



Core Program - One Acre Fund direct services	2018 FY Actual
# farm families served	809,800
Farmer revenue	63,400,583
Inputs (seed, fertilizer, solar lamps, etc.)	(48,044,257)
Allowance for doubtful accounts	(2,596,339)
Associated costs (crop insurance, transport, storage)	(6,880,762)
Interest Expense	(1,345,581)
Field operations costs (primarily salaries)	(16,247,081)
Program support (primarily HQ costs, marketing and support depts.)	(5,287,146)
Management support	(7,632,332)
Core Program Overhead allocation	(1,828,619)
Core Program Total	(26,461,534)
Core Program Deficit per Farmer	(33)

Systems Change – One Acre Fund for countries	
# farmer touch points	1,577,000
Revenues (primarily farm input sales to agro-dealers)	2,693,147
Farm input costs	(2,295,166)
Agrodealer bad debt expense	(181,115)
Associated costs (transport, storage, allowance)	(24,164)
Support staff, program and management support for input sales	(642,677)
Farm Input Sales Shared Overhead Allocation	(172,625)
Net Contribution from Farm Input Sales	(622,599)
Extension, Seed and other (net of revenue)	(3,742,778)
Systems Change Overhead allocation	(185,922)
Systems Change total	(4,551,299)
Total Revenue: Core Program + Farm Input Sales	66,093,730
Total Expenses: Core Program + Farm Input Sales	(93,177,863)
Net Revenue: Core Program + Farm Input Sales	(27,084,133)
% sustainability of revenue-generating field operations	71%

Field Building	
Farm microfinance	(167,496)
Government Relations	(1,873,779)
Agriculture research dissemination	(501,086)
Agriculture policy and thought leadership	(664,883)
Field Building Overhead allocation	(280,295)
Field Building	(3,487,539)

Research and Development	
Product and service R&D	(3,537,713)
Scale innovation	(534,552)
New country scouting and piloting	(789,857)
Strategy and Research	(901,592)
Monitoring and Evaluation	(2,220,267)
Research and Development Overhead allocation	(703,326)
Research and Development	(8,687,306)

Shared Services	
Systems and Infrastructure	(3,091,163)
Finance	(2,576,696)
People Operations	(3,381,250)
Fund development	(2,766,279)
Supporting departments (Executive, Legal, US Ops)	(2,348,837)
Shared Services Overhead allocation	(989,103)
Shared Services	(15,153,329)

Re measurement loss	(768,958)
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Grants	
Grants	58,044,887

Total Revenue	124,138,617
Total Expenses	(125,203,694)
Net	(1,065,077)

Less deposits to Permanent Fund	(12,276,468)
Net Income from One Acre Fund Operations	(13,341,545)

Audit Reconciliation	
(+) Add back in deposits to Permanent Fund	12,276,468
(+) Net Gain in future year grants	11,248,608
Change in Net Assets (GAAP basis)	10,183,531

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 of bad debt expense 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

>> Represents non-field staff's time on core program activities (e.g., advising Field Directors, running financial systems)

>> Beginning in 2018, we allocate shared overhead costs at the division level vs. department level in the past; as a result, shared overhead costs are now visible as a separate line item, while previously they were nested within department lines

>> Donor subsidy required to provide services to a core program farmer

Overview: This unit improves underlying systems (ag extension, rural distribution & 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. This unit may sometimes serve the same farmer through multiple channels, so we count the number of interventions (touch points) provided.

>> 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

>> Systems Change also includes other types of partnerships, including work with government Extension programs, and hybrid seed promotion

>> We allocate shared overhead costs at the division level; previously they were nested in department lines, but are now listed at the division level

>> Portion of field costs covered by farmer and agro-dealer repayments

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 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

>> We allocate shared overhead costs at the division level; previously they were nested in department lines, but are now listed at the division level

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 rolls-out 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 robust results externally

>> We allocate shared overhead costs at the division level; previously they were nested in department lines, but are now listed at the division level

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

>> We allocate shared overhead costs at the division level; previously they were nested in department lines, but are now listed at the division level

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

Grants earmarked to provide working capital to farmers and agrodealers, enabling them to repay during the crop seasons. One Acre Fund received one large Permanent Fund grant in 2018, which causes us to show a large loss.

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.

Bottom-line net income using US GAAP principles, that ties to our financial audits