

ONE ACRE FUND

2015 FY Income Statement	USD	Actual
Core Program - One Acre Fund direct services		
# Farmers served		305,400
# Full-Time staff		4,100
Farmer revenue		22,588,846
Less Inputs (seed, fertilizer, solar lamps, etc.)		(15,546,351)
Allowance for doubtful accounts		(142,955)
Associated costs (crop insurance, transport, storage, interest)		(1,866,362)
Field operations costs (primarily salaries)		(7,425,634)
Program support (primarily HQ costs, marketing and support depts.)		(3,450,904)
Acceleration team support		(2,356,193)
Core Program total		(8,199,553)
Systems Change – One Acre Fund for countries		
Revenues (primarily farm input sales to agro-dealers)		6,876,501
Farm input costs		(5,509,889)
Associated costs (transport, storage, allowance, interest)		(487,034)
Support staff, program and acceleration support for input sales		(746,616)
Farm Input Sales Total		132,962
Other partnership implementation		(2,452,868)
Systems Change total		(2,319,906)
Total Revenue: Core Program + Farm Input Sales		29,465,346
Total Expenses: Core Program + Farm Input Sales		(37,531,938)
% sustainability of revenue-generating field operations		78.5%
Field-Building		
Farm microfinance (currently funded by MasterCard Foundation)		(219,837)
Government Relations		(1,370,192)
Agriculture policy and thought leadership		(364,196)
Field-Building total		(1,954,225)
Acceleration		
Product and service R&D (currently funded by Gates Foundation)		(3,234,475)
New country scouting and piloting		(2,642,128)
Scale innovation		(986,662)
Global ops and systems innovation		(1,195,570)
Core model innovation and expansion		(1,086,696)
Strategy and Research		(701,120)
Acceleration Team total		(9,846,651)
Shared Services		
People Operations & Finance		(3,830,234)
Monitoring & Evaluation		(1,734,044)
Supporting departments (Executive, gov't relations, US ops)		(1,000,054)
Fund development		(1,243,085)
Shared Services total		(7,807,417)
Remeasurement loss		(439,917)
Cash Donations		
Grants		39,651,428
Total Revenue		69,116,774
Total Expenses		(60,033,015)
Net		9,083,759
Less deposits to Permanent Fund		6,109,382
Net Income from One Acre Fund Operations		2,974,377
Audit Reconciliation		
(+) Add back in deposits to Permanent Fund		6,109,382
(+) Future periods of multi-year grants		8,784,236
(-) Releases of prior period grants		6,025,243
Net Income (GAAP basis for gifts)		11,842,751

LINE ITEM DESCRIPTIONS
Overview: This is our full bundle direct service program that delivers quality inputs to farmers on credit and does training
>> We recognize repayment revenue and input costs (cost of goods sold) when inputs are delivered to farmers.
>> Because repayment largely occurs in future quarters, we book a small allowance to recognize non-repayment risk.
>> Field staff (local nationals) market our program, enroll clients, deliver trainings, and collect repayment
>> Represents non-field staffs' time on core program activities (e.g., advising Field Directors, running financial systems).
Overview: This unit implements core program components (e.g., inputs only, training only, hybrid seed demand stimulation only) across whole countries or sub regions in partnership with others (typically government agriculture ministries)
>> Through contracts with African gov'ts (currently Rwanda and Burundi), One Acre Fund imports and distributes fertilizer, and extends credit, to agrodealers (mom and pop retail shops) in certain territories of the country, who then sell to farmers
>> Other partnership types, such as disseminating training curriculum through volunteer farmer promoters in Rwanda, and stimulating demand for hybrid maize seed in Tanzania through demo plots and coupons
>> Portion of field costs covered by farmer and agro-dealer repayments
Overview: Field Building is our work to influence key global and country ecosystem actors, and the general public, in ways that benefit farmers
>> Knowledge-sharing, convening, and operational partnership activities to facilitate MFIs to more effectively provide rural finance
>> Work with African governments to shape and implement policy decisions that strengthen agricultural ecosystems
>> Work with key global actors to shape and implement policy decisions, plus strategic communications to the public
Overview: Activities that contribute to the future scale, impact, and financial sustainability of the other business units
>> Team that identifies, trials, and ultimately rolls-out life-improving technologies (e.g., new crops, cookstoves) to our farmers
>> Team that scouts and runs pilots in high potential countries. [2016 reduction driven by Uganda/Malawi shift to core program].
>> Team that identifies, trials, and roll-outs strategies to increase market penetration, transaction size, and other dimensions of scalability
>> Team that innovates on the technology and financial systems that underpin our work
>> Teams that innovate to improve the efficiency and effectiveness of key global operations, such as inputs procurement and infrastructure
>> Team that conducts high-quality research and analytics to support other departments
Overview: Administrative functions that provide people, resources, measurement and finance support, etc. to run our other departments
>> When our operational country currencies depreciate to the U.S. dollar, we generate a loss on net financial assets and net revenues
>> The Permanent fund is a grant pool that is actively used every year to make loans to farmers, and is replenished every year from farmer payments. This grant pool also enables us to leverage working capital from both farm input suppliers and banks.
For GAAP purposes, permanent fund contributions are considered grant revenues on the P&L
For GAAP purposes, unconditional multi-year commitments are recognized as revenue in the year pledged.