

FAS Best Forecast Income Statement 'USD	
Core Program - One Acre Fund direct services	Total
# Core Farmers served	1,340,923
# Full-Time staff	8,679
Farmer revenue	93,025,866
Inputs (seed, fertilizer, solar lamps, etc.)	-65,426,812
Bad debt expense	-5,939,055
Associated costs (crop insurance, transport, storage)	-10,857,107
Interest Expense	-1,130,605
Field operations costs (primarily salaries)	-23,958,332
Program support (primarily HQ costs and overhead)	-13,707,302
Core Program Overhead Allocation	-1,655,138
Flex Fund & Budget Buffer	0
Core Program	-29,648,485
Systems Change – One Acre Fund for countries	
# Systems Change touchpoints	3,139,038
Farm input revenue	5,567,116
Farm input costs	-4,091,204
Associated costs (transport, storage, allowance)	-377,931
Staff, program and management support for input sales	-1,616,642
Farm Input Sales Shared Overhead Allocation	-210,796
Net Contribution from Farm Input Sales	-729,458
Extension, Seed and other (net of revenue)	-5,053,184
Systems Change Overhead Allocation	-366,832
Systems Change	-6,149,475
Total Revenue: Core Program + Farm Input Sales	98,592,982
Total Expenses: Core Program + Farm Input Sales	-128,970,925
Net Revenue: Core Program + Farm Input Sales	-30,377,943
% sustainability of revenue-generating field operations	76.45%
Total Direct Program Revenue	98,764,337
Total Direct Program Expense	-134,562,297
Net Direct Program	-35,797,960
Field Building	
Farm microfinance	-18,257
Government Relations	-2,446,528
Agriculture research dissemination	0
Communications	-824,600
Field Building Overhead Allocation	-358,114
Field Building	-3,647,498
Research and Development	
Product and service R&D	-4,651,370
Scale innovation	-538,686
New Country Scouting	-937,932
Internal Consulting	-830,731
Radical Innovations	-127,152
Monitoring & Evaluation	-2,402,215
Research and Development Overhead Allocation	-696,769
Research and Development	-10,184,854
Shared Services	
Systems and infrastructure	-4,373,034
Finance	-2,498,941
People Operations	-3,514,914
Fund development	-3,190,983
Supporting departments (Executive, Legal)	-1,458,335
Shared Services Overhead Allocation	-651,160
Shared Services	-15,687,367
Remeasurement loss	-4,248,636
One-off expenses (FAW in 2017, COVID in 2020)	-2,173,719
Deficit before fundraising	-71,740,034
Donor Contributions	
Grant Revenue (Donor-Intended basis)*	96,163,528
Total Revenue (Donor-Intended basis)	194,927,865
Total Expense	-170,504,371

Line Item Descriptions

>> The number of farmers already served or projected to be served.
 >> Total One Acre Fund full time staff. Includes both short term employees and temporary inhouse consultants.

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

>> We recognize repayment farmer 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.
 >> Covers our input storage & transport, warehouse costs, client incentives, crop Insurance and client repayment mobile money fees.
 >> Interest paid on borrowings for working capital to farmers.
 >> Field staff marketing our program, enrolling clients, delivering trainings, and collecting repayment.
 >> Country and Global non-field staff supporting our core program through logistics, human resource management, financial advisory, planning & reporting and sourcing of f
 >> Indirect support costs for our core program. This includes costs for building maintenance, asset depreciation, furniture, office supplies, operational insurance, rent, securi
 >> Funds set aside for new investment opportunities identified during the year; after the budget is finalized.

[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. This includes the Agrodealer program, Market Access program, Rural Retail (Shops), Seed Production and Solar lights distribution.

>> One Acre Fund supports efforts to stimulate supply and demand for improved seed, such as through voucher and radio programs; and supports African governments to improve the efficacy of their training (extension) agents, through better materials, performance management, and innovation.

>> 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 and partnerships to facilitate MFIs and companies to more effectively provide rural finance; winding down in 2020.
 >> 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 IAF insights to key external stakeholders.
 >> Indirect support costs for our Field Building program. This includes costs for building maintenance, asset depreciation, furniture, office supplies, operational insurance, re

[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 exploring a radical alternative to One Acre Fund's delivery model; will wound down in 2020.
 >> Team that conducts episodic evaluations to learn what works and improve our programs, and to disseminate results externally.
 >> Indirect support costs for our R&D program. This includes costs for building maintenance, asset depreciation, furniture, office supplies, operational insurance, rent, securi

[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
 >> Indirect support costs for our Shared services. This includes costs for building maintenance, asset depreciation, furniture, office supplies, operational insurance, rent, securi

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

>> One off expense relating to prevailing systemic challenges e.g COVID in 2020 and 2021.

>> 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 releas

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Core Program - One Acre Fund direct services	Total
Net Income (Donor-Intended basis)	24,423,494
(-) Required Net Asset Additions**	-11,245,912
Net Income after Net Asset Additions	13,177,582
(+) Required Net Asset Additions	11,245,912
(+) Change in Restricted Net Assets	-9,374,847
Total Net Income (GAAP basis)	15,048,647
Key Efficiency Metrics	
Core program cost per farmer	-22
Systems change cost per farmer touchpoint	-2
Total cost (net of earned revenue) per core farmer	-54

Line Item Descriptions
>> Higher than typical net income due to special grants for COVID-support and acceleration of a large grant to ensure healthy unrestricted net assets. 2021 expects a decline to typical levels.
>> 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.
>> 1AF continues to drive down its cost per farmer, measured in all three ways