One Acre Fund

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

Spring 2009 Performance Report
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

**How Many People Did We Reach?**

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

**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?**

<table>
<thead>
<tr>
<th></th>
<th>Previous</th>
<th>New goal</th>
<th>Actual</th>
<th>Rating</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased size of harvest (year-on-year)</td>
<td>3x</td>
<td>3x</td>
<td>3x</td>
<td>++</td>
<td>Raw harvest increased by 3x (estimate)</td>
</tr>
<tr>
<td>Increase in farm income (year-on-year)</td>
<td>2x</td>
<td>2x</td>
<td>2x</td>
<td>++</td>
<td>Farm income increased by 2x, after program repayment (estimate)</td>
</tr>
<tr>
<td>Reduction in child death rate</td>
<td>80%</td>
<td>50%</td>
<td>50%</td>
<td>++</td>
<td>We estimate a ½ reduction in child deaths, based on a sample survey</td>
</tr>
</tbody>
</table>

**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?**

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

**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.
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.
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.

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.

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:

1. Create a 100% gain in farm income and a 50% reduction in child deaths
2. For 25,000 families
3. 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

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scale</td>
<td>600 families</td>
<td>3,500 families</td>
<td>12,000 families</td>
<td>25,000 families</td>
</tr>
<tr>
<td>Impact</td>
<td>100% average gain in farm income</td>
<td>100% average gain in farm income</td>
<td>100% average gain in farm income</td>
<td>100% average gain in farm income</td>
</tr>
<tr>
<td>Financial sustainability</td>
<td>15% cost recovery on field programs</td>
<td>30% cost recovery on field programs</td>
<td>50% cost recovery on field programs</td>
<td>70% cost recovery on field programs</td>
</tr>
</tbody>
</table>

... 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.

<table>
<thead>
<tr>
<th>Metrics</th>
<th>As of 10-31-08</th>
<th>As of 4-30-09</th>
<th>Percent growth, last six months</th>
</tr>
</thead>
<tbody>
<tr>
<td># Unique Donors</td>
<td>1,640</td>
<td>1,858</td>
<td>13%</td>
</tr>
<tr>
<td># Investment Council Members</td>
<td>756</td>
<td>804</td>
<td>6%</td>
</tr>
<tr>
<td># Staff Members</td>
<td>145</td>
<td>205</td>
<td>41%</td>
</tr>
</tbody>
</table>

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. Pohlad
- 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 Laster
- 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
Hirotake Abe
Amy Abeling
Chris Addy
Dorothy F. Adkins
Femi Akinrebiyo
Jody L. Alberto and
John P. Alberto
Robert Albright
Young An
Paul Anderson and
Karen Anderson
Carol H. Anderson and
Michael J. Anderson
Hans Anderson
Mark Anderson
Mary Andrews
Dheeraj Anja
Julia And Lany
Antonatos
Selamawi Asgedom
Carolyn Ashley
Christopher Ashley
Mary Jane Auerbacher
Eugene Auh
Avon Lake Presbyterian
Church
Jian Bao
Katherine Barba
Joy Barbre
Amy Barrett
Thomas Joseph Barrett
and Analisa Marie
Barrett
Ryan Barrows
Max Barry
Brennen Barthelemy
Tiemeys Bates
Amy Bates and Ben
Markham
Kenneth Baumann
Alfred Baumegger
Derek Beaty
Alan Becker
Tracy Bedwell
Annette Bell
Ethan Bellamy and
Margot Bellamy
Alan L. Beller and Leslie
L Beller
Ben and Kim Olds
Aner Ben-am
William Bennett
Brandon A. Benson
Greg Benz
Gail Berardino
Thomas Bergstrom
Robert Bergstrom
Tiffany Bemal
Sharad Bhargava
John Bigda
Janine Bisharat
BK International
Insurance Brokers Ltd.
Erin Blake
David Blanchard
Christina Blodgett
Joyce Blume
Mary Bolton
Jessica Bonjomi
Antoine Borde
Giancarlo Borongovi
Katherine Brittain
Bradley
Gloria Brainsby and
Benjamin Brainsby
John Brand
Jacob Brauner
Kristie And Eben Breed
Dave Britton
Donna K. Brooks
John Brothers
Noah Brown
Ticia Brown-burgess
Scott Browne
Maureen Brudzinski
Gloria Brusoski
Dan Bubb
Steven Bull
Brett Burgess
Charles Burhans
Justin Burt
Greg and Rita
Bustamante
Robert Donna Bynes
Christopher Cahill
Clinton Campbell
Bryan Campbell
Jean Capizzi
Thomas Carey
Lynda Carpenter
Jule Carrier
Rachel Carter
Bemadette Cascio
Barbara Case
Bill Cassano
Carol Cassia
Sean Casten and Kara
Casten
Gillian Casten
David Cavanaugh
Allie Cecich
Chris Cerf
Amy Chan
Michael Chandler
M Yvonne Chao
James Chasl
Hendrik Chasse
Andy Cheek
Margaret Cheinin
Leslie Davis and Gregory
White Family Fund
B.J. Chimenti
Jennifer Chin
Jennifer Chiu
Hyung Joon Cho
Lynn Chodos
Elizabeth Choe
Andrew Choquette
Katherine Lei Choy
Christ Episcopal Church
General Fund
Christ Episcopal Church
Thrift Shop
C E Christopher
Serena Chu
Benjamin J. Chuba
Leonard Chung
Edward Chung
Church of Corpus Christi
Maryanne Ciccone
Katie Ciccone
Maya Clem
Kimberly Coday
Celeste Colson
Jim Colton and Sue
Colton
Combe Family
Cameron Combe
Tracie Conn
Ryan Cooper
Adrian Coppel Calvo
Sara Cotter
Terry H. Coyne
Kenneth Crea
Lesley Crosby
Ashley Crossan
Michael Cygan
Joe Danon
Jerome S. Darby and
Lora L. Darby
Michelle Dargan
Natasha Davidson
Katarina Dvos
John De Planque
Craig Delpaur
Gilles Dellhaert
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Diane S. DeMain
Kimberly Demaio
Laura DeMay
Willis Deming
Jodi Dent and Dave
Dent
Lawrence Detmer
Fran Dicappari
Scott Dilloff
Mans Domadina (Hans)
Don Newcomb
Otten Family Trust Fund
Roger And Shloe
Donoghue
Kristen Dorty
Nicole Dom and Kevin
Dom
William Dowd
BARRY MERKIN
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ROBERT AND SALLY MICHLER
POOJA MIDHA
RAJ MIDHA
LAUREN MIKULSKI
MATTEO MILANO
MATT MILANO
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JASON MILLER
SUSANA MINKALIS
PETE MITCHELL
MICHIEL MEOLLENTINE
JENNIFER MOO
KEVIN MOLE
MARTHA MONTAGUE
STEPHEN MOORE AND
CAROLYN PRAZENKA
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MICAH MURPHY
ANDREW MURRAY
BARIN NAHVI
SARAH NASH
EUGENE NATALI J R
JULIA NAVARRE
JOSHUA NEIMAN
KATHERINE NELSON
KEITH NELSON
JOANN RIBNER
SANDRA NEREN
DAVID NEVILLE
KEY CLUB INTERNATIONAL,
WARREN HILLS SCHOOL
DISTRICT
ROBERT NEWMAN AND
DEBORA NEWMAN
ANNE NICOLAYEN
ALANNA NIELSEN
KAI-LUNG NIEN
HILARY NINDORF
RAYMOND NOBLE AND
COMELIA WAREHAM
SAMANTHA NOBLES
PRITHVI NOBUTH
CLINT NOHAVEC
NORTHEM TRUST
INVESTMENTS, INC
NORTHEASTERN UNIVERSITY
J OHLNETTA NUT
PAMELA NYGREN
BRIAN O’MALEY
MAUREEN O’NEILL
STEVE OBER
BRAD ODELL
GWYNETH ODONNELL
EPHRAH OGER
CLAIRE OGILVIE
EMILY OGRADY
DANIEL O’MALLEY
WENDY OMEARA
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KEIKO ONO
NATHAN OPPEDAL
LOI OPHAL
VIC AND PATTY ORLER
VICTOR ORPHAN
KAREN J. OSLO
MICHAEL L. OVERTON
KAREN PACILLI
JEANNIE PEA
KARA PALAMOUNTAIN
ROBERT PALLOTTA AND JULIE
A. PALLIOT
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CAROLYN PANNING
CHRISTOS PAPAKOS
JOSEPH PAPPALARDO
ROBERT PARFET
BRITTANY PARRIL
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JOSEPH A. PASQUINELLI
STEPHEN PAWELSKI
ERIN PELLETIER
GAIL PERLOW
AVINASH ARN
CLAYTON YOUNG
COURTNEY LEONARDO
ILKKA ANHAVA
JEANNE ROSEN
JEFF BREAM
JILL SKOUSEN
JOELLE DELLIS
JOHN DE RAIMO
LARRY ACKMAN
MATT STONE
PHILIP EKUS
RONNIE ACKMAN
SHANE DINEEN
TOM GOFF
TIFANIE PETERS
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MIONE PETIOT
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DOUGLAS RICHARDSON
JOSEPH RIEHL
BARBARA RITCHIE
HELEN RO
ALICIA ROBB
JULIE ROBERTS
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JAMES ROBERTS
CINDY ROHDE AND DANIEL
ROHDE
DANIEL ROITER
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ROB RUJSSSENAARS
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CARME AND TIM SELNER
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ABBY SENSEBAUGH
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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
Guilheme Silva
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Alok Sindher
Heidi Singhas
J. Matthew Singleton and Kathryn Singleton
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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 Sridhi
Greg Stace
Kevin Starr
Sarah Stein
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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. Tiemey
Robert Todd
David Tombback
Senoe Torgerson
Lois Torvik
Louise A. Town
Aviva Tropp
Roger Tsai
Andrew E. Tuck
Thomas J. Turck and Susan Itzkowitz
Patty Tushie
Alice Tybout
Shigenu Uehara
Pimpin Ulmann
Abhi Uppal
Helen Upton
Renee Valois
Birch and Galen Burghardt
Maria Vasílakís
Ella Vassallo
Rajan Vatsaessery
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 Windfeldt
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
Lilbibeth Albino
Armando Alonso
Teresa Asper Anderson and
Joel Peter Anderson
Margaret Androu
Lori Anger and Tom Anger
David Ashley
John R. Bamey
Michele Bany and Tim Bany
Michael Bates and Kathy
Bates
James Belling
Jon Bernstein
Pamela Bitteman and
Pamela Bitteman
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 Byan
Norton Byer
Jeffrey Byean
David Byerly
Tim Cahill
Stephen Carlson
Damen 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 Corbran
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
Sinecon Dennen
Pumma And Raghu
Deshpande
Jay Deutsch and Bonnie
Deutsch
Kimberly Doyle
Kirsten Eckdahl-Hull
Margaret Ellingson and
Stephen Ellingson
Mary K. Elm and Richard L.
Elm
Almir Ernso and Heidi Emso
Chastie Euler
John Clark Fager
Mark Feddersen
Rebecca Fein
Joan D. Ferrari
Jen Field
Andra Fischgrund
Eric Forti
Matthew Frazer
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 Grinberg
Elizabeth Greenberg
Linnea Grim
Laird Groody
Charles Grosso and
Kathleen Grosso
Matthew Hajd and Mary
Hajd
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
Grethen Hoffman Naylor
Mike Holleman
Patricia Holt
Mark Honoroff
Ly Hotchklin
Sewon Hur
S. Hyon
Charity J. Imbrie
Eric Jackson
Shutija
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 Krathorpe and
Ron Krathorpe
Beverly Kraser
Kurt Krege
Neil Kusiansky
Helen Labun Jordan
Elizabeth Ladrido
Nicole Larsen
Sandra C. Larson
Lynne R. Lasy and Allen C.
Snyder
Thomas R. Laupe and Lisa
S. Laupe
Gregory S. Laufer and Mai-
Tram D. Laufer
Matthew Leonardi
Boris Leoro
Nicole Leppert
Abbie Lieb
Eric Lin
Monica Link
Michelle Lipsycz
Brian Lipsycz
Diana Lipsycz
Chuyuan Liu
Shannon Luego
Eddie Lou
Steven Lucas and Karen
Lucas
Petronella Lugemwa
Matthew Madsen
Jason Maga
Amy Magee
Benjamin Mahnke
Kathy Mantlkan
Sara Martnucii
Vaughn Massey
Julie Mayer
Marissa Mayer
F McCarthy
Cynthia McLeary and
Donald McCleary
Kate McCutcheon
Susan McElroy
Holly McIndoe
Scott McKinney
Peter McLeod and Anne
McLeod
Elien Mcnamara
Joan P. McTeer
Pedro Meda
Sandi Elaine Medeiros
Gail Minehart
Joan Mitchell and Daniel
Mitchell
Brian Moore
Timothy Morgan
Doni Moudry
Rana Uzair Nasim
Uri Neren
Catherine Newell
Victoria Novoselski
Susanna O’donnell
Lorene Oakes
Gordon Oakes
William O’Keefe
Victor Oler
Scott Orr
Brett Osborne
Adrienne Owens
Kathryn Palamountain
Erika Palumbo
Barbara Pappalardo
Ricky Patterson
Edgar Smith
Erika Kreysig
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
Leslie M. Robson and Lee R.
Robson
William F. Rosenfeld and
Jody B. Winger
Daniel Rous
Anne Sarwark
Mary Schepp
Kend Scholla
Eileen Schreiber
Louis Schueddig
Michael Schueller
James Schwarz and Lee
Schwarz
Zheb Sebit
Amine Sebit
William T. Seed and
Elizabeth D. Smith
Arun Shaha
Judit And Timothy Shea
Susan Sheetz
Ngima Y. Shepa
Spercush Sherwin
Akshay Shetty
Aneesha Shetty
Prabha Shetty
Usha And Anand Shetty
Linda Shwin
Robert Showalter and Carol
Showalter
Connie Showalter
Edward I. Silverman  
Meena Srivastava  
Amy Sirot  
Bemard Sisman  
Heather Svaraman  
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  
Lary 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 Townsends  
Ivy Tseng  
Ryan Tuohy  
Helen Mary Turek  
Helene J. Tumer  
Jin Twilley  
Pamela Van Hoesen  
Chris Van Nostrand  
TZ 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 Wersai-LaVelle and Jeffrey T. Wersai-LaVelle  
Jed And Sharon White  
Amber Williams  
Christopher Wilson  
Michael Witchger and Mary Sue 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 McGarragh  

- Miles Lasater  
- Pauline Lee  
- Richard Leftley  
- Brenda McDaniel  
- Sam Pilling  
- Wally Scott  
- Joel Segre  
- Chuck Slaughter  
- Kevin Starr  
- Liz and Shravan Vidyarthi  
- Martin and Lara 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 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.

July 21, 2009
# ONE ACRE FUND, INC.

## STATEMENTS OF FINANCIAL POSITION

### DECEMBER 31, 2008 AND 2007

## ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$756,720</td>
<td>$479,040</td>
</tr>
<tr>
<td>Cash Reserved for Crop Insurance Fund</td>
<td>500,000</td>
<td>0</td>
</tr>
<tr>
<td>Grants Receivable (Net of Allowance for Doubtful Accounts of $0, Respectively)</td>
<td>500,000</td>
<td>0</td>
</tr>
<tr>
<td>Inventory</td>
<td>302,590</td>
<td>0</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>24,840</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>2,084,150</td>
<td>479,040</td>
</tr>
</tbody>
</table>

| **FIXED ASSETS**     |            |            |
| Vehicles             | 146,773    | 34,699     |
| Equipment            | 13,323     | 2,102      |
| Land                 | 4,952      | 4,952      |
| **TOTAL FIXED ASSETS** | 165,048    | 41,753     |
| Less -- Accumulated Depreciation | 19,902 | 2,775 | |
| **TOTAL ASSETS**     | $2,229,296 | $518,018   |
## LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$7,265</td>
<td>$24,803</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td>7,265</td>
<td>24,803</td>
</tr>
<tr>
<td><strong>LONG TERM LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refundable Crop Insurance Funds</td>
<td>500,000</td>
<td>0</td>
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<tr>
<td>Note Payable</td>
<td>100,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL LONG TERM LIABILITIES</strong></td>
<td>600,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>607,265</td>
<td>24,803</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>1,093,031</td>
<td>491,215</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>529,000</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td>1,622,031</td>
<td>493,215</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND NET ASSETS** | $2,229,296 | $518,018

See Accompanying Notes To The Financial Statements.
# ONE ACRE FUND, INC.
## STATEMENT OF ACTIVITIES
### FOR THE YEAR ENDED DECEMBER 31, 2008

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

See Accompanying Notes To The Financial Statements.
### ONE ACRE FUND, INC.

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2008**

<table>
<thead>
<tr>
<th></th>
<th>PROGRAM SERVICES</th>
<th>MANAGEMENT AND GENERAL</th>
<th>FUNDRAISING</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting</td>
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<td>$2,000</td>
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<td>Bank and Credit Card Fees</td>
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<tr>
<td>Business Development</td>
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<tr>
<td>Consulting</td>
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<tr>
<td>Depreciation</td>
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<td>17,127</td>
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<tr>
<td>Employee Benefits</td>
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<tr>
<td>Farming Supplies</td>
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<td>295,541</td>
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<tr>
<td>Farming Transportation</td>
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<tr>
<td>Farming Warehouse Costs</td>
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<tr>
<td>Insurance</td>
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<tr>
<td>Legal Fees</td>
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<tr>
<td>Marketing and Promotions</td>
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<tr>
<td>Miscellaneous</td>
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<td>15,324</td>
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<td>Occupancy</td>
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<td>Payroll Taxes</td>
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<td>Printing and Publications</td>
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<td>10,557</td>
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<tr>
<td>Recruiting and Training</td>
<td>10,618</td>
<td>0</td>
<td>0</td>
<td>10,618</td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>353,814</td>
<td>39,313</td>
<td>0</td>
<td>393,127</td>
</tr>
<tr>
<td>Supplies</td>
<td>10,904</td>
<td>2,726</td>
<td>0</td>
<td>13,630</td>
</tr>
<tr>
<td>Technology and Internet</td>
<td>11,845</td>
<td>623</td>
<td>0</td>
<td>12,468</td>
</tr>
<tr>
<td>Telephone</td>
<td>19,711</td>
<td>1,037</td>
<td>0</td>
<td>20,748</td>
</tr>
<tr>
<td>Travel</td>
<td>41,425</td>
<td>0</td>
<td>27,616</td>
<td>69,041</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,019,079</strong></td>
<td><strong>$100,087</strong></td>
<td><strong>$34,367</strong></td>
<td><strong>$1,153,533</strong></td>
</tr>
</tbody>
</table>

See Accompanying Notes To The Financial Statements.
### Statements of Cash Flows

**For The Years Ended December 31, 2008 And 2007**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows From Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received from Donors and Grantors</td>
<td>$2,252,345</td>
<td>$ 878,664</td>
</tr>
<tr>
<td>Interest Received</td>
<td>7,852</td>
<td>9,117</td>
</tr>
<tr>
<td>Paid to Suppliers and Employees</td>
<td>(1,438,983)</td>
<td>(533,759)</td>
</tr>
<tr>
<td>Interest Paid</td>
<td>(1,777)</td>
<td>0</td>
</tr>
<tr>
<td>Income Taxes Paid</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net Cash Provided By Operating Activities</strong></td>
<td>819,437</td>
<td>354,022</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows From Investing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for Purchase of Property</td>
<td>(123,295)</td>
<td>(40,883)</td>
</tr>
<tr>
<td>Proceeds from the Sale of Investments</td>
<td>0</td>
<td>6,201</td>
</tr>
<tr>
<td><strong>Net Cash Used In Investing Activities</strong></td>
<td>(123,295)</td>
<td>(34,682)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows From Financing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from Issuance of Long-Term Debt</td>
<td>100,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net Cash Provided By Financing Activities</strong></td>
<td>100,000</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect of Exchange Rate Changes on Cash</td>
<td>(18,462)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net Increase In Cash And Cash Equivalents</strong></td>
<td>777,680</td>
<td>319,340</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash And Cash Equivalents,</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Beginning Of Year</strong></td>
<td>479,040</td>
<td>159,700</td>
</tr>
<tr>
<td><strong>End Of Year</strong></td>
<td>$1,256,720</td>
<td>$ 479,040</td>
</tr>
</tbody>
</table>

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

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

See Accompanying Notes To The Financial Statements.
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.
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.
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:

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

Future maturities of long-term debt are as follows:

| Year Ending December 31, 2010 | $ 100,000 |
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:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm Input Loans</td>
<td>500,000</td>
<td>0</td>
</tr>
<tr>
<td>Children Health Program</td>
<td>6,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Webuye District</td>
<td>23,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Restricted Net Assets</strong></td>
<td><strong>$ 529,000</strong></td>
<td><strong>$ 2,000</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose Restriction Accomplished:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children Health Program</td>
<td>$ 6,000</td>
<td>$ 2,000</td>
</tr>
<tr>
<td>Webuye District</td>
<td>2,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Restrictions Released</strong></td>
<td><strong>$ 8,000</strong></td>
<td><strong>$ 2,000</strong></td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Year</th>
<th>Lease Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the year ended</td>
<td></td>
</tr>
<tr>
<td>December 31, 2009</td>
<td>$3,902</td>
</tr>
<tr>
<td>2010</td>
<td>1,854</td>
</tr>
<tr>
<td>2011</td>
<td>680</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6,436</strong></td>
</tr>
</tbody>
</table>