

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

Financial Statements
With Independent Auditors' Report

August 31, 2020 and 2019

UNTO, INC.
d/b/a GAIN International, a subsidiary of CRU Global, Inc.

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INDEPENDENT AUDITORS' REPORT

Board of Directors

Unto, Inc. d/b/a GAIN International, a subsidiary of CRU Global, Inc.
Plano, Texas

We have audited the accompanying financial statements of Unto, Inc. d/b/a GAIN International, a subsidiary of CRU Global, Inc. which comprise the statements of financial position as of August 31, 2020 and 2019, and the related statements of activities, functional expenses, 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

Unto, Inc. d/b/a GAiN International, 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 Unto, Inc. d/b/a GAiN International, a subsidiary of CRU Global, Inc. as of August 31, 2020 and 2019, 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 Unto, Inc. d/b/a GAiN International, 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 8, 2020

UNTO, INC.

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

Statements of Financial Position

	August 31,	
	2020	2019
ASSETS:		
Cash and cash equivalents	\$ 2,499,536	\$ 1,206,411
Prepaid expenses and other assets	88,864	124,056
Noncash contribution receivable	557,841	-
Inventory	5,743,673	5,520,387
Capital assets—net	1,422,350	1,487,173
Total Assets	\$ 10,312,264	\$ 8,338,027
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and other liabilities	\$ 124,932	\$ 113,142
Net assets:		
Without donor restrictions	9,629,491	8,224,885
With donor restrictions	557,841	-
	10,187,332	8,224,885
Total Liabilities and Net Assets	\$ 10,312,264	\$ 8,338,027

See notes to financial statements

UNTO, INC.
d/b/a GAIN International, a subsidiary of CRU Global, Inc.

Statements of Activities

	Year Ended August 31,	
	2020	2019
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
SUPPORT AND REVENUE:		
Contributions	\$ 4,934,804	\$ 4,034,935
Gift-in-kind contributions	6,933,434	10,831,431
Contributed services–inventory enhancement	685,743	457,907
Event registration fees	148,655	324,608
Contributed rent	135,626	138,127
Other income	214,382	277,939
Total Support and Revenue	13,052,644	16,064,947
Expenses:		
Program services	12,260,675	18,291,948
Supporting activities:		
General and administrative	733,170	1,607,617
Fundraising	1,226,280	1,185,653
Total Expenses	14,220,125	21,085,218
Change in Net Assets Without Donor Restrictions	(1,167,481)	(5,020,271)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:		
Contributed rent	557,841	-
Change in Net Assets With Donor Restrictions	557,841	-
Change in Net Assets before Equity Transfer	(609,640)	(5,020,271)
Equity Transfer from CRU Global Inc.	2,572,087	2,505,691
Total Change in Net Assets	1,962,447	(2,514,580)
Net Assets, Beginning of Year	8,224,885	10,739,465
Net Assets, End of Year	\$ 10,187,332	\$ 8,224,885

See notes to financial statements

UNTO, INC.
d/b/a GAIN International, a subsidiary of CRU Global, Inc.

Statement of Functional Expenses

Year Ended August 31, 2020

	Program Services	Supporting Activities		Total
		Management and General	Fundraising	
Aid and assistance	\$ 6,798,945	\$ 17,200	\$ -	\$ 6,816,145
Contributed services from an affiliate	2,003,492	366,196	202,399	2,572,087
Salaries and benefits	445,797	97,133	533,591	1,076,521
Contributed services–inventory enhancement	961,555	-	-	961,555
Professional fees	240,361	40,378	399,017	679,756
Occupancy	387,722	63,005	33,926	484,653
Shipping and distribution	438,311	42	-	438,353
Office expenses	268,060	43,784	35,329	347,173
Travel	267,484	32,334	2,355	302,173
Scrap and obsolete inventory	166,178	-	-	166,178
Other expenses	126,565	23,308	9,666	159,539
Technology expenses	113,621	18,464	9,942	142,027
Training and meetings	42,584	31,326	55	73,965
	<u>\$ 12,260,675</u>	<u>\$ 733,170</u>	<u>\$ 1,226,280</u>	<u>\$ 14,220,125</u>

See notes to financial statements

UNTO, INC.
d/b/a GAIN International, a subsidiary of CRU Global, Inc.

Statement of Functional Expenses

Year Ended August 31, 2019

	Program Services	Supporting Activities		Total
		Management and General	Fundraising	
Aid and assistance	\$ 12,260,966	\$ -	\$ -	\$ 12,260,966
Contributed services from an affiliate	2,009,957	329,928	165,806	2,505,691
Salaries and benefits	428,974	104,254	510,533	1,043,761
Contributed services–inventory enhancement	871,532	-	-	871,532
Professional fees	253,821	49,501	415,854	719,176
Occupancy	411,021	66,791	35,964	513,776
Shipping and distribution	863,783	2,757	24	866,564
Office expenses	232,008	24,567	32,055	288,630
Travel	614,356	76,340	6,026	696,722
Scrap and obsolete inventory	-	860,791	-	860,791
Other expenses	151,435	19,897	9,089	180,421
Technology expenses	110,134	17,897	9,637	137,668
Training and meetings	83,961	54,894	665	139,520
	<u>\$ 18,291,948</u>	<u>\$ 1,607,617</u>	<u>\$ 1,185,653</u>	<u>\$ 21,085,218</u>

See notes to financial statements

UNTO, INC.
d/b/a GAIN International, a subsidiary of CRU Global, Inc.

Statements of Cash Flows

	Year Ended August 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,962,447	\$ (2,514,580)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Donated inventory and inventory enhancements	(7,619,177)	(11,289,338)
Distributed inventory	7,486,994	13,771,781
Depreciation expense	111,337	100,260
Net change in operating assets and liabilities:		
Prepaid expenses and other assets	35,192	(73,783)
Noncash contribution receivable	(557,841)	-
Purchased inventory	(91,103)	(457,683)
Accounts payable and other liabilities	11,790	(50,928)
Net Cash Provided (Used) by Operating Activities	1,339,639	(514,271)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of capital assets	(46,514)	(75,007)
Net Cash Used by Investing Activities	(46,514)	(75,007)
Net Change in Cash and Cash Equivalents	1,293,125	(589,278)
Cash and Cash Equivalents, Beginning of Year	1,206,411	1,795,689
Cash and Cash Equivalents, End of Year	\$ 2,499,536	\$ 1,206,411

See notes to financial statements

UNTO, INC.
d/b/a GAIN International, a subsidiary of CRU Global, Inc.

Notes to Financial Statements

August 31, 2020 and 2019

1. NATURE OF ORGANIZATION:

GAiN International d/b/a GAIN USA, was incorporated as a nonprofit organization in the State of California in 1994. During the year ended August 31, 2020, GAIN International changed its legal name to Unto, Inc. dba GAIN International (Unto); this change was made to appeal to a broader audience in order to enhance its mission around the world. Unto 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 Unto is primarily generated by cash and gift-in-kind contributions from individuals, churches, and other relief organizations.

Unto'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 Unto board.

The purpose of Unto 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, Unto 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 Zambia, Zimbabwe, Tanzania, Kyrgyzstan, Laos, Vietnam, the Bahamas, and the Middle East. Humanitarian aid including clothing, care packs of school supplies, wheelchairs, eye glasses, blankets, vegetable seeds, food, and other medical equipment have been shipped via ocean freight bound for many of the locations where Unto conducted mission trips. Trip team members helped in the process of fitting adults and children for wheelchairs and eye glass needs.

Unto works with other related organizations throughout the world, such as GAIN Switzerland, GAIN Canada, GAIN Netherlands, and GAIN Germany. These related organizations are legally separate from Unto, 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.

UNTO, INC.
d/b/a GAIN International, a subsidiary of CRU Global, Inc.

Notes to Financial Statements

August 31, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES:

Unto 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. Unto has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk. As of August 31, 2020 and 2019, Unto had cash balances exceeding federally insured limits of approximately \$2,323,000 and \$1,088,000, respectively.

INVENTORY

Inventory consists of items such as clothing, healthcare items, vegetable seeds, and other materials purchased by Unto or donated to Unto. Purchased inventory is recorded at the lower of cost or net realizable value. Unto 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

Unto 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.

NONCASH CONTRIBUTION RECEIVABLE

Noncash contribution receivable consists of a promise made by a lessor to provide below market rent through September 2024 and is valued at estimated fair value of the donated rent.

NET ASSETS

Net assets without donor restrictions are those currently available for use in Unto's operations, preferred contributions for the support of Unto's projects, and those resources invested in inventory and capital assets.

Net assets with donor restrictions consists of a time restricted receivable for future promised below market rent.

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 Unto. Unto reports contributions net of Cru assessments for administrative and other services provided that were \$464,593 and \$479,164 for the years ended August 31, 2020 and 2019, respectively.

UNTO, INC.
d/b/a GAIN International, a subsidiary of CRU Global, Inc.

Notes to Financial Statements

August 31, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, continued

Unto 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 gift-in-kind contributions without donor restrictions. 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 FROM AN AFFILIATE

Unto records contributed services at the cost of the services received. Unto has agreed with Cru to have individuals work as seconded employees of Unto. Unto 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 an equity transfer and expense in the statements of activities (see Note 9).

CONTRIBUTED SERVICES-INVENTORY ENHANCEMENT

Unto 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 Unto 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. Depreciation is allocated based on usage of space. Contributed services, payroll, and other categories are allocated based on estimates of time and effort.

Unto incurs shipping and handling costs to ship their containers of donated goods. For the years ended August 31, 2020 and 2019, shipping and handling costs incurred were approximately \$438,000 and \$867,000, respectively. These costs are included in program activities in the statements of activities.

UNTO, INC.
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Notes to Financial Statements

August 31, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

RECENTLY ISSUED ACCOUNTING STANDARDS

In 2018, FASB issued Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities* (Topic 958)–*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Unto adopted the provisions of this new standard as a resource recipient in the current year. Adoption of this standard did not have a material effect on the financial statements.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects Unto's financial assets at year-end. All financial assets at year-end are considered available to meet operational needs.

	August 31,	
	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 2,499,536	\$ 1,206,411
Receivable	50,000	-
	<u>\$ 2,549,536</u>	<u>\$ 1,206,411</u>

Financial assets are considered unavailable when illiquid or not convertible to cash within one year. As part of Unto's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

UNTO, INC.
d/b/a GAIN International, a subsidiary of CRU Global, Inc.

Notes to Financial Statements

August 31, 2020 and 2019

4. INVENTORY:

Inventory consists of:

	August 31,	
	2020	2019
Clothing	\$ 2,374,597	\$ 2,200,851
Healthcare items	1,269,165	1,066,736
Toys	398,938	840,346
Other	297,916	311,362
Seeds	187,267	413,902
Shoes	798,568	386,077
Blankets	257,642	156,916
Food items	70,560	75,793
Carepacks	89,020	68,404
	\$ 5,743,673	\$ 5,520,387

5. CAPITAL ASSETS–NET:

Capital assets–net consist of:

	August 31,	
	2020	2019
Land	\$ 225,000	\$ 225,000
Building and improvements	1,881,829	1,864,341
Furniture and equipment	234,439	205,413
	2,341,268	2,294,754
Accumulated depreciation	(918,918)	(807,581)
	\$ 1,422,350	\$ 1,487,173

UNTO, INC.
d/b/a GAIN International, a subsidiary of CRU Global, Inc.

Notes to Financial Statements

August 31, 2020 and 2019

6. OPERATING LEASES:

Unto 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, 2020 and 2019, was \$387,572 and \$419,236, respectively. Future minimum lease payments on operating leases with terms beyond twelve months are:

Year Ending August 31,

2021	\$ 214,023
2022	226,262
2023	215,588
2024	225,443
2025	19,779
	<hr/>
	\$ 901,095
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7. CONTRIBUTED RENT:

As part of the above operating leases, Unto 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. Unto received contributed rent income of \$693,467 and \$138,127 during the years ended August 31, 2020 and 2019, respectively.

8. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of the COVID-19 as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of Unto for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

In the normal course of business, Unto is party to various claims and assessments. In the opinion of management, these matters will not have a material effect on the financial position, changes in net assets or cash flows.

UNTO, INC.
d/b/a GAIN International, a subsidiary of CRU Global, Inc.

Notes to Financial Statements

August 31, 2020 and 2019

9. RELATED PARTY TRANSACTIONS:

During the years ended August 31, 2020 and 2019, Unto participated in related party transactions with Cru and its related ministries. The related party transactions consist of:

	<u>Year Ended August 31,</u>	
	<u>2020</u>	<u>2019</u>
Contributed services provided by Cru	\$ 2,572,087	\$ 2,505,691
Payments made to Cru for expenses paid by Cru on behalf of Unto	\$ 1,320,339	\$ 1,957,322
Contributions received from Cru	\$ 1,816,876	\$ 912,829
Contributions made to Cru affiliates	\$ 25,353	\$ 10,433

10. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through December 8, 2020, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.