

Acumen Fund, Inc. and Subsidiaries

Consolidated Financial Statements
December 31, 2020

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RSM US LLP

Independent Auditors' Report

Board of Directors
Acumen Fund, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Acumen Fund, Inc. and Subsidiaries (Acumen), which comprise the consolidated statement of financial position as of December 31, 2020, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of 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 financial statements based on our audit. We conducted our audit 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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, the financial statements referred to above present fairly, in all material respects, the financial position of Acumen Fund, Inc. and Subsidiaries as of December 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The financial statements of Acumen as of and for the year ended December 31, 2019, were audited by other auditors, whose report, dated June 26, 2020, expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements as of and for the year ended December 31, 2020, as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information as of and for the year ended December 31, 2020, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information as of and for the year ended December 31, 2020 is fairly stated in all material respects in relation to the financial statements as a whole. The supplementary information includes summarized totals as of and for the year ended December 31, 2019, that were audited by other auditors, whose report, dated June 26, 2020, expressed an unmodified opinion. In our opinion, the summarized totals presented as of and for the year ended December 31, 2019 are consistent, in all material respects, with the audited financial statements from which they have been derived.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Management's Discussion and Analysis (MD&A) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

RSM US LLP

Boston, Massachusetts
September 10, 2021

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) (Unaudited)

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

2020 was a year unlike any other in Acumen’s history. When COVID-19 first began to spread, one thing was clear to us: this health and economic crisis would hit the low-income communities we serve the hardest.

Immediately after the pandemic was declared, Acumen sprang into action to deploy much-needed capital to our entrepreneurs whose communities were on the front lines. We raised \$6.0 million across two emergency response funds for our investees and Fellows with the aim to bridge the crisis for their ventures and staff, and fund their efforts to support the most vulnerable.

In addition to its COVID-relief support, Acumen continued to invest in innovative new companies with its philanthropically backed pioneer portfolio, such as an initiative to invest in businesses that enable climate resilience for smallholder farmers in West and East Africa.

Despite the challenges of 2020, Acumen did not lose momentum in spreading its ethos of moral leadership. We expanded our Fellows program through affiliates to four new regions: Spain, Bangladesh, Malaysia, and the United Kingdom. In response to the pandemic, we pivoted all eight of our in-person Fellows programs to virtual and semi-virtual delivery.

In May, we launched Acumen Academy, the world’s school for social change, bringing our +Acumen online courses and in-person Fellowship programs together under one brand, platform and website. The launch coincided with the release of Founder & CEO Jacqueline Novogratz’s new book, *Manifesto for a Moral Revolution: Practices to Build a Better World*.

While the year made us rethink many things — from the type of capital we deploy to how we partner to make change — it also unlocked new opportunities for our work, such as how we deliver our leadership curriculum and how we engage our global community virtually. In these difficult circumstances, Acumen’s values served as a foundation to adapt our approach and to stand with the poor in the face of crisis.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (continued) (Unaudited)

Operating Results

In 2020, Acumen raised \$25.0 million in philanthropic capital, a decrease of 6.3% from 2019, in line with expectations given the global COVID-19 pandemic. Of the \$25.0 million, \$6.0 million represents funds raised for COVID-19 relief support in the form of grants and loans. Acumen recognized non-cash revenue of \$4.4 million for donated strategy consulting and donated legal services, both primarily to support our investing work.

We received \$2.4 million in interest and dividend income from portfolio loans and recorded a loss provision of \$1.9 million for portfolio investment losses. Acumen carries its 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. We carry most all of these investments at cost less an estimate for impairment, plus or minus changes resulting from observable price changes in orderly transactions for an identical or a similar investment of the same issuer. In prior years these investments were carried at cost, less an estimate for impairment. The change in 2020 as it relates to changes in value due to orderly transactions was a result of a new accounting standard we adopted in 2020. Certain partnership equity investments are recorded at fair value if that value is readily available. Any increase in value of equity investments would be recognized as unrealized gains if the change in value relates to price changes in orderly transactions of a similar or identical investment or realized gains or profits upon exit.

Operating expenses represent all the direct costs related to the running of Acumen's programs, management and general costs, and fundraising costs. They do not include any of our investments in our portfolio companies (which are reflected as assets on the Statement of Financial Position). Total expenses for 2020 were \$33.2 million, a 15.4% increase compared to the prior year. Donated services totaled \$4.4 million. While we saw significant savings from travel and events during 2020 as a result of pandemic restrictions, our overall spending increased primarily due COVID-19 relief grants disbursed (\$4.0M) and in-kind strategy consulting services (\$1.6M).

Program work constituted 84.3% of our total expenses. Portfolio expenses were \$17.3 million, representing the cost of sourcing, due diligence, planning and the deployment of \$13.8 million in new and follow-on investments, as well as managing our active portfolio of 101 companies. Outreach, Impact and Communications expenses were \$3.6 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 program spend increased by 15% in 2020 with expenses of \$7.1 million (\$1.9 million of this increase was related to COVID-19 relief grants disbursed to Academy Fellows' social enterprises). Fundraising costs and Management and General expenses accounted for \$5.2 million, which included investments in improving organization efficiency and effectiveness.

Statement of Financial Position

Acumen's total assets were \$153 million as of December 31, 2020. Acumen's assets are split primarily between Operating Assets (\$71.6 million) and Portfolio Assets (\$81.4 million). The largest component of our Operating Asset base is our cash balance of \$56.4 million, of which \$24.1 million (46.8%) was restricted and designated for specific programmatic uses or for use as investment capital.

Liabilities at the end of 2020 totaled \$7.9 million; this number includes returnable grant capital and a Paycheck Protection Program loan that Acumen intends to apply for forgiveness in 2021. Net assets remained stable with only a 1.3% increase from the prior year. Net Assets at the end of the year were \$145.2 million compared to \$143.2 million at the end of 2019.

Acumen Fund, Inc. and Subsidiaries

**Consolidated Statements of Financial Position
December 31, 2020 and 2019**

	2020	2019
Assets		
Operating assets		
Cash and cash equivalents	\$ 56,420,836	\$ 50,777,971
Contributions and pledges receivable, net	13,088,483	24,288,449
Interest receivable	9,209	8,537
Accounts and other receivables	390,964	1,293,078
Prepaid expenses and other assets	479,045	547,326
Interest in charitable remainder trust	670,018	652,567
Property and equipment, net	304,667	356,884
Security deposits	290,963	295,958
Total operating assets	71,654,185	78,220,770
Portfolio assets		
Interest and dividend receivable, net	985,944	1,190,904
Program related equity investments, net	51,291,379	49,785,928
Program related loans receivable, net	15,303,938	13,747,993
Program related partnership investments, net	13,813,406	8,908,417
Total portfolio assets	81,394,667	73,633,242
	\$ 153,048,852	\$ 151,854,012
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 1,008,171	\$ 1,261,056
Accrued salaries and related expenses	849,269	1,326,168
Taxes payable on foreign loan interest income	68,674	1,280
Paycheck Protection Program loan	1,171,555	-
Deferred income	3,009,708	2,603,004
Returnable grant capital	1,388,133	1,388,133
Notes payable	395,803	2,029,760
Total liabilities	7,891,313	8,609,401
Net assets		
Without donor restrictions:		
Operating	27,410,007	16,357,463
Portfolio funds	76,832,447	73,633,242
Noncontrolling limited partners' interests	3,954,543	3,583,804
Total without donor restrictions	108,196,997	93,574,509
With donor restrictions	36,960,542	49,670,102
Total net assets	145,157,539	143,244,611
	\$ 153,048,852	\$ 151,854,012

See notes to consolidated financial statements.

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Activities Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Operating support and revenue:			
Contributions	\$ 7,610,506	\$ 15,766,375	\$ 23,376,881
Recovery for uncollectible pledges	26,395	1,583,929	1,610,324
In-kind contributions	4,372,539	-	4,372,539
Program fees	3,751,757	-	3,751,757
Net investment income	332,724	-	332,724
Change in value of charitable remainder trust	-	17,451	17,451
Loss on disposal of property and equipment	(6,396)	-	(6,396)
Other income	657,815	-	657,815
Net assets released from restrictions	18,218,038	(18,218,038)	-
Total operating support and revenue	34,963,378	(850,283)	34,113,095
Portfolio revenue (losses):			
Interest and dividend income, program related investments	2,432,444	-	2,432,444
Realized and unrealized gain on equity and partnership investments	1,640,223	-	1,640,223
Realized debt portfolio losses	(1,137,190)	-	(1,137,190)
Provision for losses	(1,886,501)	-	(1,886,501)
Other portfolio investment income	44,964	-	44,964
Net assets released from restrictions	11,860,373	(11,860,373)	-
Total portfolio revenue (losses)	12,954,313	(11,860,373)	1,093,940
Total support and revenue	47,917,691	(12,710,656)	35,207,035
Expenses			
Program expenses:			
Portfolio management	17,308,297	-	17,308,297
Outreach, impact and communications	3,615,501	-	3,615,501
Leadership	7,062,666	-	7,062,666
Total program expenses	27,986,464	-	27,986,464
Supporting expenses:			
Management and general	2,511,845	-	2,511,845
Fundraising	2,721,239	-	2,721,239
Total supporting expenses	5,233,084	-	5,233,084
Total expenses	33,219,548	-	33,219,548
Change in net assets before foreign currency translation gain (loss)	14,698,143	(12,710,656)	1,987,487
Foreign currency translation (loss) gain	(75,655)	1,096	(74,559)
Change in net assets	14,622,488	(12,709,560)	1,912,928
Net assets:			
Beginning of the year	93,574,509	49,670,102	143,244,611
End of the year	\$ 108,196,997	\$ 36,960,542	\$ 145,157,539

See notes to consolidated financial statements.

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Activities Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Operating support and revenue:			
Contributions	\$ 7,584,210	\$ 19,140,048	\$ 26,724,258
(Provision) recovery for uncollectible pledges	(87,525)	27,669	(59,856)
In-kind contributions	2,759,396	-	2,759,396
Program fees	3,590,301	-	3,590,301
Net investment income	337,979	-	337,979
Change in value of charitable remainder trust	-	246,965	246,965
Loss on disposal of assets	(5,283)	-	(5,283)
Other income	1,350,478	-	1,350,478
Net assets released from restrictions	12,100,275	(12,100,275)	-
Total operating support and revenue	27,629,831	7,314,407	34,944,238
Portfolio revenue (losses):			
Interest and dividend income, program related investments	350,167	-	350,167
Realized and unrealized gain on equity and partnership investments	2,044,951	-	2,044,951
Provision for losses	(3,965,162)	-	(3,965,162)
Other portfolio investment income	50,000	-	50,000
Net assets released from restrictions	10,155,673	(10,155,673)	-
Total portfolio revenue (losses)	8,635,629	(10,155,673)	(1,520,044)
Total support and revenue	36,265,460	(2,841,266)	33,424,194
Expenses			
Program expenses:			
Portfolio management	11,084,157	-	11,084,157
Outreach, impact and communications	5,563,173	-	5,563,173
Leadership	6,104,011	-	6,104,011
Total program expenses	22,751,341	-	22,751,341
Supporting expenses:			
Management and general	2,660,482	-	2,660,482
Fundraising	3,383,480	-	3,383,480
Total supporting expenses	6,043,962	-	6,043,962
Total expenses	28,795,303	-	28,795,303
Change in net assets before foreign currency translation gain (loss)	7,470,157	(2,841,266)	4,628,891
Foreign currency translation gain (loss)	805,336	(8,388)	796,948
Change in net assets	8,275,493	(2,849,654)	5,425,839
Net assets			
Beginning of the year	85,299,016	52,519,756	137,818,772
End of the year	\$ 93,574,509	\$ 49,670,102	\$ 143,244,611

See notes to consolidated financial statements.

Acumen Fund, Inc. and Subsidiaries

**Consolidated Statement of Functional Expenses
December 31, 2020**

	Program Services				Management and General	Fundraising	Total
	Portfolio Management	Outreach, Impact and Communications	Leadership	Total			
Compensation	\$ 5,400,645	\$ 2,355,473	\$ 2,905,580	\$10,661,698	\$ 963,446	\$ 2,239,245	\$13,864,389
Professional and consultant fees	1,456,887	462,241	981,644	2,900,772	254,914	78,992	3,234,678
Program grants	4,973,982	231,714	2,381,697	7,587,393	297,022	-	7,884,415
Donated professional services	3,966,491	-	-	3,966,491	405,868	180	4,372,539
Travel	108,786	42,436	74,180	225,402	33,934	14,519	273,855
Meetings	5,216	21,489	10,063	36,768	7,431	6,257	50,456
Marketing Material	34,439	102,191	95,453	232,083	3,530	463	236,076
Technology expenses	187,857	82,579	151,235	421,671	108,114	98,673	628,458
Telephone	16,996	16,957	19,906	53,859	8,805	12,887	75,551
Office supplies, printing and postage	24,118	50,259	29,542	103,919	22,516	19,668	146,103
Occupancy	294,940	149,798	246,736	691,474	108,656	158,252	958,382
Insurance	44,893	16,220	21,359	82,472	6,779	17,432	106,683
Investment fees and bank charges	221,534	30,020	64,733	316,287	85,794	38,821	440,902
VAT and real estate taxes	22,010	23,434	16,827	62,271	34,877	15,308	112,456
Interest	49,949	-	-	49,949	8,551	-	58,500
Income tax	411,816	-	-	411,816	-	-	411,816
Miscellaneous	36,706	(103)	3,167	39,770	142,397	(22)	182,145
Total expenses before depreciation	17,257,265	3,584,708	7,002,122	27,844,095	2,492,634	2,700,675	33,037,404
Depreciation	51,032	30,793	60,544	142,369	19,211	20,564	182,144
Total expenses	\$ 17,308,297	\$ 3,615,501	\$ 7,062,666	\$27,986,464	\$ 2,511,845	\$ 2,721,239	\$33,219,548

See notes to consolidated financial statements.

Acumen Fund, Inc. and Subsidiaries

**Consolidated Statement of Functional Expenses
December 31, 2019**

	Program Services				Management and General	Fundraising	Total
	Portfolio Management	Outreach, Impact and Communications	Leadership	Total			
Compensation	\$ 4,139,057	\$ 3,254,187	\$2,756,059	\$10,149,303	\$ 1,266,427	\$ 2,786,460	\$14,202,190
Professional and consultant fees	1,678,495	333,226	963,096	2,974,817	308,031	30,284	3,313,132
Program grants	914,297	1,102,892	1,184,547	3,201,736	-	-	3,201,736
Donated professional services	2,171,435	-	-	2,171,435	587,961	-	2,759,396
Travel	281,103	157,656	328,137	766,896	71,130	81,452	919,478
Meetings	19,047	70,690	192,979	282,716	24,004	22,144	328,864
Marketing Material	2,466	122,715	51,244	176,425	21,900	588	198,913
Technology expenses	170,844	142,999	181,818	495,661	107,869	98,731	702,261
Telephone	33,521	20,605	16,931	71,057	7,645	15,460	94,162
Office supplies, printing and postage	31,735	22,197	27,197	81,129	25,269	14,643	121,041
Occupancy	327,294	193,921	247,858	769,073	107,631	196,062	1,072,766
Insurance	28,178	18,937	17,329	64,444	9,494	18,916	92,854
Investment fees and bank charges	148,613	36,449	56,443	241,505	62,581	58,649	362,735
VAT and real estate taxes	261,919	30,010	18,441	310,370	60,663	20,907	391,940
Interest	779,961	-	-	779,961	-	-	779,961
Miscellaneous	47,080	5,635	8,336	61,051	(18,806)	1,901	44,146
Total expenses before depreciation	11,035,045	5,512,119	6,050,415	22,597,579	2,641,799	3,346,197	28,585,575
Depreciation	49,112	51,054	53,596	153,762	18,683	37,283	209,728
Total expenses	\$ 11,084,157	\$ 5,563,173	\$ 6,104,011	\$22,751,341	\$ 2,660,482	\$ 3,383,480	\$28,795,303

See notes to consolidated financial statements.

Acumen Fund, Inc. and Subsidiaries

Consolidated Statements of Cash Flows December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 1,912,928	\$ 5,425,839
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	182,144	209,728
(Recovery) provision for uncollectible pledges and write-offs	(1,610,324)	59,856
Change in interest in charitable remainder trust	(17,451)	(246,965)
Foreign currency translation gain	(74,559)	(796,955)
Loss on disposal of property and equipment	6,396	5,283
Donated securities	(684,847)	(567,116)
Proceeds from sale of donated securities used for operations	709,847	580,154
Realized gain on sale of donated securities	(25,000)	(13,038)
Realized and unrealized gain on equity and partnership investments	(1,640,223)	(2,044,951)
Realized debt portfolio losses	1,137,190	-
Provision for portfolio losses	1,886,501	3,965,162
Change in operating assets and liabilities		
Contributions and pledges receivable	12,810,290	4,410,560
Interest and dividend receivable	204,288	508,364
Accounts and other receivables	902,114	(1,116,101)
Prepaid expenses and other assets	68,281	(5,260)
Accounts payable and accrued expenses	(729,784)	(29,018)
Returnable grant capital	-	1,388,133
Deferred income	406,704	1,240,158
Taxes payable on foreign loan interest income	67,394	-
Net cash provided by operating activities	15,511,889	12,973,833
Cash flows from investing activities		
Purchase of property and equipment	(136,323)	(217,220)
Proceeds from sale of program related equity investments	4,425,655	1,605,453
Program related loans made	(6,541,719)	(8,755,886)
Program related equity investments made	(2,685,898)	(5,653,293)
Program related partnership investments made	(4,588,806)	(1,014,031)
Repayment of program related loans	115,474	2,635,047
Security deposits	4,995	69,174
Net cash used in investing activities	(9,406,622)	(11,330,756)
Cash flows from financing activities		
Proceeds from Paycheck Protection Program loan	1,171,555	-
Principal payments on notes payable	(1,633,957)	(2,006,860)
Net cash used in financing activities	(462,402)	(2,006,860)
Net change in cash and cash equivalents	5,642,865	(363,783)
Cash and cash equivalents		
Beginning of year	50,777,971	51,141,754
End of year	\$ 56,420,836	\$ 50,777,971
Supplemental cash flow information:		
Cash paid for taxes	\$ 385,642	\$ 41,373
Cash paid for interest	\$ 35,245	\$ 156,115

See notes to consolidated financial statements.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Organization and Tax Status

Acumen Fund, Inc., a not-for-profit organization, aims to mitigate the social and economic challenges in the lives of the poor by building financially sustainable and scalable organizations (non-profit and for-profit) that deliver affordable, critical goods and services or create access to markets for low-income communities. Acumen adheres to a disciplined process in selecting and managing its philanthropic investments as well as in measuring the impact and financial end result. Acumen Fund, Inc. manages an investment portfolio with a number of areas of expertise which is focused on global social needs. These areas include: Agriculture, Education, Energy, Financial Inclusion, Health, Water and Sanitation, and Workforce Development. In addition, Acumen Fund, Inc. runs a leadership program that consists of five regional fellows programs to identify, network and support social change leaders. In 2020, Acumen launched Acumen Academy, merging its Leadership program and +Acumen courses to create a school for social change, along with a new platform to make its online courses and community accessible to anyone, anywhere. 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 (Acumen Pakistan) as subsidiaries which manage regional operations. Acumen India is a corporation of which Acumen Fund, Inc. holds 99.9% ownership. 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 comprise 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 comprise 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 Kenya, Ghana, Colombia, and the United Kingdom.

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), in which it serves as general partner and manager with an ownership stake of approximately 16.2%. ACM made portfolio investments consistent with and as an extension of Acumen Fund, Inc.'s charitable activities. This fund is in the process of winding down. 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. controls 100% of ACP, which was organized to be the fund manager for an early-stage energy-focused growth fund, KawiSafi Ventures Limited (KawiSafi). ACP owns 100% of ACMI, which was established to hold shares in KawiSafi through which KawiSafi will distribute a portion of any profit, known as "carry". ACP and ACMI began financial activities in 2016.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 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 is the entity formed to be the aforementioned early-stage growth fund. ACP owns 100% of KawiSafi management shares. KawiSafi has elected to be treated as a partnership for US income tax purposes. KawiSafi held its final closing on October 15, 2019 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.

ACP formed a Kenyan subsidiary for the KawiSafi management team in May 2017 called Acumen Capital Partners EA Limited (ACP EA). ACP EA has elected to be taxed as a foreign disregarded entity for US income tax purposes.

Acumen Fund, Inc. began restructuring its Kenyan branch into two new entities starting in 2017. Acumen EA Advisory Services Limited (EA Advisory) was formed in June 2017 as a company limited by shares and began operations in 2020. This entity provides advisory services related to Acumen's portfolio program. Acumen East Africa Institute Limited (EA Institute'), a tax-exempt trust limited by guarantee, was formed in January 2018 for the leadership program in Kenya, but it is not yet operational.

In June 2018, ACP formed a Delaware limited liability corporation, Acumen Resilient Agriculture Capital Investments, LLC (ARACI), as the carry vehicle for a new fund, Acumen Resilient Agriculture Fund, LP (ARAF). ARACI is the general partner for ARAF and it has elected to be treated as a disregarded entity for US income tax purposes. ARAF, a Canadian limited partnership, held its first closing in September 2019 with \$25 million of committed capital. ACP also formed a Kenyan limited liability private company, Acumen Capital Partners (ARAF) Ltd (ACP ARAF EA), in August 2019 to act as the Kenyan subsidiary for the ARAF fund management team and began operations in 2020. ACP ARAF EA has elected to be taxed as a foreign disregarded entity for US income tax purposes.

Acumen Fund, Inc. also formed Acumen Fund West Africa LTD/GTE, a Nigerian company limited by guarantee, in August 2019. Acumen Fund, Inc. owns 100% of this entity's shares and it serves as Acumen Fund, Inc.'s Nigerian operating subsidiary.

Note 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, EA Advisory, EA Institute, Acumen Fund West Africa Ltd/Gte, ACH, ACP EA, ACMI, ARACI, ACP ARAF EA, and ACM and are collectively referred to as Acumen.

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

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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.

Adoption of New Accounting Policies:

Financial Assets and Financial Liabilities

Effective January 1, 2020, Acumen adopted Accounting Standards Update (ASU) 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities, Subtopic 825-10. The amendments in this update make targeted improvements to generally accepted accounting principles (GAAP) as follows:

Require equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. However, an entity may choose to measure equity investments that do not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

Simplify the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. When a qualitative assessment indicates that impairment exists, an entity is required to measure the investment at fair value.

Eliminate the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities.

Eliminate the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet.

Require public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes.

Require an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments.

Require separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (that is, securities or loans and receivables) on the balance sheet or the accompanying notes to the financial statements.

Clarify that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets.

The adoption of this standard did require updates to Acumen's programmatic equity investment valuation policy, but it did not have a significant effect on the valuation of the programmatic equity investment portfolio.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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 consolidated statements of activities as net assets released from restrictions. Some net assets may 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 as of December 31, 2020 and 2019.

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.

Fair value of financial instruments: Acumen follows U.S. GAAP guidance on Fair Value Measurements (ASC 820) 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. In addition, Acumen reports certain investments using the net asset value (NAV) per share as determined by investment funds as a practical expedient for fair value.

Interest in charitable remainder trust held by a third-party trustee: The fair value of the interest in charitable remainder trust held by a third-party trustee is based on the fair value of underlying investments and present value techniques.

Contributions and pledges receivable: Contributions and unconditional promises to give are recorded as support when received and are classified as without donor restricted 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.

Conditional contributions and promises to give, that is those with a measurable performance barrier, or other barrier and right of return, are not recognized until they become conditional, that is, at the time when the conditions in which they depend are substantially met. At December 31, 2020 and 2019, Acumen had \$1.3 million and \$1.4 million, respectively, of cash advances related to conditional contributions and are reported in deferred income. At December 31, 2020 and 2019, Acumen had outstanding conditional grants of \$15.2 million and \$12.5 million, respectively, including cash advances.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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 estimated 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.

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 2020 and 2019, the value of Acumen's estimated interest in the Remainder Trust was approximated using a 5.8% discount rate over the remaining life expectancy of the income beneficiaries.

Program related equity and program related partnership investments: Equity and partnership investments with no readily determinable fair value are reflected at cost less an estimated allowance for impairment in value plus or minus changes resulting from observable price changes in orderly transactions for an identical or a similar investment of the same issuer. If an observable price change for an identical or similar investment is identified the security will be measured at the fair value as of the date of the observable transaction. Whether a valuation allowance is necessary due to impairment is determined based on various factors, including the enterprise's cash flows from operations and other pertinent factors related to the enterprise's operations and ability to attract additional capital from other investors. Certain program related partnership investments are reported at fair value using net asset value as a practical expedient.

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 0.0% to 12.0%). 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.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Deferred income: At times, Acumen receives monies from donors and grantors in advance of applicable conditions being met. These contributions are held in a separate deferred income liability account until such conditions are met and recognized as revenue over time. 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, that is those with both a performance barrier or other barrier and a right of return, on the recipient fulfilling certain obligations prior to receiving funds are recognized at the time those conditions are satisfied. Funds disbursed before obligations are met by the recipient are deferred and recognized when the obligations are satisfied. Grants payable later than one year from the end of a fiscal year are discounted to present value.

Subsequent Events: Management has evaluated subsequent events through September 10, 2021, the date that the financial statements were available to be issued. No subsequent events were identified that require recognition or disclosure in the financial statements other than the forgiveness of the Paycheck Protection Program Loan (see Note 12).

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 other 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.

Advertising: Acumen expenses advertising costs as incurred.

Reclassifications: Certain amounts from the 2019 consolidated financial statements were reclassified to conform to the 2020 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 generally exempt from income tax examinations by the U.S. federal, state or local tax authorities for three years from the filing date.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 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.

As of December 31, 2020 and 2019, approximately 44% and 43% of gross contributions and pledges receivable were due from three and four donors, respectively.

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.

Note 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:

	2020	2019
Financial assets		
Cash and cash equivalents	\$ 56,420,836	\$ 50,777,971
Contributions and pledges receivable, net	13,088,483	24,288,449
Interest receivable	9,209	8,537
Accounts and other receivables	390,964	1,293,078
Total financial assets	<u>69,909,492</u>	<u>76,368,035</u>
Less restricted or committed assets		
Restricted by donor with time or purpose restrictions	(36,960,542)	(49,670,102)
Restricted to fund entities, ACP and ACM1	(5,044,529)	(2,847,412)
Returnable grants for investing	(1,388,133)	(1,388,133)
Board designated cash threshold for year end	(7,800,000)	(8,400,000)
Committed capital for strategic investments	(1,378,352)	(2,900,000)
Add net assets with purpose or time restrictions to be met in less than one year	<u>14,720,550</u>	<u>23,872,414</u>
Financial assets available to meet general expenditures over the next twelve months	<u>32,058,486</u>	<u>35,034,802</u>
Budget for next fiscal year	25,866,000	28,125,000
Surplus	<u>\$ 6,192,486</u>	<u>\$ 6,909,802</u>

Acumen ended 2020 in a strong liquidity position, with available financial assets to meet operating expenses for the next 12 months of \$32.1 million. Acumen ended the year with \$24.1 million of restricted cash and \$37.0 million of total restricted funds (comprising cash and receivables).

Acumen's cash needs, excluding ACM and ACP activities, for 2020 amounted to \$25.5 million for operating expenses and \$13.8 million for Portfolio disbursements. 76.6% of its total cash needs (operating expenses and portfolio disbursements) was covered by restricted funds and 71.6% of its operating cash needs was covered by restricted funds in 2020.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 4. Liquidity and Availability of Financial Assets and Resources (Continued)

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 the year ended 2020, Acumen's non-restricted cash was 144.2% of budgeted 2021 non-restricted operating expenses. Of the \$32.3 million of non-restricted cash balance available for general expenditures at year end, \$1.4 million of non-restricted cash is informally earmarked for remaining capital commitments and \$1.4 million is returnable grant funding earmarked for investing in the East Africa Education Initiative.

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 2020 revenue sources were composed of the following: Households 61.4%, Government 21.9%, Foundations 8.7%, Corporations 7.6%, Other 0.4%. Acumen's cash flow has cyclical variations with more than 50% of cash typically received in the last quarter of the year.

Acumen's investment portfolio currently has \$79.1 million of assets under management (net). These assets are long term investments and illiquid in nature and are not considered when assessing Acumen's liquidity. In 2020, Acumen completed 4 investment exits, representing \$3.2 million of proceeds.

Note 5. Contributions and Pledges Receivable

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

	2020	2019
Due within:		
Up to one year	\$ 6,463,321	\$ 16,721,749
One to five years	7,753,000	10,400,125
	14,216,321	27,121,874
Present value discount	(1,011,991)	(2,737,009)
Allowance for doubtful accounts	(115,847)	(96,416)
Contributions and pledges receivable, net	<u>\$ 13,088,483</u>	<u>\$ 24,288,449</u>

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.

During 2018, Acumen established a relationship with Prism the Gift Fund (Prism), a not-for-profit organization that helps Acumen manage charitable donations and gift-matching in the United Kingdom. During 2020 and 2019, Acumen received a total of £83,565 or \$114,141 and £102,831 or \$135,311 of charitable donations (net of fees) into an account maintained with Prism. The initial transfer of funds from Prism to Acumen occurred in 2020. Prism transferred £44,673 or \$59,112, respectively into Acumen's operating bank account.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 6. Fair Value Measurements

Acumen uses the NAV to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company. The following tables list investments in investment companies by major category at December 31:

	Strategy	2020 NAV in Funds	2019 NAV in Funds	Dollar Amount of Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity	Early growth funds investing in mission-aligned private company interest(s)	\$ 13,309,913	\$ 9,306,310	\$ 8,479,605	n/a	n/a
Private Equity	Funds investing in mission-aligned private company interest(s)	503,493	-	\$ -	n/a	n/a
		<u>\$ 13,813,406</u>	<u>\$ 9,306,310</u>	<u>\$ 8,479,605</u>		

Acumen's beneficial interest in charitable remainder trust totaling \$670,018 and \$652,567 at December 31, 2020 and 2019, respectively, is measured at fair value on a recurring basis. The beneficial interest in charitable remainder trust is reported using Level 3 inputs of the fair value hierarchy.

The following table presents quantitative information about Level 3 fair value measurements as of December 31:

	Fair Value December 31, 2020	Valuation Technique	Level 3 Unobservable Input	Range of Inputs
Charitable Remainder Trust – Held by Third Party Trustee	\$ 670,018	Value of underlying assets and present value techniques	Rate of Return Discount rate Life Expectancy	7% 5.8% 17 years
	Fair Value December 31, 2019	Valuation Technique	Level 3 Unobservable Input	Range of Inputs
Charitable Remainder Trust – Held by Third Party Trustee	\$ 652,567	Value of underlying assets and present value techniques	Rate of Return Discount rate Life Expectancy	7% 5.8% 18 years

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 6. Fair Value Measurements (Continued)

There were no purchases, disbursements or transfers related to Level 3 assets at December 31, 2020 and 2019.

Note 7. Property and Equipment

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

	2020	2019
Computer equipment, systems integration and website development	\$ 355,903	\$ 1,398,816
Leasehold improvements and equipment	193,273	546,696
Furniture	177,543	442,337
	<u>726,719</u>	<u>2,387,849</u>
Accumulated depreciation	(422,052)	(2,030,965)
	<u>\$ 304,667</u>	<u>\$ 356,884</u>

Note 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. Acumen held 50 and 36 loans at December 31, 2020 and 2019, respectively. Loans receivable are carried at a cost of \$18.6 million and \$17.3 million less an allowance for uncollectible amounts of \$3.0 million and \$3.3 million and a foreign currency translation adjustment of \$232,914 and \$252,782 at December 31, 2020 and 2019, respectively.

Contractual interest rates on program related loans at December 31, 2020 and 2019 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.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 8. Program Related Loans Receivable (Continued)

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

	2020		
	Performing	Monitoring	Total
Agriculture	\$ 3,748,747	\$ 2,669,671	\$ 6,418,418
Education	639,219	434,387	1,073,606
Energy	3,398,329	-	3,398,329
Health	2,045,555	356,220	2,401,775
Water	250,000	-	250,000
Other	3,412,500	-	3,412,500
Financial inclusion	1,615,600	-	1,615,600
	<u>\$ 15,109,950</u>	<u>\$ 3,460,278</u>	<u>\$ 18,570,228</u>
Valuation allowance			(3,033,376)
Foreign currency translation adjustment			(232,914)
			<u>\$ 15,303,938</u>
	2019		
	Performing	Monitoring	Total
Agriculture	\$ 4,794,557	\$ 1,841,811	\$ 6,636,368
Education	609,387	100,000	709,387
Energy	3,348,329	138,779	3,487,108
Financial Inclusion	515,600	-	515,600
Health	1,385,563	1,081,596	2,467,159
Housing	107,733	-	107,733
Other	3,412,500	-	3,412,500
	<u>\$ 14,173,669</u>	<u>\$ 3,162,186</u>	17,335,855
Valuation allowance			(3,335,080)
Foreign currency translation adjustment			(252,782)
			<u>\$ 13,747,993</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 8. Program Related Loans Receivable (Continued)

The following reflects the activity in the valuation allowance account for 2020 and 2019 by class of financing receivables and the monitored financing receivables related to each balance in the valuation allowance account at December 31:

	2020				
	Health	Agriculture	Education	Energy	Total
Allowance for credit losses:					
Beginning balance	\$ 949,554	\$ 2,184,076	\$ 62,670	\$ 138,780	\$ 3,335,080
Charge-offs	(682,387)	-	-	(138,780)	(821,167)
Provision	-	185,076	334,387	-	519,463
Ending balance	\$ 267,167	\$ 2,369,152	\$ 397,057	\$ -	\$ 3,033,376
Financing receivables:					
Ending balance	\$ 356,220	\$ 2,669,671	\$ 434,387	\$ -	\$ 3,460,278
	2019				
	Health	Agriculture	Education	Energy	Total
Allowance for credit losses:					
Beginning balance	\$ 820,597	\$ 2,025,886	\$ 762,670	\$ 138,780	\$ 3,747,933
Write-off	-	-	(700,000)	-	(700,000)
Provision	128,957	158,190	-	-	287,147
Ending balance	\$ 949,554	\$ 2,184,076	\$ 62,670	\$ 138,780	\$ 3,335,080
Financing receivables:					
Ending balance	\$ 1,081,596	\$ 1,841,811	\$ 100,000	\$ 138,780	\$ 3,162,186

All impaired loans at December 31, 2020 and 2019 are included in the ending balance of financing receivables.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 8. Program Related Loans Receivable (Continued)

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

	2020					
	30-59	60-89	Greater	Total	Current	Total
	Days	Days	Than	Total		
Past Due	Past Due	90 Days	Past Due	Financing	Receivable	
Agriculture	\$ -	\$ -	\$ 4,198,714	\$ 4,198,714	\$ 2,219,704	\$ 6,418,418
Education	-	-	36,358	36,358	1,037,248	1,073,606
Energy	-	-	113,929	113,929	3,284,400	3,398,329
Financial Inclusion	-	-	-	-	1,615,600	1,615,600
Health	-	-	1,460,182	1,460,182	941,593	2,401,775
Housing	-	-	-	-	-	-
Other	-	-	-	-	3,662,500	3,662,500
Total	\$ -	\$ -	\$ 5,809,183	\$ 5,809,183	\$ 12,761,045	\$ 18,570,228

	2019					
	30-59	60-89	Greater	Total	Current	Total
	Days	Days	Than	Total		
Past Due	Past Due	90 Days	Past Due	Financing	Receivable	
Agriculture	\$ -	\$ -	\$ 4,113,613	\$ 4,113,613	\$ 2,522,753	\$ 6,636,368
Education	-	-	-	-	709,387	709,387
Energy	-	-	406,279	406,279	3,080,829	3,487,108
Financial Inclusion	-	-	-	-	515,600	515,600
Health	-	-	923,982	923,982	1,543,177	2,467,159
Housing	-	-	107,733	107,733	-	107,733
Other	-	-	-	-	3,412,500	3,412,500
Total	\$ -	\$ -	\$ 5,551,609	\$ 5,551,609	\$ 11,784,246	\$ 17,335,855

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

2021	\$ 10,267,054
2022	2,626,768
2023	1,363,042
2025	1,108,381
2026 and thereafter	1,240,331
	<u>18,570,228</u>
Valuation allowance	(3,033,376)
Foreign currency translation adjustment	(232,914)
	<u>\$ 15,303,938</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 9. Program Related Equity and Partnership Investments

Program related equity and partnership investments consist of funds invested for equity positions in business enterprises or investment funds in connection with Acumen's portfolio activities. As of December 31, 2020 and 2019, there are 99 and 104 equity and partnership investments totaling \$80.1 million and \$80.6 million less a valuation allowance of \$15.0 million and \$21.9 million, respectively.

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 program related equity and partnership investments using Acumen's internally assigned credit quality indicators:

	2020				
	Performing	Monitoring	Total	Valuation Allowance	Net of Allowance
Agriculture	\$ 9,417,472	\$ 5,309,494	\$ 14,726,966	\$ (2,618,122)	\$ 12,108,844
Education	3,770,349	1,103,461	4,873,810	(840,461)	4,033,349
Energy	28,021,960	6,294,191	34,316,151	(3,451,603)	30,864,548
Financial Inclusion	5,006,008	-	5,006,008	(374,768)	4,631,240
Health	12,943,300	2,797,735	15,741,035	(2,567,884)	13,173,151
Housing	293,653	1,415,766	1,709,419	(1,415,766)	293,653
Water and sanitation	-	3,697,641	3,697,641	(3,697,641)	-
	<u>\$ 59,452,742</u>	<u>\$ 20,618,288</u>	<u>\$ 80,071,030</u>	<u>\$ (14,966,245)</u>	<u>\$ 65,104,785</u>

	2019				
	Performing	Monitoring	Total	Valuation Allowance	Net of Allowance
Agriculture	\$ 8,446,951	\$ 10,057,206	\$ 18,504,157	\$ (5,766,071)	\$ 12,738,086
Education	4,575,540	-	4,575,540	(210,081)	4,365,459
Energy	22,121,902	5,005,770	27,127,672	(3,498,873)	23,628,799
Financial Inclusion	4,508,952	-	4,508,952	-	4,508,952
Health	11,951,111	6,865,499	18,816,610	(6,481,411)	12,335,199
Housing	293,653	2,349,181	2,642,834	(2,304,982)	337,852
Water and sanitation	779,998	3,697,641	4,477,639	(3,697,641)	779,998
	<u>\$ 52,678,107</u>	<u>\$ 27,975,297</u>	<u>\$ 80,653,404</u>	<u>\$ (21,959,059)</u>	<u>\$ 58,694,345</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10. Changes in Noncontrolling Limited Partners' Interests

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

	<u>Noncontrolling Interest</u>
Balance December 31, 2018	\$ 4,741,697
Deficiency of revenue under expenses	<u>(1,157,893)</u>
Balance December 31, 2019	3,583,804
Excess of revenue under expenses	<u>370,739</u>
Balance December 31, 2020	<u>\$ 3,954,543</u>

Note 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. Although the Notes matured on December 31, 2019, there are still amounts outstanding that will be paid upon liquidation of assets.

At December 31, 2020 and 2019, ACM had drawn \$5.3 million representing 100% of the commitment, and paid down \$4.9 million and \$3.2 million of the Notes leaving \$395,803 and \$2,029,060 outstanding, respectively. \$7,674 and \$38,799 of the remaining balance is due to Acumen Fund, Inc. and has been eliminated in consolidation as of December 31, 2020 and 2019, respectively.

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 extend into 2022, 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.

Note 12. Paycheck Protection Program Loan

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law and is meant to address the economic fallout from the COVID-19 pandemic. In connection with the CARES Act, Acumen received a Small Business Administration (SBA) Paycheck Protection Program (PPP) loan for \$1,171,555 on May 1, 2020. Acumen determined it qualified for the PPP loan because it has less than 500 employees. The loan is unsecured, bears interest at 1.00% and matures May 1, 2022. Under provisions of the CARES Act and related loan, this loan will be forgiven if certain conditions are met related to the use of the loan proceeds. Those conditions on the loan proceeds include retaining workers and maintaining payroll. Should Acumen be required to repay some portion of these funds because conditions for loan forgiveness are not met, it is the intent of Acumen's leadership to repay any such funds to the lender in accordance with the terms of the agreement. Acumen has elected to account for the loan as a financial liability in accordance with ASC Topic 470, Debt. On August 12, 2021, Acumen received notice from its lender that the SBA had authorized full forgiveness of the PPP loan.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 13. Net Assets With Donor Restrictions

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

	2020	2019
Acumen America	\$ 1,764,089	\$ 1,153,333
Barclays	841,467	981,667
Metlife	581,498	2,140,386
Pfizer	123,005	225,000
QBE Foundation	-	50,000
Robert Wood Johnson Foundation	311,097	1,691,571
ACUMEN AMERICA	<u>3,621,156</u>	<u>6,241,957</u>
EYGS Thought Leadership Report	20,000	-
COMMUNICATIONS	<u>20,000</u>	<u>-</u>
Acumen America Response Fund	140,000	-
Global Response Fund	622,702	-
COVID-19 RESPONSE FUND	<u>762,702</u>	<u>-</u>
ALIVE	23,178	-
Acumen Resilient Agriculture Fund	2,473,956	2,806,039
KawiSafi	5,366,818	8,766,078
FUND INVESTMENTS	<u>7,863,952</u>	<u>11,572,117</u>
Africa	88,041	-
East Africa	-	-
India	-	-
Latin America	692,128	784,901
Pakistan	16,064	32,288
West Africa	198,795	397,900
GEOGRAPHY RESTRICTED	<u>995,028</u>	<u>1,215,089</u>
Bill & Melinda Gates Foundation - APMI	-	664,316
Unilever - Gender Research	-	6,664
IMPACT	<u>-</u>	<u>670,980</u>
Regional Fellows	-	(37,992)
INDIA	<u>-</u>	<u>(37,992)</u>
Acumen Angels	1,250,000	199,666
Acumen Angels Platform	-	5,250
Bill & Melinda Gates Foundation - Acumen Circles	51,724	-
Capital One - Future of Work Accelerator	-	200,000
IKEA - East Africa Social Enterprise Accelerator	-	292,035
Leadership	10,632,399	11,873,318
MAVA	82,959	31,520
PwC - Civic Accelerator	20,500	59,471
Rebecca Eastmond - UK Leadership Expansion	-	78,774
Regional Fellows	786,154	561,418
Rockefeller Foundation	415,173	498,718
Unilever - Innovation Incubator	-	25,000
LEADERSHIP	<u>13,238,909</u>	<u>13,825,170</u>
Modern Energy Cooking Services (MECS)	407,713	-
PEII - UK Department for International Development	-	578,058
PEII - IKEA Foundation	1,491,490	2,748,820
PEII - Energy	1,958,868	3,440,476
PEII - FMO	1,273,155	2,658,117
PIONEER ENERGY INVESTMENT INITIATIVE	<u>5,131,226</u>	<u>9,425,471</u>
Gender Lens Support	4,283	4,283
Technical Assistance	22,473	213,473
POST INVESTMENT SUPPORT	<u>26,756</u>	<u>217,756</u>
Agriculture	3,080	16,672
Education	2,792,597	2,933,294
Global Affairs Canada – Gender Inclusion	(67)	-
Health	<u>-</u>	<u>125,000</u>
SECTOR RESTRICTED	<u>2,795,610</u>	<u>3,074,966</u>
Cocoa Interrupted Campaign	-	16,923
Collaboration Summit	67,662	67,655
Skoll Forum Ecosystem Event	37,971	9,700
STRATEGIC PARTNERSHIPS	<u>105,633</u>	<u>94,278</u>
CRUT	670,018	652,567
TIME RESTRICTED	<u>1,729,552</u>	<u>2,717,743</u>
TOTAL	<u>\$ 36,960,542</u>	<u>\$ 49,670,102</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 13. Net Assets With Donor Restrictions (Continued)

The following is net assets released from with donor restrictions for the years ended December 31:

Purpose/Restriction	2020	2019
Acumen America - General	\$ 1,008,868	\$ 163,899
Barclays	140,200	909,996
Metlife	1,558,888	1,533,332
Pfizer	101,995	-
QBE Foundation	50,000	-
Robert Wood Johnson Foundation	1,440,060	1,580,454
ACUMEN AMERICA	4,300,011	4,187,681
Participant Media Video Project	-	21,171
COMMUNICATIONS	-	21,171
Acumen America Response Fund	1,160,100	-
Global Response Fund	5,162,273	-
COVID-19 RESPONSE FUND	6,322,373	-
Acumen Resilient Agriculture Fund (ARAF)	412,923	44,000
KawiSafi	3,399,260	684,183
FUND INVESTMENTS	3,812,183	728,183
Africa	40,000	120,724
India	80,886	-
Latin America	401,782	225,128
Pakistan	33,267	305,070
West Africa	339,440	136,153
GEOGRAPHY RESTRICTED	895,375	787,075
Impact	-	153,430
Bill & Melinda Gates Foundation - APMI	520,660	968,228
Bill & Melinda Gates Foundation - Ethiochicken	-	461,549
UK Department for International Development	-	161,095
Rockefeller Foundation	-	25,000
Unilever - Gender Research	6,664	88,108
IMPACT	527,324	1,857,410
Regional Fellows	68,287	743,271
INDIA	68,287	743,271
Regional Fellows	47,109	-
LATIN AMERICA	47,109	-
Acumen Angels Platform	5,250	44,750
Acumen Angels	199,666	150,334
Bill & Melinda Gates Foundation - Acumen Circles	48,276	-
IKEA - East Africa Social Enterprise Accelerator	482,035	178,465
Leadership	2,243,390	1,329,587
MAVA	201,252	228,412
PwC - Civic Accelerator	38,971	453,029
Rebecca Eastmond - UK Leadership Expansion	78,773	82,135
Regional Fellows	257,176	175,501
Rockefeller Foundation	1,082,544	1,501,282
Unilever - Innovation Incubator	25,000	240,000
LEADERSHIP	4,662,333	4,383,495
Pakistan	20,617	116,234
PAKISTAN	20,617	116,234
Modern Energy Cooking Services (MECS)	568,583	-
PEII - UK Department for International Development	729,639	540,088
PEII - IDEA Foundation	1,508,485	5,076,708
PEII - Energy	1,508,484	847,325
PEII - FMO	1,508,485	-
ENERGY	5,823,676	6,464,121
Technical Assistance	191,000	187,226
Gender Lens Support	-	11,721
POST INVESTMENT SUPPORT	191,000	198,947
Agriculture	1,488,882	934,191
Education	218,525	793,993
Global Affairs Canada - Gender Inclusion	303,889	-
Water & Sanitation	-	19,999
SECTOR RESTRICTED	2,011,296	1,748,183
Coca Interrupted Campaign	16,922	33,077
Skoll Forum Ecosystem Event	1,729	36,578
STRATEGIC PARTNERSHIPS	18,651	69,655
TIME RESTRICTED	1,409,600	950,522
INTERFUND ACCOUNT	(31,424)	-
TOTAL	\$ 30,078,411	\$ 22,255,948

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 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 \$216,175 and \$205,789 for 2020 and 2019, respectively. During 2017, Acumen established a UK pension plan for eligible UK employees. Plan expenses for the UK pension were £11,908 or \$16,264 and £25,704 or \$36,264 for 2020 and 2019, respectively.

Note 15. Commitments, Contingencies and Uncertainties

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 recognizes rent expense each year on a straight-line basis. 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:

2021	\$	638,391
2022		582,885
2023		592,039
2024		608,533
2025		625,561
2026		135,939
	\$	<u>3,183,348</u>

Occupancy expenses (including donated occupancy) totaled \$958,382 and \$1,072,667 for 2020 and 2019.

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

	2020	2019
Loans	\$ 6,541,719	\$ 8,755,886
Equity investments	2,685,898	6,667,324
Partnership investments	4,588,806	-
	<u>\$ 13,816,423</u>	<u>\$ 15,423,210</u>

Since 2001, Acumen has made portfolio loan and equity disbursements of \$137.0 million. Together with allocated disbursements approved but not disbursed (an obligation of approximately \$3.9 million), Acumen's cumulative investments under management total over \$140.9 million.

At December 31, 2020 and 2019, approximately \$1.2 million and \$0.5 million, respectively, in program disbursements have been committed, but disbursements remain contingent upon the approval of interim progress reports and statements. Approximately \$2.7 million and \$2.9 million of additional program disbursements were committed in 2020 and 2019, respectively. 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.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 15. Commitments, Contingencies and Uncertainties (Continued)

Committed capital: During the course of 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.

As of December 31, 2020, KawiSafi Ventures Limited (KawiSafi) has received shareholder commitments equal to \$67.5 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. As of December 31, 2020, Acumen Fund, Inc. had funded \$12.6 million of its commitment. The ratio of contributed capital to committed capital from Acumen Fund, Inc. is 66%. At December 31 2020, KawiSafi's total funded commitments amount to \$44.1 million. The ratio of total contributed capital to total committed capital for KawiSafi is 65%. 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.

As of December 31, 2020, Acumen Latin America Early Growth Fund LP (ALEG) has received shareholder commitments equal to \$27.7 million to operate an investment fund focused on fast-growing, profitable agribusiness, education, and energy companies that are improving the quality of life of low income communities in Colombia, Peru and Central America. Of that amount, Acumen Fund, Inc. committed \$1 million as a program related investment. Acumen Capital Markets Latin America Early Growth LLC, as the GP of ALEG, may direct the draw-down of these commitments for uses outlined in its shareholders' agreement, including to enable ALEG to make investments, to pay fees and expenses and/or provide reserves. As of December 31, 2020, Acumen Fund, Inc. had funded \$0.7 of its commitment. The ratio of contributed capital to committed capital from Acumen Fund, Inc. is 66.2%. As of December 31, 2020, ALEG's total funded commitments amount is \$17.5 million. The ratio of total contributed capital to total committed capital for ALEG is 63.3%.

As of December 31, 2020, Acumen Resilient Agriculture Fund (ARAF) has received shareholder commitments equal to \$48.3 million to operate an investment fund focused on climate-aware agriculture solutions in East and West Africa. Of that amount, Acumen Fund, Inc. committed \$2.0 million as a program related investment. Acumen Capital Partners LLC, as the manager of ARAF, may direct the draw-down of these commitments for uses outlined in its shareholders' agreement, including to enable ARAF to make investments, to pay fees and expenses and/or provide reserves. As of December 31, 2020, Acumen Fund, Inc. had funded \$0.5 of its commitment. The ratio of contributed capital to committed capital from Acumen Fund, Inc. is 24.2%. As of December 31, 2020, ARAF's total funded commitments amount is \$10.5 million. The ratio of total contributed capital to total committed capital for ARAF is 21.7%.

In 2020, the global pandemic created substantial volatility in the financial markets and the economy, including the geographic areas in which Acumen operates or invests in. It is unknown how long these conditions will last. Accordingly, there could be negative impact to operations or to valuations of investments, the extent to which will depend on future developments which are uncertain and cannot be predicted.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 16. Related Party Transactions

Acumen Fund, Inc. received a reimbursement of \$183,333 from Acumen Resilient Agriculture Fund, LP (ARAF) for organizational expenses incurred during the fund's development. There is also payable of \$97,180 due from Acumen Capital Partners LLC (ACP) to Acumen Fund, Inc. for the balance of ARAF organization expenses as of December 31, 2020. Acumen Fund, Inc. is a limited partner in ARAF and owns 100% of ACP shares. The reimbursement amount was paid or accrued in accordance with the partnership agreement.

Acumen Fund, Inc. also received payment from ARAF for professional services in the amount of \$56,491 in 2020. All professional service fees are charged according to a service-level agreement between Acumen Fund, Inc. and ARAF. Acumen Capital Partners LLC (ACP) received \$1,683,333 in management fees from ARAF in 2020.

Acumen Fund, Inc. received payment from Kawisafi for professional services in the amount of \$26,863 in 2020. Acumen Fund, Inc. is a limited partner in Kawisafi and all professional service fees are charged according to a service-level agreement between Acumen Fund, Inc. and Kawisafi. Acumen Capital Partners LLC (ACP) received \$1,686,500 in management fees from Kawisafi in 2020.

During 2019, Acumen entered into an agreement with 60 Decibels to transfer assets, for which Acumen received convertible notes which are recorded in program related loans receivable on the consolidated statements of financial position. Acumen's CEO holds one of five 60 Decibels board seats. Total fees paid by Acumen to 60 Decibels for services rendered in 2019 were \$1.1 million.

Acumen Fund, Inc. received a reimbursement of \$250,000 from ARAF for organizational expenses incurred during the fund's development. Acumen Fund, Inc. is a limited partner in ARAF and the reimbursement amount was paid in accordance with the partnership agreement. Acumen Resilient Agriculture Capital Investments LLC, the General Partner for ARAF and a single member LLC owned by Acumen Capital Partners, also received \$250,000 in management fees from ARAF in 2019.

Acumen Fund, Inc. received payment from KawiSafi for professional services in the amount of \$34,350 in 2019. Acumen Fund, Inc. is a limited partner in KawiSafi and all professional service fees are charged according to a service-level agreement between Acumen Fund, Inc. and KawiSafi. Acumen Capital Partners LLC (ACP) received \$843,250 in management fees from KawiSafi in 2019 and there were \$843,250 in management fees payable to ACP as of December 31, 2019.

Supplementary Information

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Financial Position
December 31, 2020
(With Summarized Totals at December 31, 2019)
See Independent Auditor's Report

	Acumen Fund, Inc.			Acumen India	Acumen India Trust			Acumen Pakistan			Acumen Capital Markets I, LP	Acumen Canada	Acumen Capital Partners LLC	Acumen EA Advisory Services	Acumen Fund West Africa	Eliminating Entries	2020 Total	2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total								
Assets																		
Operating assets:																		
Cash and cash equivalents	\$ 25,441,374	\$ 23,093,698	\$ 48,535,072	\$ 1,359,105	\$ 30,938	\$ 331,873	\$ 362,811	\$ (217,655)	\$ 697,454	\$ 479,799	\$ 593,846	\$ 510,305	\$ 4,450,683	\$ 129,215	\$ -	\$ -	\$ 56,420,836	\$ 50,777,971
Contributions and pledges receivable, net	261,477	12,827,006	13,088,483	-	-	-	-	-	-	-	-	-	-	-	-	-	13,088,483	24,288,449
Interest receivable	-	-	-	9,209	-	-	-	-	-	-	-	-	-	-	-	-	-	9,209
Investment in subsidiaries	610,261	-	610,261	-	-	-	-	-	-	-	-	-	-	-	-	(610,261)	-	8,537
Loans to subsidiaries	750,000	-	750,000	-	-	-	-	-	-	-	-	-	-	-	-	(750,000)	-	-
Accounts and other receivables	333,641	-	333,641	199,325	-	-	-	84,371	-	84,371	68,361	(7,934)	276,818	538,002	-	(1,101,620)	390,964	1,293,078
Prepaid expenses and other assets	278,918	-	278,918	103,404	1,904	-	1,904	21,306	-	21,306	-	-	25,723	42,730	5,060	-	479,045	547,326
Interest in charitable remainder trust	-	670,018	670,018	-	-	-	-	-	-	-	-	-	-	-	-	-	670,018	652,567
Property and equipment, net	152,265	-	152,265	11,919	-	-	-	11,224	-	11,224	-	-	14,975	114,284	-	-	304,667	356,884
Security deposits	234,860	-	234,860	23,825	14,736	-	14,736	187	-	187	-	-	3,028	14,327	-	-	290,963	295,958
Total operating assets	28,062,796	36,590,722	64,653,518	1,706,787	47,578	331,873	379,451	(100,567)	697,454	596,887	662,207	502,371	4,771,227	838,558	5,060	(2,461,881)	71,654,185	78,220,770
Portfolio assets:																		
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and dividend receivable, net	985,944	-	985,944	-	-	-	-	-	-	-	-	-	-	-	-	-	985,944	1,190,904
Taxes receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program related Partnership Investments	14,579,867	-	14,579,867	-	-	-	-	-	-	-	-	-	-	-	-	(766,461)	13,813,406	-
Program related equity investments, net	48,251,676	-	48,251,676	-	-	-	-	84,324	-	84,324	2,475,929	479,450	-	-	-	-	51,291,379	58,694,345
Program related loans receivable, net	13,015,230	-	13,015,230	-	-	-	-	-	-	-	2,086,289	210,093	-	-	-	(7,674)	15,303,938	13,747,993
Total portfolio assets	76,832,717	-	76,832,717	-	-	-	-	84,324	-	84,324	4,562,218	689,543	-	-	-	(774,135)	81,394,667	73,633,242
\$ 104,895,513	\$ 36,590,722	\$ 141,486,235	\$ 1,706,787	\$ 47,578	\$ 331,873	\$ 379,451	\$ (16,243)	\$ 697,454	\$ 681,211	\$ 5,224,425	\$ 1,191,914	\$ 4,771,227	\$ 838,558	\$ 5,060	\$ (3,236,016)	\$ 153,048,852	\$ 151,654,012	
Liabilities and Net Assets																		
Liabilities:																		
Accounts payable and accrued expenses	\$ 1,588,883	\$ -	\$ 1,588,883	\$ 73,097	\$ 13,706	\$ -	\$ 13,706	\$ 93,371	\$ -	\$ 93,371	\$ 134,453	\$ 542	\$ 215,529	\$ 54,138	\$ 29,976	\$ (1,195,524)	\$ 1,008,171	\$ 1,261,056
Accrued salaries and related expenses	622,291	-	622,291	16,257	-	-	-	2,752	-	2,752	-	-	119,425	86,188	2,356	-	849,269	1,326,168
Taxes payable on foreign loan interest income	8	-	8	-	-	-	-	-	-	-	-	-	68,666	-	-	-	68,674	1,280
Short Term Notes Payable	1,171,555	-	1,171,555	-	-	-	-	-	-	-	-	-	-	-	-	-	1,171,555	-
Deferred income	648,534	-	648,534	-	-	331,873	331,873	-	327,634	327,634	-	-	2,403,432	-	-	(701,765)	3,009,708	2,603,004
Intercompany loan	(11,028)	-	(11,028)	-	-	-	-	756,694	-	756,694	-	-	-	-	-	(745,666)	-	-
Returnable grant capital	1,388,133	-	1,388,133	-	-	-	-	-	-	-	-	-	-	-	-	-	1,388,133	1,388,133
Notes payable	-	-	-	-	-	-	-	-	-	-	403,477	-	-	-	-	(7,674)	395,803	2,029,760
Total liabilities	5,408,376	-	5,408,376	89,354	13,706	331,873	345,579	852,817	327,634	1,180,451	537,930	542	2,807,052	140,326	32,332	(2,650,629)	7,891,313	8,609,401
Net assets (deficit):																		
Without donor restrictions:																		
Operating	22,654,420	-	22,654,420	-	-	-	-	(1,733,924)	-	(1,733,924)	-	501,829	1,964,175	97,129	(27,272)	3,953,650	27,410,007	16,357,463
Portfolio funds	76,832,717	-	76,832,717	-	-	-	-	84,323	-	84,323	-	689,543	-	-	-	(774,136)	76,832,447	73,633,242
Noncontrolling limited partners' interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,954,543	3,954,543	3,583,804
Total without donor restrictions	99,487,137	-	99,487,137	-	-	-	-	(1,649,601)	-	(1,649,601)	-	1,191,372	1,964,175	97,129	(27,272)	7,134,057	108,196,997	93,574,509
With donor restrictions:																		
Contributed capital	-	36,590,722	36,590,722	353,133	66,318	-	66,318	-	369,820	369,820	-	-	-	230,912	-	(650,364)	36,960,541	49,670,102
Stockholders' equity	-	-	-	1,264,300	(32,446)	-	(32,446)	780,541	-	780,541	-	-	-	370,191	-	(2,382,586)	-	-
Partners' capital	-	-	-	-	-	-	-	-	-	-	4,686,495	-	-	-	-	(4,686,494)	1	-
Total net assets (deficit)	99,487,137	36,590,722	136,077,859	1,617,433	33,872	-	33,872	(869,060)	369,820	(499,240)	4,686,495	1,191,372	1,964,175	698,232	(27,272)	(585,387)	145,157,539	143,244,611
\$ 104,895,513	\$ 36,590,722	\$ 141,486,235	\$ 1,706,787	\$ 47,578	\$ 331,873	\$ 379,451	\$ (16,243)	\$ 697,454	\$ 681,211	\$ 5,224,425	\$ 1,191,914	\$ 4,771,227	\$ 838,558	\$ 5,060	\$ (3,236,016)	\$ 153,048,852	\$ 151,654,012	

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Activities
 Year Ended December 31, 2020
 (With Summarized Totals for the Year Ended December 31, 2019)
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	Acumen Fund, Inc.			Acumen India	Acumen India Trust			Acumen Pakistan	Acumen Capital Markets L LP	Acumen Canada	Acumen Capital Partners LLC	Acumen EA Advisory Services	Acumen Fund West Africa	Eliminating Entries	2020 Total	2019 Total		
	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total										Without Donor Restrictions	With Donor Restrictions
Support and revenue:																		
Operating support and revenue:																		
Contributions	\$ 7,346,222	\$ 15,708,657	\$ 23,054,879	\$ 751,972	\$ 161,839	\$ 57,718	\$ 219,557	\$ 19,017	\$ -	\$ 19,017	\$ -	\$ 213,057	\$ 248,410	\$ 1,642,744	\$ 782,982	\$ (3,555,737)	\$ 23,376,881	\$ 26,724,258
(Provision) recovery for uncollectible pledges	26,399	1,883,929	1,810,324	-	-	-	-	-	-	-	-	-	-	-	-	-	1,810,324	(59,656)
In-kind contributions	4,372,539	-	4,372,539	-	-	-	-	-	-	-	-	-	-	-	-	-	4,372,539	2,759,996
Program fees	382,399	-	382,399	(475)	-	-	-	-	-	-	-	-	3,369,833	-	-	-	3,751,757	3,590,301
Investment income	247,952	-	247,952	61,410	8,778	-	8,778	11,838	-	11,838	2,746	-	-	-	-	-	332,724	337,979
Change in value of charitable remainder trust	-	17,451	17,451	-	-	-	-	-	-	-	-	-	-	-	-	-	17,451	246,965
Loss on disposal of property and equipment	(6,489)	-	(6,489)	-	-	-	-	-	-	-	-	-	93	-	-	-	(6,396)	(5,353)
Other income	833,789	-	833,789	418	169	-	159	4,422	-	4,422	-	-	(439)	-	-	(160,534)	697,816	1,350,478
Net assets released from restrictions	18,160,320	(18,160,320)	-	-	67,718	(67,718)	-	-	-	-	-	-	-	-	-	-	-	-
Total operating support and revenue	31,363,127	(850,283)	30,512,844	813,325	228,494	-	228,494	35,277	-	35,277	2,746	213,057	3,617,897	1,642,744	782,982	(3,736,271)	34,113,095	34,944,238
Portfolio revenue (losses):																		
Interest and dividend income, program related investments	2,405,920	-	2,405,920	-	-	-	-	28,524	-	28,524	-	-	-	-	-	-	2,432,444	350,167
Realized and unrealized gain (loss) on equity and partnership investments	1,421,588	-	1,421,588	-	-	-	-	-	-	-	226,784	-	-	-	(8,149)	-	1,640,233	2,044,951
Realized debt portfolio losses	(1,137,190)	-	(1,137,190)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,137,190)	-
Provision for losses	(1,886,501)	-	(1,886,501)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,886,501)	(3,865,162)
Other portfolio investment income	44,964	-	44,964	-	-	-	-	-	-	-	-	-	-	-	-	-	44,964	50,000
Net assets released from restrictions	11,860,373	(11,860,373)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total portfolio revenue (losses)	12,709,154	(11,860,373)	848,781	-	-	-	-	28,524	-	28,524	226,784	-	-	-	(8,149)	-	1,093,940	(1,520,041)
Total support and revenue	44,072,281	(12,710,656)	31,361,625	813,325	228,494	-	228,494	61,801	-	61,801	228,530	213,057	3,617,897	1,642,744	782,982	(3,744,420)	35,207,035	33,424,194
Expenses:																		
Program expenses:																		
Portfolio management	17,079,561	-	17,079,561	457,635	31	-	31	12,945	-	12,945	177,978	(510)	3,221,601	416,432	350,209	(4,407,585)	17,308,297	11,084,157
Outreach, impact and communications	3,498,303	-	3,498,303	57,506	-	-	-	1,153	-	1,153	-	-	58,539	-	-	-	3,615,901	5,563,173
Leadership	6,228,727	-	6,228,727	-	178,201	-	178,201	15,593	-	15,593	-	-	391,755	248,390	-	-	7,062,666	6,104,011
Total program expenses	26,806,591	-	26,806,591	515,141	178,232	-	178,232	29,691	-	29,691	177,978	(510)	3,221,601	866,726	598,699	(4,407,585)	27,986,464	22,751,341
Supporting expenses:																		
Management and general	1,658,571	-	1,658,571	108,021	(208)	-	(208)	193,445	-	193,445	-	2,639	(40,159)	456,551	132,985	-	2,511,845	2,660,492
Fundraising	2,410,173	-	2,410,173	36,218	-	-	-	-	-	-	-	-	200,300	74,548	-	-	2,721,239	3,383,480
Total supporting expenses	4,068,744	-	4,068,744	144,239	(208)	-	(208)	193,445	-	193,445	-	2,639	(40,159)	656,691	207,633	-	5,233,084	6,043,962
Total expenses	30,875,335	-	30,875,335	659,380	178,024	-	178,024	223,136	-	223,136	177,978	2,129	3,181,442	1,823,677	806,132	(4,407,585)	33,219,548	28,795,303
Change in net assets before foreign currency translation gain (loss)	13,196,946	(12,710,656)	486,290	153,945	50,470	-	50,470	(161,335)	-	(161,335)	51,552	210,928	436,455	119,167	(23,150)	663,165	1,987,487	4,628,891
Foreign currency translation gain (loss)	89,521	13,996	73,517	(74,449)	2,571	-	2,571	931	(12,900)	(11,969)	-	16,196	(14,049)	(22,038)	(4,122)	(40,216)	(74,559)	796,948
Capital Contribution	-	-	-	-	-	-	-	-	-	-	-	-	184	230,912	-	-	(231,096)	-
Dividend Distribution	-	-	-	(143,024)	-	-	-	-	-	-	-	-	-	-	-	-	143,024	-
Asset Transfers	(361,307)	-	(361,307)	-	-	-	-	-	-	-	-	-	-	370,191	-	-	(8,884)	-
Change in net assets	12,895,160	(12,696,660)	198,500	(63,528)	53,041	-	53,041	(160,404)	(12,900)	(173,304)	51,552	227,124	422,590	698,232	(27,272)	525,993	1,912,928	5,425,839
Net assets (deficit):																		
Beginning of the year	86,591,977	49,287,382	135,879,359	1,680,961	(19,169)	-	(19,169)	(708,656)	382,720	(325,936)	4,634,943	964,248	1,541,585	-	-	(1,111,350)	143,244,611	137,818,772
End of the year	\$ 99,487,137	\$ 36,590,722	\$ 136,077,859	\$ 1,617,433	\$ 33,872	\$ -	\$ 33,872	\$ (689,060)	\$ 369,820	\$ (499,240)	\$ 4,686,495	\$ 1,191,372	\$ 1,964,175	\$ 698,232	\$ (27,272)	\$ (555,357)	\$ 145,157,639	\$ 143,244,611

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Functional Expenses by Region
Year Ended December 31, 2020
(With Summarized Totals for the Year Ended December 31, 2019)
See Independent Auditor's Report

	Philanthropy									Fund Management			2020 Total	2019 Total	
	Regions								Elimination	Total Philanthropy	ACM	ACP			Total Funds
	America (2)	Acumen HQ (1) (2)	Canada	East Africa (2)	Latin America (2)	India	Pakistan	West Africa (2)							
Compensation	\$ 941,048	\$ 8,172,313	\$ -	1,150,693	686,772	512,865	\$ 152,893	\$ 583,734	\$ -	\$ 12,200,319	\$ -	\$ 1,664,071	\$ 1,664,071	\$ 13,864,390	\$ 14,202,192
Professional and consultant fees	290,228	2,102,702	2,391	115,073	84,815	40,722	14,857	44,229	(180,534)	2,514,483	42,219	677,976	720,195	3,234,678	3,313,131
Program grants	1,680,000	10,811,929	-	-	191,378	19,197	-	226,415	(5,265,191)	7,663,728	-	220,687	220,687	7,884,415	3,201,736
Donated professional services	-	4,372,539	-	-	-	-	-	-	-	4,372,539	-	-	-	4,372,539	2,759,396
Travel	1,602	93,198	-	23,319	29,875	11,847	6,268	94,902	-	261,011	-	12,843	12,843	273,854	919,479
Meetings	220	34,827	-	3,857	1,294	645	28	7,811	-	48,682	-	1,773	1,773	50,455	328,864
Marketing material	31,099	203,268	-	-	892	128	99	-	-	235,487	-	590	590	236,077	198,913
Technology expenses	22,625	531,683	-	18,063	1,547	8,992	1,249	606	-	584,765	-	43,694	43,694	628,459	702,261
Telephone	3,597	51,142	-	10,035	4,100	1,214	1,089	3,346	-	74,524	-	1,028	1,028	75,552	94,162
Office supplies, printing and postage	5,840	113,738	-	11,317	4,217	2,368	1,429	3,713	-	142,622	-	3,480	3,480	146,102	121,039
Occupancy	55,399	573,289	-	34,831	51,654	88,478	30,997	54,407	-	889,054	-	69,327	69,327	958,381	1,072,766
Insurance	6,403	68,553	-	932	-	1,214	204	-	-	77,306	13,250	16,126	29,376	106,682	92,854
Investment fees and bank charges	9,765	134,015	190	17,901	8,757	65,020	10,537	33,702	-	279,888	72,060	88,954	161,014	440,902	362,735
Vat and real estate taxes	5,082	69,199	-	3,248	913	29,970	-	24	-	108,435	-	4,020	4,020	112,455	391,938
Interest	-	8,551	-	-	-	-	-	-	-	8,551	49,949	-	49,949	58,500	779,961
Income Tax	-	-	-	-	-	47,261	-	-	-	47,261	-	364,555	364,555	411,816	-
Miscellaneous	-	61,964	(452)	118,154	70	375	104	6,616	-	186,832	500	(5,186)	(4,686)	182,146	-
Total expenses before depreciation	3,052,908	27,402,912	2,129	1,507,423	1,066,285	830,296	219,754	1,059,505	(5,445,725)	29,695,487	177,978	3,163,938	3,341,916	33,037,403	28,585,570
Depreciation	6,536	111,580	-	16,181	10,268	7,108	3,382	9,586	-	164,641	-	17,504	17,504	182,145	209,728
	\$ 3,059,444	\$ 27,514,492	\$ 2,129	\$ 1,523,604	\$ 1,076,553	\$ 837,404	\$ 223,136	\$ 1,069,091	\$ (5,445,725)	\$ 29,860,128	\$ 177,978	\$ 3,181,442	\$ 3,359,420	\$ 33,219,548	\$ 28,795,298

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

(2) America, Acumen HQ, East Africa, Latin America and West Africa regions roll-up to comprise Acumen Fund, Inc. in the consolidated statements of financial position and consolidated statements of activities