 31,					
	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Contributions	\$ 2,909,520	\$ -	\$ 2,909,520	\$ 2,674,643	\$ 55,090	\$ 2,729,733
Gift-in-kind contributions	10,757,798	-	10,757,798	17,479,369	-	17,479,369
Contributed services	1,439,583	-	1,439,583	1,478,039	-	1,478,039
Contributed services— inventory enhancement	1,308,415	-	1,308,415	1,482,882	-	1,482,882
Contributed rent	120,004	-	120,004	98,762	-	98,762
Project revenue	119,327	-	119,327	118,468	-	118,468
Event registration fees	391,811	-	391,811	358,534	-	358,534
Other income	30,135	-	30,135	275,592	-	275,592
Total Support and Revenue	17,076,593	-	17,076,593	23,966,289	55,090	24,021,379
NET ASSETS RELEASED:						
Purpose restrictions	125,443	(125,443)	-	598,077	(598,077)	-
EXPENSES:						
Program services	15,608,053	-	15,608,053	21,347,003	-	21,347,003
Supporting activities:						
Management and general	535,793	-	535,793	580,842	-	580,842
Fund-raising	791,595	-	791,595	754,498	-	754,498
Total Expenses	16,935,441	-	16,935,441	22,682,343	-	22,682,343
Change in Net Assets	266,595	(125,443)	141,152	1,882,023	(542,987)	1,339,036
Net Assets:						
Beginning of Year	8,359,489	125,443	8,484,932	6,477,466	668,430	7,145,896
End of Year	\$ 8,626,084	\$ -	\$ 8,626,084	\$ 8,359,489	\$ 125,443	\$ 8,484,932

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,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 141,152	\$ 1,339,036
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Donated inventory	(12,010,934)	(18,889,538)
Distributed inventory	12,287,492	17,737,275
Depreciation expense	73,177	65,447
Loss on disposal of capital assets	-	10,036
Net change in operating assets and liabilities:		
Accounts receivable, prepaid expenses and other assets	(172,684)	(1,356)
Purchased inventory	(364,271)	(235,610)
Accounts payable and accrued expenses	(2,547)	(14,687)
Related party payable	(60,852)	(146,993)
Deferred revenue	(21,400)	8,002
Net Cash Used by Operating Activities	(130,867)	(128,388)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of capital assets	(24,244)	(71,108)
Net Cash Used by Investing Activities	(24,244)	(71,108)
Net Change in Cash and Cash Equivalents	(155,111)	(199,496)
Cash and Cash Equivalents, Beginning of Year	455,096	654,592
Cash and Cash Equivalents, End of Year	\$ 299,985	\$ 455,096

See notes to financial statements

GAI*N* INTERNATIONAL
d/b/a GAI*N* USA, a subsidiary of CRU Global, Inc.

Notes to Financial Statements

August 31, 2016 and 2015

1. NATURE OF ORGANIZATION:

GAI*N* International d/b/a GAI*N* USA (GAI*N*), was incorporated as a nonprofit organization in the State of California in 1994. GAI*N* 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 GAI*N* is primarily generated by cash and gift-in-kind contributions from individuals, churches, and other relief organizations.

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

The purpose of GAI*N* 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 CCC, other partner ministries, and churches in locations around the world.

In several countries, GAI*N* 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 and Turkey 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 Djibouti, Zambia, Zimbabwe and a Middle East country. 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 GAI*N* conducted mission trips. Team members helped in the process of fitting adults and children for wheelchairs and glasses.

GAI*N* works with other related organizations throughout the world, such as GAI*N* Australia, GAI*N* Canada, GAI*N* Germany, and GAI*N* Holland. These related organizations are legally separate from GAI*N*, 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, 2016 and 2015

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, donor-designated 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.

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

Notes to Financial Statements

August 31, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

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 designated 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 CCC assessments for administrative and other services provided that were \$253,642 and \$313,185 for the years ended August 31, 2016 and 2015, respectively.

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.

Project revenue, trip and 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 CCC 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 CCC. The value of these services received from CCC is recognized as contributed services revenue and expense in the statements of activities (see Note 8).

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

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 INTERNATIONAL
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Notes to Financial Statements

August 31, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statements of activities. As of August 31, 2016, GAIN had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

3. INVENTORY:

Inventory consists of:

	August 31,	
	2016	2015
Clothing	\$ 3,436,435	\$ 2,585,235
Healthcare items	1,003,134	1,617,699
Food items	447,625	814,864
Seeds	711,886	549,348
Other	563,047	448,716
Blankets	222,026	236,466
Shoes	254,265	210,109
Toys	35,456	136,929
Carepacks	88,544	75,339
	<u>\$ 6,762,418</u>	<u>\$ 6,674,705</u>

GaiN INTERNATIONAL
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Notes to Financial Statements

August 31, 2016 and 2015

4. CAPITAL ASSETS–NET:
Capital assets–net consist of:

	August 31,	
	2016	2015
Land	\$ 225,000	\$ 225,000
Building and improvements	1,681,549	1,657,304
Furniture and equipment	91,612	91,612
	1,998,161	1,973,916
Accumulated depreciation	(544,590)	(471,412)
	\$ 1,453,571	\$ 1,502,504

5. TEMPORARILY RESTRICTED NET ASSETS:
Temporarily restricted net assets are available for:

	August 31,	
	2016	2015
Agriculture initiatives	\$ -	\$ 92,403
Care initiatives	-	20,830
Water initiatives	-	10,706
Scholarships	-	1,504
	\$ -	\$ 125,443

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

Notes to Financial Statements

August 31, 2016 and 2015

6. 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, 2016 and 2015, was \$265,258 and \$237,961, respectively. Future minimum lease payments are:

Year Ending August 31,

2017		\$	156,439
2018			154,849
2019			146,899
2020			12,241
			12,241
		\$	470,428

7. 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 \$120,004 and 98,762 during the years ended August 31, 2016 and 2015, respectively.

8. RELATED PARTY TRANSACTIONS:

During the years ended August 31, 2016 and 2015, GAiN participated in related party transactions with CCC and its related ministries. The related party transactions consist of:

	August 31,	
	2016	2015
Contributed services provided by CCC	\$ 1,439,583	\$ 1,478,039
Payments made to CCC for expenses paid by CCC on behalf of GAiN	\$ 1,170,823	\$ 1,035,104
Contributions received from CCC	\$ 1,165,895	\$ 682,050
Note payable to CCC	\$ -	\$ 60,852
Contributions made to CCC affiliates	\$ -	\$ 156,300

9. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, 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, 2016 and 2015, and our report thereon dated December 12, 2016, 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

Dallas, Texas
December 12, 2016

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

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

Schedule of Functional Expenses

Year Ended August 31, 2015

	Program Services	Supporting Activities		Total
		Management and General	Fund- raising	
Aid and assistance	\$ 16,603,656	\$ -	\$ -	\$ 16,603,656
Contributed services—inventory enhancement	1,449,747	-	-	1,449,747
Contributed services	1,197,205	199,841	80,994	1,478,040
Shipping and distribution	763,521	-	-	763,521
Salaries and benefits	290,870	119,674	303,971	714,515
Professional fees	71,039	91,463	292,193	454,695
Travel	374,050	42,678	34,572	451,300
Occupancy	241,893	39,308	21,166	302,367
Office expenses	131,062	29,553	6,756	167,371
Technology	63,036	10,243	5,516	78,795
Depreciation	52,358	8,508	4,581	65,447
Training and meetings	37,785	20,030	3,461	61,276
Promotion and advertising	28,730	6,631	-	35,361
Other expenses	14,000	12,913	1,288	28,201
Scrap gift-in-kind	28,051	-	-	28,051
	<u>\$ 21,347,003</u>	<u>\$ 580,842</u>	<u>\$ 754,498</u>	<u>\$ 22,682,343</u>