

RAIN FOR THE SAHEL AND SAHARA, INC.
Financial Statements
For the Years Ended September 30, 2016 and 2015
and
Independent Accountant's Review Report

RAIN FOR THE SAHEL AND SAHARA, INC.
Financial Statements
For the Years Ended September 30, 2016 and 2015
(See Independent Accountant's Review Report)

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Sanders & Karcher
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Rain for the Sahel and Sahara, Inc.
Portsmouth, New Hampshire

We have reviewed the accompanying financial statements of Rain for the Sahel and Sahara, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2016 and the related statements of activities, functional expenses and cash flows for the period then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
Rain for the Sahel and Sahara, Inc.
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Report on 2015 Financial Statements

The 2015 financial statements of Rain for the Sahel and Sahara, Inc. were reviewed by other accountants, whose report dated August 29, 2016, stated that they were not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplemental Information

The accompanying 2016 supplemental information included in the accompanying schedules of functional expense percentages is not part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information. The 2015 supplementary information was reviewed by other accountants, whose report dated August 29, 2016, stated that based on their procedures, they were not aware of any material modifications that should be made to it in order for it to be in accordance with accounting principles generally accepted in the United States of America.

Sanders & Karcher, CPAs
Portsmouth, New Hampshire
January 10, 2018

RAIN FOR THE SAHEL AND SAHARA, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2016 and 2015
(See Independent Accountant's Review Report)

ASSETS	2016	2015
CURRENT ASSETS		
Cash and cash equivalents (Note 1)	\$ 71,439	\$ 7,232
Prepaid expenses	520	435
Bequest receivable (Note 1)	45,000	100,000
Cash held in escrow (Note 6)	<u>0</u>	<u>112,500</u>
Total current assets	<u>116,959</u>	<u>220,167</u>
PROPERTY AND EQUIPMENT, net (Note 1)		
Land and building	101,664	86,309
Office and other equipment	2,342	3,939
Vehicles	<u>13,076</u>	<u>15,000</u>
	117,082	105,248
Accumulated depreciation	<u>-25,402</u>	<u>-23,027</u>
Total property and equipment, net	<u>91,680</u>	<u>82,221</u>
OTHER ASSETS		
Intangible assets, net	<u>1,193</u>	<u>4,017</u>
Total other assets	<u>1,193</u>	<u>4,017</u>
TOTAL ASSETS	<u>\$209,832</u>	<u>\$306,405</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,934	\$ 0
Accrued payroll	2,748	2,656
Notes payable (Notes 7 & 8)	<u>0</u>	<u>15,000</u>
Total current liabilities	<u>4,682</u>	<u>17,656</u>
NET ASSETS		
Unrestricted net assets	205,150	208,936
Temporarily restricted net assets	<u>0</u>	<u>79,813</u>
Total net assets	<u>205,150</u>	<u>288,749</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$209,832</u>	<u>\$306,405</u>

See notes to financial statements.

RAIN FOR THE SAHEL AND SAHARA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(See Independent Accountant's Review Report)

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUE AND SUPPORT			
Grants	\$ 81,000	\$ 29,958	\$110,958
Fundraising events	35,666	-	35,666
Contributions	144,036	-	144,036
Sale of Niger goods	2,887	-	2,887
Interest income	<u>1</u>	<u>-</u>	<u>1</u>
Total revenue and support	263,590	29,958	293,548
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of program restrictions	<u>109,771</u>	<u>-109,771</u>	<u>-</u>
Total revenue and support and net assets released	373,361	-79,813	293,548
EXPENSES			
Programs			
Food and water security	88,007	-	88,007
Education	191,303	-	191,303
Women's artisan cooperatives	<u>6,997</u>	<u>-</u>	<u>6,997</u>
Total program expenses	286,307	-	286,307
Management and general expenses	32,619	-	32,619
Fundraising expenses	<u>56,118</u>	<u>-</u>	<u>56,118</u>
Total expenses	<u>375,044</u>	<u>-</u>	<u>375,044</u>
Change in net assets	-1,683	-79,813	-81,496
Net assets, beginning	208,936	79,813	288,749
Realized loss on foreign currency exchange	<u>-2,103</u>	<u>-</u>	<u>-2,103</u>
Net assets, ending	<u>\$205,150</u>	<u>\$-</u>	<u>\$205,150</u>

See notes to financial statements.

RAIN FOR THE SAHEL AND SAHARA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(See Independent Accountant's Review Report)

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUE AND SUPPORT			
Grants	\$ 96,143	\$ 50,663	\$146,806
Fundraising events	33,295	-	33,295
Contributions	256,008	66,300	322,308
Sale of Niger goods	4,167	-	4,167
Interest income	<u>1</u>	<u>-</u>	<u>1</u>
Total revenue and support	389,614	116,963	506,577
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of program restrictions	<u>104,868</u>	<u>-104,868</u>	<u>-</u>
Total revenue and support and net assets released	494,482	12,095	506,577
EXPENSES			
Programs			
Food and water security	80,839	-	80,839
Education	148,745	-	148,745
Women's artisan cooperatives	<u>23,574</u>	<u>-</u>	<u>23,574</u>
Total program expenses	253,158	-	253,158
Management and general expenses	33,213	-	33,213
Fundraising expenses	<u>64,062</u>	<u>-</u>	<u>64,062</u>
Total expenses	<u>350,433</u>	<u>-</u>	<u>350,433</u>
Change in net assets	144,049	12,095	156,144
Net assets, beginning	69,271	67,718	136,989
Realized loss on foreign currency exchange	<u>-4,384</u>	<u>-</u>	<u>-4,384</u>
Net assets, ending	<u>\$208,936</u>	<u>\$ 79,813</u>	<u>\$288,749</u>

See notes to financial statements.

RAIN FOR THE SAHEL AND SAHARA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(See Independent Accountant's Review Report)

	FOOD & WATER SECURITY	ACCESS TO EDUCATION	AGADEZ LIVING & LEARNING CENTER	WOMEN'S ARTISAN COOPERATIVES	TOTAL PROGRAM	MANAGEMENT AND GENERAL EXPENSES	FUND RAISING EXPENSES	TOTAL
Salaries and labor	\$44,037	\$55,424	\$51,498	\$0	\$150,959	\$16,943	\$37,506	\$205,408
Office expense	2,443	6,232	3,964	414	13,053	6,400	8,936	28,389
Payroll taxes and benefits	2,200	4,169	4,165	2	10,536	2,049	3,984	16,569
Training and program development	0	624	0	575	1,199	310	920	2,429
Fundraising events expense	0	0	0	0	0	0	2,657	2,657
Professional fees	0	0	0	0	0	1,163		1,163
Well expense	10,580	0	0	0	10,580	0		10,580
Utilities	718	957	1,862	96	3,633	1,652	273	5,558
Rent	2,546	2,587	2,100	1,533	8,766	1,144	425	10,335
Depreciation and amortization	3,126	1,631	1,631	408	6,796	0		6,796
School market gardens	11,906	0	0	0	11,906	0		11,906
Mentoring and tutoring	0	24,022	2,157	2,061	28,240	0		28,240
Other expenses	378	1,163	98	753	2,392	0		2,392
Food and school supplies	3,110	402	5,997	0	9,509	0		9,509
Auto expenses	1,295	2,258	110	72	3,735	44		3,779
Scholarships	0	0	2,399	0	2,399	0		2,399
Travel and meals	5,668	10,727	4,773	1,083	22,251	114	405	22,770
Cost of Niger goods	0	0	0	0	0	0	1,012	1,012
Insurance	0	24	329	0	353	2,800		3,153
	<u>\$88,007</u>	<u>\$110,220</u>	<u>\$81,083</u>	<u>\$6,997</u>	<u>\$286,307</u>	<u>\$32,619</u>	<u>\$56,118</u>	<u>\$375,044</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(See Independent Accountant's Review Report)

	FOOD & WATER SECURITY	ACCESS TO EDUCATION	AGADEZ LIVING & LEARNING CENTER	WOMEN'S ARTISAN COOPERATIVES	TOTAL PROGRAM	MANAGEMENT AND GENERAL EXPENSES	FUND RAISING EXPENSES	TOTAL
Salaries and labor	\$44,255	\$41,177	\$32,167	\$15,800	\$133,399	\$10,853	\$31,368	\$175,620
Office expense	3,727	2,427	5,760	396	12,310	5,183	4,496	21,989
Payroll taxes and benefits	4,927	5,922	3,305	2,042	16,196	2,262	3,811	22,269
Training and program development	0	0	0	272	272			272
Fundraising events expense	0	437	0	0	437	175	20,174	20,786
Professional fees	515	515	515	515	2,060	5,203		7,263
Well expense	6,181	0	0	0	6,181			6,181
Utilities	1,228	1,207	2,272	154	4,861	991	338	6,190
Niger program travel	5,749	2,558	787	118	9,212	256		9,468
Rent	2,276	2,414	2,414	825	7,929	1,245		9,174
Travel to/from Africa	1,792	5,284	1,839	813	9,728			9,728
Depreciation and amortization	2,268	1,183	1,183	296	4,930			4,930
School market gardens	7,083	0	0	0	7,083			7,083
Mentoring and tutoring	0	14,646	2,493	0	17,139			17,139
Other expenses	37	1,815	1,235	611	3,698	4,860		8,558
School food and supplies	0	0	7,721	0	7,721			7,721
Auto expenses	287	471	333	28	1,119			1,119
Scholarships	0	0	2,618	0	2,618			2,618
Travel and meals	514	2,969	1,058	36	4,577	57	3,250	7,884
Cost of Niger goods	0	0	0	1,668	1,668		625	2,293
Insurance	0	0	0	0	0	1,972		1,972
Website	0	20	0	0	20	156		176
	<u>\$80,839</u>	<u>\$83,045</u>	<u>\$65,700</u>	<u>\$23,574</u>	<u>\$253,158</u>	<u>\$33,213</u>	<u>\$64,062</u>	<u>\$350,433</u>

See notes to financial statements.

RAIN FOR THE SAHEL AND SAHARA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015
(See Independent Accountant's Review Report)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ -81,496	\$156,144
Adjustments to reconcile change in net assets to cash provided by (used) by operating activities		
Depreciation and amortization	6,796	4,930
Cash held in escrow	112,500	-112,500
(Increase) decrease in assets		
Bequest receivable	55,000	-59,000
Prepaid expenses	-85	649
Increase (decrease) in liabilities		
Accounts payable	1,934	-
Accrued payroll	<u>92</u>	<u>-1,345</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	94,741	-11,122
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>-13,431</u>	<u>-26,275</u>
NET CASH USED BY INVESTING ACTIVITIES	-13,431	-26,275
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	-15,000	-
Loss on foreign currency exchange	-2,103	-4,384
Advances on notes payable	<u>-</u>	<u>15,000</u>
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	<u>-17,103</u>	<u>10,616</u>
NET INCREASE (DECREASE) IN CASH	64,207	-26,781
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>7,232</u>	<u>34,013</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>71,439</u>	\$ <u>7,232</u>

See notes to financial statements.

RAIN FOR THE SAHEL AND SAHARA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015
(See Independent Accountant's Review Report)

NOTE 1 NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Rain for the Sahel and Sahara, Inc. (RAIN) is a New Hampshire non-profit corporation incorporated in 2001. RAIN partners with rural and nomadic desert people of West Africa to enable enduring livelihoods through access to education. These locally rooted programs promote literacy and empowerment while sustaining nomadic traditions throughout the Sahel and Sahara.

Programs

To promote its mission, RAIN focuses on the following integrated programs.

Access to Education - Fewer than 15% of Niger's nomadic and rural children attend school. Girls who do enroll only remain for an average of 3 years. RAIN's mentoring and tutoring program increases school attendance and success. Unschooled community women volunteers encourage, counsel and advocate for girls and at-risk boys in primary through secondary schools. The women receive training in health, hygiene, gender roles and more – they become wise counselors to the students and greater community. They teach practical skills classes that often lead to future means to earn livelihoods. Mentored girls stay in school longer than their classmates. In recent years, we have seen the first girls ever graduating from our partner primary schools.

Agadez Learning Center for Tomorrow's Leaders - In December 2012, RAIN was gifted land and buildings in Agadez, Niger. This complex is the home of the Agadez Learning Center, where students from nomadic communities that offer no education beyond primary school have been awarded scholarships to attend grades 7 – 13. Students receive room, board, and tutoring, as well as leadership and civic responsibility training, peer to peer tutoring, counseling, skills training and introductions to arts and cultures of the world. In the 2013-2015 school years, our students who had never been to a city, competed effectively with city students with most at or near the top of their classes. Graduating students may continue to high school and beyond or pursue vocational training.

Food and Water Security - Niger is ranked last in the world by the United Nations Human Development Index (2014). Malnourishment and diseases contracted from contaminated water are rampant. To have true access to education, children must have adequate nutrition and good health. RAIN's Food and Water programs address these issues via: Women's Cooperative Gardens where women learn organic techniques, nutrition, hygiene and crop diversification; School Market Gardens growing food for students and cash crops for sustainability; grants to family farmers to improve their small scale agriculture enterprises; and Temoko programs to provide herd animals for programs to include sharing breed animals, breeding animals to sell and animal health training. Agriculture and herding are traditional livelihoods that, with RAIN's help, are being tapped to support education as well as improving earnings for families most in need.

Women's Artisan Cooperatives - RAIN's women artisans use their traditional skills of leather work, straw weaving and embroidery to make craft goods that RAIN markets for them. All profits go back to the cooperative, and the women dedicate a significant percentage of their earnings to support their children's schools. "We want our children to be teachers, doctors, whatever they want. They will never forget their families, but will always help us."

Method of Accounting and Revenue Recognition

The financial statements of RAIN have been prepared on the accrual basis of accounting. Revenue is derived from the following principal sources – contributions, grants, fundraising activities, and the sale of Niger goods. Contributions are recognized when received. Revenue from grants is recognized when the grant is awarded. Other revenue is recognized when earned.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in Accounting Standards Codification (ASC) Topic 958, Not-For-Profit Entities. RAIN is required to report

RAIN FOR THE SAHEL AND SAHARA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015
(See Independent Accountant's Review Report)
Continued

NOTE 1 continued

information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories follows.

Unrestricted net assets include the revenues and expenses associated with the principal operating mission of RAIN. It records as unrestricted contributions restricted contributions whose restrictions are met in the same reporting period. In 2016, RAIN received unrestricted grants and contributions from various individuals and the following grantors: Ivor and Barbara Freeman Fund of Combined Jewish Philanthropies, Hurlbut Johnson Trust, Dave Nikkel Foundation, Ethel Looram Foundation, and Mary H Rice Foundation. In 2015, RAIN received unrestricted grants, contributions and a bequest from various individuals and the following grantors: Ivor and Barbara Freeman Fund of Combined Jewish Philanthropies, Hurlbut Johnson Trust, Samuel Freeman Charitable Trust and Dave Nikkel Foundation.

Temporarily restricted net assets include gifts and grants for which donor or grantor imposed restrictions have not yet been met. Assets are released from restrictions as expenditures are made in line with the restrictions called for under the terms of the contribution or grant.

Permanently restricted net assets include gifts which require by donor restriction that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions. RAIN has no permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the statements of cash flows, RAIN considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Program Advances

Program advances consist of funds forwarded to Rain staff for the purpose of implementing specific programs. Once the employee has spent the funds, a complete report is submitted with receipts to the New Hampshire office. The expenditure is then moved from a program advance to the appropriate category of program expenses.

Property and Equipment

Purchased assets are carried at cost, and donated assets are recorded based on their fair market values at the time of the donation. Major additions are included in the property accounts while maintenance and repairs which do not improve or extend the life of the assets are expensed currently. Depreciation is calculated using the straight-line method over the estimated useful lives of property and equipment. Depreciation expense for 2016 and 2015 was \$3,972 and \$2,106, respectively.

Bequests Receivable

The Organization has been notified that it is the beneficiary of an individual's estate. Bequest receivable, \$45,000 and \$100,000, respectively at September 30, 2016 and 2015, is based on management's best estimate and judgment of the amounts to be received by the estate. The amount that will be ultimately realized could differ materially from the amount recorded in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RAIN FOR THE SAHEL AND SAHARA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015
(See Independent Accountant's Review Report)
Continued

NOTE 1 continued

Income Taxes

RAIN is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. As such, no tax provisions have been made in the accompanying financial statements.

RAIN has adopted provisions of the Financial Accounting Standards Board in Accounting Standards Codification (ASC) Topic 740-10. RAIN's policy is to evaluate all tax positions on an annual basis in conjunction with the filing of the annual return of organization exempt from income tax. Interest and penalties assessed by income taxing authorities are included in administrative expense. For 2016 and 2015, there were no penalties or interest assessed or paid. RAIN files informational returns in the U.S. federal and state jurisdictions. RAIN's federal and state informational returns for 2014, 2015 and 2016 are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

Advertising

RAIN expenses advertising costs as incurred with the exception of promotional videos. Costs incurred in connection with the creation and production of promotional videos totaled \$28,239 and have been capitalized and amortized using the straight-line method over 10 years. These costs are presented in the Statements of Financial Position as intangible assets. Amortization expense for 2016 and 2015 was \$2,824, and accumulated amortization totaled \$27,046 and \$24,222 at September 30, 2016 and 2015, respectively. Amortization expense for 2017 is expected to be \$1,193.

NOTE 2 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following:

	2016	2015
One Day's Wages	\$ -	\$ 3,202
Capacity Building Fund	-	40,013
Dave Nikkel Foundation	-	91
Dining for Women 2014	-	12,485
Vibrant Village	-	15,522
International Foundation	<u>-</u>	<u>8,500</u>
	<u>\$ -</u>	<u>\$79,813</u>

In 2016, restricted grants and donations were used for the following:

- Dining for Women: Bringing the mentoring program in 5 communities to sustainability through Savings and Loan groups
- Dave Nikkel Foundation: Improving wells in 2 communities
- International Foundation: A well and school market garden expansions
- Vibrant Village: Establishment of new Women's Cooperative Garden
- Capacity Building Fund: supported by various individual donors, for staffing in Niger and the U.S.
- One Day's Wages: Mentoring, Artisan Cooperative and Food and Water Security

RAIN FOR THE SAHEL AND SAHARA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015
(See Independent Accountant's Review Report)
Continued

NOTE 2 continued

In 2015, restricted grants and donations were used for the following:

- Friends of Niger: Scholarships to Agadez Learning Center for Tomorrow's Leaders
- Dining for Women: Bringing the mentoring program in 5 communities to sustainability through Savings and Loan groups
- Rotary Club of Portsmouth: Extension of girls' dormitory at the Agadez Learning Center for Tomorrow's Leaders
- Dave Nikkel Foundation: Improving wells in 2 communities
- International Foundation: A well and school market garden expansions
- Vibrant Village: Establishment of new Women's Cooperative Garden
- Capacity Building Fund: supported by various individual donors, for staffing in Niger and the U.S.
- One Day's Wages: Mentoring, Artisan Cooperative and Food and Water Security

NOTE 3 FOREIGN OPERATIONS

RAIN has operations in Niger and maintains various bank accounts in the country denominated in West African CFA currency. The aggregate foreign currency transaction losses for 2016 and 2015 were as follows:

	2016	2015
Beginning cumulative translation adjustment	\$-25,891	\$-21,507
Loss on foreign currency exchange	<u>-2,103</u>	<u>-4,384</u>
Ending cumulative translation adjustment	<u>\$-27,994</u>	<u>\$-25,891</u>

NOTE 4 CONCENTRATION OF GEOGRAPHIC AREA

In maintaining its foreign operations in Niger, RAIN experiences risk factors inherent in these operations, such as currency fluctuations and economic and political conditions. The net assets located in Niger were \$98,989 and \$87,799 at September 30, 2016 and 2015, respectively.

NOTE 5 LEASE COMMITMENT

RAIN leases office space in the United States and Niger, and has entered into an operating lease agreement for the Portsmouth, New Hampshire office and an operating lease agreement for the Niamey office in Niger. RAIN also rents office space on a month-to-month basis in Agadez. The term of the Portsmouth lease is one year starting June 30, 2016 and ending June 30, 2017. The term of the current Niger lease is one year with the option of renewing annually for two additional years through September 2017. Rent expense for the years ended September 30, 2016 and 2015 was \$10,335 and \$9,174, respectively. The future minimum lease payments are \$10,166.

NOTE 6 STOCKS RECEIVED AS UNRESTRICTED CONTRIBUTION

Stock in Medina Medical-Covidien U.S. Holdings was gifted to RAIN in August 2015 as an unrestricted contribution. The company was sold in September 2015. At September 30, 2015, \$112,500, the amount received from the stock sale was held in escrow by the transfer agent and was subsequently transferred to RAIN. Additional payments may be received, but are conditional upon a series of contingencies.

NOTE 7 NOTES PAYABLE

In May and August 2015, RAIN received \$10,000 loans from two former Board members, one of which is the Executive Director, totaling \$15,000. The loans are due on demand and carry an interest rate of 0%. During 2016, the loans were repaid.

RAIN FOR THE SAHEL AND SAHARA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015
(See Independent Accountant's Review Report)
Continued

NOTE 8 RELATED PARTY TRANSACTION

At September 30, 2015, \$2,400 was paid to the Executive Director of RAIN for use of office space in Niger owned by the Executive Director and a former Board member.

NOTE 9 EVALUATION OF SUBSEQUENT EVENTS

RAIN has evaluated all subsequent events through January 10, 2018, the date the financial statements were available to be issued, and determined that any subsequent events that require recognition or disclosure were considered in the preparation of the financial statements.

RAIN FOR THE SAHEL AND SAHARA, INC.
SUPPLEMENTAL SCHEDULES OF FUNTIONAL EXPENSE PERCENTAGES
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015
(See Independent Accountant's Review Report)

	2016		2015	
Program expenses	\$286,307	76.34%	\$253,158	72.24%
Management and general expenses	32,619	8.70%	33,213	9.48%
Fundraising expenses	<u>56,118</u>	<u>14.96%</u>	<u>64,062</u>	<u>18.28%</u>
	<u>\$375,044</u>	<u>100.00%</u>	<u>\$350,433</u>	<u>100.00%</u>

See notes to financial statements.