

# One Acre Fund

*“Empowering the Chronically Hungry to Pull Themselves Out of Poverty”*



## Spring 2009 Performance Report



# One Acre Fund Semi-Annual Performance Report

November 2008 – April 2009

It is the hunger season in Kenya, and one of the worst in recent memory. Every week, I meet mothers that tell me that their families haven't eaten anything, in a day or more. Often times, their children sit around staring at me, lacking all energy. It puts the idea of "hard economic times" in an entirely new perspective.

Our newest farmers suffer this hunger, because last year their harvests were poor. But they are working as hard as anybody to make sure they succeed this year.

I do not know how it is possible – but I often see our newest farmers doing hard manual labor in their fields for a whole day on completely empty stomachs. It is an absolutely inspiring thing to see, and something that drives our staff every day to improve our service to our clients. Whenever we at One Acre Fund think we are working hard enough, we think of our families, and we re-double our efforts.



Our program continues to grow steadily with your generous support. This is our fifth 6-monthly report, which offers a frank look at hard metrics, which we use to guide every step of our operations. From November 2008 – April 2009, we:

- Doubled program size to 8,000 farm families, serving more than 32,000 children
- Had our fifth harvest, increasing take-home farm income by 100% per acre, with 98% of farmers repaying program fees
- Covered 35% of our field costs through farmer repayments, which will improve over time

The story of One Acre Fund is not one of hunger and loss and poverty – it is one of hope and opportunity. Every day we are increasing the size of our distribution network in Africa, and every day more and more families decide to grow their way out of poverty.

This report briefly concludes with our vision for the future, which we are truly excited about. We have a good start, but momentum is building at a terrific pace, and we are on track to create life-change for 25,000 families in the next 18 months. This momentum is largely due to you, our loudest supporters. On behalf of the children and families that we serve: **Thank You.**

Andrew Youn  
Founder, One Acre Fund

Matt Forti  
Board Chair, One Acre Fund

Governing Board Members: Joel Ackerman, Anne Marie Burgoyne, Jason Maga, John Wood

Fundraising Board Members: Chris Addy, Chris Ashley, John Brothers, Taira Hall, Amy Hsiao, Diana Lee, Briehan Lynch, Jason Maga, Jason Miller, Bhavan Suri, James Wesner, Meredith Wilson, Paul Wormley, John Yi

Board Fellows: David Blanchard, Michael Recht

# One Acre Fund: Core Values and Program Model

*The core values that drive us forward, and how our program works*

*Our mission:* We empower persistently hungry farm families to grow their own way out of hunger.

*Core values:*

- **We don't give handouts** – we empower permanent life-change. Lasting change must rely on the poor themselves.
- **We provide a solution that is realistic for the extreme poor** – our solution includes tools, training, and market access – making it realistic for someone starting from nothing to grow for high-value markets.
- **We must dream big** – limitless human need demands an ambitious response. 80% of the extreme poor in the world are farmers, and we must aggressively scale to meet demanding milestones.
- **We must remain 100% accountable** to both our biggest donors and our littlest children, measured by hard operational metrics that are reported, good and bad, to stakeholders. If we are not improving the lives of children, we are failing, and must find a way to improve.

*One Acre Fund's "Investment Bundle"*

**1) Creation of producer groups:** One Acre Fund meets existing women's self-help groups, and organizes them into a producer group.



**2) Farm inputs:** One Acre Fund finances and delivers all of the planting materials that our farmers need to increase their yields.



**3) Extension:** One Acre Fund field officers deliver education to groups, so they know how to grow the crop.



**4) Output market:** One Acre Fund picks up our portion of increased harvest as repayment and sells it to cover our field costs. We also sell the farmer portion of increased harvest when so desired. When harvests are low due to weather or crop disease, farmers are covered through crop insurance.



None of the individual pieces of our model is particularly new – but the *combination* of them is extremely unique. We have packaged together a holistic service that we can take to the poorest of farms – households starting with absolutely nothing. Our goal is to innovate a new program model that will be a new tool in the world's fight against hunger and poverty among the rural poor.



## Review of Program Metrics: November 2008 – April 2009

++ = Met/Exceeded Goal      + = Additional Opportunity      - = Did not meet goal

### HOW MANY PEOPLE DID WE REACH?      Program triples to 2,000 farmers (8,000 children)

Scalability	Previous May - Oct 08	New goal Nov 08- Apr 09	Actual Nov 08- Apr 09	Rating	Rationale
- # Families Reached	4100	8000	8000	++	- Doubled program size to 8,000 farm families
- # Children Enrolled	16k	32k	32k	++	- Doubled program coverage to 32,000 children
- # Acres under Cultivation	2500	4000	3000	+	- Temporarily lowered average client acreage, to limit credit risk exposure

#### FUTURE ACTIONS:

- Continue a sustained scale-up phase over the next two years
- *We are on track to meet or exceed our target of 30,000 families in the next 24 months*

### WHAT WAS OUR QUALITY OF IMPACT?      Farm income doubles

Impact	Previous	New goal	Actual	Rating	Rationale
- Increased Size of Harvest (year-on-year)	3x	3x	3x	++	- Raw harvest increased by 3x (estimate)
- Increase in Farm Income (year-on-year)	2x	2x	2x	++	- Farm income increased by 2x, after program repayment (estimate)
- Reduction in child death rate	80%	50%	50%	++	- We estimate a ½ reduction in child deaths, based on a sample survey

#### FUTURE ACTIONS:

- *Farm income targets are roughly on track. We are now investing in monitoring and evaluation to provide greater precision in our measurement capability going forward*

### HOW MUCH DID IT COST?      Program improves to 35% sustainability

Financial Return	Previous	New goal	Actual	Rating	Rationale
- Repayment Rate	85%	85%	98%	++	- 98% of farmers repaid, well above target of 85%. See "management discussion" section for details.
- Field cost per Family	\$170	\$150	\$160	+	- We were slightly high on field staff transport, and will improve.
- Infrastructure investments	\$370k	\$500k	\$550k	+	- Strong donations allowed us to invest more in long- term infrastructure.
- % of Donations to Program Services	100%	100%	100%	++	- 100% of individual donations went directly to program; overhead covered by foundation grants
- Program Sustainability	30%	35%	35%	++	- Farmer repayments covered 35% of field costs

#### FUTURE ACTIONS:

- *We will continue to focus on improving program financial sustainability. Our target is to cover 50% of our field expenses through farmer repayments, by the end of this calendar year.*



# Brief Management Discussion

## 1. Repayment Improves from 85% to 98%

---

One Acre Fund recovered only 85% of repayment owed to us in the prior six-month period. However, this improved dramatically to 98%, in this latest six-month period.

As outlined in our last report, this improvement is due to several conscious program changes:

- 1) Improved recruiting. We now screen 3 times as many candidates per “field officer” hire. These field officers are our point of contact with farmers.
- 2) Pre payments program. Due to our clients’ requests, we are now offering a way for clients to pre-pay their loan to us – earlier in the season. Our clients like to pay their loans early, and we offer small incentives for them to do this.
- 3) Improved communication. We now give a running balance summary to all clients, so that they can be aware of their group’s loan balances, every week.
- 4) Improved client selection. We are now taking steps to select clients more carefully – for example, we only enroll groups if they live reasonably close to each other. This makes it easier for our field staff to visit their fields and teach them new techniques.

You stuck with us – thank you for your patience! As a young organization, our operating results will climb and fall. The only thing we can do is to try to constantly improve, and transparently report what is happening to you, our supporters.



## 2. What Causes the Hunger Season and How is One Acre Fund Helping?

---

We often get the question: What causes the hunger season, and how is One Acre Fund helping?

The hunger season is caused by shortages of food during certain times of year. In Kenya for example, the long rains begin falling in March, so farmers plant their food then. Nearly every Kenyan farmer then harvests their food around September.

Farmers start eating their harvests starting from September, but then it simply runs out mid-way in the next year. This creates severe food shortages as the entire country relies on expensive imported food, until the next harvest comes. This is the hunger season.

One Acre Fund does two things to fight the hunger season. First, we increase total levels of harvest – our farmers produce enough food to feed their families for the whole year. Second, farmers can sell surplus into their communities – and One Acre Fund helps them sell it during the hunger season, when prices are high. Our farmers not only feed themselves, but they help to reduce the hunger season for their communities.

## Picture Gallery: Meet our Families

### Thousands of Bags of Seeds and Fertilizer >

Input delivery is a one-week period when all of our farmers across Kenya and Rwanda are provided with seeds and fertilizer.

It takes a lot of work to distribute inputs to 8,000 farmers, so everybody at One Acre Fund pitches in! It is an exciting time because soon all these inputs will be planted in the ground where they will produce food for thousands of chronically hungry people.



### < Ordinary Household Items

Each woman in this farmer group wanted to help carry their new planting string to the field.

A planting string is made up of ordinary household items: a 40-foot length of twine that is marked every 10 inches. Each mark tells farmers where to place each seed.

The string helps farmers to space their seeds, so that they can achieve the optimum plant population. Too many seeds creates crowding, and too few seeds results in low harvests. We teach them to have just the right amount!



### ^ Surviving

When new farmers join One Acre Fund, most of them are simply surviving...They are just trying to feed their families and get through the day.

These farmers rarely have the luxury of planning for the future when the present day is full of challenges.



### ^ Thriving

One Acre Fund farmers are thriving! Our farmers' increased incomes allow them to make investments in the future of their families. Many of our farmers purchase cows to help work in the fields and to provide milk that can be sold for profit. Although poor, these farmers now have opportunity in their lives.



## Picture Gallery: Meet our Families



### < Praying for Rain >

Before One Acre Fund's Kenyan farmers can plant, the "long rains" must begin. As the season approaches, these farmers pray for the rains to fall. One Acre Fund supplements informal methods with formal weather data, helping farmers decide when to plant.



### < Simple lessons

One Acre Fund strives to ensure that all of our farmers can succeed, regardless of their education level or reading ability.

Each One Acre Fund farmer is required to attend 6-8 educational sessions that teach them about proper techniques for planting, weeding and harvesting their crops. At each session, the farmers are given easy-to-follow instructions sheets with drawings and pictures so that anyone can understand them.



### ^ A Community Effort ^

Planting is not an individual activity. In Kenya and Rwanda, entire communities come together to help each other plant their crops. Planting in groups saves each farmer the cost of hiring laborers to help. Even more importantly, by working together, the farmers encourage each other to use the One Acre Fund's correct planting methods.

## Vision for the Future

*Can a promising experiment be scaled into a major force against world hunger?*

**We have a promising experiment, and we need to reach as many needy people as possible!**

### **We have set an ambitious goal ...**

We have set an extremely ambitious goal for the next 18 months: to prove a program model that creates total life-change, for a lot of people, with financial sustainability on field programs:

- ❶ Create a 100% gain in farm income and a 50% reduction in child deaths
- ❷ For 25,000 families
- ❸ At 70% financial sustainability (farmer repayments cover field expenses)

We believe that if we can create a program model that achieves all of these goals, we will be in a position to grow to serve millions of lives in the coming decades. Millions of hungry farm families, feeding themselves – the hungry feeding the hungry.

### **We have a realistic plan ...**

These are not idealistic words – they are carefully-constructed milestones, supported by our current field experience, and the advice of dozens of prominent advisors.

#### *Annual milestones*

	2007	2008	2009	2010
Scale	600 families	3,500 families	12,000 families	25,000 families
Impact	100% average gain in farm income	100% average gain in farm income	100% average gain in farm income	100% average gain in farm income
Financial sustainability	15% cost recovery on field programs	30% cost recovery on field programs	50% cost recovery on field programs	70% cost recovery on field programs

### **... And your support makes it happen**

Your support makes this possible! We need to raise a total of \$3.0 million dollars over the next eighteen months to execute this plan, and every dollar matters. Maybe you are donating \$240 a year, to support one family on the program. That family matters. Maybe you are donating \$10,000 a year, to help support an entire village of farm families. That group matters. Maybe you are donating \$50,000 a year, to help us make key infrastructure investments. These investments matter.

Your donation matters for real people. Every dollar empowers a hungry person to feed her own family, and every dollar helps us invest for the future. We hope to continue to strive to report exactly how much social impact your investments are making for our families, and please: never hesitate to write to us with questions and comments.

On behalf of our children and families: THANK YOU.



# One Acre Fund By The Numbers

One Acre Fund continues its strong growth, evidenced by the numbers below. In particular, the increase in staff members reflects our desire to build infrastructure to support our anticipated growth to 25,000 families in the next 18 months.

Metrics	As of 10-31-08	As of 4-30-09	Percent growth, last six months
# Unique Donors	1,640	1,858	13%
# Investment Council Members	756	804	6%
# Staff Members	145	205	41%

## Donors (for the twelve months ending 4-30-2009)

One Acre Fund measures its success not only by the impact we have on the ground in Africa, but also by our ability to attract and retain donors. The extraordinary individuals who donate to One Acre Fund represent a group committed to ending hunger through empowerment. We can't thank you enough for your support.

### Partners (\$100,000 and up)

- Anonymous
- Draper Richards Foundation
- FJC Philanthropic Funds
- Jasmine Charitable Trust
- Mulago Foundation
- The Pershing Square Foundation
- David Weekley Family Foundation

### Honorary Advisory Board (\$25,000 - \$100,000)

- Joel Ackerman
- Anonymous (3)
- Casten Family Fund
- Combe Family
- Echoing Green Foundation
- Horace W. Goldsmith Foundation
- Larry and Carol Levy
- Liberty Foundation
- Rock Paper Scissors Foundation / Katie and Keith
- The Peery Fund
- The Jay and Rose Phillips Family Foundation
- Robert C. Pohlrad
- Prana Foundation
- Satter Foundation

### Leadership Circle (\$10,000 - \$25,000)

- AllPeopleBeHappy Foundation
- Anonymous
- Code Family Foundation
- Muffy, Andy and Megan DiSabatino
- Knight Family Foundation
- Chuck Goldman Family Support
- Harry and Julie Kraemer
- Sarah Jeon and Charles McGarraugh
- MPG Foundation

## Foundation

### Major Supporters (\$5,000 - \$10,000)

- The Andersons Inc. Charitable Foundation
- Anonymous
- Greg and Rita Bustamante
- Engle Family Foundation
- Lakeview Investment Group
- Miles Lasater
- Woo Lee
- Karen and Allan Levine
- Robert and Mary Mersky
- Jacob Perlin
- Barbara and Walter Scott Charitable Fund

### Investment Council Members

Investment Council members are \$20 or more per month recurring donors or \$240 or more one-time donors

Abbott Laboratories	Ethan Bellamy and	Greg and Rita	Church of Corpus Christi
Hirotake Abe	Margot Bellamy	Bustamante	Maryanne Ciccone
Amy Abeling	Alan L. Beller and Leslie	Robert Donna Byrnes	Katie Ciccone
Chris Addy	L. Beller	Christopher Cahill	Maya Clem
Dorothy F. Adkins	Ben and Kim Olds	Clinton Campbell	Kimberly Coday
Femi Akinrebiyo	Aner Ben-ami	Bryan Campbell	Celeste Colson
Jody L. Alberto and	William Bennett	Jean Capizzi	Jim Colten and Sue
John P. Alberto	Brandon A. Benson	Thomas Carey	Colten
Robert Albright	Greg Benz	Lynda Carpenter	Combe Family
Young An	Gail Berardino	Julie Carrier	Cameron Combe
Paul Anderson and	Thomas Bergstrom	Rachel Carter	Tracie Conn
Karen Anderson	Robert Bergstrom	Bernadette Cascio	Ryan Cooper
Carol H. Anderson and	Tiffany Bernal	Barbara Case	Adrian Coppel Calvo
Michael J. Anderson	Sharad Bhargava	Bill Cassano	Sara Cotter
Hans Anderson	John Bigda	Carol Cassia	Terry H. Coyne
Mark Anderson	Janine Bisharat	Sean Casten and Kara	Kenneth Crea
Mary Andrews	BK International	Casten	Lesley Crosby
Dheeraj Aneja	Insurance Brokers Ltd.	Gillian Casten	Ashley Crossan
Julia And Larry	Erin Blake	David Cavanaugh	Michael Cygan
Antonatos	David Blanchard	Allie Cecich	Joe Danon
Selamawi Asgedom	Christina Blodgett	Chris Cerf	Jerome S. Darby and
Carolyn Ashley	Joyce Blume	Amy Chan	Lora L. Darby
Christopher Ashley	Mary Bolton	Michael Chandler	Michelle Dargan
Mary Jane Auerbacher	Jessica Bonjorni	M Yvonne Chao	Natasha Davidson
Eugene Auh	Antoine Borde	James Chasia	Katarina Davos
Avon Lake Presbyterian	Giancarlo Borgonovi	Hendrik Chasse	John De Planque
Church	Katherine Brittain	Andy Cheek	Craig Delaurier
Jian Bao	Bradley	Margaret Chernin	Gilles Dellaert
Katherine Barba	Gloria Brainsby and	Leslie Davis and Gregory	Dominic P. DeMain and
Joy Barbre	Benjamin Brainsby	White Family Fund	Diane S. DeMain
Amy Barrett	John Brand	Bj. Chimenti	Kimberly Demaio
Thomas Joseph Barrett	Jacob Brauner	Jennifer Chin	Laura DeMay
and Analisa Marie	Kristie And Eben Breed	Jennifer Chiu	Willis Deming
Barrett	Dave Britton	Hyung Joon Cho	Jodi Dent and Dave
Ryan Barrows	Donna K. Brooks	Lynn Chodos	Dent
Max Barry	John Brothers	Elizabeth Choe	Lawrence Detmer
Brennen Barthelemy	Noah Brown	Andrew Choquette	Fran Dichappari
Tierney Bates	Tricia Brown-burgess	Katherine Lei Choy	Scott Dilloff
Amy Bates and Ben	Scott Browne	Christ Episcopal Church	Mansi Domadia (Hans)
Markham	Maureen Brudzinski	General Fund	Don Newcomb
Kenneth Baumann	Gloria Brusoski	Christ Episcopal Church	Otten Family Trust Fund
Alfred Baumegger	Dan Bubb	Thrift Shop	Roger And Shloe
Derek Beaty	Steven Bull	C E Christopher	Donoghue
Alan Becker	Brett Burgess	Serena Chu	Kristen Dority
Tracy Bedwell	Charles Burhans	Benjamin J. Chuba	Nicole Dorn and Kevin
Annette Bell	Justin Burt	Leonard Chung	Dorn
		Edward Chung	William Dowd



Lynn G. Duda  
Jennifer Duda  
Jag Duggal  
Janet Dunnington  
Blake Durtsche  
Heather Ebert  
Danelle Egan  
Michael Elliott  
Chris Enock  
Dana Erato  
Marilyn Erickson  
Teresa Espinosa  
Kevin Evans  
Sam Evans  
Yolanda Evans  
Michael Fairchild  
Abigail Falik  
Timothy A. Fallon and  
Patricia Fallon  
Oluwarotimi Familusi  
Michael Fang  
John Farrell  
Raymond Fecteau  
Timothy Feddersen  
Ryan Fiftal  
Marisa Flanigan  
Jay Fleischman  
Steve Florsheim and  
Jenny Florsheim  
Kimberly Flynn  
Jim Forbes  
Art Formento  
Ralph Forte  
Matthew Forti  
Stephanie Forti  
Tracy Foster  
Stephanie Franklin  
Bridget Fraser  
Stacey Fredericks  
Ben Freeburg  
Simon Frewer  
Clifford Frey  
Sandy Friedman  
Ryan Fuller  
Timothy Gange  
Renee Garcia  
Matthew Garman and  
Shanti Garman  
Angela Gaynor  
Albert Geldres  
Barbara Geluda  
Paul Gempler  
Jon Gennaro  
Jessica Gentile  
Bridget George  
Frederick Giel and Karen  
Giel  
Jeremy Gilbert  
Elizabeth Gipson  
Rishi Goel  
Susan Goetz  
Mkdu Nathalie Gogue  
Godelieve Gomperts

Boris Gonsalves  
Jose Gonzalez  
Lindsey Goodman  
Julie Gordon  
Lee Gorman  
Tim Madden  
Melissa Griffith  
Chris Grisanti  
Remi Grosjean  
Melissa Gubrud  
Genevieve E. Gudebski  
Roberto Guil  
Kathleen Guillozet  
Dr. Ed Gustavson and  
Cynthia Gustavson  
Kent Gustavson  
Todd Haberkost  
Ralph Haberli  
Robin Halpern and Hank  
Blumfarb  
Matthew Hamory  
Judy Hangartner  
Andrea Hanson  
Dean Hanson and Mary  
Hanson  
Karma Hara  
Craig And Georgia  
Harding  
Mary Harper  
Grayce Hartman  
Rachel Hartsfield  
Julie Hasson  
Jenny Haugen  
Peter Hawkins and Kathy  
Hawkins  
Alistair Hay  
Gareth Hayes  
Curtis Haynie  
Maurice Hearne  
Julia Heidenreich  
Ann Heider and David  
Heider  
Jacob Heitler  
Eladio Hellin  
Sharon Hennen  
Carla Henry  
Irvin Herling  
Kerry Hess  
Livia May Higgins  
Gordon Hilbun  
Roxanne Hill  
Jessie Hiller  
Megan Hitchner  
David Hobbet  
Ronald Hoch  
Kathryn Hodsden  
James Hogan  
Ruth M. Hoglund  
Brett Holcomb  
Kevin Hoo  
Roxanne Hori and  
Robert Felsenthal  
Gil Horsky

James Hosler and  
Jeanne Hosler  
Daniel Hosler  
Amy Hotchkin  
John Howard  
Robin Howard  
William Howard  
Kara Howard  
Amy Hsiao  
Christine Hsu  
Nathan Hubbard  
Laura Huddleston  
Paul Hudnut  
Robert Hudnut  
Keith Hug  
Daniel Huggins  
John P. Hughes  
Timothy Hultquist  
Hundt Family  
Foundation  
I Do Foundation  
Janine Iamunno  
Income Research &  
Management  
Lukasz Ingjelowicz  
Lynn Ion  
Brian Irwin  
Kevin Irwin  
Allana Jackson  
Robert Jackson  
Matt James  
Jan L. Sun Fund  
Larry Janousek  
Bree Januhowski  
Cezary Jarzabek  
Michael Jensen  
Ernest Jenson  
Karen Johnsen  
Daniel And Karen  
Johnson  
Andrea Johnson  
Jamie Jones  
Evan Jones  
Courtney Jones Hrycay  
Judith Jonsson  
Mary A. Jungmann  
Justin and Victoria  
Gmelich Family Fund  
Nathan Kadish  
Cornelius Kaestner  
Pat Kahng  
Richard Kalich  
Nina Kang  
Keith Karem  
Lauren Karp  
Sam Kasle  
Larry Kaufmann  
Nsesa Kazadi  
Craig Keillor  
Alex Keisner  
Michaeleen Kelzenberg  
Brendan Kenney  
Martin Kerestes

Elizabeth Kessler  
Nancy Kessman  
Robert Ketchum  
Sarah Ketchum  
John Kettlewell  
Jacquie Keysor  
Marie Kim  
Suzanne Kim  
Thomas Kim  
Robert Kim  
Megan King  
Colton King  
Kirk and Kate Kramer  
Charitable Fund  
Ann Klefstad  
Charly Kleissner  
Kirsten Klevan  
Rebecca Kline  
Julia Kling  
Jeff Kluge  
Sandeep Kochhar  
Craig Koester  
Uri Kogan  
Rae Koo and Howard Y.  
Koo  
Robert Korajczyk  
Megan Kormi  
Suveer Kothari  
Kovler Family  
Foundation  
April Kozen  
Catherine Kozen  
Eli Kramer  
KRG Capital  
Management LP  
Scott Kruger  
Joseph Krupp  
Dennis Kudzy  
Donna S. Kuehn  
Adi Kuruganti  
Ron Kwak  
Joshua Kwan  
Robert Kyweriga  
Lynda Lacanne  
Yvonne LaFlamme  
Yilaap Lai  
Barbara Lakey  
Hannah Lakin  
Adil Lalani  
C. Edgar Lalanne  
Gwenne Lally  
Harry Lando  
Gail P. Landy and  
Macreay J. Landy  
Fran Langewisch  
Marie-helene Lapie  
Roberto Larrondo  
Juliette Combe Larson  
Umair Lateef  
Ashley Lawrence  
Andria Lawson  
Matthew LeBlanc and  
Sabrina LeBlanc

Teena Lee  
William Lee and Jean Lee  
Vivian Lee  
Teri Lenth  
Alison Lerch and John A. Lerch  
Rachel Lesperance  
Aron Levin  
Alissa Leviness  
Sherri Levy  
Edith A. Levy  
Anwei Li  
Elizabeth Liebert  
Ellen Lindgren  
Erin Linville and Jordan Linville  
Linville Family  
Foundation  
Matthew Littell  
Audrey Liu  
Rohan Lobo  
Felecia Lockett  
Kelly Lombardo  
Mary Longfellow  
Ann Longfellow  
Deborah Lucas  
Nathan Lucht and Mistie Lucht  
Zachary Luloff  
Caroline Lundberg  
Deborah Mack  
Hilary Macleod  
Karen Macmurdo  
Joyce Maga  
Kristin Maier  
Raz Malik  
Marquette Associates  
Bradley Martens  
Lois Martin  
Katherine Martin  
Regina Maruca  
Benjamin Mathes  
Tishra Mattox  
Peter And Carolyn Mattox  
Shane McBride  
Brian McCrossen  
Michelle McDaniel  
Peggy A MCGarry  
Margaret McGirr  
Douglas M. McGraime  
and Paula A. McGraime  
Julie Mcgrath  
Kieran McGrath  
Shawn McMahan  
David Mcmillan  
Michael McNerney  
Joan McNutt  
Mark Mcsherry  
Julia Meek  
Jennifer Mehlman  
Alissa Menovich

Barry Merkin  
Joshua M. Meyer  
Robert And Sally Michler  
Pooja Midha  
Raj Midha  
Lauren Mikulski  
Matt Milanovich  
David Milestone  
Celestine Miller  
Christina Miller  
David Cameron Miller  
Jason Miller  
Susana Minkalis  
Peter Mitchell  
Michelle Moellentine  
Jennifer Moio  
Kevin Mole  
Martha Montague  
Stephen Moor and  
Carolyn Prazenka  
Robert Morgan  
Edmund Morgan  
Mark Morris  
Carrie Mueller  
Satyajit Mujumdar  
Muna Bhanji  
Patricia A. Murphy  
Micah Murphy  
Andrew Murray  
Barin Nahvi  
Sarah Nash  
Eugene Natali Jr  
Julia Navarre  
Joshua Neiman  
Katherine Nelson  
Keith Nelson  
Joanne Nelson  
Sandra Neren  
David Neville  
Key Club International,  
Warren Hills School  
District  
Robert Newman and  
Debora Newman  
Anne Nicolaysen  
Alanna Nielsen  
Kai-Lung Nien  
Hilary Nindorf  
Raymond Noble and  
Cornelia Wareham  
Samantha Nobles  
Prithvi Nobuth  
Clint Nohavec  
Northern Trust  
Investments, Inc  
Northwestern University  
Johnnetta Nutt  
Pamela Nygren  
Brian O 'Malley  
Maureen O 'Neill  
Steve Ober  
Brad Odell  
Gwynneth Odonnell

Ephrat Ofer  
Claire Ogilvie  
Emily Ogrady  
Daniel O'Malley  
Wendy Omeara  
One Percent Foundation  
Matthew O'Neill  
Keiko Ono  
Nathan Oppedahl  
Lori Opsal  
Vic And Patty Orlor  
Victor Orphan  
Karen J. Oslund  
Michael L. Overton  
Karen Pacelli  
Jeannie Pae  
Kara Palamountain  
Robert Pallotta and Julie  
A. Pallotta  
Ralph Pamperin  
Carolyn Panning  
Christos Papakos  
Joseph Pappalardo  
Robert Parfet  
Brittany Parrill  
Mary M. Pasquinelli and  
Joseph A. Pasquinelli  
Stephen Pawelski  
Erin Pelleteri  
Gail Perlow  
Avinash Amin  
Clayton Young  
Courtney Leonardo  
Ilkka Anhava  
Jeanne Rosen  
Jeff Bramel  
Jill Skousen  
Joelle Dellis  
John DeRaimo  
Larry Ackman  
Matt Stone  
Philip Elkus  
Ronnie Ackman  
Shane Dinneen  
Tom Goff  
Tiffanie Peters  
Mitchell Petersen  
Jeff Peterson  
Jill Peterson  
Monique Petiot  
Robbin Petreeko  
Kendra Phillips  
John Phillips  
Andy Phipps  
Paul Pickard  
Linda Pohlman  
Carlo Polacco  
Caroline Pollak  
Norval Poulson  
Coalter Powers  
Richard Powers  
Joanne Pringle  
Christin Pucci

Cactus Raazi  
Brad Rager  
Kaye Rahn  
Anita Rajeswaren  
Matthew Rall  
Jennifer Ransom  
Harini Reddy  
Kathleen Redgate  
Raeschel Reed  
Shelly Reid  
Edward Reilly  
Robert Reilly Jr. and  
Lindy Reilly  
Alastair Riach  
Douglas Richardson  
Joseph Riehle  
Barbara Ritchie  
Helen Ro  
Alicia Robb  
Julie Roberts  
William Roberts  
James Roberts  
Cindy Rohde and Daniel  
Rohde  
Daniel Roiter  
Peggy Romfh  
Ron and Linda  
McGimpsey Foundation  
Michael Roskamm  
Lillian Roth  
Katherine Rothstein  
Miriam Rothstein  
Jack Ru  
Jen Ruijssenaars and  
Rob Ruijssenaars  
Matthew Runkle  
Carlos Ryerson  
Fundacja Komornickich  
Kay and Tom Barrett  
Family Fund  
Chris Sanders  
James G. Sandler and  
Sally A. Sandler  
Mr. and Mrs. Chapin  
Nolen  
Nuni Lyn Sawyer-Walsh  
Maria Florencia  
Scarfone  
Rebecca Schatz  
Michael Scheirey  
Stacia Schlosser  
Dorothy Scholtz  
Kelly Schultz  
Walter Scott  
Oteng Sebonego  
Joel Segre  
Carrie and Tim Sellner  
Boudhayan Sen  
Joquin Sena  
Abby Sensenbaugh  
Chirag Shah  
Julie Shaw



Oscar C. Shealy and  
Anne B. Shealy  
Marissa Shear  
Snehit Shetty  
Cary Shiao  
John Jordan Shields  
Mark And Monica  
Shoemacher  
Michael Shoemacher  
Susan Shore  
Jeff Shumway  
Joshua Siegel  
Guilherme Silva  
Pj Silver  
Stephen Silzer  
Kelley Sims Portano  
Alok Sindher  
Heidi Singhas  
J. Matthew Singleton  
and Kathryn Singleton  
Chris Slaughter  
Lisa Slouffman  
Bobby Smith  
Jo Ellen Smith  
Daniel Smith  
Dan Smith  
Sandi Smith  
Alejandro Solis Yamuni  
Amanda Solomon  
Jenny Song  
Ameet Soni  
Mary Ellen Sparrow  
Jennifer Splansky  
William D. Spring  
Erin Springmeyer  
Supriya Srinidhi  
Greg Stace  
Kevin Starr  
Sarah Stein  
Steinback Family  
Charitable Lead Trust  
Marianne Steiner  
Marne Stillwell  
Ann Stockman  
Jane Stoffer  
Kyle Stout  
Rob Strauss  
Donald E. Stump and  
Sarah Shealy Stump  
Anna Sussman  
Robert Svetlik  
Michael Swaintek  
Shankar Swamy  
Jessica Swift  
Anna Taboada  
Andrew Takano  
Denise S. And Diego  
Tamayo  
Ron Tamir  
Katherine Tate-bradish  
Lance Taylor  
John Richard Tease  
Julie Temple

The Joice Charitable  
Fund  
Charles Slaughter and  
Molly West  
The Ten Dollar Club  
William Theuer  
Debra Thieschafer  
Brian Thome  
Thomas J. Tierney  
Robert Todd  
David Tomback  
Senoe Torgerson  
Lois Torvik  
Louise A. Town  
Aviva Tropp  
Roger Tsai  
Andrew E. Tuck  
Thomas J. Turco and  
Susan Itzkowitz  
Patty Tushie  
Alice Tybout  
Shigeru Uehara  
Pirmin Ulmann  
Abhi Uppal  
Helen Upton  
Renee Valois  
Birch and Galen  
Burghardt  
Maria Vasilakis  
Ella Vassallo  
Rajan Vatassery  
Sharon Venturi  
Clayton Virgil  
David Volk  
Ashish Vora  
George Wadleigh  
Beth Waldo and Adam  
Waldo  
Melissa Walker  
Emily Wang  
John Wanner  
Sarajane Milder  
John Waychowsky  
Bruce Weber and Alisa  
Weber  
Craig Weber  
Martin Weinstein and  
Lora Weinstein  
Michael Weiser and  
Galen C. Weiser  
Richard Wenkel and  
Nancy Wenkel  
James Wesner  
Ryah Whalen  
Jediah White and  
Sharon White  
Tamarco White  
Cheryl Wilbeck  
Lee Wilkerson  
James Williams  
Jason Williams  
Marcus Wilmot and  
Crystal Wilmot

Meredith Wilson  
Steve Windfedt  
Fred Winker  
Marco Wirasinghe  
Warren Woessner  
Sharon Wolfson  
James Wormley and  
Cheryl Wormley  
Paul Wormley  
Vamsi Yadlapati  
Ben Yarbrough  
Iris Yen  
John Yi  
Heekyung Youn  
James Young  
Ryan Young  
Cecilia Yu  
Andrew Zacharias  
Kristin Zandstra  
Kent (Duke) Zandstra  
Jill Zeldin  
Fangning Zhang  
Xuejin Zhou  
Carol Zsolnay  
Cindy Zwart  
William Blair & Company  
Foundation

## Friends of One Acre Fund

Sergio Aguilar  
 Michal Albanese  
 Lilibeth Albano  
 Armando Alonso  
 Teresa Asper Anderson and  
 Joel Peter Anderson  
 Margaret Andreou  
 Lori Anger and Tom Anger  
 David Ashley  
 John R. Barney  
 Michele Barry and Tim Barry  
 Michael Bates and Kathy  
 Bates  
 James Belling  
 Jon Bernstein  
 Pamela Bitterman and  
 Pamela Bitterman  
 Barbara Blanchard  
 Mary Jane and David  
 Blaylock  
 Jared Blum  
 P. Richard Bohr and Gail  
 Bohr  
 Karen Borchert  
 Ben Bove  
 Patricia M. Boyer  
 Kathleen Boylan and  
 James Boylan  
 Leah Bradford  
 Cathie Brown  
 Tiara Buchanan  
 Michael Burke  
 Justin Burt  
 Thomas Butcher, Jr.  
 Howard Byean  
 Norton Byer  
 Jeffrey Byer  
 David Byerly  
 Tim Calkins  
 Stephen Carlson  
 Damien J. Carter  
 Kathleen Case and David  
 Case  
 Kara Casten and Boze  
 Casten  
 Melanie Chan  
 Wesley Chao  
 Andy Chin  
 Seehwa Cho  
 Angela Chou  
 Ruth M. Cigledy  
 Alice Clements  
 Chris Combe  
 Community Shares of  
 Minnesota, Thompson West  
 George Corrigan  
 Anne Coughlan  
 Mark R. Curry and Hattie M.  
 Curry  
 Customink .com  
 James Dann  
 Douglas Davidson and  
 Sandra Davidson  
 Elizabeth Davine  
 Elizabeth Davis  
 Jane Davis  
 Bill Davnie and Charlotte  
 Davnie  
 Meera Deean

M. Penny Deming  
 Ivey Dennen  
 Stinceon Dennen  
 Purnima And Raghu  
 Deshpande  
 Jay Deutsch and Bonnie  
 Deutsch  
 Kimberly Doyle  
 Kirsten Ekdahl-Hull  
 Margaret Ellingson and  
 Stephen Ellingson  
 Mary K. Elm and Richard L.  
 Elm  
 Almir Emso and Heidi Emso  
 Chasitie Euler  
 John Clark Fager  
 Mark Feddersen  
 Rebecca Fein  
 Joan D. Ferrari  
 Jen Field  
 Andra Fischgrund  
 Eric Forti  
 Matthew Frazier  
 Chia Chia Peggy Gan  
 Megan Garber  
 Ashley Geber  
 Eugene Gennaro and Joan  
 Gennaro  
 William Gentner and Aileen  
 Gentner  
 Ryan Gerlach  
 Joshua Gilbert  
 Aaron Glazer  
 Peng Gong  
 GoodSearch  
 Yelena Gorlin  
 Elizabeth Greenberg  
 Linnea Grim  
 Laird Groody  
 Charles Grosso and  
 Kathleen Grosso  
 Matthew Hajzl and Mary  
 Hajzl  
 Crystal Halatsis  
 Jim Hand  
 Anita Hanson and Larry  
 Hanson  
 Richard Hanson  
 Thomas Hanson  
 Markus Harvell  
 Liam P. Healy and  
 Roseanne Loftus  
 Bethany Hedt  
 Sudhir And Sapna Hegde  
 Kate Heider  
 Christopher Herron  
 Stacey Hessler  
 Min-hank Ho  
 Rev. Robert Hoffman and  
 Gretchen Hoffman Naylor  
 Mike Holleman  
 Patricia Holt  
 Mark Honoroff  
 Ly Hotchkin  
 Sewon Hur  
 S. Hyon  
 Charity J. Imbrie  
 Eric Jackson  
 Shruti Jha

Mark Johnston  
 Cynthia Johnston  
 Ruth Jones  
 Sharon B. Juli  
 Michelle Kalka  
 Noah Kaufman  
 Thomas Kelly and Roberta  
 Kelly  
 Meghan Kelly  
 Annabel Khouri  
 Kimberly Wolfe  
 Sarah King  
 Susanna Kittredge  
 Dr. Susan Klyber  
 Charles Kollasch and Jane  
 Kollasch  
 Shantell Kovacic  
 Ila-Jean Kragthorpe and  
 Ron Kragthorpe  
 Beverly Krasner  
 Kurt Kresge  
 Neil Kuslansky  
 Helen Labun Jordan  
 Elizabeth Ladrado  
 Nicole Larsen  
 Sandra C. Larson  
 Lynne R. Lasry and Allen C.  
 Snyder  
 Thomas R. Laube and Lisa  
 S. Laube  
 Gregory S. Lauer and Mai-  
 Tram D. Lauer  
 Matthew Leonardi  
 Boris Leoro  
 Nicole Leppert  
 Abbie Liel  
 Eric Lin  
 Monica Link  
 Michelle Lipszyc  
 Brian Lipszyc  
 Diana Lipszyc  
 Chiyuan Liu  
 Shannen Loscalzo  
 Eddie Lou  
 Steven Lucas and Karen  
 Lucas  
 Petronella Lugemwa  
 Matthew Madsen  
 Jason Maga  
 Amy Magee  
 Benjamin Mahnke  
 Kathryn Mantoan  
 Sara Martinucci  
 Vaughn Massey  
 Julie Mayer  
 Marissa Mayer  
 F McCarthy  
 Cynthia McCleary and  
 Donald McCleary  
 Kate Mccutcheon  
 Susan Mcdonald  
 Erin McElroy  
 Holly McIndoe  
 Scott McKinney  
 Peter McLeod and Anne  
 McLeod  
 Ellen Mcnamara  
 Joan P. McTeer  
 Pedro Meda

Sandi Elaine Medeiros  
 Gail Minehart  
 Joan Mitchell and Daniel  
 Mitchell  
 Brian Moore  
 Timothy Morgan  
 Dori Moudry  
 Rana Uzair Nasim  
 Uri Neren  
 Catherine Newell  
 Victoria Novoselski  
 Suzanna O 'donnell  
 Lorene Oakes  
 Gordon Oakes  
 William O'Keefe  
 Victor Orler  
 Scott Orn  
 Brett Osborne  
 Adrienne Owens  
 Kathryn Palamountain  
 Erika Palumbo  
 Barbara Pappalardo  
 Ricky Patterson  
 Edgar Smith  
 Erika Kreyszig  
 Kelly Masterson  
 Matthew Hess  
 Michael Halper  
 Kathryn Peterson  
 Danielle R. Pickard  
 Noah M. Pines  
 Ronald Plante and Judy  
 Plante  
 Anne Pollack  
 Jeri Queenan  
 Analiza Quiroz  
 Marjorie R. Rahill  
 Mohit Raut  
 Brad Roberts  
 Liesel M. Robson and Lee R.  
 Robson  
 William F. Rosenfeld and  
 Jody B. Ringer  
 Daniel Rous  
 Anne Sarwark  
 Mary Schepp  
 Kent Scholla  
 Eileen Schreiber  
 Louis Schueddig  
 Michael Schueller  
 James Schwarz and Lee  
 Schwarz  
 Zineb Sebti  
 Amine Sebti  
 William T. Seed and  
 Elizabeth D. Smith  
 Arun Sharma  
 Judith And Timothy Shea  
 Susan Sheetz  
 Ngima Y. Sherpa  
 Spencer Sherwin  
 Akshay Shetty  
 Aneesha Shetty  
 Prabha Shetty  
 Usha And Anand Shetty  
 Laura Shimmin  
 Robert Showalter and Carol  
 Showalter  
 Connie Showalter



Edward I. Silverman  
Meena Sirivastava  
Amy Sirot  
Bernard Sisman  
Heather Sivaraman  
Dina Smirnova  
Sandra I. Smith  
Ian Smith  
Catherine Smith  
Robert Smith  
Elizabeth Ivey Smith  
Heather Smith  
Sally L. Snow and Daniel P. Smith  
Mariah Snyder  
Sandy Sondell  
Randi Sorin  
Carla Stanfill

Paul Stohl and Joanne Stohl  
Jonathan Strauss and Sara Strauss  
Verlyn L. Suderman and Julie L. Suderman  
Abdur-rahim Syed  
Larry Szemanski and Tracy Szemanski  
Danielle J. Taimuty  
Bevan Talbott  
Fenton Talbott  
Jaime Taylor  
Kathryn Thompson  
Barbara Thompson  
London Thomson-thurm  
Stefanie Tjaden  
Janet Tollund  
Luca Torre

Anthony Tovar  
Thomas Townsend  
Ivy Tseng  
Ryan Tuohy  
Helen Mary Turek  
Helene J. Turner  
Jin Twilley  
Pamela Van Hoesen  
Chris Van Nostrand  
T Z Van Raalte Jr.  
Barbara F. Vaughn  
Dana Veca  
Laurette Verbinski  
Shweta Vyas  
Lynn Walters  
Nicole Wander  
Daphne Wang

Susan Ward and Sibley Ward III  
Emily Ware  
Edward Wartels  
Penelope J. Wartels and David Wartels  
Connie Wersal-LaVelle and Jeffrey T. Wersal-LaVelle  
Jed And Sharon White  
Amber Williams  
Christopher Wilson  
Michael Witchger and MarySue Witchger  
Walter J. Wolf  
Bruce Wolfram  
Lily (Lori) Wood  
Marilyn Wotring  
Montgomery Zukowski

### Special Acknowledgement

*A special thanks to the following people who have graciously given their time to One Acre Fund*

- The Anderson Family
- Greg Casagrande
- Casten Family
- Keech Combe and Akshay Shetty
- Julie Daniels
- Dev Ghosh
- Echoing Green
- Martin Fisher
- Sarah Forti
- Margaux Hall
- Laura Hattendorf
- Mahri Holt
- Roxanne Hori and Robert Felsenthal
- I Do Foundation
- Dean Dipak Jain
- Annabel Khouri
- Sarah Jeon and Charles McGarraugh
- Miles Lasater
- Pauline Lee
- Richard Leftley
- Brenda McDaniel
- Sam Pilling
- Wally Scott
- Joel Segre
- Chuck Slaughter
- Kevin Starr
- Liz and Shravan Vidyarthi
- Martin and Lora Weinstein
- Scott Whitaker
- Jeanne Wussler
- Joseph, Paul and Teresa Youn
- "The Kellogg Video Team"

### Your Feedback

Your candid feedback matters immensely to us. Please contact us at [justinb@oneacrefund.org](mailto:justinb@oneacrefund.org) with your comments, questions, or suggestions.

## 2008 Financial Results and Management Discussion

To our Donors, Stakeholders, and Colleagues:

2008 was a special year for One Acre Fund, a time of transition for the organization. We attained some remarkable milestones during the calendar year, growing from 600 to 4,000 farm families.

But 2008 was primarily a year where we prepared for growth. In calendar years 2009 and 2010, we will grow our program six-fold, from 4,000 to 25,000 farm families. 2008 was a building year, and you helped us to build with your outpouring of support.

**Revenue:** It was vitally important this year to build a firm asset base to enable our growth campaign. Our donors made that possible, more than doubling your giving from \$860,000 in 2007 to \$2 million in 2008 – led by a tremendous gift from the Pershing Square Foundation. Our farmer revenues increased dramatically as well from \$8,000 in 2007 to over \$150,000 in 2008 – a number we expect to grow very quickly.

**Expenses:** This growth in revenue outpaced our growth in program expenses from \$500,000 in 2007 to \$1 million in 2008. As with last year, the bulk of our expenditures were for purchase and delivery of life-changing farm inputs (36%) and for staff (39%).

**The Future:** We will use the strong financial footing built in 2008 to dramatically expand our programs in 2009 and 2010 – over those two years we plan to grow six-fold from 4,000 to 25,000+ farm families. This rapid growth in program size will continue to rely on a) increases in donor giving, b) rapid growth in earned revenue from our clients, and c) continued improvements in operating efficiency.

In a time of financial duress and economic crisis, our donors rallied together to build a solid financial foundation for enormous growth in the next two years.

Thank You. There are millions of farm families that need our help, and we have only begun.

Sincerely,



Jason Maga  
Treasurer, One Acre Fund

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
One Acre Fund, Inc.

We have audited the accompanying statements of financial position of One Acre Fund, Inc. (an Illinois not-for-profit corporation) as of December 31, 2008 and 2007 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of One Acre Fund, Inc.'s management. 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

We did not observe the physical inventory taken as of December 31, 2008 to verify the quantity of inventory items.

In our opinion, except for the effects on the 2008 financial statements of any adjustments that might have resulted had we been able to observe the physical inventory at December 31, 2008, or to otherwise satisfy ourselves as to quantities at that date, as discussed in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of One Acre Fund as of December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Knutte & Associates, P.C.*

**ONE ACRE FUND, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2008 AND 2007**

**ASSETS**

	<b>2008</b>	<b>2007</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 756,720	\$ 479,040
Cash Reserved for Crop Insurance Fund	500,000	0
Grants Receivable (Net of Allowance for Doubtful Accounts of \$0, Respectively)	500,000	0
Inventory	302,590	0
Prepaid Expenses	24,840	0
<b>TOTAL CURRENT ASSETS</b>	<b>2,084,150</b>	<b>479,040</b>
<b>FIXED ASSETS</b>		
Vehicles	146,773	34,699
Equipment	13,323	2,102
Land	4,952	4,952
	165,048	41,753
Less -- Accumulated Depreciation	19,902	2,775
<b>TOTAL FIXED ASSETS</b>	<b>145,146</b>	<b>38,978</b>
 <b>TOTAL ASSETS</b>	 <b>\$ 2,229,296</b>	 <b>\$ 518,018</b>



**LIABILITIES AND NET ASSETS**

	<b>2008</b>	<b>2007</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 7,265	\$ 24,803
<b>TOTAL CURRENT LIABILITIES</b>	<u>7,265</u>	<u>24,803</u>
<b>LONG TERM LIABILITIES</b>		
Refundable Crop Insurance Funds	500,000	0
Note Payable	100,000	0
<b>TOTAL LONG TERM LIABILITIES</b>	<u>600,000</u>	<u>0</u>
<b>TOTAL LIABILITIES</b>	<u>607,265</u>	<u>24,803</u>
<b>NET ASSETS</b>		
Unrestricted	1,093,031	491,215
Temporarily Restricted	529,000	2,000
<b>TOTAL NET ASSETS</b>	<u>1,622,031</u>	<u>493,215</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 2,229,296</u></u>	<u><u>\$ 518,018</u></u>

See Accompanying Notes To The Financial Statements.

**ONE ACRE FUND, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
<b>PUBLIC SUPPORT AND REVENUES</b>				
Special Event Revenue	\$ 51,811	\$ 0	\$ 0	\$ 51,811
Less: Costs of Direct Benefit to Donors	19,886	0	0	19,886
Net Special Event Revenue	<u>31,925</u>	<u>0</u>	<u>0</u>	<u>31,925</u>
Grants and Donations	1,503,786	535,000	0	2,038,786
Program Fees	158,149	0	0	158,149
Donated Services	60,500	0	0	60,500
Interest	7,852	0	0	7,852
Miscellaneous	3,599	0	0	3,599
Net Assets Released from Restrictions	<u>8,000</u>	<u>(8,000)</u>	<u>0</u>	<u>0</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUES</b>	<u>1,773,811</u>	<u>527,000</u>	<u>0</u>	<u>2,300,811</u>
<b>FUNCTIONAL EXPENSES</b>				
Functional Expenses				
Program Services	1,019,079	0	0	1,019,079
Management and General	100,087	0	0	100,087
Fundraising	34,367	0	0	34,367
Total Functional Expenses	<u>1,153,533</u>	<u>0</u>	<u>0</u>	<u>1,153,533</u>
Remeasurement Loss	<u>18,462</u>	<u>0</u>	<u>0</u>	<u>18,462</u>
<b>TOTAL FUNCTIONAL EXPENSES AND LOSSES</b>	<u>1,171,995</u>	<u>0</u>	<u>0</u>	<u>1,171,995</u>
<b>CHANGE IN NET ASSETS</b>	601,816	527,000	0	1,128,816
<b>NET ASSETS,</b>				
<b>BEGINNING OF YEAR</b>	<u>491,215</u>	<u>2,000</u>	<u>0</u>	<u>493,215</u>
<b>END OF YEAR</b>	<u>\$ 1,093,031</u>	<u>\$ 529,000</u>	<u>\$ 0</u>	<u>\$ 1,622,031</u>

See Accompanying Notes To The Financial Statements.

**ONE ACRE FUND, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<b>PROGRAM SERVICES</b>	<b>MANAGEMENT AND GENERAL</b>	<b>FUNDRAISING</b>	<b>TOTAL</b>
Accounting	\$ 0	\$ 2,000	\$ 0	\$ 2,000
Bank and Credit Card Fees	0	14,482	0	14,482
Business Development	38,737	0	0	38,737
Consulting	14,400	0	0	14,400
Depreciation	17,127	0	0	17,127
Employee Benefits	21,380	2,375	0	23,755
Farming Supplies	295,541	0	0	295,541
Farming Transportation	121,462	0	0	121,462
Farming Warehouse Costs	2,345	0	0	2,345
Insurance	4,307	0	0	4,307
Interest	0	1,777	0	1,777
Legal Fees	0	17,632	0	17,632
Marketing and Promotions	0	0	5,219	5,219
Miscellaneous	1,532	12,260	1,532	15,324
Occupancy	8,980	0	0	8,980
Payroll Taxes	34,394	3,822	0	38,216
Postage and Shipping	0	2,040	0	2,040
Printing and Publications	10,557	0	0	10,557
Recruiting and Training	10,618	0	0	10,618
Salaries and Wages	353,814	39,313	0	393,127
Supplies	10,904	2,726	0	13,630
Technology and Internet	11,845	623	0	12,468
Telephone	19,711	1,037	0	20,748
Travel	41,425	0	27,616	69,041
	<u>\$ 1,019,079</u>	<u>\$ 100,087</u>	<u>\$ 34,367</u>	<u>\$ 1,153,533</u>

**See Accompanying Notes To The Financial Statements.**

**ONE ACRE FUND, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<b>2008</b>	<b>2007</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from Donors and Grantors	\$2,252,345	\$ 878,664
Interest Received	7,852	9,117
Paid to Suppliers and Employees	(1,438,983)	(533,759)
Interest Paid	(1,777)	0
Income Taxes Paid	0	0
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	819,437	354,022
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for Purchase of Property	(123,295)	(40,883)
Proceeds from the Sale of Investments	0	6,201
	<hr/>	<hr/>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(123,295)	(34,682)
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Issuance of Long-Term Debt	100,000	0
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	100,000	0
	<hr/>	<hr/>
Effect of Exchange Rate Changes on Cash	(18,462)	0
	<hr/>	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	777,680	319,340
<b>CASH AND CASH EQUIVALENTS,</b>		
<b>BEGINNING OF YEAR</b>	479,040	159,700
	<hr/>	<hr/>
<b>END OF YEAR</b>	<u>\$1,256,720</u>	<u>\$ 479,040</u>

See Accompanying Notes To The Financial Statements.



**ONE ACRE FUND, INC.  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<b>2008</b>	<b>2007</b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Change in Net Assets	<u>\$ 1,128,816</u>	<u>\$ 334,028</u>
Adjustments to Reconcile Net Cash Provided by Operating Activities:		
Depreciation	17,127	2,688
Donated Investments	0	(6,368)
Realized Loss on Investments	0	167
Remeasurement Loss	18,462	0
Changes in Certain Assets and Liabilities:		
Grants Receivable	(500,000)	0
Inventory	(302,590)	0
Prepaid Expenses	(24,840)	1,725
Accounts Payable	(17,538)	21,782
Refundable Crop Insurance Funds	500,000	0
Total Adjustments	<u>(309,379)</u>	<u>19,994</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 819,437</u></u>	<u><u>\$ 354,022</u></u>

**See Accompanying Notes To The Financial Statements.**

**ONE ACRE FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A) Organization and Nature of Activities

One Acre Fund, Inc. (the Organization) is an Illinois not-for-profit organization that was incorporated in December 2005 and operates primarily in Kenya and Rwanda. The mission of One Acre Fund is to empower chronically hungry farm families in East Africa to lift themselves out of hunger and poverty. The Organization's method is to work through self-help groups in rural villages to deliberately reach the most severely hunger affected.

B) Method of Accounting

The Organization's accounts are maintained on the accrual basis of accounting. Grants and other contributions are reported as temporarily restricted support if they are received with stipulations that limit the use of the funding. When the restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Expenses are recorded when incurred.

The Organization has adopted Statement of Financial Accounting Standards Nos. 116 and 117, "Accounting for Contributions Received and Contributions Made" (SFAS 116) and "Financial Statements of Not-for-Profit Organizations" (SFAS 117). Under SFAS 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under SFAS 117, the Organization is required to report 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. As permitted by the statement, the Organization does not use fund accounting.

C) Accounting Policies

Cash and Cash Equivalents - For purposes of reporting cash flows, cash is defined as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of three months or less are considered short-term for these purposes.

**ONE ACRE FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C) Accounting Policies (Continued)

Grants Receivable - Grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants, contracts, etc. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable. The allowance for doubtful accounts at June 30, 2008 and 2007 is \$0, respectively.

Inventory - Inventory is valued at the lower of cost or market with cost determined on a first-in, first-out (FIFO) basis. Inventories consist of seed and fertilizer for use in the Organization's programs and maize kept for sale.

Fixed Assets - Property and equipment are recorded at cost. Expenditures for repairs and maintenance are charged to expense as incurred, whereas renewals and betterments that extend the lives of property are capitalized. Depreciation is computed on the straight-line method over various useful lives. Depreciation expense for the years ended December 31, 2008 and 2007 amounts to \$17,127 and \$2,688, respectively.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted 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.

Income Taxes - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

**ONE ACRE FUND, INC.  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 2 - CONCENTRATION OF CREDIT RISK**

The Organization has deposits in foreign financial institutions not covered by federal insurance of approximately \$229,000 and \$2,000 at December 31, 2008 and 2007, respectively. The Organization also has deposits in domestic financial institutions in excess of FDIC insurance limits of approximately \$656,000 and \$187,000 at December 31, 2008 and 2007, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**NOTE 3 - CASH RECEIVED FOR CROP INSURANCE FUND**

In December, 2008 the Organization received \$500,000 of refundable advances for the establishment of an endowment fund for the Organization's harvest insurance programs. The entity providing these funds has placed certain restrictions and has reserved the right to withdraw these funds from One Acre Fund and redirect them to another charitable organization after the earlier of five years or the occurrence of certain events.

The term endowment agreement provides that the principal, along with all premiums received under the Organization's harvest insurance programs be invested in a restricted designated fund account, from which payments to farmers can be made under specified insurance events. No such events requiring payments had occurred for the year ended December 31, 2008. As of December 31, 2008 the fund's balance is \$500,000 and is fully invested in a money market account.

**NOTE 4 - NOTE PAYABLE**

Notes payable consist of the following at December 31:

	<b>2008</b>	<b>2007</b>
Note payable of \$100,000 to FJC, secured by the balance in the crop interest fund account, with floating interest of prime plus three percent, payable semi-annually, starting July 31, 2008. The principal is due February 28, 2010.	100,000	0
Total Debt	100,000	0
Less - Current Portion	0	0
Total Long-Term Portion	\$ 100,000	\$ 0

Future maturities of long-term debt are as follows:

Year Ending December 31, 2010 \$ 100,000



**ONE ACRE FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 5 - FUNCTIONAL CURRENCY, EXCHANGE RATES AND CURRENCY EXPOSURE**

Given the dominant role of the US currency in the funding of the Organization's programs, the US dollar is considered the Organization's functional currency.

The Organization regularly transfers cash from its domestic accounts to its foreign accounts to cover expenses, translating its foreign transactions into U.S. dollars using a weighted average exchange rate. In any particular year, currency fluctuations may have a significant impact on the Organization's financial results.

The Organization has deposits in foreign financial institutions denominated in the local currencies of Kenya, Rwanda and Uganda. This results in an accounting exposure to exchange gains and losses as the financial assets and liabilities are remeasured into US Dollars. These exchange gains and losses are recorded in the Organization's Statements of Activities.

**NOTE 6 - NET ASSET RESTRICTIONS**

Net assets are temporarily restricted for the following purposes at December 31:

	<b>2008</b>	<b>2007</b>
Farm Input Loans	500,000	0
Children Health Program	6,000	2,000
Webuye District	23,000	0
Total Restricted Net Assets	<u>\$ 529,000</u>	<u>\$ 2,000</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors during the years ended December 31:

	<b>2008</b>	<b>2007</b>
Purpose Restriction Accomplished:		
Children Health Program	\$ 6,000	\$ 2,000
Webuye District	2,000	0
Total Restrictions Released	<u>\$ 8,000</u>	<u>\$ 2,000</u>

**ONE ACRE FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 7 - IN-KIND DONATIONS**

The Organization received a donation of 108 shares of Harding Loevner Funds Inc. mutual funds with a value of \$6,368 on November 29, 2007. The Organization sold the shares on December 28, 2007 for \$6,201 and recognized a loss of \$167.

**NOTE 8 - DONATED SERVICES**

Donated services are recognized as in-kind revenues at their estimated fair value when they create or enhance nonfinancial assets or they require specialized skills which would need to be purchased if they were not donated. For the years ended December 31, 2008 and 2007, donated services amount to \$60,500 and \$4,000, respectively, and are reflected in the statements of activities as donated services revenue and in the statements of functional expenses as salaries and wages and legal expenses. The Organization received other donated services which have not been recorded because the criteria for recognition of such volunteer effort under SFAS No. 116 has not been satisfied.

**NOTE 9 - LEASE COMMITMENTS**

The Organization leases office space as well as housing for its workforce in Africa under multiple operating leases expiring on various dates through May, 2011. In addition, the Organization leases storage spaces for crops under multiple operating leases expiring on various dates through December, 2011. The Organization also leases trial plots of land used for testing of new crops, fertilizer, seeds and betterment of farming practices under multiple operating leases expiring on various dates through February 2009. Total rent expense under all leases is \$17,515 and \$2,764, for the years ended December 31, 2008 and 2007, respectively.

Minimum future rental payments are as follows:

For the year ended December 31, 2009	\$	3,902
2010		1,854
2011		680
		<hr/>
	\$	<u>6,436</u>