

One Acre Fund

Management Income Statement

2013 FY

Actual

Explanation of key line items

Field Operations	
Key Business Drivers	
# Farmers served	130,400
Field Revenue	
1. Repayment revenue accrued at planting	9,580,930
2. Less allowance for doubtful accounts	(215,699)
Net Repayment Revenue	9,365,231
Field Expenses	
Fertilizer	(4,497,410)
Seed	(793,086)
Other Core Input (primarily Solar lights)	(1,530,659)
COGS for Core products	(6,821,155)
Less Associated Expenses	
Other farm inputs (crop insurance, transport, storage)	(2,323,260)
Field labor	(4,259,095)
Acceleration Field Support	(840,135)
Overhead/ admin	(1,603,391)
Total Associated Expenses	(9,025,881)
1. NET FIELD OPERATION CONTRIBUTION	(6,481,805)
Government Fertilizer Partnerships	
Revenues	5,525,882
COGS	(4,546,227)
Staff, program, and expat support	<i>Not estimated</i>
2. NET GOVERNMENT FERTILIZER PARTNERSHIP CONTRIBUTION	979,655
1 + 2 = NET OPERATING LOSS	(5,502,149)
<i>Donor subsidy required per farmer</i>	<i>(42.19)</i>
<i>Program Sustainability</i>	<i>73.0%</i>
Corporate Operations	
3. TOTAL CASH DONATIONS RECEIVED	19,725,409
Acceleration Team	
Core model systematization and innovation	(846,747)
Field infrastructure innovation (software, logistics, finance)	(1,155,519)
Research & Development	(968,208)
New country development	(588,121)
Total Acceleration Team	(3,558,596)
Exploratory Programs	
Other Government Partnerships (training, market stimulation, etc)	(593,588)
Field-Building (ag policy, ag research, farm microfinance, etc.)	(65,954)
Total Exploratory Programs	(659,542)
Shared Services	
Monitoring & Evaluation	(1,524,181)
Development team (fully loaded)	(605,408)
Support Departments (Comms, US Ops and Executive)	(529,948)
People Operations and Finance	(394,870)
Grants to Outside Organizations	(100,000)
Other (largely MLND in 2013)	(541,988)
Total Shared Services	(3,696,394)
4. TOTAL CORPORATE EXPENSES	(7,914,532)
3 + 4 = Cash Contribution of Corporate Activities	11,810,877
Remeasurement Loss	(390,133)
SUMMARY FIGURES	
Total Field and Fertilizer Partnership Revenues	14,891,113
Total Field Expenses	(20,393,263)
Total Fundraising Cash	19,725,409
Total Corporate Expenses	(7,914,532)
Estimated Remeasurement Loss	(390,133)
Net Income - Cash Basis for Donations	5,918,594
FYI: Less deposits to Permanent Fund	(3,967,310)
FYI: Net Income from Business Operations	1,951,284
(+) Future periods of multi-year grants	5,344,974
(-) Releases of prior period grants	(4,474,094)
(+) Deposits to Permanent Fund	3,967,310
Net Income - GAAP Basis (Change in Net Assets)	6,789,475

The first section of our P&L is Field Operations - all revenues and expenses associated with serving existing farmers in this year

Number of farmers directly reached with One Acre Fund full bundle

Recognized when farm inputs (seed, fertilizer, etc.) are delivered to farmers.

Because payment from farmers mostly occurs in future quarters, we book a small allowance for doubtful accounts to recognize the risk of non-repayment.

Fertilizer	(4,497,410)
Seed	(793,086)
Other Core Input (primarily Solar lights)	(1,530,659)
COGS for Core products	(6,821,155)

Field team (local nationals) market our program, enroll clients, deliver trainings, and collect repayment

We include the portion of international staff support directly related to running our field operation (e.g., advising our Field Directors, running financial systems)

Marketing, office, fuel/vehicle, supplies, HQ, etc. to run our field program

1. NET FIELD OPERATION CONTRIBUTION (6,481,805)

One Acre Fund imports and distributes fertilizer, and extends credit, to agrodealers in certain countries, who then sell to farmers

Revenues	5,525,882
COGS	(4,546,227)
Staff, program, and expat support	<i>Not estimated</i>
2. NET GOVERNMENT FERTILIZER PARTNERSHIP CONTRIBUTION	979,655

1 + 2 = NET OPERATING LOSS (5,502,149)

Net operating loss in our field program per direct farmer reached

Proportion of all 'field operation' costs above that are covered by 'field operation' revenues above

The second section of our P&L is our Corporate Operations - donations raised and expenses unrelated to directly serving existing farmers in the current year

Acceleration team represents our Africa-based international staff that support program innovation and scaling, rather than direct service to farmers

Records operating protocols and tests innovations to how we scale and operate our core model (e.g., mobile repayment, farmer incentives)

Portion of infrastructure costs related to improving existing systems (e.g., enabling longitudinal data tracking in our customer roster)

Identifies and trials life-improving technologies (e.g., new crops, clean energy products) to determine how/whether to roll-out to our farmers

Scouts and runs small trials in potential new countries of operation

Other Government Partnerships (training, market stimulation, etc)	(593,588)
Field-Building (ag policy, ag research, farm microfinance, etc.)	(65,954)
Total Exploratory Programs	(659,542)

Government partnerships in nationwide training and market facilitation (e.g., increasing supply and demand of hybrid seed)

Efforts to ignite farm finance movement largely through dissemination; plus ag research dissemination and ag policy work in operational countries and globally

Monitoring & Evaluation	(1,524,181)
Development team (fully loaded)	(605,408)
Support Departments (Comms, US Ops and Executive)	(529,948)
People Operations and Finance	(394,870)
Grants to Outside Organizations	(100,000)
Other (largely MLND in 2013)	(541,988)
Total Shared Services	(3,696,394)

4. TOTAL CORPORATE EXPENSES (7,914,532)

3 + 4 = Cash Contribution of Corporate Activities 11,810,877

Losses related to unfavorable movements in foreign currencies relative to the US dollar

= Net Operating Loss (Field Operation) + Cash Contribution of Corporate Activities (Corporate Operation) + Estimated Remeasurement Loss

Current year donations that were earmarked by donors to our "Permanent Fund" that makes seed and fertilizer loans to farmers

Portions of Multi-Year Grants which have been committed, but not yet received, are included in current revenue on a GAAP basis.

Portions of previously committed Multi-Year Grants received as cash in the current year were previously recognized on a GAAP basis

GAAP would still recognize donations earmarked for seed and fertilizer loan fund as regular donations