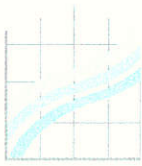


RAIN FOR THE SAHEL AND SAHARA, INC.
Financial Statements
For the Years Ended September 30, 2018 and 2017

RAIN FOR THE SAHEL AND SAHARA, INC.
Financial Statements
For the Years Ended September 30, 2018 and 2017

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Murphy, Powers & Wilson

Certified Public Accountants, P.C.

Michael J. Murphy, CPA

Daniel E. Wilson, CPA

William R. Powers, CPA (Retired)

ACCOUNTANT'S COMPILATION REPORT

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

Management is responsible for 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, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The September 30, 2018 supplementary information contained in the accompanying schedule of functional expense percentages is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

We are not independent with respect to Rain for the Sahel and Sahara, Inc.

*Murphy, Powers & Wilson
Certified Public Accountants, P.C.*

Hampton, New Hampshire
December 19, 2018

RAIN FOR THE SAHEL AND SAHARA, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2018 and 2017
(See Accountant's Compilation Report)

ASSETS	2018	2017
CURRENT ASSETS		
Cash and cash equivalents (Note 1)	\$ 65,004	\$ 52,894
Prepaid expenses	1,799	2,347
Pledges receivables	2,500	27,000
Bequest receivable (Note 1)	<u>20,000</u>	<u>15,000</u>
Total current assets	<u>89,303</u>	<u>97,241</u>
PROPERTY AND EQUIPMENT, net (Note 1)		
Land and building	87,762	87,762
Office and other equipment	2,342	2,342
Vehicles	<u>11,970</u>	<u>14,726</u>
	102,074	104,830
Accumulated depreciation	<u>-16,770</u>	<u>-13,673</u>
Total property and equipment, net	<u>85,304</u>	<u>91,157</u>
OTHER ASSETS		
Intangible assets, net	<u>0</u>	<u>185</u>
Total other assets	<u>0</u>	<u>185</u>
TOTAL ASSETS	<u>\$174,607</u>	<u>\$188,583</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 984	\$ 1,468
Accrued expenses	<u>4,774</u>	<u>3,596</u>
Total current liabilities	<u>5,758</u>	<u>5,064</u>
NET ASSETS		
Unrestricted net assets	<u>168,849</u>	<u>183,519</u>
Total net assets	<u>168,849</u>	<u>183,519</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$174,607</u>	<u>\$188,583</u>

See notes to financial statements.

RAIN FOR THE SAHEL AND SAHARA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(See Accountant's Compilation Report)

2018

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUE AND SUPPORT			
Grants	\$ 78,342	\$ 74,000	\$152,342
Fundraising events	130,740	-	130,740
Contributions	138,746	-	138,746
Sale of Niger goods	3,010	-	3,010
Loss on sale of vehicle	-9,178		-9,178
In kind donations	<u>3,280</u>	<u>-</u>	<u>3,280</u>
Total revenue and support	344,940	74,000	418,940
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of program restrictions	<u>74,000</u>	<u>-74,000</u>	<u>-</u>
Total revenue and support and net assets released	418,940	-	418,940
EXPENSES			
Programs			
Food and water security	77,514	-	77,514
Education	<u>211,067</u>	<u>-</u>	<u>211,067</u>
Total program expenses	288,581	-	288,581
Management and general expenses	57,983	-	57,983
Fundraising expenses	<u>83,592</u>	<u>-</u>	<u>83,592</u>
Total expenses	<u>430,156</u>	<u>-</u>	<u>430,156</u>
Change in net assets	-11,216	-	-11,216
Net assets, beginning	183,519	-	183,519
Realized loss on foreign currency exchange	<u>-3,454</u>	<u>-</u>	<u>-3,454</u>
Net assets, ending	<u>\$168,849</u>	<u>\$ -</u>	<u>\$168,849</u>

See notes to financial statements.

RAIN FOR THE SAHEL AND SAHARA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(See Accountant's Compilation Report)

2017

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUE AND SUPPORT			
Grants	\$ 89,000	\$ 26,988	\$115,988
Fundraising events	2,827	-	2,827
Contributions	204,748	-	204,748
Sale of Niger goods	5,298	-	5,298
Gain on sale of vehicle	2,458		2,458
Interest income	<u>2</u>	<u>-</u>	<u>2</u>
Total revenue and support	304,333	26,988	331,321
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of program restrictions	<u>26,988</u>	<u>-26,988</u>	<u>-</u>
Total revenue and support and net assets released	331,321	-	331,321
EXPENSES			
Programs			
Food and water security	70,878	-	70,878
Education	<u>191,554</u>	-	<u>191,554</u>
Total program expenses	262,432	-	262,432
Management and general expenses	50,678	-	50,678
Fundraising expenses	<u>37,898</u>	<u>-</u>	<u>37,898</u>
Total expenses	<u>351,008</u>	<u>-</u>	<u>351,008</u>
Change in net assets	-19,687	-	-19,687
Net assets, beginning	205,150	-	205,150
Realized loss on foreign currency exchange	<u>-1,944</u>	<u>-</u>	<u>-1,944</u>
Net assets, ending	<u>\$183,519</u>	<u>\$ -</u>	<u>\$183,519</u>

See notes to financial statements.

RAIN FOR THE SAHEL AND SAHARA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(See Accountant's Compilation Report)

	FOOD & WATER <u>SECURITY</u>	ACCESS TO <u>EDUCATION</u>	AGADEZ LIVING & LEARNING <u>CENTER</u>	TOTAL <u>PROGRAM</u>	MANAGEMENT AND GENERAL <u>EXPENSES</u>	FUND RAISING <u>EXPENSES</u>	TOTAL
Salaries and labor	\$50,859	\$61,617	\$53,824	\$166,300	\$27,781	\$30,118	\$224,199
Office expense	4,379	4,459	7,387	16,225	5,747	9,104	31,076
Payroll taxes and benefits	3,693	5,456	5,429	14,578	3,650	1,755	19,983
Fundraising events expense	85	85	85	255	0	41,935	42,190
Professional fees	771	771	771	2,313	9,246	0	11,559
Well expense	40	0	0	40	0	0	40
Utilities	841	847	2,124	3,812	1,523	0	5,335
Rent	2,132	2,132	2,132	6,396	7,734	0	14,130
Depreciation and amortization	3,814	2,066	2,066	7,946	0	0	7,946
School market gardens	727	0	0	727	0	0	727
Mentoring and tutoring	0	12,303	4,828	17,131	0	0	17,131
Food and school supplies	0	1,265	15,376	16,641	0	0	16,641
Auto expenses	1,888	1,741	1,967	5,596	0	0	5,596
Scholarships	0	0	2,185	2,185	0	0	2,185
Travel and meals	8,024	13,617	5,963	27,604	0	680	28,284
Cost of Niger goods	0	0	0	0	0	0	0
Insurance	261	262	309	832	2,302	0	3,134
	<u>\$77,514</u>	<u>\$106,621</u>	<u>\$104,446</u>	<u>\$288,581</u>	<u>\$57,983</u>	<u>\$83,592</u>	<u>\$430,156</u>

See notes to financial statements

RAIN FOR THE SAHEL AND SAHARA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(See Accountant's Compilation Report)

2017

	FOOD & WATER SECURITY	ACCESS TO EDUCATION	AGADEZ LIVING & LEARNING CENTER	TOTAL PROGRAM	MANAGEMENT AND GENERAL EXPENSES	FUND RAISING EXPENSES	TOTAL
Salaries and labor	\$45,563	\$62,538	\$52,662	\$160,763	\$24,305	\$20,964	\$206,032
Office expense	1,192	1,386	4,669	7,247	3,203	6,075	16,525
Payroll taxes and benefits	3,753	5,457	5,155	14,365	2,575	1,821	18,761
Fundraising events expense	0	0	0	0	0	4,483	4,483
Professional fees	622	622	622	1,866	7,464	0	9,330
Well expense	445	0	0	445	0	0	445
Utilities	587	741	1,957	3,285	1,513	0	4,798
Rent	2,069	1,908	2,629	6,606	9,479	0	16,085
Depreciation and amortization	3,233	1,752	1,752	6,737	0	0	6,737
School market gardens	3,221	0	0	3,221	0	0	3,221
Mentoring and tutoring	0	10,770	3,018	13,788	0	0	13,788
Food and school supplies	0	245	10,852	11,097	0	0	11,097
Auto expenses	2,345	2,153	472	4,970	0	0	4,970
Scholarships	0	0	1,366	1,366	0	0	1,366
Travel and meals	7,663	9,310	9,267	26,240	108	3,763	30,111
Cost of Niger goods	0	0	0	0	0	792	792
Insurance	185	185	66	436	2,031	0	2,467
	<u>\$70,878</u>	<u>\$97,067</u>	<u>\$94,487</u>	<u>\$262,432</u>	<u>\$50,678</u>	<u>\$37,898</u>	<u>\$351,008</u>

See notes to financial statements

RAIN FOR THE SAHEL AND SAHARA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017
(See Accountant's Compilation Report)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$-11,216	\$-19,687
Adjustments to reconcile change in net assets to cash provided by (used) by operating activities		
Depreciation and amortization	7,945	6,737
Loss on sale of vehicle	9,178	-2,458
(Increase) decrease in assets		
Bequest and pledges receivable	19,500	3,000
Prepaid expenses	548	-1,827
Increase (decrease) in liabilities		
Accounts payable	-484	-466
Accrued expenses	<u>1,178</u>	<u>848</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	26,649	-13,853
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-11,970	-15,824
Proceeds from sale of vehicle	<u>885</u>	<u>13,076</u>
NET CASH USED BY INVESTING ACTIVITIES	-11,085	-2,748
CASH FLOWS FROM FINANCING ACTIVITIES		
Loss on foreign currency exchange	<u>-3,454</u>	<u>-1,944</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>-3,454</u>	<u>-1,944</u>
NET INCREASE (DECREASE) IN CASH	12,110	-18,545
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>52,894</u>	<u>71,439</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>65,004</u>	\$ <u>52,894</u>

See notes to financial statements.

RAIN FOR THE SAHEL AND SAHARA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017
(See Accountant's Compilation 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 7-10. 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 2017-2018 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. 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 Community Gardens where participants learn organic techniques, nutrition, hygiene and crop diversification; the food sustains their families and profits from cash crops sustain the gardens. Agriculture is a traditional livelihood that, with RAIN's help, is being tapped to support education as well as improving earnings for families most in need.

Income Generation Programs - In addition to income from gardens, RAIN works with mentors and other women in the community to establish Savings & Loans groups and "temoko" herding programs. Through training on the basics of financial literacy and entrepreneurship, these two programs set women up to be able to support themselves and their families. RAIN helps provide the initial materials needed but the programs are designed to be self-sustaining and to leave women with transferable skills that can help them provide for themselves in a changing economic landscape.

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, 2018 AND 2017
(See Accountant's Compilation 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 2018, RAIN received unrestricted grants and contributions from various individuals and the following grantors: Ivor and Barbara Freeman Fund of Combined Jewish Philanthropies, Dave Nikkel Foundation, Ethel Looram Foundation, and Hurlbut Johnson Trust. In 2017, 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 and Ethel Looram 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 2018 and 2017 was \$7,760 and \$5,729, respectively.

Bequests Receivable

The Organization has been notified that it is the beneficiary of an individual's estate. Bequest receivable, \$20,000 and \$15,000, respectively at September 30, 2018 and 2017, 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, 2018 AND 2017
(See Accountant's Compilation 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 2018 and 2017, 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 2016, 2017 and 2018 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 2018 and 2017 was \$185 and \$1,008, respectively, and accumulated amortization totaled \$28,239 and \$28,054 at September 30, 2018 and 2017, respectively. Amortization expense for 2019 is expected to be \$0.

NOTE 2 TEMPORARILY RESTRICTED NET ASSETS

In 2018, restricted grants and donations were used for the following:

- Thomas W. Hass Foundation: Purchased a vehicle in Niger
- Global Giving: Supported the programs
- Capacity Building Fund: Supported by various individual donors, for staffing in Niger and the U.S.
- Turing Foundation: Elementary & middle school mentoring in 2 communities

In 2017, restricted grants and donations were used for the following:

- Dave Nikkel Foundation: Improving wells in 2 communities
- Capacity Building Fund: Supported by various individual donors, for staffing in Niger and the U.S.
- Turing Foundation: Elementary & middle school mentoring in 2 communities

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 2018 and 2017 were as follows:

	2018	2017
Beginning cumulative translation adjustment	\$-29,938	\$-27,994
Loss on foreign currency exchange	<u>-3,454</u>	<u>-1,944</u>
Ending cumulative translation adjustment	<u>\$-33,392</u>	<u>\$-29,938</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 \$103,247 and \$104,830 at September 30, 2018 and 2017, respectively.

RAIN FOR THE SAHEL AND SAHARA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017
(See Accountant's Compilation Report)
Continued

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 two years starting November 1, 2018 and ending October 31, 2020. The term of the current Niger lease is one year with the option of renewing annually every two years for one additional year through September 2019. Rent expense for the years ended September 30, 2018 and 2017 was \$14,130 and \$16,085, respectively. The future minimum lease payments are:

October 1, 2018 through September 30, 2019	\$16,596
October 1, 2019 through September 30, 2020	<u>17,196</u>
	<u>\$33,792</u>

NOTE 6 EVALUATION OF SUBSEQUENT EVENTS

RAIN has evaluated all subsequent events through December 19, 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 FUNCTIONAL EXPENSE PERCENTAGES
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017
(See Accountant's Compilation Report)

	2018		2017	
Program expenses	\$288,581	67.09%	\$262,432	74.70%
Management and general expenses	57,983	13.48%	50,678	14.40%
Fundraising expenses	<u>83,592</u>	<u>19.43%</u>	<u>37,898</u>	<u>10.90%</u>
	<u>\$430,156</u>	<u>100.00%</u>	<u>\$351,008</u>	<u>100.00%</u>

See notes to financial statements.