

# ONE ACRE FUND

	2016 FY	
Income Statement	Actual	LINE ITEM DESCRIPTIONS
<b>Core Program - One Acre Fund direct services</b>		<b>Overview: This unit provides our full-bundle (finance, distribution, training, markets) of ag and non-ag products/services direct to farmers</b>
# farm families served	445,630	
<b>Farmer revenue</b>	<b>34,109,730</b>	>> We recognize repayment revenue and input costs (cost of goods sold) when inputs are delivered to farmers
Inputs (seed, fertilizer, solar lamps, etc.)	(24,975,990)	
Allowance for doubtful accounts	(581,301)	>> Because repayment largely occurs in future quarters, we book a small allowance to recognize non-repayment risk
Associated costs (crop insurance, transport, storage)	(3,099,990)	
Field operations costs (primarily salaries)	(10,252,633)	>> Field staff (local nationals) market our program, enroll clients, deliver trainings, and collect repayment
Program support (primarily HQ costs, marketing and support depts.)	(4,645,519)	
Management support	(4,657,793)	>> Represents non-field staffs' time on core program activities (e.g., advising Field Directors, running financial systems)
<b>Core Program total</b>	<b>(\$14,103,496)</b>	
Core Program Deficit per farmer	(31.6)	>> Donor subsidy required to provide services to a core program farmer
<b>Systems Change – One Acre Fund for countries</b>		<b>Overview: This unit improves underlying systems (ag extension, rural distribution &amp; retail of farm inputs, seed and solar energy markets) through implementation partnerships with public and private sector actors at a sub or whole-country level</b>
# farm families served	733,000	
<b>Revenues (primarily farm input sales to agro-dealers)</b>	<b>3,912,088</b>	>> One Acre Fund imports and distributes farm inputs to agrodealers (mom and pop retail shops), who then sell to farmers
Farm input costs	(3,284,608)	
Agrodealer allowance for doubtful accounts	(230,686)	
Associated costs (transport, storage, allowance)	(104,649)	
Support staff, program and Management support for input sales	(415,763)	
<b>Farm Input Sales total</b>	<b>(\$123,617)</b>	
<b>Other partnership implementation</b>	<b>(3,098,186)</b>	>> Captures net cost for other partnership types (rural retail, extension, seed, and solar energy) in systems change unit
<b>Systems Change total</b>	<b>(\$3,221,804)</b>	
Total Revenue: Core Program + Farm Input Sales	38,021,818	
Total Expenses: Core Program + Farm Input Sales	(52,248,932)	
Net Revenue: Core Program + Farm Input Sales	(14,227,114)	
<b>% sustainability of revenue-generating field operations</b>	<b>72.8%</b>	>> Portion of field costs covered by farmer and agro-dealer repayments
<b>Field-Building</b>		<b>Overview: Field Building is our work to influence key global and country-level actors, and the general public, in ways that benefit farmers</b>
Farm microfinance	(282,516)	>> Knowledge-sharing, convening, and operational partnership activities to facilitate MFIs to more effectively provide rural finance
Government Relations	(1,143,969)	>> Work with African governments to shape and implement policy decisions that strengthen agricultural ecosystems
Agriculture research dissemination	(418,054)	>> Research and subsequent dissemination of studies and insights from our product & service R&D unit to key agriculture actors
Agriculture policy and thought leadership	(898,297)	>> Work with key global actors to shape and implement policy decisions, plus strategic communications to the public
<b>Field-Building total</b>	<b>(\$2,742,837)</b>	
<b>Research and Development</b>		<b>Overview: Activities that contribute to the future scale, impact, and financial sustainability of the other business units</b>
Product and service R&D	(3,713,952)	>> Team that identifies, trials, and ultimately rolls-out life-improving technologies (e.g., new crops, cookstoves) to our farmers
Scale innovation	(1,381,753)	>> Team that identifies, trials, and roll-outs strategies to increase market penetration, transaction size, and other dimensions of scalability
Systems innovation	(2,241,911)	>> Team that innovates on the technology and financial systems that underpin our work
Global operations and management support	(1,292,165)	>> Teams that innovate to improve the efficiency and effectiveness of key global operations, such as inputs procurement and infrastructure
New country scouting and piloting	(572,958)	>> Team that scouts and runs pilots in new high potential countries
Strategy and Research	(581,298)	>> Team that conducts high-quality research and analytics to support other departments
<b>Research and Development total</b>	<b>(\$9,784,036)</b>	
<b>Shared Services</b>		<b>Overview: Administrative functions that provide people, resources, measurement and finance support, etc. to run our other departments</b>
People Operations, Legal and Finance	(6,784,004)	
Monitoring & Evaluation	(1,975,864)	
Supporting departments (Executive, US ops)	(1,271,691)	
Fund development	(2,434,642)	
<b>Shared Services total</b>	<b>(\$12,466,201)</b>	
<b>Remeasurement loss</b>	<b>(667,896)</b>	When our operational country currencies depreciate to the U.S. dollar, we generate a loss on net financial assets and net revenues
<b>Interest Expense</b>	<b>(513,134)</b>	Interest paid on borrowings for working capital to farmers and agrodealers, and to ensure cash availability throughout the year for all units
<b>Cash Donations</b>		
Grants	\$47,581,446	Projected cash-basis grant receipts. Note that ~\$8M of grants were received in late 2016 for use against 2017 expenditures
<b>Total Revenue</b>	<b>\$85,603,264</b>	
<b>Total Expenses</b>	<b>(\$81,521,222)</b>	
<b>Net Income</b>	<b>\$4,082,041</b>	
Less deposits to Permanent Fund	(3,807,218)	Grants earmarked to provide working capital to farmers and agrodealers, enabling them to repay during the crop seasons
<b>Net Income from One Acre Fund Operations</b>	<b>\$274,824</b>	
<b>Audit Reconciliation</b>		
(+) Add back in deposits to Permanent Fund	3,807,218	For GAAP purposes, permanent fund contributions are considered grant revenues on the P&L
(+) Net Gain in future year grants	(3,718,128)	For GAAP purposes, unconditional multi-year commitments are recognized as revenue in the year pledged.
<b>Net Income (GAAP basis for gifts)</b>	<b>\$363,913</b>	

\* Note: The financials above show Zambia integrated into our Core Program division instead of the Research & Development division (within new country scouting). As Zambia is operating at a scale that is beyond pilot operations, we determined it is more appropriate to present our organization's financial results in this way