

# ONE ACRE FUND

	2017 FY
Income Statement	Actual
<b>Core Program - One Acre Fund direct services</b>	
<b># farm families served</b>	<b>613,445</b>
<b>Farmer revenue</b>	<b>44,480,635</b>
Inputs (seed, fertilizer, solar lamps, etc.)	(33,814,501)
Allowance for doubtful accounts	(1,414,790)
Associated costs (crop insurance, transport, storage)	(4,633,849)
Field operations costs (primarily salaries)	(13,228,288)
Program support (primarily HQ costs, marketing and support depts.)	(5,490,059)
Management support	(5,847,806)
<b>Core Program total</b>	<b>(\$19,948,657)</b>
Core Program Deficit per farmer	(32.5)
<b>Systems Change – One Acre Fund for countries</b>	
<b># farm families served</b>	<b>799,845</b>
<b>Revenues (primarily farm input sales to agro-dealers)</b>	<b>147,924</b>
Farm input costs	-
Associated costs (transport, storage, allowance)	(50,186)
Support staff, program and Management support for input sales	(93,918)
<b>Farm Input Sales total</b>	<b>\$3,820</b>
<b>Other partnership implementation</b>	<b>(3,834,801)</b>
<b>Systems Change total</b>	<b>(\$3,830,981)</b>
Total Revenue: Core Program + Farm Input Sales	44,628,559
Total Expenses: Core Program + Farm Input Sales	(64,573,396)
Net Revenue: Core Program + Farm Input Sales	(19,944,837)
<b>% sustainability of revenue-generating field operations</b>	<b>69.1%</b>
<b>Field-Building</b>	
Farm microfinance	(387,548)
Government Relations	(1,795,725)
Agriculture research dissemination	(681,820)
Agriculture policy and thought leadership	(706,808)
<b>Field-Building total</b>	<b>(\$3,571,901)</b>
<b>Research and Development</b>	
Product and service R&D	(4,806,131)
Scale innovation	(1,292,625)
Systems innovation	(2,754,218)
Radical innovation	(12,533)
New country scouting and piloting	(560,888)
Strategy and Research	(658,618)
<b>Research and Development total</b>	<b>(\$10,085,013)</b>
<b>Shared Services</b>	
People Operations, Legal and Finance	(7,990,520)
Monitoring & Evaluation	(3,319,955)
Supporting departments (Executive, US ops)	(1,660,626)
Fund development	(2,493,289)
<b>Shared Services total</b>	<b>(\$15,464,390)</b>
<b>Remeasurement loss</b>	<b>(811,574)</b>
<b>Interest Expense</b>	<b>(978,989)</b>
<b>One-Off Expenses</b>	<b>(464,151)</b>
<b>Cash Donations</b>	
<b>Grants</b>	<b>\$43,776,319</b>
<b>Total Revenue</b>	<b>\$88,404,878</b>
<b>Total Expenses</b>	<b>(\$99,784,214)</b>
<b>Net Income</b>	<b>(\$11,379,337)</b>
Less deposits to Permanent Fund	(3,241,816)
<b>Net Income from One Acre Fund Operations</b>	<b>(\$14,621,153)</b>
<b>Audit Reconciliation</b>	
(+) Add back in deposits to Permanent Fund	3,241,816
(+) Net Gain in future year grants	11,978,258
<b>Net Income (GAAP basis for gifts)</b>	<b>\$598,921</b>

LINE ITEM DESCRIPTIONS
<b>Overview: This unit provides our full-bundle (finance, distribution, training, markets) of ag and non-ag products/services direct to farmers</b>
>> 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)
>> Donor subsidy required to provide services to a core program farmer
<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>
>> One Acre Fund imports and distributes farm inputs to agrodealers (mom and pop retail shops), who then sell to farmers
>> Captures net cost for other partnership types (rural retail, extension, seed, and solar energy) in systems change unit
>> Portion of field costs covered by farmer and agro-dealer repayments
<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>
>> 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
>> Research and subsequent dissemination of studies and insights from our product & service R&D unit to key agriculture actors
>> Work with key global actors to shape and implement policy decisions, plus strategic communications to the public
<b>Overview: Activities that contribute to the future scale, impact, and financial sustainability of the other business units</b>
>> Team that identifies, trials, and ultimately rolls-out life-improving technologies (e.g., new crops, cookstoves) to our farmers
>> 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 scouts and runs pilots in new high potential countries
>> Team that conducts high-quality research and analytics to support other departments
<b>Overview: Administrative functions that provide people, resources, measurement and finance support, etc. to run our other departments</b>
When our operational country currencies depreciate to the U.S. dollar, we generate a loss on net financial assets and net revenues
Interest paid on borrowings for working capital to farmers and agrodealers, and to ensure cash availability throughout the year for all units
Projected cash-basis grant receipts. Note that ~\$8M of grants were received in late 2016 for use against 2017 expenditures
Grants earmarked to provide working capital to farmers and agrodealers, enabling them to repay during the crop seasons
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.