

**Acumen Fund, Inc.
and Subsidiaries**

Consolidated Financial Statements

December 31, 2018 and 2017

Acumen Fund, Inc. and Subsidiaries

Consolidated Financial Statements
December 31, 2018 and 2017

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Independent Auditors' Report

Board of Directors Acumen Fund, Inc.

We have audited the accompanying consolidated financial statements of Acumen Fund, Inc. and Subsidiaries ("Acumen"), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Acumen Capital Markets I, LP, which statements reflect total assets constituting less than 10% of consolidated total assets at December 31, 2018 and 2017, and total revenues constituting 0% of consolidated total revenues for each of the years then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Acumen Capital Markets I, LP, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Acumen Fund, Inc. and Subsidiaries as December 31, 2018 and 2017 and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the year ended December 31, 2018 Acumen Fund, Inc. and Subsidiaries adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Management has elected to supplement the financial statements by providing a Management's Discussion and Analysis ("MD&A). We have applied certain limited procedures to the MD&A in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements and other knowledge we obtained during our audits of the consolidated financial statements. We do not express an opinion or provide any assurance on the MD&A because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedules on pages 32-34 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

PKF O'Connor Davies, LLP

June 14, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Management's Discussion and Analysis (MD&A) is the section of Acumen Fund, Inc. and Subsidiaries ("Acumen") annual report in which management provides an overview of the important program activities and financial results, as well as key trends. The purpose of providing this report is to create a better understanding of Acumen's financial situation, the strategic activities the board and management have implemented, and the outlook for the future.

Overview and Outlook

In 2018, Acumen invested philanthropic capital in 13 companies tackling some of the world's greatest challenges—from the opioid crisis in the United States to energy access in Tanzania—and proved our patient capital model by exiting and recycling the returns from three investments in our portfolio.

Energy is a sector we believe holds incredible promise, and we have spent the last 12 years teaming up with other investors to create an off-grid revolution. We raised \$20 million of pioneering patient capital to support innovations and, in 2018, closed a \$67.46 million impact fund, KawiSafi Ventures, with a mission to bring electricity to 10 million people in East Africa and divert more than a million tons of carbon. The growth of off-grid energy would not have been possible without philanthropic support, and we believe the sector is a model for how a spectrum of capital, from philanthropic to commercial, can work together.

We expanded our Leadership Fellows program to two new regions where we saw local leaders taking risks and building solutions to the problems of poverty. And, given the importance of character in all we do, ramped up our efforts to develop more moral leaders. In 2018, we grew our community of Acumen Fellows to a cumulative 442 and added two more programs in Colombia and West Africa. These Fellows have impacted roughly 8 million lives and are beginning to create communities of practice in their countries. This growth has continued with our online school for social change, which has attracted more than 450,000 course-takers and developed new offerings from bootcamps to accelerators.

Finally, we experienced a surge in demand for Lean DataSM, our customer-centric approach to measuring impact. Our Lean DataSM team has gathered feedback from more than 75,000 low-income customers across 33 countries and completed more than 300 projects for Acumen and leading social change organizations. We used Lean DataSM as a crucial input in our 2018 Energy Impact Report, which documented how our \$22.1 million invested in 20 clean energy companies has impacted 81 million lives over the last decade.

Operating Results

In 2018, Acumen raised \$36.7 million in philanthropic capital, an increase of 22.5% from 2017. Of the \$36.7 million, \$7.8 million represents grants to fund our Pioneer Energy Investment Initiative which seeks to bring off-grid energy solutions to the world's poor. Acumen recognized non-cash revenue of \$1.7 million, mostly in the form of donated legal services, primarily to support our investing work.

We received \$0.5 million in interest income from portfolio loans and recorded a provision of \$2.5 million for portfolio investment losses. Acumen carries our program investments at cost, and we lower these valuations when impairment exists. We review our portfolio of assets on an annual basis and apply a consistent valuation philosophy across the companies in our portfolio. Because we carry these investments at cost, we do not mark up our equity investments to fair market value, even when subsequent funding rounds imply an increase in the holding value of our investments. Any increase in value of equity investments would be recognized as realized gains or profits upon exit.

Operating expenses represents all the direct costs related to the running of Acumen programs as well as our management and general and fundraising costs. They do not reflect any of our investments in our portfolio companies. Total expenses for 2018 were \$23.7 million, a 10.7% increase compared to the prior year. Donated services expenses (a direct offset to In-kind contributions) comprise \$1.7 million. Our increases reflect growth in a number of our program areas including our Portfolio team, our Leadership Fellows programs, and our +Acumen course offerings.

Program work constitutes 73.6% of our total expenses. Portfolio expenses were \$7.9 million, representing the cost of sourcing, due diligence, planning and the execution of \$5.8 million in new and follow-on investment disbursements, as well as managing our active portfolio of 83 companies. Outreach, Impact and Communications expenses were \$7.4 million, representing our work in measuring and reporting our investment performance (both financial and non-financial), and in the research and sharing of our insights gleaned from our programmatic work. Our Leadership Fellows program expenses were \$2.1 million, a decrease of 7.7% from 2017. Fundraising costs and Management and General expense accounted for \$6.3 million, which included investments in improving organization efficiency and effectiveness.

Acumen
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New York, NY 10013
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Statement of Financial Position

Acumen's total assets were \$145.8 million as of December 31, 2018. Acumen's assets are split primarily between Operating Assets (\$81.7 million) and Portfolio Assets (\$64.1 million). The largest component of our Operating Asset is our cash balance of \$51.1 million, where \$22.7 million of the total balance represents cash that is restricted and designated for specific programmatic uses or for use as investment capital.

Total liabilities at the end of 2018 totaled \$8.0 million, the majority of which were notes payable by Acumen Capital Markets I, LP ("ACM") to ACM investors. Net assets at the end of the year were \$137.8 million compared to \$124.6 million at the end of 2017, a 10.7% increase.

Acumen Fund, Inc. and Subsidiaries

Consolidated Statements of Financial Position

	December 31,	
	2018	2017
ASSETS		
Operating Assets		
Cash and cash equivalents	\$ 51,123,840	\$ 39,775,822
Contributions and pledges receivable, net	28,758,865	21,417,847
Interest receivable	13,285	13,417
Accounts and other receivables	175,243	88,471
Prepaid expenses and other assets	542,066	538,212
Interest in charitable remainder trust	405,602	444,805
Property and equipment, net	354,675	500,167
Security deposits	365,132	370,134
Total Operating Assets	<u>81,738,708</u>	<u>63,148,875</u>
Portfolio Assets		
Cash and cash equivalents	17,914	-
Interest and dividend receivable, net	1,694,520	917,618
Taxes receivable	1,734	-
Program related equity investments, net	55,073,214	60,533,248
Program related loans receivable, net	7,309,670	7,629,435
Total Portfolio Assets	<u>64,097,052</u>	<u>69,080,301</u>
	<u><u>\$ 145,835,760</u></u>	<u><u>\$ 132,229,176</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,247,729	\$ 1,250,248
Accrued salaries and related expenses	1,368,513	1,041,339
Taxes payable on foreign loan interest income	1,280	1,280
Deferred income	1,362,846	1,153,355
Notes payable	4,036,620	4,232,577
Total Liabilities	<u>8,016,988</u>	<u>7,678,799</u>
Net Assets		
Without Donor Restrictions		
Operating	17,588,864	13,490,884
Portfolio funds	64,097,052	69,080,301
Noncontrolling limited partners' interests	<u>4,741,697</u>	<u>4,032,322</u>
Total Without Donor Restrictions	<u>86,427,613</u>	<u>86,603,507</u>
With donor restrictions		
Total Net Assets	<u>137,818,772</u>	<u>124,550,377</u>
	<u><u>\$ 145,835,760</u></u>	<u><u>\$ 132,229,176</u></u>

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Activities Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Operating Support and Revenue			
Contributions	\$ 6,204,563	\$ 30,514,432	\$ 36,718,995
Provision for uncollectible pledges	(23,839)	(619,247)	(643,086)
In-kind contributions	1,741,808	-	1,741,808
Program fees	4,097,270	-	4,097,270
Investment income	575,199	-	575,199
Change in value of charitable remainder trust	-	(39,203)	(39,203)
Loss on disposal of property and equipment	(1,323)	-	(1,323)
Other income	80,540	-	80,540
Net assets released from restrictions	<u>10,651,794</u>	<u>(10,651,794)</u>	-
Total Operating Support and Revenue	<u>23,326,012</u>	<u>19,204,188</u>	<u>42,530,200</u>
Portfolio Revenue (Losses)			
Interest and dividend income, program related investments	546,914	-	546,914
Realized (loss) gain on equity investments	(2,948,137)	-	(2,948,137)
Realized debt portfolio (losses) gains	(920,373)	-	(920,373)
Provision for losses	(2,539,887)	-	(2,539,887)
Other portfolio investment income	15,000	-	15,000
Net assets released from restrictions	<u>5,719,213</u>	<u>(5,719,213)</u>	-
Total Portfolio Revenue (Losses)	<u>(127,270)</u>	<u>(5,719,213)</u>	<u>(5,846,483)</u>
Total Support and Revenue	<u>23,198,742</u>	<u>13,484,975</u>	<u>36,683,717</u>
EXPENSES			
Program Expenses			
Portfolio management	7,909,802	-	7,909,802
Outreach, impact and communications	7,408,789	-	7,408,789
Leadership	<u>2,143,440</u>	-	<u>2,143,440</u>
Total Program Expenses	<u>17,462,031</u>	-	<u>17,462,031</u>
Supporting Expenses			
Management and general	3,470,039	-	3,470,039
Fundraising	<u>2,796,952</u>	-	<u>2,796,952</u>
Total Supporting Expenses	<u>6,266,991</u>	-	<u>6,266,991</u>
Total Expenses	<u>23,729,022</u>	-	<u>23,729,022</u>
Change in Net Assets Before Foreign Currency Translation Gain (Loss)	(530,280)	13,484,975	12,954,695
Foreign currency translation gain (loss)	<u>354,386</u>	<u>(40,686)</u>	<u>313,700</u>
Change in Net Assets	<u>(175,894)</u>	<u>13,444,289</u>	<u>13,268,395</u>
NET ASSETS			
Beginning of the year	<u>86,603,507</u>	<u>37,946,870</u>	<u>124,550,377</u>
End of the year	<u>\$ 86,427,613</u>	<u>\$ 51,391,159</u>	<u>\$ 137,818,772</u>

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Activities
Year Ended December 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Operating Support and Revenue			
Contributions	\$ 7,949,638	\$ 22,034,626	\$ 29,984,264
Provision for uncollectible pledges	(744,565)	(3,030,970)	(3,775,535)
In-kind contributions	2,585,130	-	2,585,130
Program fees	1,938,099	-	1,938,099
Investment income	109,152	-	109,152
Change in value of charitable remainder trust	-	37,524	37,524
Other income	59,972	-	59,972
Net assets released from restrictions	<u>6,969,207</u>	<u>(6,969,207)</u>	<u>-</u>
Total Operating Support and Revenue	<u>18,866,633</u>	<u>12,071,973</u>	<u>30,938,606</u>
Portfolio Revenue (Losses)			
Interest and dividend income, program related investments	608,253	-	608,253
Realized gain (loss) on equity investments	77,110	-	77,110
Realized debt portfolio gains (losses)	178,001	-	178,001
Provision for losses	(3,025,938)	-	(3,025,938)
Net assets released from restrictions	<u>6,041,180</u>	<u>(6,041,180)</u>	<u>-</u>
Total Portfolio Revenue (Losses)	<u>3,878,606</u>	<u>(6,041,180)</u>	<u>(2,162,574)</u>
Total Support and Revenue	<u>22,745,239</u>	<u>6,030,793</u>	<u>28,776,032</u>
EXPENSES			
Program Expenses			
Portfolio management	8,117,791	-	8,117,791
Outreach, impact and communications	5,157,465	-	5,157,465
Leadership	<u>2,322,941</u>	<u>-</u>	<u>2,322,941</u>
Total Program Expenses	<u>15,598,197</u>	<u>-</u>	<u>15,598,197</u>
Supporting Expenses			
Management and general	3,244,246	-	3,244,246
Fundraising	<u>2,528,969</u>	<u>-</u>	<u>2,528,969</u>
Total Supporting Expenses	<u>5,773,215</u>	<u>-</u>	<u>5,773,215</u>
Total Expenses	<u>21,371,412</u>	<u>-</u>	<u>21,371,412</u>
Change in Net Assets Before Foreign Currency Translation Gain (Loss)	1,373,827	6,030,793	7,404,620
Foreign currency translation gain (loss)	<u>(88,831)</u>	<u>(34,949)</u>	<u>(123,780)</u>
Change in Net Assets	<u>1,284,996</u>	<u>5,995,844</u>	<u>7,280,840</u>
NET ASSETS			
Beginning of the year	<u>85,318,511</u>	<u>31,951,026</u>	<u>117,269,537</u>
End of the year	<u>\$ 86,603,507</u>	<u>\$ 37,946,870</u>	<u>\$ 124,550,377</u>

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Functional Expense For the Year Ended December 31, 2018

	Program Services							
	Portfolio Management	Outreach, Impact and Communications			Total	Management and General	Fundraising	Total
		Leadership	Impact and Communications	Outreach				
Salaries	\$ 3,937,803	\$ 3,634,496	\$ 1,196,270	\$ 8,768,569	\$ 1,217,620	\$ 1,692,264	\$ 11,678,453	
Payroll taxes and employee benefits	680,061	645,384	187,274	1,512,719	166,634	298,573	1,977,926	
Professional fees	148,706	72,935	36,114	257,755	319,274	31,849	608,878	
Consulting fees	410,650	703,636	80,204	1,194,490	601,769	136,752	1,933,011	
Program grants	493,704	869,875	15,708	1,379,287	-	-	1,379,287	
Donated professional services	863,068	-	-	863,068	812,658	-	1,675,726	
Donated space	-	-	-	-	-	24,000	24,000	
Donated goods	-	-	-	-	-	42,082	42,082	
Travel	364,729	304,543	199,120	868,392	76,274	96,396	1,041,062	
Meetings	26,354	153,009	148,000	327,363	12,613	97,361	437,337	
Marketing material	34,450	215,840	2,468	252,758	-	3,353	256,111	
Technology expenses	167,343	166,865	39,044	373,252	61,492	67,826	502,570	
Telephone	27,318	35,758	10,221	73,297	5,892	13,665	92,854	
Office supplies, printing and postage	37,711	31,152	23,533	92,396	8,780	12,510	113,686	
Occupancy	323,748	355,806	133,010	812,564	75,674	155,041	1,043,279	
Insurance	31,931	36,008	8,709	76,648	7,082	17,585	101,315	
Investment fees and bank charges	273,044	49,880	26,376	349,300	15,450	46,372	411,122	
Foreign corporate tax expense	943	26,067	5,667	32,677	9,910	12,846	55,433	
Miscellaneous	16,914	2,869	2,799	22,582	62,872	1,018	86,472	
Total Expenses before Depreciation	7,838,477	7,304,123	2,114,517	17,257,117	3,453,994	2,749,493	23,460,604	
Depreciation	71,325	104,666	28,923	204,914	16,045	47,459	268,418	
Total Expenses	\$ 7,909,802	\$ 7,408,789	\$ 2,143,440	\$ 17,462,031	\$ 3,470,039	\$ 2,796,952	\$ 23,729,022	

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Functional Expense For the Year Ended December 31, 2017

	Program Services							
	Portfolio Management	Outreach, Impact and Communications			Total	Management and General	Fundraising	Total
		Leadership	Leadership	Leadership				
Salaries	\$ 3,766,954	\$ 2,394,043	\$ 635,439	\$ 6,796,436	\$ 1,270,916	\$ 1,502,176	\$ 9,569,528	
Payroll taxes and employee benefits	615,487	428,694	100,144	1,144,325	227,300	284,534	1,656,159	
Professional fees	164,670	32,766	63,716	261,152	211,255	20,615	493,022	
Consulting fees	623,367	438,696	221,970	1,284,033	27,418	131,488	1,442,939	
Program grants	334,467	563,146	10,000	907,613	-	-	907,613	
Donated professional services	1,126,196	160,000	196,114	1,482,310	1,052,050	-	2,534,360	
Donated space	-	-	-	-	-	24,000	24,000	
Donated goods	-	-	-	-	-	26,770	26,770	
Travel	359,032	188,183	492,712	1,039,927	96,692	98,530	1,235,149	
Meetings	79,244	228,097	452,694	760,035	14,443	71,723	846,201	
Marketing material	2,692	185,460	27,642	215,794	406	8,603	224,803	
Technology expenses	141,989	74,733	20,474	237,196	74,848	45,968	358,012	
Telephone	34,354	29,649	3,892	67,895	11,724	13,238	92,857	
Office supplies, printing and postage	43,470	21,143	14,540	79,153	12,424	17,302	108,879	
Occupancy	374,977	234,880	59,872	669,729	137,311	154,506	961,546	
Insurance	22,087	17,583	2,284	41,954	8,356	11,433	61,743	
Investment fees and bank charges	159,856	39,612	7,382	206,850	36,919	49,839	293,608	
Foreign corporate tax expense	27,903	8,205	753	36,861	5,417	4,611	46,889	
Miscellaneous	143,381	14,682	867	158,930	1,698	3,214	163,842	
Total Expenses before Depreciation	8,020,126	5,059,572	2,310,495	15,390,193	3,189,177	2,468,550	21,047,920	
Depreciation	97,665	97,893	12,446	208,004	55,069	60,419	323,492	
Total Expenses	\$ 8,117,791	\$ 5,157,465	\$ 2,322,941	\$ 15,598,197	\$ 3,244,246	\$ 2,528,969	\$ 21,371,412	

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 13,268,395	\$ 7,280,840
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	268,418	323,492
Provision for uncollectible pledges and write-offs	643,086	3,775,535
Change in interest in charitable remainder trust	39,203	(37,524)
Foreign currency exchange (gain) loss	(313,700)	123,780
Loss on disposal of property and equipment	1,323	-
Realized loss (gain) on equity investments	2,948,137	(77,110)
Realized debt portfolio losses (gains)	920,373	(178,001)
Provision for portfolio losses	2,539,887	3,025,938
Change in operating assets and liabilities		
Contributions and pledges receivable	(7,984,104)	(7,666,710)
Interest and dividend receivable	(776,770)	(5,643)
Accounts and other receivables	(88,506)	(10,446)
Prepaid expenses and other assets	(3,854)	145,779
Accounts payable and accrued expenses	324,655	633,659
Taxes payable on foreign loan interest income	-	(1,998)
Deferred income	209,491	69,844
Net Cash from Operating Activities	<u>11,996,034</u>	<u>7,401,435</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(124,249)	(157,185)
Reinvested interest	(20,652)	-
Proceeds from maturity of certificates of deposit	-	294,070
Proceeds from sale of program related equity investments	4,529,356	550,728
Program related loans made	(1,628,594)	(1,721,153)
Program related equity investments made	(4,129,384)	(8,214,458)
Repayment of program related loans	934,376	2,075,923
Security deposits	5,002	(56,245)
Net Cash from Investing Activities	<u>(434,145)</u>	<u>(7,228,320)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(195,957)	(58,131)
Net Change in Cash and Cash Equivalents	<u>11,365,932</u>	<u>114,984</u>
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>39,775,822</u>	<u>39,660,838</u>
End of year	<u>\$ 51,141,754</u>	<u>\$ 39,775,822</u>
SUPPLEMENTAL CASH FLOWS INFORMATION		
Cash paid for taxes	\$ 32,956	\$ 60,000
Cash paid for interest	122,154	140,751

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

1. Organization and Tax Status

Acumen Fund, Inc., a not for profit organization, aims to elevate the lives of the poor by building financially sustainable and scalable organizations (non-profit and for-profit) that deliver affordable, critical goods and services. Acumen adheres to a disciplined process in selecting and managing its philanthropic investments as well as in measuring the end result. Acumen Fund, Inc. manages a portfolio with a number of areas of expertise which is focused on global social needs. These areas include: Health, Water and Sanitation, Energy, Agriculture, Education, Workforce Development, and Financial Inclusion. In addition, Acumen Fund, Inc. runs a leadership program that consists of five regional fellows program to identify, network and support social change leaders. Acumen runs the +Acumen program which provides a platform of courses that offers a broad set of skills training to social entrepreneurs. Acumen Fund, Inc. also focuses on the dissemination of ideas, particularly those related to insights from the impact measurement of its work and awareness raising of its approaches to tackling poverty. Acumen Fund, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and has been classified as an organization that is not a private foundation.

In addition to managing its global operations from its New York office, Acumen Fund, Inc. formed Acumen Advisory Services India Private Limited ("Acumen India") and Acumen Fund Pakistan (a Pakistan company) ("Acumen Pakistan"); subsidiaries which manage regional operations. Acumen India is a corporation of which Acumen Fund, Inc. owns 99.9%. In addition, Acumen India Trust, an Indian not-for-profit public charitable trust, was formed to accept local donations to support certain programs. Its board and officers comprises of Acumen Fund, Inc. staff. Acumen Pakistan is a company limited by guarantee incorporated in Pakistan under section 42 of the Companies Ordinance, 1984, which is the equivalent to a 501(c)(3) public charity in the United States. Acumen Fund, Inc. has the right to appoint a majority of the Board of Directors of Acumen Pakistan which comprises two directors appointed by Acumen Fund, Inc. under the Amended Affiliation and Funding Agreement dated May 2014, and three directors elected by its members. In 2013, Acumen Fund, Inc. formed Acumen Canada, a registered charitable organization in Canada in which Acumen Fund, Inc. is the sole executive and voting member. The Board of Directors is appointed by Acumen Fund, Inc. as executive member and includes Acumen Fund, Inc. employees and outside individuals. Acumen also has branch offices in East Africa, West Africa and Latin America.

In December 2008, Acumen Fund, Inc. expanded the scope of its investment work and formed a Delaware limited partnership, Acumen Capital Markets I, LP ("ACM" or "the Partnership"), in which it serves as general partner and manager with an ownership stake of approximately 16%. ACM makes portfolio investments consistent with and as an extension of Acumen Fund, Inc.'s charitable activities. For income tax purposes, partners report their respective portions of ACM income and expense in their income tax returns.

In October 2014, Acumen Fund, Inc. formed two Delaware entities - Acumen Capital Partners LLC ("ACP") and Acumen Capital Markets Investments LLC ("ACMI"). Acumen Fund, Inc. owns 100% of ACP, which was organized to be the fund manager for an early-stage energy-focused growth fund, KawiSafi Ventures. ACP owns 100% of ACMI, which was established to hold shares in such fund through which the fund will distribute a portion of the profit, known as "carry". ACP and ACMI began financial activities in 2016.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

1. Organization and Tax Status (*continued*)

ACP elected to be taxed as a corporation for income tax purposes; ACMI elected to be taxed as a partnership for US income tax purposes. In March 2015, a private limited liability company was formed under the laws of Mauritius, named KawiSafi Ventures Limited ("KawiSafi"). KawiSafi is the entity formed to be the aforementioned early-stage growth fund. ACP owns 100% of KawiSafi, holding management shares. KawiSafi has elected to be treated as partnership for US income tax purposes. KawiSafi held its final closing on October 15, 2018 with \$67.4 million of committed capital.

In February 2017, Acumen Fund, Inc. formed a Delaware limited liability corporation, Acumen Capital Holding, LLC ("ACH"), in which it holds a 100% ownership stake. ACH was created to make portfolio investments consistent with and as an extension of Acumen Fund, Inc.'s charitable activities. ACH elected to be taxed as a corporation for income tax purposes.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements of Acumen Fund, Inc. include the accounts of Acumen Fund, Inc., Acumen India, Acumen India Trust, Acumen Pakistan, Acumen Canada, ACP and ACM and are collectively referred to as Acumen.

All significant intercompany account balances and transactions have been eliminated in consolidation.

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Change in Accounting Principle

On January 1, 2018, Acumen adopted new guidance regarding the Presentation of Financial Statements for Not-for-Profit Entities. This guidance requires Acumen to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions, and without donor restrictions. In addition, the new guidance requires Acumen to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location in the financial statements. As a result of implementing this standard prior year amounts for temporarily restricted net assets were reclassified as net assets with donor restrictions and unrestricted net assets were reclassified as net assets without donor restrictions.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

2. Summary of Significant Accounting Policies (*continued*)

Change in Accounting Principle (continued)

The changes have the following effect on net assets at December 31, 2017:

Net Asset Classifications	ASU 2016-14 Classifications		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
As Previously Presented:			
Unrestricted net assets			
Operating	\$ 13,490,884	\$ -	\$ 13,490,884
Portfolio funds	69,080,301	-	69,080,301
Noncontrolling limited partners' interests	4,032,322	-	4,032,322
Temporarily restricted net assets	-	37,946,870	37,946,870
Total Net Assets	<u>\$ 86,603,507</u>	<u>\$ 37,946,870</u>	<u>\$124,550,377</u>

Net Asset Presentation

Acumen maintains its net assets under the following two classes:

Without Donor Restrictions – represents resources that are available for use at the discretion of the Board of Directors (the “Board”) and/or management for general operating expenses.

With Donor Restrictions – represents assets that are subject to donor-imposed stipulations that will be met by actions of Acumen or the passage of time. Acumen reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use or time of the donated assets. When a donor restriction expires -- that is when a stipulated time restriction ends, or purpose restriction is accomplished -- the net assets are reclassified as net assets without donor restriction and reported on the statements of activities as net assets released from restrictions. Some net assets include stipulations to be maintained in perpetuity (perpetual in nature) while permitting Acumen to expend the income generated by the assets in accordance with the provisions of the donor imposed stipulations. Acumen had no assets that are perpetual in nature at December 31, 2018 and 2017.

Cash and Cash Equivalents

Acumen considers all highly liquid investments available for operations, with a maturity of three months or less at the time of purchase to be cash equivalents.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

2. Summary of Significant Accounting Policies (*continued*)

Fair Value of Financial Instruments

Acumen follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Contributions and Pledges Receivable

Contributions and unconditional promises to give are recorded as support when received and are classified as without donor restriction or with donor restricted support.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using rates applicable to the years in which the promises are received and consider market and credit risk as applicable. Amortization of the discounts and changes in allowance for doubtful accounts are included in operating support and revenue in the consolidated statements of activities.

Allowance for Doubtful Accounts

An allowance for doubtful accounts is established for contributions receivable where there exists doubt as to whether amounts will be fully collected. The determination of this allowance is an estimate based on Acumen's historical experience, review of account balances and expectations relative to collections.

Property and Equipment

Property and equipment are stated at cost. Acumen capitalizes all purchases of property and equipment greater than \$1,000. Depreciation is computed using the straight-line method over the estimated useful life of the assets, which are two to three years for leasehold improvements and three to five years for furniture, computer equipment and website development.

In-Kind Contributions

Donated services are stated in the consolidated financial statements at a discount to fair value. Donated services that create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and that would typically be purchased if not provided by donation are recorded at their fair value when the services are provided.

Donated goods consist of items received by Acumen and awarded as prizes during the auctions held in relation to special events. These amounts are recorded as both revenue and expense at their estimated fair values at the dates of receipt.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

2. Summary of Significant Accounting Policies (*continued*)

Beneficial Interest in a Charitable Remainder Trust

Acumen has a beneficial interest in a charitable remainder trust. Under the terms of the trust, distributions are made from the trust to designated beneficiaries for the remainder of their lives. The remainder of the assets in the trust will be transferred to Acumen. The trust is held and managed by an independent trustee. As of 2018 and 2017, the value of Acumen's estimated interest in the remainder trusts was approximated using a 7% discount rate over the remaining life expectancy of the income beneficiaries.

Program Related Equity Investments

Equity investments are reflected at cost less an allowance for impairment in value. Whether a valuation allowance is necessary due to impairment is determined based on various factors, including the enterprise's cash flow from operations and other pertinent factors related to the enterprise's operations and ability to attract additional capital from other investors.

Program Related Loans Receivable

Loans are carried at an amount equal to the assets transferred if the loans are issued at the market interest rate applicable to the borrower. If the contractual interest rate is lower than the market rate, the difference between the cash transferred to the borrower and the present value of the contractual payments for the loan at the effective interest rate is recognized as contribution expense.

Each loan is analyzed for significant risk factors and appropriate interest rates are charged (currently ranging from 2% to 19%). Determining whether a valuation allowance is necessary due to impairment is based on various factors, including the debtor's cash flow from operations and other pertinent factors related to the debtor's operations and ability to attract additional capital from other investors. Repayment terms differ for each loan.

Deferred Income

Contributions received by Acumen India Trust (the "Trust") must adhere to regulations set forth in the Indian Income Tax Act which states that 85% of donor contributions must be utilized for Trust activities in the financial year they are received. For periods where donor contributions exceed expected utilization for the fiscal period, the Trust maintains donor contributions in a separate deferred income account for use in future periods.

Grant Expense

Grant expense is recognized at the time a grant is authorized. Grants which are conditional on the recipient fulfilling certain obligations prior to receiving funds are recognized at the time those conditions are satisfied. Grants payable later than one year from the end of a fiscal year are discounted to present value.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

2. Summary of Significant Accounting Policies (*continued*)

Foreign Currency Translation

The activities of foreign subsidiaries whose functional currencies are other than the U.S. dollar are translated into U.S. dollars using average exchange rates for the period. The net assets of foreign subsidiaries whose functional currencies are other than the U.S. dollar are translated into U.S. dollars using exchange rates as of the consolidated statement of financial position date. The translation gains (losses) are included in the consolidated statements of activities.

Functional Allocation of Expenses

Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function or supporting service. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. There are two types of allocations: 1) expenses such as technology, office, occupancy, depreciation, and certain of the operating costs which are allocated on the basis of estimates of headcount and 2) compensation of support staff, including related taxes and benefits which are partially allocated on the basis of estimated time and effort.

Reclassifications

Certain amounts from the 2017 consolidated financial statements were reclassified to conform to the 2018 presentation.

Accounting for Uncertainty in Income Taxes

Acumen recognizes the effect of income tax positions only when they are more than likely than not of being sustained. Management has determined that Acumen has no uncertain tax positions that would require financial statement recognition or disclosure. Acumen is no longer subject to examinations by applicable taxing jurisdictions for periods prior to December 31, 2015.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is June 14, 2019.

3. Concentration of Credit Risk

Financial instruments that potentially subject Acumen to concentrations of credit risk consist principally of cash and cash equivalents, contributions and pledges receivable, and program related portfolio loans and equity investments. At times cash balances held at financial institutions may be in excess of federally insured limits. Acumen also maintains bank accounts in India and Pakistan. There is no insurance on these accounts. Acumen has not experienced any losses on its cash deposits. Concentration of credit risk with respect to contributions and pledges receivable is limited to due to the large number of organizations and individuals composing Acumen's donor database.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

3. Concentration of Credit Risk (*continued*)

Program related portfolio loans receivable and equity investments are associated with investments in enterprises with operations primarily in developing countries. As such, these investments are subject to various uncertainties including, but not limited to, political, commercial and currency risk.

4. Liquidity and Availability of Financial Assets and Resources

The following reflects Acumen's financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use within one year of the consolidated statement of financial position because of contractual or donor-imposed restrictions:

Financial Assets	
Cash and cash equivalents	\$ 51,123,840
Contributions and pledges receivables, net	28,758,865
Interest receivable	13,285
Accounts and other receivables	<u>175,243</u>
Total Financial Assets	80,071,233
Less amounts not available to be used within one year:	
Restricted by donor with time or purpose restrictions	(51,391,159)
Add net assets with purpose or time restrictions to be met in	
less than one year	<u>9,247,121</u>
Financial assets available to meet general expenditures	
over the net twelve months	<u>\$ 37,927,195</u>

Acumen ended 2018 in a strong liquidity position, with available financial assets to meet operating expenses for the next 12 months of \$37.9 million. Acumen ended the year with \$22.8 million of restricted cash and \$51.4 million of total restricted funds (comprising cash and receivables).

Acumen's cash needs for 2018 amounted to \$19.4 million for operating expenses and \$5.8 million for Portfolio disbursements. 57% of its total cash needs (operating expenses and portfolio disbursements) was covered by restricted funds and 54% of its operating cash needs was covered by restricted funds in 2018.

Acumen has a board-designated minimum cash threshold where its year end non-restricted cash balance must equal or exceed 75% of its forward-looking non-restricted operating expenses. For year ended 2018, Acumen's non-restricted cash was 239% of budgeted 2019 non-restricted operating expenses. In addition to the \$22.4 million of non-restricted cash balance available for general expenditures, an additional \$2.7 million of non-restricted cash is informally earmarked for strategic investments.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

4. Liquidity and Availability of Financial Assets and Resources (continued)

Total Cash and Cash Equivalents Available Year-End 2018	\$ 51,123,840
Of which:	
Non-restricted Cash available for general expenditures (A)	22,405,962
Restricted Cash available for grant-related general expenditures (B)	<u>9,247,121</u>
Total Cash available for general expenditures (A) + (B)	<u><u>\$ 31,653,083</u></u>
 Total budgeted 2019 general expenditures (C)	 \$ 21,740,000
Board Designated minimum unrestricted cash threshold: (C - B) * 75% = (D)	9,369,659
Surplus/(Deficit) to threshold (A) - (D)	13,036,303

Should Acumen's non-restricted cash fall below the board-designated threshold, senior leadership of Acumen will convene immediately following the breach to consider any or all of the following steps to reduce cash needs: a) pausing future non-critical projects, b) limiting or eliminating international travel and/or capital expenditures, c) pausing new investment commitments, d) pausing or deferring new hires and, e) as a last resort, considering potential staff lay-offs.

Acumen's 2018 revenue sources were composed of the following: Household 50%, Foundation 25%, Corporations 22%, Government 1%, Non-Profit 1%, Other 1%. Acumen's cash flow has cyclical variations with more than 50% of cash typically received in the last quarter of the year. Cash flows for 2019 are expected to be in line with historical trends.

Acumen's investment portfolio currently has \$62.4 million of assets under management. To date, Acumen's portfolio companies have impacted 263 million lives. These assets are long term investments and illiquid in nature and are not considered when assessing Acumen's liquidity. In 2018, Acumen successfully exited 3 investments, representing \$3.3 million of proceeds.

5. Contributions and Pledges Receivable

Contributions and pledges receivable are due as follows at December 31:

	2018	2017
Due within:		
Up to one year	\$18,322,249	\$20,714,018
One to five years	<u>12,986,448</u>	<u>1,631,498</u>
	31,308,697	22,345,516
Present value discount	(2,282,819)	(833,464)
Allowance for doubtful accounts	<u>(267,013)</u>	<u>(94,205)</u>
Contributions and pledges receivable, net	<u><u>\$28,758,865</u></u>	<u><u>\$21,417,847</u></u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

5. Contributions and Pledges Receivable (*continued*)

Pledges receivable are shown net of a discount to present value using rates ranging from 2.9% to 4.5% on payments due in future years.

Acumen works with the Charities Aid Foundation (“CAF”), a not-for-profit organization providing a range of services to facilitate tax efficient, charitable donations in the United Kingdom. During 2018 and 2017, Acumen received a total of £50,626 or \$65,378 and £90,779 or \$122,556 of charitable donations (net of fees) into an account maintained with CAF. Throughout 2018 and 2017, CAF transferred £66,460 or \$89,886 and £261,016 or \$331,487 into Acumen’s operating bank account. As of December 31, 2018 and 2017, £124 or \$161 and £16,213 or \$21,899 remained in the Acumen CAF account.

During 2018, Acumen established a new relationship with Prism the Gift Fund (“Prism”), a not-for-profit organization that helps Acumen manage charitable donations and related tax issues in the United Kingdom. During 2018, Acumen received a total of £57,780 or \$74,617 of charitable donations (net of fees) into an account maintained with Prism. During 2018, no payments have been transferred by Prism into Acumen’s operating bank account.

6. Fair Value Measurements

Acumen’s beneficial interest in charitable remainder trusts is measured at fair value on a recurring basis. The beneficial interest in charitable remainder trusts is reported using Level 3 inputs of the fair value hierarchy.

The following is a reconciliation of the beginning and ending balances for Level 3 assets as of December 31:

	2018	2017
Beginning balance	\$ 444,805	\$ 407,281
Change in present value of beneficial interest in remainder trust	<u>(39,203)</u>	<u>37,524</u>
Ending balance	<u><u>\$ 405,602</u></u>	<u><u>\$ 444,805</u></u>

7. Property and Equipment

Property and equipment consist of the following as of December 31:

	2018	2017
Computer equipment, systems integration and website development	\$ 1,302,286	\$ 1,167,964
Leasehold improvements and equipment	500,517	507,556
Furniture	<u>373,105</u>	<u>376,139</u>
	2,175,908	2,051,659
Accumulated depreciation	<u>(1,821,233)</u>	<u>(1,551,492)</u>
	<u><u>\$ 354,675</u></u>	<u><u>\$ 500,167</u></u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

8. Program Related Loans Receivable

Program related portfolio loans receivable consist of loans advanced to projects located throughout the developing world related to Acumen's portfolio activities. Loans receivable are carried at a cost of \$11.3 million and \$12.5 million less an allowance for uncollectible amounts of \$3.7 million and \$4.6 million and a foreign currency translation adjustment of \$244,210 and \$229,302 at December 31, 2018 and 2017.

Contractual interest rates on program related loans at December 31, 2018 and 2017 were equal to the market rates and therefore no contribution expense was recorded.

Acumen assesses the risk of its financing receivables internally as either performing or monitoring. Performing receivables are investments that meet repayment benchmarks on a timely basis. Monitoring receivables are investments that are either behind in their repayment schedules or the overall health of the investee organization is lessened based upon an assessment of the investee.

The following is the recorded investment in financing receivables using Acumen's internally assigned credit quality indicators:

	2018		
	Performing	Monitoring	Total
Agriculture	\$ 3,256,102	\$ 1,841,811	\$ 5,097,913
Education	212,758	800,000	1,012,758
Energy	1,115,829	138,780	1,254,609
Financial Inclusion	15,600	-	15,600
Health	1,697,894	1,322,049	3,019,943
Housing	900,990	-	900,990
	<u>\$ 7,199,173</u>	<u>\$ 4,102,640</u>	<u>11,301,813</u>
Valuation allowance			(3,747,933)
Foreign currency translation adjustment			(244,210)
			<u>\$ 7,309,670</u>
	2017		
	Performing	Monitoring	Total
Agriculture	\$ 3,768,459	\$ 1,566,117	\$ 5,334,576
Education	598,791	1,000,000	1,598,791
Energy	567,500	138,780	706,280
Financial Inclusion	150,000	-	150,000
Health	1,518,044	1,807,120	3,325,164
Housing	1,364,664	-	1,364,664
	<u>\$ 7,967,458</u>	<u>\$ 4,512,017</u>	<u>12,479,475</u>
Valuation allowance			(4,620,738)
Foreign currency translation adjustment			(229,302)
			<u>\$ 7,629,435</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2018 and 2017

8. Program Related Loans Receivable (*continued*)

The following reflects the activity in the valuation allowance account for 2018 and 2017 by class of financing receivables and the monitored financing receivables related to each balance in the valuation allowance account at December 31:

	2018				
	Health	Agriculture	Education	Energy	Total
Allowance for credit losses					
Beginning balance	\$ 1,477,611	\$ 1,777,847	\$ 1,226,500	\$ 138,780	\$ 4,620,738
Write-off	(700,000)	(128,974)	(563,830)	-	(1,392,804)
Provision	<u>42,986</u>	<u>377,013</u>	<u>100,000</u>	<u>-</u>	<u>519,999</u>
Ending balance	<u>\$ 820,597</u>	<u>\$ 2,025,886</u>	<u>\$ 762,670</u>	<u>\$ 138,780</u>	<u>\$ 3,747,933</u>
Ending balance, individually evaluated for impairment	<u>\$ 820,597</u>	<u>\$ 2,025,886</u>	<u>\$ 762,670</u>	<u>\$ 138,780</u>	<u>\$ 3,747,933</u>
Financing receivables					
Ending balance	<u>\$ 1,322,049</u>	<u>\$ 1,841,811</u>	<u>\$ 800,000</u>	<u>\$ 138,780</u>	<u>\$ 4,102,640</u>
Ending balance, individually evaluated for impairment	<u>\$ 1,322,049</u>	<u>\$ 1,841,811</u>	<u>\$ 800,000</u>	<u>\$ 138,780</u>	<u>\$ 4,102,640</u>
	2017				
	Health	Agriculture	Education	Energy	Total
Allowance for credit losses					
Beginning balance	\$ 2,391,749	\$ 1,777,847	\$ -	\$ 111,024	\$ 4,280,620
Write-off	(914,138)	-	-	-	(914,138)
Provision	<u>-</u>	<u>-</u>	<u>1,226,500</u>	<u>27,756</u>	<u>1,254,256</u>
Ending balance	<u>\$ 1,477,611</u>	<u>\$ 1,777,847</u>	<u>\$ 1,226,500</u>	<u>\$ 138,780</u>	<u>\$ 4,620,738</u>
Ending balance, individually evaluated for impairment	<u>\$ 1,477,611</u>	<u>\$ 1,777,847</u>	<u>\$ 1,226,500</u>	<u>\$ 138,780</u>	<u>\$ 4,620,738</u>
Financing receivables					
Ending balance	<u>\$ 1,807,120</u>	<u>\$ 1,566,117</u>	<u>\$ 1,000,000</u>	<u>\$ 138,780</u>	<u>\$ 4,512,017</u>
Ending balance, individually evaluated for impairment	<u>\$ 1,807,120</u>	<u>\$ 1,566,117</u>	<u>\$ 1,000,000</u>	<u>\$ 138,780</u>	<u>\$ 4,512,017</u>

All impaired loans at December 31, 2018 and 2017 are included in the ending balance of financing receivables.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

8. Program Related Loans Receivable (*continued*)

The following is an analysis by class of the program related portfolio loans as of December 31:

	2018					
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 days	Total Past Due	Current	Total Financing Receivable
	\$ -	\$ -	\$ 6,115,338	\$ 6,115,338	\$ 5,186,475	\$ 11,301,813
Agriculture	\$ -	\$ -	\$ 4,142,392	\$ 4,142,392	\$ 955,521	\$ 5,097,913
Education	-	-	700,000	700,000	312,758	1,012,758
Energy	-	-	406,279	406,279	848,330	1,254,609
Financial institution	-	-	-	-	15,600	15,600
Health	-	-	866,667	866,667	2,153,276	3,019,943
Housing	-	-	-	-	900,990	900,990
Total	\$ -	\$ -	\$ 6,115,338	\$ 6,115,338	\$ 5,186,475	\$ 11,301,813

	2017					
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 days	Total Past Due	Current	Total Financing Receivable
	\$ -	\$ -	\$ 4,728,261	\$ 4,728,261	\$ 7,751,214	\$ 12,479,475
Agriculture	\$ -	\$ -	\$ 2,022,814	\$ 2,022,814	\$ 3,311,762	\$ 5,334,576
Education	-	-	1,000,000	1,000,000	598,791	1,598,791
Energy	-	-	138,780	138,780	567,500	706,280
Financial institution	-	-	-	-	150,000	150,000
Health	-	-	1,566,667	1,566,667	1,758,497	3,325,164
Housing	-	-	-	-	1,364,664	1,364,664
Total	\$ -	\$ -	\$ 4,728,261	\$ 4,728,261	\$ 7,751,214	\$ 12,479,475

Expected repayments (exclusive of provisions for conversion to equity positions in the project) are as follows:

2019	\$ 8,668,090
2020	690,675
2021	199,368
2022	755,756
2023	109,038
2024 and thereafter	<u>878,886</u>
	11,301,813
Valuation allowance	(3,747,933)
Foreign currency translation adjustment	<u>(244,210)</u>
	<u><u>\$ 7,309,670</u></u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

9. Program Related Equity Investments

Program related equity investments consist of funds invested for equity positions in business enterprises in connection with Acumen's portfolio activities. Equity investments are carried at cost of \$72.8 million and \$75.4 million less a valuation allowance of \$17.8 million and \$14.9 million as of December 31, 2018 and 2017.

Acumen holds a significant ownership percentage in certain of its program related equity investments although it does not have controlling financial or majority voting interest in those investments. The shareholder agreements provide for the original project developer or other third party investors to maintain a controlling majority of the voting rights on the board of directors and for Acumen to maintain only a minority of such rights. In addition, Acumen's significant ownership percentage in some cases is only temporary and will be diluted when the enterprise receives further capitalization from local investors. For these reasons, Acumen does not recognize its share of income and losses (equity method) in its accounting for these investments.

The following is the recorded equity investments using Acumen's internally assigned credit quality indicators:

	2018		
	Performing	Monitoring	Total
Agriculture	\$ 7,523,166	\$ 9,557,206	\$ 17,080,372
Education	4,097,940	-	4,097,940
Energy	21,002,020	2,931,657	23,933,677
Financial Inclusion	3,351,579	-	3,351,579
Health	10,379,160	6,865,499	17,244,659
Housing	293,653	2,349,181	2,642,834
Water and Sanitation	779,998	3,697,641	4,477,639
	<u>\$ 47,427,516</u>	<u>\$ 25,401,184</u>	<u>72,828,700</u>
Valuation allowance			(17,755,486)
			<u>\$ 55,073,214</u>

	2017		
	Performing	Monitoring	Total
Agriculture	\$ 8,992,460	\$ 8,603,469	\$ 17,595,929
Education	3,620,806	-	3,620,806
Energy	23,629,272	598,366	24,227,638
Financial Inclusion	3,131,441	-	3,131,441
Health	11,541,846	7,408,225	18,950,071
Housing	1,814,966	1,595,516	3,410,482
Water and Sanitation	779,998	3,697,641	4,477,639
	<u>\$ 53,510,789</u>	<u>\$ 21,903,217</u>	<u>75,414,006</u>
Valuation allowance			(14,880,758)
			<u>\$ 60,533,248</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

10. Changes in Noncontrolling Limited Partners' Interests

The changes in noncontrolling limited partners' interests are as follows:

	Noncontrolling Interest
Balance January 1, 2017	\$ 4,266,471
Capital contributions	330,000
Deficiency of revenue over expenses	<u>(564,149)</u>
Balance December 31, 2017	4,032,322
Capital contributions	314,000
Deficiency of revenue over expenses	<u>395,375</u>
Balance December 31, 2018	<u><u>\$ 4,741,697</u></u>

11. Notes Payable

ACM has a promissory note and security agreement (the "Notes") with certain of its limited partners and others for the purpose of providing investment capital to social entrepreneurs that seek to build viable businesses that serve the poor. The Notes matured on December 31, 2018.

At December 31, 2018 and 2017, ACM had drawn \$5.3 million representing 100% of the commitment, and paid down \$1.2 million and \$0.9 million of the Notes. \$78,270 and \$82,070 of the remaining balance is due to Acumen Fund, Inc. and has been eliminated in consolidation as of December 31, 2018 and 2017.

The term of the Partnership expired on December 23, 2018 and was not extended. The Investment Manager is in the process of liquidating the Partnership investments and winding up the partnership. The Investment Manager is taking all reasonable measures to liquidate the assets as soon as practicable, and it is expected that the winding up process could take approximately eighteen months or more, depending on the structure of payments for sold investments, regulatory processes related to the sales, cooperation of investees, and availability and cooperation of purchasers, among other matters.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

12. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following at December 31:

	2018	2017
Acumen America - General	\$ 1,034,991	\$ 4,960,772
Barclays	891,663	331,663
Metlife	3,655,645	1,855,556
Pfizer	225,000	-
Robert Wood Johnson Foundation	<u>3,203,984</u>	<u>1,129,917</u>
ACUMEN AMERICA	<u>9,011,283</u>	<u>8,277,908</u>
Participant Media Video Project	21,171	-
COMMUNICATIONS	<u>21,171</u>	<u>-</u>
KawiSafi Committed Capital	6,450,261	8,324,429
FUND INVESTMENTS	<u>6,450,261</u>	<u>8,324,429</u>
East Africa	57,569	57,569
Latin America	56,565	169,231
Pakistan	451,403	498,066
West Africa	<u>67,998</u>	<u>67,998</u>
GEOGRAPHY RESTRICTED	<u>633,535</u>	<u>792,864</u>
Bill & Melinda Gates Foundation - Ethiochicken	461,549	876,227
Bill & Melinda Gates Foundation - APMI	<u>3,197,511</u>	<u>4,505,481</u>
UK Department for International Development	242,173	312,650
Rockefeller Foundation	24,096	-
Unilever - Gender Research	<u>94,772</u>	<u>-</u>
IMPACT	<u>4,020,101</u>	<u>5,694,358</u>
+Acumen Online Courses	-	571,089
Acumen Angels Platform	50,000	-
Acumen Angels	100,000	-
Leadership - General	<u>11,418,171</u>	<u>610,531</u>
MAVA	227,006	-
Regional Fellows	49,739	471,344
Rockefeller Foundation	<u>2,915,357</u>	<u>-</u>
Unilever - Innovation Incubator	<u>250,000</u>	<u>-</u>
LEADERSHIP	<u>15,010,273</u>	<u>1,652,964</u>
UK Department for International Development	-	18,281
IKEA Foundation	<u>7,746,065</u>	<u>1,241,687</u>
Energy	<u>3,650,107</u>	<u>5,842,368</u>
PIONEER ENERGY INVESTMENT INITIATIVE	<u>11,396,172</u>	<u>7,102,336</u>
Technical Assistance	211,895	97,086
Gender Lens Support	<u>16,004</u>	<u>322,752</u>
POST INVESTMENT SUPPORT	<u>227,899</u>	<u>419,838</u>
Agriculture	100,000	100,000
Education	1,720,509	918,947
Health	125,000	247,738
Water & Sanitation	<u>19,999</u>	<u>19,999</u>
SECTOR RESTRICTED	<u>1,965,508</u>	<u>1,286,684</u>
Cocoa Interrupted Campaign	50,000	
Collaboration Summit	56,459	201,587
Skoll Forum Ecosystem Event	38,778	32,757
Unilever - Enhancing Livelihoods Investment Initiative*	<u>-</u>	<u>541,440</u>
STRATEGIC PARTNERSHIPS	<u>145,237</u>	<u>775,784</u>
CRUT	<u>405,602</u>	<u>444,805</u>
TIME RESTRICTED	<u>2,104,117</u>	<u>3,174,900</u>
TOTAL	<u>\$ 51,391,159</u>	<u>\$ 37,946,870</u>

*Reallocated to Leadership, Impact, and Pioneer Energy Investment Initiative

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

12. Net Assets With Donor Restrictions (*continued*)

The following is a reconciliation of beginning and ending cash balances of Acumen's net assets with donor restrictions for the years ended December 31:

Purpose/Restriction	2018			
	Beginning of Year	Cash Receipts	Cash Releases	End of Year
Acumen America - General	\$ 70,000	\$ 1,033,330	\$ (1,041,770)	\$ 61,560
Barclays	331,663	666,666	(106,666)	891,663
Metlife	1,855,556	2,250,000	(931,838)	3,173,718
Pfizer	-	500,000	(275,000)	225,000
Robert Wood Johnson Foundation	41,365	2,605,277	(1,066,188)	1,580,454
ACUMEN AMERICA	<u>2,298,584</u>	<u>7,055,273</u>	<u>(3,421,462)</u>	<u>5,932,395</u>
Participant Media Video Project	-	25,000	(3,829)	21,171
COMMUNICATIONS	<u>-</u>	<u>25,000</u>	<u>(3,829)</u>	<u>21,171</u>
KawiSafi Committed Capital	8,324,429	-	(1,874,168)	6,450,261
FUND INVESTMENTS	<u>8,324,429</u>	<u>-</u>	<u>(1,874,168)</u>	<u>6,450,261</u>
East Africa	57,569	66,339	(66,339)	57,569
Latin America	169,231	160,000	(272,667)	56,564
Pakistan	389,827	42,675	(193,819)	238,683
West Africa	67,998	47,559	(47,559)	67,998
GEOGRAPHY RESTRICTED	<u>684,625</u>	<u>316,573</u>	<u>(580,384)</u>	<u>420,814</u>
Bill & Melinda Gates Foundation - Ethiochicken	876,227	-	(414,678)	461,549
Bill & Melinda Gates Foundation - APMI	1,685,231	-	(944,103)	741,128
UK Department for International Development	312,650	245,920	(558,570)	-
Rockefeller Foundation	-	225,000	(225,000)	-
SolarAid	-	545	(545)	-
Surdna Foundation	-	120,000	(120,000)	-
Unilever - Gender Research	-	200,000	(105,228)	94,772
IMPACT	<u>2,874,108</u>	<u>791,465</u>	<u>(2,368,124)</u>	<u>1,297,449</u>
+Acumen Online Courses	-	468,072	(468,072)	-
Acumen Angels Platform	-	50,000	-	50,000
Acumen Angels	-	200,000	(100,000)	100,000
Leadership - General	292,167	2,225,200	(1,038,546)	1,478,821
MAVA	-	322,000	(265,380)	56,620
Regional Fellows	308,011	191,666	(449,938)	49,739
Rockefeller Foundation	-	2,000,000	-	2,000,000
Unilever - Innovation Incubator	-	250,000	-	250,000
LEADERSHIP	<u>600,178</u>	<u>5,706,938</u>	<u>(2,321,936)</u>	<u>3,985,180</u>
UK Department for International Development	18,281	695,511	(713,792)	-
IKEA Foundation	1,241,687	1,739,959	(2,827,437)	154,209
Energy	1,178,724	2,187,415	-	3,366,139
PIONEER ENERGY INVESTMENT INITIATIVE	<u>2,438,692</u>	<u>4,622,885</u>	<u>(3,541,229)</u>	<u>3,520,348</u>
Technical Assistance	97,086	300,000	(185,191)	211,895
Gender Lens Support	85,000	-	(68,996)	16,004
POST INVESTMENT SUPPORT	<u>182,086</u>	<u>300,000</u>	<u>(254,187)</u>	<u>227,899</u>
Agriculture	100,000	-	-	100,000
Education	509,107	228,309	(35,942)	701,474
Health	-	125,000	-	125,000
Water & Sanitation	19,999	-	-	19,999
SECTOR RESTRICTED	<u>629,106</u>	<u>353,309</u>	<u>(35,942)</u>	<u>946,473</u>
Cocoa Interrupted Campaign	-	50,000	-	50,000
Collaboration Summit	201,587	-	(145,129)	56,458
Skoll Forum Ecosystem Event	32,757	50,500	(44,479)	38,778
Unilever - Enhancing Livelihoods Investment Initiative*	541,440	(527,550)	(13,890)	-
STRATEGIC PARTNERSHIPS	<u>775,784</u>	<u>(427,050)</u>	<u>(203,498)</u>	<u>145,236</u>
TIME RESTRICTED	-	1,766,248	(1,766,248)	-
INTERFUND ACCOUNT	<u>(123,253)</u>	<u>(146,201)</u>	<u>-</u>	<u>(269,454)</u>
TOTAL	\$ 18,684,339	\$ 20,364,440	\$ (16,371,007)	\$ 22,677,772

*Reallocated to Leadership, Impact, and Pioneer Energy Investment Initiative

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

12. Net Assets With Donor Restrictions (*continued*)

Purpose/Restriction	2017			
	Beginning of Year	Cash Receipts	Cash Releases	End of Year
Acumen America - General	\$ 659,341	\$ 163,333	\$ (752,674)	\$ 70,000
Barclays	191,467	666,667	(526,470)	331,664
Metlife	-	2,250,000	(394,444)	1,855,556
Robert Wood Johnson Foundation	840,665	379,662	(1,178,962)	41,365
ACUMEN AMERICA	<u>1,691,473</u>	<u>3,459,662</u>	<u>(2,852,550)</u>	<u>2,298,585</u>
KawiSafi Committed Capital	<u>7,253,043</u>	<u>3,250,000</u>	<u>(2,178,614)</u>	<u>8,324,429</u>
FUND INVESTMENTS	<u>7,253,043</u>	<u>3,250,000</u>	<u>(2,178,614)</u>	<u>8,324,429</u>
East Africa	-	62,569	(5,000)	57,569
Latin America	360,000	362,300	(553,069)	169,231
Pakistan	95,192	522,963	(228,328)	389,827
West Africa	-	72,998	(5,000)	67,998
GEOGRAPHY RESTRICTED	<u>455,192</u>	<u>1,020,830</u>	<u>(791,397)</u>	<u>684,625</u>
Bill & Melinda Gates Foundation - Ethiochicken	872,961	600,390	(597,124)	876,227
Bill & Melinda Gates Foundation - APMI	-	1,694,281	(9,050)	1,685,231
UK Department for International Development	63,641	347,887	(98,878)	312,650
SolarAid	-	13,765	(13,765)	-
Impact	-	169,319	(169,319)	-
IMPACT	<u>936,602</u>	<u>2,825,642</u>	<u>(888,136)</u>	<u>2,874,108</u>
+Acumen Online Courses	-	303,196	(303,196)	-
Leadership - General	-	612,000	(319,834)	292,166
Regional Fellows	176,892	389,277	(258,159)	308,010
2017 Leadership Forum	127,260	710,492	(837,752)	-
Global Fellows	65,973	-	(65,973)	-
LEADERSHIP	<u>370,125</u>	<u>2,014,965</u>	<u>(1,784,914)</u>	<u>600,176</u>
UK Department for International Development	-	648,639	(630,358)	18,281
IKEA Foundation	2,337,488	-	(1,095,801)	1,241,687
Energy	-	1,572,883	(394,159)	1,178,724
PIONEER ENERGY INVESTMENT INITIATIVE	<u>2,337,488</u>	<u>2,221,522</u>	<u>(2,120,318)</u>	<u>2,438,692</u>
Technical Assistance	162,668	15,288	(80,869)	97,087
Ramsey Foundation	7,292	-	(7,292)	-
Gender Lens Support	25,000	75,000	(15,000)	85,000
POST INVESTMENT SUPPORT	<u>194,960</u>	<u>90,288</u>	<u>(103,161)</u>	<u>182,087</u>
Agriculture	-	150,000	(50,000)	100,000
Education	583,209	311,300	(385,403)	509,106
Health	125,000	125,000	(250,000)	-
Water & Sanitation	740,657	(675,780)	(44,878)	19,999
SECTOR RESTRICTED	<u>1,448,866</u>	<u>(89,480)</u>	<u>(730,281)</u>	<u>629,105</u>
Collaboration Summit	23,383	180,213	(2,008)	201,588
Skoll Forum Ecosystem Event	-	50,684	(17,927)	32,757
Unilever - Enhancing Livelihoods Investment Initiative*	502,550	275,000	(236,110)	541,440
STRATEGIC PARTNERSHIPS	<u>525,933</u>	<u>505,897</u>	<u>(256,045)</u>	<u>775,785</u>
TIME RESTRICTED	-	1,176,691	(1,176,691)	-
INTERFUND ACCOUNT	-	(123,253)	-	(123,253)
OTHER	-	128,280	(128,280)	-
TOTAL	<u>\$ 15,213,682</u>	<u>\$ 16,481,044</u>	<u>\$ (13,010,387)</u>	<u>\$ 18,684,339</u>

*Reallocated to Leadership, Impact, and Pioneer Energy Investment Initiative

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

13. In-Kind Contributions

In-kind contributions (booked at a discount to fair value) for the years ended December 31 are as follows:

	2018	2017
Professional services	\$ 1,675,726	\$ 2,534,360
Goods	42,082	26,770
Space	24,000	24,000
	<u>\$ 1,741,808</u>	<u>\$ 2,585,130</u>

14. Retirement Plan

Acumen maintains a 401(k) defined contribution retirement plan covering eligible employees. Acumen contributes 3% of the employees' compensation, inclusive of bonuses. Acumen plan expenses were \$166,972 and \$152,304 for 2018 and 2017. During 2017, Acumen established a UK pension plan for eligible UK employees. Plan expenses for the UK pension was £22,997 or \$29,286.

15. Commitments and Contingencies

Leases

During 2015, Acumen entered into a 10 year and two month noncancelable lease agreement which began on January 1, 2016 and expires on February 28, 2026. The lease agreement calls for monthly fixed payments with a 2.5% annual escalation; accordingly Acumen records an adjustment to rent expense each year to reflect rent on a straight-line basis in accordance with U.S. GAAP. Straight-lining of rent gives rise to a timing difference that is reflected in accounts payable and accrued expenses rent in the accompanying consolidated statements of financial position.

Acumen also occupies office space in connection with its global operations under operating leases usually payable on a quarterly to annual basis. Future minimum annual rental payments for all leases are as follows:

2019	\$ 707,262
2020	717,685
2021	531,445
2022	544,731
2023	558,349
2024 and thereafter	<u>1,256,693</u>
	<u><u>\$4,316,165</u></u>

Rent expense (including donated occupancy) totaled \$1,067,279 and \$985,546 for 2018 and 2017.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

15. Commitments and Contingencies (*continued*)

Program Grants, Loans and Investments

The following summarizes Acumen's portfolio disbursements for the years ended December 31:

	2018	2017
Loans	\$ 1,628,594	\$ 1,721,153
Equity investments	<u>4,129,384</u>	<u>8,214,458</u>
	<u><u>\$ 5,757,978</u></u>	<u><u>\$ 9,935,611</u></u>

Since 2001, Acumen has made portfolio loan and equity disbursements in excess of \$117 million. Together with allocated disbursements approved but not disbursed (an obligation of approximately \$6.2 million), Acumen's cumulative investments under management total over \$123.2 million.

At December 31, 2018 and 2017, approximately \$1.1 million and \$425,000 in program disbursements have been committed but disbursements remain contingent upon the approval of interim progress reports and statements. Approximately \$4.1 million and \$1.3 million of additional program disbursements were committed in 2018 and 2017. Subsequent disbursements are to be made upon Acumen's satisfaction that recipients have demonstrated progress towards the stated objectives of the disbursements. As such, these amounts have not been recorded in the consolidated financial statements.

Committed Capital

During the course of 2017 and 2018, ACM limited partners had a commitment to make program loans or investments of \$10.6 million and Acumen Fund, Inc. had a commitment to make program loans or investments of \$1 million. As mentioned in Note 11, the term of the Partnership expired on December 23, 2018 and was not extended. The investment manager is in the process of liquidating the Partnership investments and winding up the Partnership.

At December 31, 2018, KawiSafi Ventures Limited ("KawiSafi") has received shareholder commitments equal to \$67.4 million to operate an investment fund focused on clean off-grid energy solutions in East Africa. Of that amount, Acumen Fund, Inc. committed \$19.3 million as a program related investment. Acumen Capital Partners LLC, as the manager of KawiSafi, may direct the draw-down of these commitments for uses outlined in its shareholders agreement, including to enable KawiSafi to make investments, to pay fees and expenses and/or provide reserves. At December 31, 2018, Acumen Fund, Inc. had funded \$6.2 million of its commitment. The ratio of contributed capital to committed capital from Acumen Fund, Inc. is 32%. At December 31 2018, KawiSafi's total funded commitments amount to \$16.9 million. The ratio of total contributed capital to total committed capital for KawiSafi is 25%. Acumen Fund, Inc.'s higher ratio is due to its contributions to KawiSafi prior to subsequent closings on commitments; subsequent investors are making catch up contributions to achieve pro rata participation.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2018 and 2017

16. Subsequent Events

Lean Data

Acumen implemented a transfer of its Lean DataSM operations to a new Delaware corporation called 60 Decibels, Inc. subsequent to December 31, 2018. In recent years, as Acumen shared the results of its impact measurement methodology, Acumen experienced increasing demand for Lean DataSM assessment from third parties. The Lean DataSM methodology is a customer-centric approach to measuring impact. Acumen made the decision to move Lean DataSM into a separate operating entity to serve the sector more effectively. The transaction closed on March 29, 2019 and comprised an asset transfer and a cash purchase as consideration for Convertible Promissory Notes issued by 60 Decibels, Inc. worth \$3.4 million.

Acumen Pakistan

Acumen began to close down its operations in Pakistan subsequent to December 31, 2018. As a result of increasing regulatory complexity in the region, it became challenging to sustain consistent operating efficacy in its investing and leadership work. Acumen suspended operating activities on May 30, 2019, and anticipates completing the closure of the entity before December 31, 2019.

**Acumen Fund, Inc.
and Subsidiaries**

Supplementary Financial Information

December 31, 2018 and 2017

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Financial Position December 31, 2018 (with summarized totals at December 31, 2017)

ASSETS	Acumen Fund, Inc.				Acumen Pakistan				Acumen Capital Markets I, LP		Acumen Capital Partners LLC		Eliminating Entries	2018 Total	2017 Total
	Without Donor Restrictions	With Donor Restrictions	Total	Acumen India	Acumen India Trust	Without Donor Restrictions	With Donor Restrictions	Total	Acumen Canada	Acumen Markets I, LP	Acumen Canada	Acumen Partners LLC			
Operating Assets															
Cash and cash equivalents	\$ 22,567,417	\$ 22,677,772	\$ 45,245,189	\$ 1,295,547	\$ 583,976	\$ 212,208	\$ 115,719	\$ 327,927	\$ 1,892,253	\$ 446,814	\$ 1,332,134	\$ -	\$ 51,123,840	\$ 39,775,822	
Contributions and pledges receivable, net	566,799	28,192,066	28,758,865	-	-	-	-	-	-	-	-	-	28,758,865	21,417,847	
Interest receivable	-	-	-	13,278	-	7	-	7	-	-	-	-	13,285	13,417	
Investment in subsidiaries	500,959	-	500,959	-	-	-	-	-	-	-	-	(500,959)	-	-	
Loans to subsidiaries	750,000	-	750,000	-	-	-	-	-	-	-	-	(750,000)	-	-	
Accounts and other receivables	1,046,935	-	1,046,935	444,854	-	133,813	-	133,813	68,621	184,039	85,825	(1,788,844)	175,243	88,471	
Prepaid expenses and other assets	306,053	-	306,053	203,511	4,259	15,988	-	15,988	-	-	12,255	-	542,066	538,212	
Interest in charitable remainder trust	-	405,602	405,602	-	-	-	-	-	-	-	-	-	405,602	444,805	
Property and equipment, net	294,664	-	294,664	20,461	6,626	21,103	-	21,103	-	-	11,821	-	354,675	500,167	
Security deposits	308,120	-	308,120	48,200	8,597	215	-	215	-	-	-	-	365,132	370,134	
Total Operating Assets	\$ 26,340,947	\$ 51,275,440	\$ 77,616,387	2,025,851	603,458	383,334	115,719	\$ 499,053	1,960,874	630,853	\$ 1,442,035	(3,039,803)	\$ 81,738,708	\$ 63,148,875	
Portfolio Assets															
Cash and cash equivalents	(6,924)	-	(6,924)	-	-	24,838	-	24,838	-	-	-	-	17,914	-	
Interest and dividend receivable, net	750,436	-	750,436	-	-	4,080	-	4,080	940,004	-	-	-	1,694,520	917,618	
Taxes receivable	-	-	-	-	-	1,734	-	1,734	-	-	-	-	1,734	-	
Program related equity investments, net	51,645,818	-	51,645,818	-	-	96,566	-	96,566	4,330,830	-	-	(1,000,000)	55,073,214	60,533,248	
Program related loans receivable, net	4,793,816	-	4,793,816	-	-	411,004	-	411,004	2,086,289	96,831	-	(78,270)	7,309,670	7,629,435	
Total Portfolio Assets	\$ 57,183,146	\$ 57,183,146	\$ 57,183,146	-	-	538,222	-	538,222	7,357,123	96,831	-	(1,078,270)	64,097,052	69,080,301	
\$ 83,524,093	\$ 51,275,440	\$ 134,799,533	\$ 2,025,851	\$ 603,458	\$ 921,556	\$ 115,719	\$ 1,037,275	\$ 9,317,997	\$ 727,684	\$ 1,442,035	\$ (4,118,073)	\$ 145,835,760	\$ 132,229,176		
LIABILITIES AND NET ASSETS															
Liabilities															
Accounts payable and accrued expenses	\$ 1,819,618	\$ -	\$ 1,819,618	\$ 59,822	\$ 2,482	\$ 213,771	\$ -	\$ 213,771	\$ 564,610	\$ -	\$ 250,555	\$ (1,663,129)	\$ 1,247,729	\$ 1,250,248	
Accrued salaries and related expenses	1,296,848	-	1,296,848	34,651	-	37,014	-	37,014	-	-	-	-	1,368,513	1,041,339	
Taxes payable on foreign loan interest income	1,280	-	1,280	-	-	-	-	-	-	-	-	-	1,280	1,280	
Deferred income	-	-	-	-	-	1,362,846	-	-	-	-	-	-	1,362,846	1,153,355	
Intercompany loan	-	-	-	-	-	750,000	-	750,000	-	-	-	(750,000)	-	-	
Notes payable	-	-	-	-	-	-	-	-	4,114,890	-	-	(78,270)	4,036,620	4,232,577	
Total Liabilities	\$ 3,117,746	\$ -	\$ 3,117,746	94,473	1,365,328	1,000,785	-	1,000,785	4,679,500	-	250,555	(2,491,399)	8,016,988	7,678,799	
Net Assets (Deficit)															
Without Donor Restrictions															
Operating	23,223,201	-	23,223,201	543,950	(819,627)	(1,397,991)	-	(1,397,991)	-	630,853	1,191,480	(5,783,002)	17,588,864	13,490,884	
Portfolio funds	57,183,146	-	57,183,146	-	-	538,222	-	538,222	-	96,831	-	6,278,853	64,097,052	69,080,301	
Noncontrolling limited partners' interests	-	-	-	-	-	-	-	-	-	-	-	4,741,697	4,741,697	4,032,322	
Total Without donor restrictions	80,406,347	-	80,406,347	543,950	(819,627)	(859,769)	-	(859,769)	-	727,684	1,191,480	5,237,548	86,427,613	86,603,507	
With Donor Restrictions															
Contributed capital	-	51,275,440	51,275,440	-	-	-	115,719	115,719	-	-	-	-	51,391,159	37,946,870	
Stockholders' equity	-	-	-	353,134	66,318	-	-	-	-	-	-	(419,452)	-	-	
Partners' capital	-	-	-	1,034,294	(8,561)	780,540	-	780,540	-	-	-	(1,806,273)	-	-	
Total Net Assets (Deficit)	80,406,347	51,275,440	131,681,787	1,931,378	(761,870)	(79,229)	115,719	36,490	4,638,497	727,684	1,191,480	(1,626,674)	137,818,772	124,550,377	
\$ 83,524,093	\$ 51,275,440	\$ 134,799,533	\$ 2,025,851	\$ 603,458	\$ 921,556	\$ 115,719	\$ 1,037,275	\$ 9,317,997	\$ 727,684	\$ 1,442,035	\$ (4,118,073)	\$ 145,835,760	\$ 132,229,176		

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Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Activities

Year Ended December 31, 2018

(with summarized totals for the year ended December 31, 2017)

	Acumen Fund, Inc.			Acumen Pakistan			Acumen		Acumen		2018 Total	2017 Total
	Without Donor Restrictions	With Donor Restrictions	Total	Acumen India	Acumen India Trust	Without Donor Restrictions	With Donor Restrictions	Total	Capital Markets I, LP	Acumen Canada	Capital Partners LLC	Eliminating Entries
SUPPORT AND REVENUE												
Operating Support and Revenue												
Contributions	\$ 6,022,980	\$ 30,397,497	\$ 36,420,477	\$ 1,103,151	\$ -	\$ 404,195	\$ 116,935	\$ 521,130	\$ -	\$ 102,749	\$ -	\$ (1,428,512)
Provision for uncollectible pledges	(23,839)	(619,247)	(643,086)	-	-	-	-	-	-	-	-	(643,086)
In-kind contributions	1,741,808	-	1,741,808	-	-	-	-	-	-	-	-	1,741,808
Program fees	1,872,728	-	1,872,728	-	-	-	-	-	-	-	2,453,479	(228,937)
Investment income	351,901	-	351,901	23,594	33,528	16,266	-	16,266	149,910	-	-	575,199
Change in value of charitable remainder trust	-	(39,203)	(39,203)	-	-	-	-	-	-	-	-	(39,203)
Loss on disposal of property and equipment	-	-	-	(1,323)	-	-	-	-	-	-	-	(1,323)
Other income	67,540	-	67,540	-	-	169	-	169	-	-	12,831	-
Net assets released from restrictions	10,496,137	(10,496,137)	-	-	-	155,657	(155,657)	-	-	-	-	80,540
Total Operating Support and Revenue	20,529,255	19,242,910	39,772,165	1,125,422	33,528	576,287	(38,722)	537,565	149,910	102,749	2,466,310	(1,657,449)
Portfolio Revenue (Losses)												
Interest and dividend income, program related investments	475,499	-	475,499	-	-	71,415	-	71,415	-	-	-	546,914
Realized (loss) gain on equity investments	(2,948,137)	-	(2,948,137)	-	-	-	-	-	-	-	-	(2,948,137)
Realized debt portfolio (losses) gains	(920,373)	-	(920,373)	-	-	-	-	-	-	-	-	(920,373)
Provision for (losses) gains	(2,772,481)	-	(2,772,481)	-	-	232,594	-	232,594	-	-	-	(2,539,887)
Other portfolio investment income	15,000	-	15,000	-	-	-	-	-	-	-	-	15,000
Net assets released from restrictions	5,719,213	(5,719,213)	-	-	-	-	-	-	-	-	-	-
Total Portfolio Revenue (Losses)	(431,279)	(5,719,213)	(6,150,492)	-	-	304,009	-	304,009	-	-	-	(5,846,483)
Total Support and Revenue	20,097,976	13,523,697	33,621,673	1,125,422	33,528	880,296	(38,722)	841,574	149,910	102,749	2,466,310	(1,657,449)
EXPENSES												
Program Expenses												
Portfolio management	7,983,367	-	7,983,367	406,432	-	283,924	-	283,924	447,984	-	446,441	(1,658,346)
Outreach, Impact and Communications	7,246,096	-	7,246,096	130,967	-	10,376	-	10,376	-	-	21,350	-
Leadership	1,722,292	-	1,722,292	-	239,659	181,489	-	181,489	-	-	-	2,143,440
Total Program Expenses	16,951,755	-	16,951,755	537,399	239,659	475,789	-	475,789	447,984	-	467,791	(1,658,346)
Supporting Expenses												
Management and general	2,184,753	-	2,184,753	156,060	-	160,822	-	160,822	-	11,674	956,730	-
Fundraising	2,577,078	-	2,577,078	48,929	-	43,734	-	43,734	-	11	127,200	-
Total Supporting Expenses	4,761,831	-	4,761,831	204,989	-	204,556	-	204,556	-	11,685	1,083,930	-
Total Expenses	21,713,586	-	21,713,586	742,388	239,659	680,345	-	680,345	447,984	11,685	1,551,721	(1,658,346)
Change in Net Assets Before Foreign Currency												
Translation Gain (Loss)	(1,615,610)	13,523,697	11,908,087	383,034	(206,131)	199,951	(38,722)	161,229	(298,074)	91,064	914,589	897
Foreign currency translation gain (loss)	(62,899)	-	(62,899)	(144,890)	61,368	(124,717)	(40,686)	(165,403)	308,463	(51,881)	-	368,942
Change in Net Assets	(1,678,509)	13,523,697	11,845,188	238,144	(144,763)	75,234	(79,408)	(4,174)	10,389	39,183	914,589	369,839
NET ASSETS (DEFICIT)												
Beginning of the year	82,084,856	37,751,743	119,836,599	1,693,234	(617,107)	(154,463)	195,127	40,664	4,628,108	688,501	276,891	(1,996,513)
End of the year	\$ 80,406,347	\$ 51,275,440	\$ 131,681,787	\$ 1,931,378	\$ (761,870)	\$ (79,229)	\$ 115,719	\$ 36,490	\$ 4,638,497	\$ 727,684	\$ 1,191,480	\$ (1,626,674)
												\$ 137,818,772
												\$ 124,550,377

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Acumen Fund, Inc. and Subsidiaries

Consolidated Schedule of Functional Expenses by Region For the Year Ended December 31, 2018 (with summarized totals for the year ended December 31, 2017)

	Philanthropy										Fund Management					2018 Total	2017 Total		
	Regions										Total Philanthropy	ACM		ACP					
	America (2)	Acumen HQ (1) (2)	Canada	East Africa (2)	Latin America (2)	India	Pakistan	West Africa (2)	Elimination	ACM	ACP	Total Funds	2018 Total	2017 Total					
Compensation	\$ 997,425	\$ 8,636,169	\$ -	\$ 1,308,972	\$ 546,821	\$ 643,825	\$ 449,298	\$ 446,704	\$ (228,937)	\$ 13,029,214	\$ -	\$ 627,165	\$ 627,165	\$ 13,656,379	\$ 11,225,687				
Professional and Consultant fees	50,995	1,331,328	11,418	154,930	65,819	35,444	38,960	21,701	1,481,658	228,937	831,294	1,060,231	2,541,889	1,935,961					
Program grants	86,005	6,753,712	-	1,511	-	15,708	-	-	(5,477,649)	1,379,287	-	-	-	1,379,287	907,613				
Donated professional services	-	1,741,808	-	-	-	-	-	-	-	1,741,808	-	-	-	1,741,808	2,585,130				
Travel	22,085	542,967	-	177,461	62,314	64,677	52,884	73,547	-	995,935	-	45,127	45,127	1,041,062	1,235,149				
Meetings	1,075	262,304	-	79,338	1,119	28,995	54,321	4,915	-	432,067	-	5,270	5,270	437,337	846,201				
Marketing material	6,145	246,815	-	(972)	2,213	148	1,367	-	-	255,716	-	395	395	256,111	224,803				
Technology expenses	4,384	399,559	-	61,086	1,260	5,538	7,888	11,837	-	491,552	-	11,018	11,018	502,570	358,012				
Telephone	2,482	61,173	-	14,342	5,224	2,515	3,572	2,614	-	91,922	-	932	932	92,854	92,857				
Office supplies	1,090	51,279	-	23,140	16,803	7,863	7,147	4,663	-	111,985	-	1,701	1,701	113,686	108,879				
Occupancy	9,161	714,383	-	53,725	36,767	123,977	45,722	38,048	-	1,021,783	-	21,496	21,496	1,043,279	961,546				
Insurance	1,715	83,178	-	1,534	-	1,091	547	-	-	88,065	13,250	-	-	13,250	61,743				
Investment fees and bank charges	2,218	114,775	268	4,158	10,975	34,423	12,003	24,693	-	203,513	204,169	3,440	207,609	411,122	293,608				
Foreign corporate tax expense	1,053	47,834	-	-	-	5,405	-	-	-	54,292	-	1,141	1,141	55,433	46,889				
Miscellaneous	100	77,607	-	3,684	2,667	276	154	118	-	84,606	1,628	238	1,866	86,472	163,842				
Total Expenses before Depreciation	1,185,933	21,064,891	11,686	1,882,909	751,982	969,885	673,863	628,840	(5,706,586)	21,463,403	447,984	1,549,217	1,997,201	23,460,604	21,047,920				
Depreciation	7,186	222,306	-	13,936	2,746	12,849	6,480	410	-	265,913	-	2,505	2,505	268,418	323,492				
Total Expenses	\$ 1,193,119	\$ 21,287,729	\$ 11,686	\$ 1,896,845	\$ 754,728	\$ 982,734	\$ 680,343	\$ 629,250	\$ (5,706,586)	\$ 21,729,316	\$ 447,984	\$ 1,551,722	\$ 1,999,706	\$ 23,729,022	\$ 21,371,412				

(1) - Acumen HQ includes New York HQ offices, and San Francisco and London branch offices

(2) - America / Acumen HQ / East Africa / Latin America / West Africa regions roll-up to comprise Acumen Fund, Inc. in the Consolidated Statements of Financial Position and Consolidated Statements of Activities

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