



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

Financial Statements
With Independent Auditors' Report

August 31, 2018 and 2017

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, 2018 and 2017, 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, 2018 and 2017, 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 13, 2018

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

Statements of Financial Position

	August 31,	
	2018	2017
ASSETS:		
Cash and cash equivalents	\$ 1,795,689	\$ 1,267,326
Prepaid expenses and other assets	50,273	43,714
Inventory	7,545,147	8,042,085
Capital assets–net	1,512,426	1,475,985
Total Assets	\$ 10,903,535	\$ 10,829,110
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and other liabilities	\$ 164,070	\$ 162,190
Net assets:		
Unrestricted:		
Operating	1,681,892	1,148,850
Inventory	7,545,147	8,042,085
Equity in capital assets–net	1,512,426	1,475,985
	10,739,465	10,666,920
Total Liabilities and Net Assets	\$ 10,903,535	\$ 10,829,110

See notes to financial statements

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

Statements of Activities

	August 31,	
	2018	2017
CHANGE IN UNRESTRICTED NET ASSETS:		
SUPPORT AND REVENUE:		
Contributions	\$ 4,854,347	\$ 3,688,187
Gift-in-kind contributions	12,071,750	12,215,497
Contributed services	2,005,583	2,040,733
Contributed services—inventory enhancement	1,640,267	1,452,326
Event registration fees	344,712	477,488
Contributed rent	141,030	129,517
Other income	121,084	200,744
Total Support and Revenue:	21,178,773	20,204,492
Expenses:		
Program services	19,188,494	16,417,339
Supporting activities:		
General and administrative	652,058	735,534
Fundraising	1,265,676	1,010,783
Total Expenses	21,106,228	18,163,656
Change in Unrestricted Net Assets	72,545	2,040,836
Net Assets, Beginning of Year	10,666,920	8,626,084
Net Assets, End of Year	\$ 10,739,465	\$ 10,666,920

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,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 72,545	\$ 2,040,836
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Donated inventory	(13,712,017)	(13,667,823)
Distributed inventory	14,402,936	12,609,927
Depreciation expense	80,330	82,401
Net change in operating assets and liabilities:		
Prepaid expenses and other assets	(6,559)	154,429
Purchased inventory	(193,981)	(221,771)
Accounts payable and other liabilities	1,880	74,157
Net Cash Provided by Operating Activities	645,134	1,072,156
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of capital assets	(116,771)	(104,815)
Net Cash Used by Investing Activities	(116,771)	(104,815)
Net Change in Cash and Cash Equivalents	528,363	967,341
Cash and Cash Equivalents, Beginning of Year	1,267,326	299,985
Cash and Cash Equivalents, End of Year	\$ 1,795,689	\$ 1,267,326

See notes to financial statements

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

Notes to Financial Statements

August 31, 2018 and 2017

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 Liberia, Mali, Zambia, Zimbabwe, East Africa, Middle East, Peru and Central America to bring relief for people affected by disasters, diseases from unclean water and refugee displacement by providing pharmaceuticals, food, clothing, 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 Chad, Zambia, Zimbabwe, Tanzania, Uganda, Rwanda, Puerto Rico, Greece and the Middle East. 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, 2018 and 2017

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. As of August 31, 2018 and 2017, GAiN had cash balances exceeding federally insured limits of approximately \$1,545,000 and \$1,008,000, respectively.

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 net realizable 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.

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. GAiN reports contributions net of Cru assessments for administrative and other services provided that were \$500,192 and \$374,779 for the years ended August 31, 2018 and 2017, respectively.

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

Notes to Financial Statements

August 31, 2018 and 2017

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. 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, 2018 and 2017, shipping and handling costs incurred were approximately \$792,000 and \$717,000, 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, 2018 and 2017

3. INVENTORY:

Inventory consists of:

	August 31,	
	2018	2017
Clothing	\$ 2,894,634	\$ 3,671,528
Shoes	1,316,374	994,197
Healthcare items	1,054,434	1,015,390
Toys	896,023	1,079,944
Seeds	793,463	639,506
Other	235,458	181,415
Blankets	172,331	296,355
Food items	99,312	84,070
Carepacks	83,118	79,680
	\$ 7,545,147	\$ 8,042,085

4. CAPITAL ASSETS–NET:

Capital assets–net consist of:

	August 31,	
	2018	2017
Land	\$ 225,000	\$ 225,000
Building and improvements	1,843,674	1,763,114
Furniture and equipment	151,073	114,862
	2,219,747	2,102,976
Accumulated depreciation	(707,321)	(626,991)
	\$ 1,512,426	\$ 1,475,985

GAIN INTERNATIONAL
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Notes to Financial Statements

August 31, 2018 and 2017

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, 2018 and 2017, was \$376,990 and \$284,319, respectively. Future minimum lease payments on operating leases with terms beyond twelve months are:

<u>Year Ending August 31,</u>	<u>Amounts</u>
2019	\$ 167,533
2020	13,961
	\$ 181,494

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 \$141,030 and \$129,517 during the years ended August 31, 2018 and 2017, respectively.

7. RELATED PARTY TRANSACTIONS:

During the years ended August 31, 2018 and 2017, GAiN participated in related party transactions with Cru and its related ministries. The related party transactions consist of:

	<u>August 31,</u>	
	<u>2018</u>	<u>2017</u>
Contributed services provided by Cru	\$ 2,005,583	\$ 2,040,733
Payments made to Cru for expenses paid by Cru on behalf of GAiN	\$ 1,571,897	\$ 1,245,425
Contributions received from Cru	\$ 1,596,167	\$ 1,085,003
Contributions made to Cru affiliates	\$ 66,949	\$ 13,500

8. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through December 13, 2018, 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, 2018 and 2017, and our report thereon dated December 13, 2018, 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 13, 2018

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

Schedule of Functional Expenses

Year Ended August 31, 2018

	Program Services	Supporting Activities		Total
		Management and General	Fund- raising	
Aid and assistance	\$ 13,076,176	\$ -	\$ -	\$ 13,076,176
Contributed services	1,571,181	193,492	240,910	2,005,583
Contributed services–inventory enhancement	1,646,815	-	-	1,646,815
Salaries and benefits	325,242	133,740	484,661	943,643
Shipping and distribution	792,175	-	-	792,175
Professional fees	168,334	44,118	437,836	650,288
Travel	484,970	92,185	20,161	597,316
Occupancy	366,511	59,558	32,070	458,139
Office expenses	236,938	25,792	26,070	288,800
Technology	133,625	21,714	11,692	167,031
Training and meetings	74,427	41,315	4,611	120,353
Other expenses	312,100	40,144	7,665	359,909
	<u>\$ 19,188,494</u>	<u>\$ 652,058</u>	<u>\$ 1,265,676</u>	<u>\$ 21,106,228</u>

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	\$ 11,071,273	\$ -	\$ -	\$ 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
Professional fees	69,391	34,182	247,298	350,871
Travel	323,073	63,246	14,923	401,242
Occupancy	298,166	48,452	26,090	372,708
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
Other expenses	157,834	22,072	7,328	187,234
	<u>\$ 16,417,339</u>	<u>\$ 735,534</u>	<u>\$ 1,010,783</u>	<u>\$ 18,163,656</u>