



Income Statement 'USD	OrgWide
Core Program - One Acre Fund direct services	2019 Actuals
# Core Farmers served	1,004,960
Farmer revenue	77,665,074
Inputs (seed, fertilizer, solar lamps, etc.)	-58,946,348
Allowance for doubtful accounts	-3,086,729
Associated costs (crop insurance, transport, storage)	-8,939,051
Interest Expense	-1,070,928
Field operations costs (primarily salaries)	-22,759,686
Program support (primarily HQ costs and overhead)	-11,444,766
Core Program Overhead Allocation	-2,366,134
Core Program Total	-\$30,948,568
Farm Input Sales – One Acre Fund for countries	
# Systems Change Farmer Touchpoints	2,466,613
Farm input revenue	3,715,171
Farm input costs	-2,966,348
Associated costs (transport, storage, allowance)	9,364
Staff, program and management support for input sales	-404,834
Farm Input Sales Shared Overhead Allocation	-34,848
Net Contribution from Farm Input Sales	\$318,505
Extension, Seed and other (net of revenue)	-4,594,309
Systems Change Overhead Allocation	-250,920
Systems Change Total	-4,526,724
Total Revenue: Core Program + Farm Input Sales	81,380,245
Total Expenses: Core Program + Farm Input Sales	-112,010,308
Net Revenue: Core Program + Farm Input Sales	-30,630,063
% sustainability of revenue-generating field operations	72.7%
Field Building	
Farm microfinance	-314,837
Government Relations	-\$2,155,055
Agriculture research dissemination	\$0
Communications	-940,354
Field Building Overhead Allocation	-344,494
Field Building	-3,754,740
Research and Development	
Product and service R&D	-3,855,027
Scale innovation	-509,876
New Country Scouting	-\$701,689
Strategy and Research	-1,337,254
Monitoring & Evaluation	-2,416,357
Research and Development Overhead Allocation	-732,973
Research and Development	-9,553,177
Shared Services	
Systems and infrastructure	-3,447,942
Finance	-3,709,403
People Operations	-\$3,613,726
Fund development	-2,282,061
Supporting departments (Executive, Legal, US ops)	-\$1,980,970
Shared Services Overhead Allocation	-758,414
Shared Services	-15,792,517
Remeasurement loss	-\$1,574,065
One-Off Expenses	\$0
Deficit before fundraising	-66,149,792
Grants	
Grant Revenue	79,241,218
Total Revenue	160,621,463
Total Expense	-147,530,037
Net Income	13,091,426
(-) Minimum Net Asset Additions	-2,747,242
Net Income after Net Asset Additions	10,344,184
(+) Minimum Net Asset Additions	2,747,242
(+) Net Gain in Future Year Grants	6,088,882
Total Net Income (GAAP basis)	19,180,308
Key Efficiency Metrics	
Core program cost per farmer	-31
Systems change cost per farmer touchpoint	-2
Total cost (net of earned revenue) per core farmer	-66

Line Item Descriptions

Overview: This unit provides our full-bundle (finance, distribution, training, markets) of ag and non-ag products/services direct to farmers

- >> 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
- >> Interest paid on borrowings for working capital to farmers
- >> Field staff market our program, enroll clients, deliver trainings, and collect repayment

Overview: This unit improves underlying ag systems (extension/training, distribution & retail of farm inputs, seed supply and demand, etc.) through implementation partnerships with public and private sector actors at a sub or whole-country level

- >> One Acre Fund imports and distributes farm inputs to agrodealers (mom and pop retail shops), who then sell to farmers largely outside of our core program
- >> One Acre Fund supports efforts to stimulate supply and demand for improved seed, such as through voucher and radio programs; One Acre Fund supports African governments to improve the efficacy of their training agents, though better materials, performance management, and

>> Portion of program costs covered by earned revenues from our core program and farm input sales channels

Overview: Field Building is our work to influence key global and country-level actors, and the general public, in ways that benefit farmers

- >> Knowledge-sharing, convening, and operational partnership activities to facilitate MFIs and companies to more effectively provide rural finance
- >> Work with African gov'ts to shape and implement policy decisions that strengthen agricultural systems and ensure support of our programs
- >> Research and dissemination of studies and insights to key ag actors. In 2019 - shifted to within Product and Service R&D, below.
- >> Activities to disseminate and market broader 1AF insights to key external stakeholders

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 identifies, trials, and roll-outs strategies to increase market penetration, transaction size, and other dimensions of scalability
- >> Team that scouts and runs pilots in new high potential countries
- >> Team that conducts high-quality research and analytics to support other departments
- >> Team that conducts episodic evaluations to learn what works and improve our programs, and to disseminate results externally

Overview: Administrative functions that provide people, resources, systems, etc. to run our other departments

- >> IT Development IT Operations, Back Office Systems, and Infrastructure
- >> Corporate Finance and Finance Operations
- >> Recruitment, Training, and Corporate Operations
- >> Fundraising
- >> Legal, Executive, and US Operations

>> When our operational country currencies depreciate to the U.S. dollar, we generate a loss on net financial assets and net revenues

>> Grant Revenue is reported in the year donors intend their funds to be spent; the sum of unrestricted contributions in the current year and restricted contributions released for use in the current year. These are classified in the 'unrestricted' column of our audited Statement of Activities

>> After two years of net income deficits, we project to return to a net income surplus in 2019

>> One Acre Fund must generate excess net income to make fixed asset purchases and ensure a healthy debt:net asset ratio on its balance sheet.
>> We consider this our most appropriate measure of net income

>> For GAAP (audit) purposes, grants set aside for net asset additions are not subtracted from net income
>> For GAAP purposes, full multi-year value of unconditional pledges received in current-year count as rev, whereas restricted grants released do
>> Reconciles to One Acre Fund audit

>> 1AF continues to drive down its cost per farmer, measured in all three ways