

# **Acumen Fund, Inc. and Subsidiaries**

Consolidated Financial Report  
December 31, 2022

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RSM US LLP

## Independent Auditor's Report

Board of Directors  
Acumen Fund, Inc. and Subsidiaries

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the consolidated financial statements of Acumen Fund, Inc. and Subsidiaries (Acumen), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Acumen as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Acumen and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Emphasis of Matter**

As discussed in Note 2 to the financial statements, effective January 1, 2022, Acumen adopted Financial Accounting Standards Board Accounting Standards Codification 842, *Leases*, which resulted in Acumen recording a right-of-use asset of \$2,585,933 and a lease liability of \$2,797,022, respectively. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Acumen's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Acumen's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Acumen's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary consolidating schedules of financial position, activities and functional expenses by region are presented for purposes of additional analysis and are 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 has been subjected to the auditing procedures applied in the audits 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 is fairly stated in all material respects in relation to the financial statements as a whole.

We were engaged to audit the financial statements taken 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 is the responsibility of management. The information has not been subjected to the auditing procedures applied in the audit of the financial statements. Accordingly, it is inappropriate to and we do not express an opinion on the MD&A.

*RSM US LLP*

Boston, Massachusetts  
August 25, 2023

## **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**

If there was ever a time to reaffirm Acumen’s commitment to solving the problems of poverty, and to push harder and stronger than ever before in our mission, 2022 was it.

Sharing what we learn: Acumen is now one of the foremost problem-solvers in the world. We launched a new Insights & Strategy team that is leveraging our insights so that others can adopt and build them into practice. We researched and published lessons about our 20 years of Patient Capital investing, demonstrating that a spectrum of capital can be used to fund entrepreneurs serving the poor.

We grew bolder; more confident: After more than two decades, we crossed a critical, affirming milestone: 500 million lives impacted through our Patient Capital work. This is the result of the hard work of our community – entrepreneurs and their teams, donors, and partners, co-investors, our customers, and Acumen’s team of committed individuals who show up and bring their best selves to serve the world.

We are leading coalitions: Acumen continues to break new ground with innovative solutions that can serve in places where others dare not go. Centering smallholder farmers and meeting those living in the hardest to reach areas are what anchors our commitment to create new markets that work for everyone.

Acumen still has much to offer the world. As we grow and strengthen our impact, it’s thrilling to see the progress we’re making on solving the big problems we face.

### **Operating Results**

In 2022, Acumen raised \$60.9 million in philanthropic capital, an increase of 112.1% from 2021. Acumen recognized non-cash revenue of \$2.1 million for donated legal services and donated goods to support our investing work.

We received \$0.1 million in interest income from portfolio loans and recorded a loss provision of \$3.9 million for portfolio investment losses. Acumen carries our program investments at cost, and we lower these valuations when impairment exists. We review our portfolio of assets on an annual basis and apply a consistent valuation philosophy across the companies in our portfolio. Because we carry these investments at cost, we do not mark up our equity investments to fair market value, even when subsequent funding rounds imply an increase in the holding value of our investments. The only exception would be mark-ups related to orderly transactions of identical shares. Any other increase in value of equity investments would be recognized as realized gains or profits upon exit.

Operating expenses represents all the direct costs related to the running of Acumen programs as well as our management and general and fundraising costs. They do not reflect any of our investments in our portfolio companies. Total expenses for 2022 were \$32.7 million, a 6.5% increase compared to the prior year driven by additional headcount and research costs to support new programs.

**Acumen**

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Program work constitutes 74.4% of our total expenses. Portfolio expenses were \$13.6 million, representing the cost of sourcing, due diligence, planning and the execution of \$10.1 million in new and follow-on investment disbursements. As of December 2022, Acumen invested \$154.4 million in 167 companies. Outreach, Impact and Communications expenses were \$4.8 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 costs decreased by 1.0% in 2022 with expenses of \$6.0 million. Fundraising costs and Management and General expense accounted for \$8.4 million, which included investments in improving organization efficiency and effectiveness.

**Statement of Financial Position**

Acumen's total assets were \$194.5 million as of December 31, 2022. Acumen's assets are split primarily between Operating Assets (\$106.2 million) and Portfolio Assets (\$88.3 million). The largest component of our Operating Assets is our cash balance of \$67.3 million, where \$36.4 million (54.0%) of the total balance was restricted and designated for specific programmatic uses or for use as investment capital. Liabilities at the end of 2022 totaled \$12.7 million, comprising unearned revenue from conditional grants and returnable grants used for portfolio investments under the East Africa Education Initiative. Net assets at the end of the year were \$181.8 million compared to \$149.8 million at the end of 2021 – a 21.3% increase.

## Acumen Fund, Inc. and Subsidiaries

### Consolidated Statements of Financial Position December 31, 2022 and 2021

	2022	2021
<b>Assets</b>		
Operating assets		
Cash and cash equivalents	\$ 63,726,936	\$ 52,745,887
Contributions receivable, net	32,493,939	13,223,420
Interest receivable	28,164	27,806
Accounts and other receivables	1,194,305	511,397
Investments	1,654,126	-
Prepaid expenses and other assets	606,550	530,994
Interest in charitable remainder trust	496,226	611,085
Cash restricted for long-term investment	3,617,084	5,172,660
Property and equipment, net	253,289	158,205
Right of use lease assets, net	1,919,393	-
Security deposits	248,141	226,090
<b>Total non-portfolio assets</b>	<b>106,238,153</b>	<b>73,207,544</b>
Portfolio assets		
Interest and dividend receivable, net	979,726	1,420,732
Program related equity investments, net	55,147,374	55,441,386
Program related loans receivable, net	12,673,498	12,330,081
Program related partnership investments, net	19,462,619	16,701,456
<b>Total portfolio assets</b>	<b>88,263,217</b>	<b>85,893,655</b>
<b>Total assets</b>	<b>\$ 194,501,370</b>	<b>\$ 159,101,199</b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 559,278	\$ 1,378,808
Accrued salaries and related expenses	1,760,110	1,505,497
Taxes payable on foreign loan interest income	4,961	41,828
Conditional advances	2,443,230	2,842,004
Returnable grant capital	5,819,399	3,487,267
Lease liability	2,106,898	-
<b>Total liabilities</b>	<b>12,693,876</b>	<b>9,255,404</b>
Net assets		
Without donor restrictions:		
Operating	25,278,584	28,659,112
Portfolio funds	88,263,217	85,893,655
<b>Total without donor restrictions</b>	<b>113,541,801</b>	<b>114,552,767</b>
With donor restrictions	68,265,693	35,293,028
<b>Total net assets</b>	<b>181,807,494</b>	<b>149,845,795</b>
	<b>\$ 194,501,370</b>	<b>\$ 159,101,199</b>

See notes to consolidated financial statements.



## Acumen Fund, Inc. and Subsidiaries

### Consolidated Statement of Activities Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Operating support and revenue:			
Contributions	\$ 7,781,164	\$ 53,116,055	\$ 60,897,219
In-kind contributions	2,099,405	-	2,099,405
Program fees	4,198,376	-	4,198,376
Net investment income	494,845	-	494,845
Change in value of charitable remainder trust	-	(114,859)	(114,859)
Loss on disposal of property and equipment	(2,698)	-	(2,698)
Other income	88,036	-	88,036
Net assets released from restrictions	14,858,240	(14,858,240)	-
<b>Total operating support and revenue</b>	<b>29,517,368</b>	<b>38,142,956</b>	<b>67,660,324</b>
Portfolio revenue (losses):			
Interest and dividend income, program related investments	138,974	-	138,974
Realized and unrealized gains on equity and partnership investments	1,095,530	-	1,095,530
Realized debt portfolio losses	(102,879)	-	(102,879)
Provision for losses	(3,942,703)	-	(3,942,703)
Net assets released from restrictions	5,170,291	(5,170,291)	-
<b>Total portfolio revenue (losses)</b>	<b>2,359,213</b>	<b>(5,170,291)</b>	<b>(2,811,078)</b>
<b>Total support and revenue</b>	<b>31,876,581</b>	<b>32,972,665</b>	<b>64,849,246</b>
Expenses:			
Program expenses:			
Portfolio management	13,583,117	-	13,583,117
Outreach, impact and communications	4,792,425	-	4,792,425
Leadership	5,985,910	-	5,985,910
<b>Total program expenses</b>	<b>24,361,452</b>	<b>-</b>	<b>24,361,452</b>
Supporting expenses:			
Management and general	4,249,202	-	4,249,202
Fundraising	4,135,657	-	4,135,657
<b>Total supporting expenses</b>	<b>8,384,859</b>	<b>-</b>	<b>8,384,859</b>
<b>Total expenses</b>	<b>32,746,311</b>	<b>-</b>	<b>32,746,311</b>
Change in net assets before foreign currency translation loss	(869,730)	32,972,665	32,102,935
Foreign currency translation loss	(141,236)	-	(141,236)
<b>Change in net assets</b>	<b>(1,010,966)</b>	<b>32,972,665</b>	<b>31,961,699</b>
Net assets:			
Beginning of the year	114,552,767	35,293,028	149,845,795
End of the year	<b>\$ 113,541,801</b>	<b>\$ 68,265,693</b>	<b>\$ 181,807,494</b>

See notes to consolidated financial statements.

## Acumen Fund, Inc. and Subsidiaries

### Consolidated Statement of Activities Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Operating support and revenue:			
Contributions	\$ 7,888,285	\$ 20,828,290	\$ 28,716,575
In-kind contributions	4,458,152	-	4,458,152
Program fees	4,147,086	-	4,147,086
Net investment income	214,926	-	214,926
Change in value of charitable remainder trust	-	(58,933)	(58,933)
Gain on short-term loan payable forgiveness	1,171,555	-	1,171,555
Other income	246,383	-	246,383
Net assets released from restrictions	11,672,002	(11,672,002)	-
<b>Total operating support and revenue</b>	<b>29,798,389</b>	<b>9,097,355</b>	<b>38,895,744</b>
Portfolio revenue (losses):			
Interest and dividend income, program related investments	2,686,002	-	2,686,002
Realized and unrealized losses on equity and partnership investments	(2,060,147)	-	(2,060,147)
Realized debt portfolio losses	(664,871)	-	(664,871)
Provision for losses	(1,044,637)	-	(1,044,637)
Other portfolio investment income	55,500	-	55,500
Net assets released from restrictions	10,793,645	(10,793,645)	-
<b>Total portfolio revenue (losses)</b>	<b>9,765,492</b>	<b>(10,793,645)</b>	<b>(1,028,153)</b>
<b>Total support and revenue</b>	<b>39,563,881</b>	<b>(1,696,290)</b>	<b>37,867,591</b>
Expenses:			
Program expenses:			
Portfolio management	14,629,821	-	14,629,821
Outreach, impact and communications	4,111,320	-	4,111,320
Leadership	6,045,213	-	6,045,213
<b>Total program expenses</b>	<b>24,786,354</b>	<b>-</b>	<b>24,786,354</b>
Supporting expenses:			
Management and general	2,629,824	-	2,629,824
Fundraising	3,168,358	-	3,168,358
<b>Total supporting expenses</b>	<b>5,798,182</b>	<b>-</b>	<b>5,798,182</b>
<b>Total expenses</b>	<b>30,584,536</b>	<b>-</b>	<b>30,584,536</b>
Change in net assets before foreign currency translation loss and capital distributions and transfers	8,979,345	(1,696,290)	7,283,055
Foreign currency translation loss	(222,418)	28,776	(193,642)
Capital distributions and transfers	(2,401,157)	-	(2,401,157)
<b>Change in net assets</b>	<b>6,355,770</b>	<b>(1,667,514)</b>	<b>4,688,256</b>
Net assets:			
Beginning of the year	108,196,997	36,960,542	145,157,539
End of the year	\$ 114,552,767	\$ 35,293,028	\$ 149,845,795

See notes to consolidated financial statements.

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses  
Year Ended December 31, 2022

	Program Services				Management and General	Fundraising	Total
	Portfolio Management	Outreach, Impact and Communications	Leadership	Total			
Compensation	\$ 6,735,686	\$ 2,702,118	\$ 3,346,078	\$ 12,783,882	\$ 2,183,384	\$ 3,133,648	\$ 18,100,914
Professional and consultant fees	1,833,488	909,908	993,156	3,736,552	687,459	426,076	4,850,087
Program grants	1,810,959	13,148	465,641	2,289,748	-	169,662	2,459,410
In-kind contributions	1,544,258	-	25,109	1,569,367	530,038	-	2,099,405
Travel	294,779	177,469	265,704	737,952	52,609	52,927	843,488
Meetings	56,522	483,652	169,155	709,329	35,684	48,058	793,071
Marketing material	5,801	72,804	49,459	128,064	714	666	129,444
Technology expenses	225,061	127,232	201,355	553,648	241,862	84,281	879,791
Telephone	7,641	5,996	7,108	20,745	5,156	2,929	28,830
Office supplies	25,185	39,516	41,799	106,500	34,180	16,086	156,766
Occupancy	252,343	184,532	265,279	702,154	174,646	121,264	998,064
Insurance	31,880	23,079	20,644	75,603	16,713	22,469	114,785
Investment fees and bank charges	267,683	32,628	79,771	380,082	123,462	42,439	545,983
VAT and real estate taxes	183,860	15,738	23,203	222,801	16,794	12,175	251,770
Interest	-	-	-	-	18,437	-	18,437
Income tax	190,706	-	-	190,706	132,065	-	322,771
Miscellaneous	69,903	108	1,850	71,861	(22,120)	-	49,741
<b>Total expenses before depreciation</b>	<b>13,535,755</b>	<b>4,787,928</b>	<b>5,955,311</b>	<b>24,278,994</b>	<b>4,231,083</b>	<b>4,132,680</b>	<b>32,642,757</b>
Depreciation	47,362	4,497	30,599	82,458	18,119	2,977	103,554
<b>Total expenses</b>	<b>\$ 13,583,117</b>	<b>\$ 4,792,425</b>	<b>\$ 5,985,910</b>	<b>\$ 24,361,452</b>	<b>\$ 4,249,202</b>	<b>\$ 4,135,657</b>	<b>\$ 32,746,311</b>

See notes to consolidated financial statements.

**Acumen Fund, Inc. and Subsidiaries**

**Consolidated Statement of Functional Expenses  
Year Ended December 31, 2021**

	Program Services				Management and General	Fundraising	Total
	Portfolio Management	Outreach, Impact and Communications	Leadership	Total			
Compensation	\$ 5,514,303	\$ 2,785,400	\$ 3,362,393	\$ 11,662,096	\$ 1,282,357	\$ 2,597,127	\$ 15,541,580
Professional and consultant fees	1,709,041	754,076	715,575	3,178,692	362,854	178,727	3,720,273
Program grants	2,158,861	-	1,040,475	3,199,336	2,293	-	3,201,629
In-kind contributions	4,128,834	86,520	-	4,215,354	242,798	-	4,458,152
Travel	79,210	6,523	103,463	189,196	15,278	6,205	210,679
Meetings	11,781	2,492	24,546	38,819	11,120	7,769	57,708
Marketing material	55,276	80,708	106,731	242,715	92	2,748	245,555
Technology expenses	245,127	106,711	186,716	538,554	151,212	94,995	784,761
Telephone	13,816	16,163	18,646	48,625	8,444	9,866	66,935
Office supplies, printing and postage	15,747	20,458	42,844	79,049	21,875	13,933	114,857
Occupancy	236,645	159,315	271,669	667,629	60,043	142,989	870,661
Insurance	53,998	19,033	26,483	99,514	8,870	17,427	125,811
Investment fees and bank charges	254,876	32,912	72,151	359,939	102,681	74,284	536,904
VAT and real estate taxes (recovery)	(6,351)	17,595	19,921	31,165	216,266	14,033	261,464
Interest	3,285	-	-	3,285	-	-	3,285
Income tax	128,299	-	-	128,299	103,033	-	231,332
Miscellaneous	(14,427)	-	6,102	(8,325)	4,395	4	(3,926)
<b>Total expenses before depreciation</b>	<b>14,588,321</b>	<b>4,087,906</b>	<b>5,997,715</b>	<b>24,673,942</b>	<b>2,593,611</b>	<b>3,160,107</b>	<b>30,427,660</b>
Depreciation	41,500	23,414	47,498	112,412	36,213	8,251	156,876
<b>Total expenses</b>	<b>\$ 14,629,821</b>	<b>\$ 4,111,320</b>	<b>\$ 6,045,213</b>	<b>\$ 24,786,354</b>	<b>\$ 2,629,824</b>	<b>\$ 3,168,358</b>	<b>\$ 30,584,536</b>

See notes to consolidated financial statements.

## Acumen Fund, Inc. and Subsidiaries

### Consolidated Statements of Cash Flows Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 31,961,699	\$ 4,688,256
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	103,554	156,876
Provision (recovery) for uncollectible contributions receivable and write-offs, net	1,180,986	(190,876)
Change in interest in charitable remainder trust	114,859	58,933
Foreign currency translation loss	141,236	193,642
Loss on disposal of property and equipment	2,698	-
Donated securities	(1,932,253)	(1,489,085)
Proceeds from sale of donated securities used for operations	264,707	1,668,473
Realized (loss) gain on sale of donated securities	13,420	(179,388)
Realized and unrealized (gain) loss on equity and partnership investments	(1,095,530)	2,060,147
Realized debt portfolio losses	102,879	664,871
Provision for portfolio losses	3,942,703	1,044,637
Realized loss on program related loan conversions	260,715	-
Forgiveness of short-term loan payable	-	(1,171,555)
Partner distribution	-	2,401,157
Change in operating assets and liabilities:		
Contributions receivable	(20,451,505)	55,939
Interest and dividend receivable	440,648	(453,385)
Accounts and other receivables	(682,908)	(120,433)
Prepaid expenses and other assets	135,533	(51,949)
Operating right of use lease assets	666,540	-
Security deposits	(22,051)	64,873
Accounts payable and accrued expenses	(564,917)	1,026,865
Returnable grant capital	2,332,132	2,099,134
Conditional advances	(398,774)	(167,704)
Operating lease liability	(690,124)	-
Taxes payable on foreign loan interest income	(36,867)	(26,846)
<b>Net cash provided by operating activities</b>	<b>15,789,380</b>	<b>12,332,582</b>
Cash flows from investing activities:		
Partner distribution	-	(2,401,157)
Purchase of property and equipment	(237,141)	(10,414)
Proceeds from sale of property and equipment	35,805	-
Proceeds from sale of program related equity and partnership investments	3,346,890	1,739,618
Program related loans made	(3,410,000)	(4,368,000)
Program related equity investments made	(4,606,163)	(5,220,469)
Program related partnership investments made	(2,084,079)	(3,539,289)
Repayment of program related loans	590,781	3,360,643
<b>Net cash used in investing activities</b>	<b>(6,363,907)</b>	<b>(10,439,068)</b>
Cash flows from financing activities:		
Principal payments on notes payable	-	(395,803)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(395,803)</b>
<b>Net change in cash and cash equivalents and cash restricted for long-term investment</b>	<b>9,425,473</b>	<b>1,497,711</b>
Cash and cash equivalents and cash restricted for long-term investment		
Beginning	57,918,547	56,420,836
Ending	\$ 67,344,020	\$ 57,918,547
Reconciliation of cash and cash equivalents and cash restricted for long-term investment:		
Cash and cash equivalents	\$ 63,726,936	\$ 52,745,887
Cash restricted for long-term investment	3,617,084	5,172,660
<b>Total cash and cash equivalents and cash restricted for long-term investment</b>	<b>\$ 67,344,020</b>	<b>\$ 57,918,547</b>
Supplemental disclosures of cash flow information		
Cash paid for taxes	\$ 359,638	\$ 488,201
Cash paid for interest	\$ 18,437	\$ 26,540
Supplemental disclosures of non-cash financing activities:		
Leased assets obtained in exchange for new operating lease liabilities	\$ 31,816	\$ -
Operating lease right of use assets obtained and liabilities incurred as a result of adoption of ASC 842:		
Operating right of use lease assets	\$ 2,585,933	\$ -
Operating lease liability	\$ 2,797,022	\$ -

See notes to consolidated financial statements.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities

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 social impact and financial results. Acumen Fund, Inc. manages an investment portfolio with seven areas of expertise 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 fellowship programs to identify, support and connect 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 the insights derived from the impact measurement of its work and efforts to raise awareness about 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, Colombia and the United Kingdom.

In October 2014, Acumen Fund, Inc. formed Acumen Capital Partners LLC (ACP), a Delaware limited liability corporation, to act as a fund manager for a new fund, KawiSafi Ventures Limited (KawiSafi) and, eventually, Acumen Resilient Agriculture Fund Limited Partnership (ARAF). Acumen Fund, Inc. is the sole owner of ACP, and this entity elected to be taxed as a corporation for US income tax purposes. At the same time, Acumen Fund, Inc. also formed Acumen Capital Markets Investments LLC (ACMI) as the general partner and carry vehicle for KawiSafi. ACMI elected to be treated as a disregarded entity for US income tax purposes. KawiSafi is a Mauritius private limited liability company focused on investing in early-stage companies developing decarbonized, distributed energy infrastructure, which provide critical essential services and enhanced productivity to underserved populations across Africa. KawiSafi held its final close in 2019 with \$67.4 million of committed capital, and it elected to be treated as a partnership for US income tax purposes.

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. As of December 31, 2022 and 2021, ACH had net operating loss deductions available of \$950,377. ACH has determined it is unlikely that these available deductions will be utilized and recorded a valuation allowance for the full amount.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities (Continued)

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

In 2017, Acumen Fund, Inc. began restructuring its Kenyan branch into two new entities. 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 for 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 July 2017, ACP formed Acumen Capital Markets Latin America Early Growth LLC, a Delaware limited liability corporation taxed as a partnership for US income tax purposes, as the carry vehicle and general partner for Acumen LatAm Impact Ventures (ALIVE). In July 2017, ACP also formed Acumen LatAm Impact Ventures LLC, a Delaware limited liability corporation taxed as a corporation for US income tax purposes, to act as the manager for ALIVE. ACP owns 49% of these entities, and the remaining 51% is owned by the fund's managing partners. In Jan 2018, Acumen LatAm Impact Ventures LLC formed ALCP Colombia SAS, a Colombian corporation treated as a foreign disregarded entity for US income tax purposes, to act as the operating entity for the Colombia based management team. ALIVE is a Canadian limited partnership focused on investing in innovative companies to address economic inequality in Latin America. The fund held its final close in May 2020 with \$27.7 million of committed capital.

In June 2018, ACP formed Acumen Resilient Agriculture Capital Investments, LLC (ARACI), a Delaware limited liability corporation treated as a disregarded entity for US income tax purposes, as the carry vehicle and general partner for Acumen Resilient Agriculture Fund, LP (ARAF). In August 2019, ACP also formed Acumen Capital Partners (ARAF) Ltd (ACP ARAF EA), a Kenyan limited liability private company treated as a foreign disregarded entity for US income tax purposes, to act as the operating entity for the Kenya based management team. ARAF is a Canadian limited partnership investing in agribusinesses that enable smallholder farmers to anticipate weather and bounce-back from climate events, resulting in increased yields and incomes. ARAF held its final close in June 2021 with \$58.0 million of committed capital.

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

In August 2021, Acumen Fund, Inc. formed a new entity in India called Acumen Fund Advisory LLP, and began to wind-down operations of Acumen Fund Advisory Services India Private Limited. This change sought to better align the provision of advisory services related to Acumen's portfolio in India with the evolving tax compliance requirements of that region.

#### Note 2. Significant Accounting Policies

The following are the significant accounting policies used in the preparation of the accompanying consolidated financial statements:

**Principles of consolidation:** The accompanying consolidated financial statements of Acumen Fund, Inc. include the accounts of Acumen Fund, Inc., Acumen Fund India, Acumen India Trust, Acumen Fund Advisory LLP, Acumen Pakistan, Acumen Canada, ACP (inclusive of KawiSafi Ventures and ARAF), EA Advisory, EA Institute, Acumen Fund West Africa LTD/GTE, ACH, ACP EA, ACMI, ARACI and ACP ARAF EA, 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

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#### Note 2. Significant Accounting Policies (Continued)

**Basis of presentation:** A not-for-profit organization is required to report information regarding its financial position and activities in accordance with two classes of assets: without donor restrictions and with donor restrictions. Accordingly, net assets of Acumen and, changes therein, are classified and reported as follows:

**Net assets without donor restrictions:** Resources that are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating expenses.

**Net assets with donor restrictions:** Resources 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.

Unconditional contributions that are restricted by the donor are reported as increases in net assets with donor restrictions if the restriction expires in the reporting period in which the contribution is received and then subsequently released in the same period. Restricted conditional gifts that become unconditional during the period are recognized as revenues with donor restrictions and then subsequently released in the same period. 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, 2022 and 2021.

**Use of estimates:** The preparation of the consolidated financial statements is 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. Actual results could differ from those estimates.

**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.

**Contributions receivable:** Contributions receivable due in one year or less are reported at net realizable value. Contributions receivable 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 unconditional 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 unconditional, that is, at the time when the conditions in which they depend on are substantially met. As of December 31, 2022 and 2021, Acumen had \$2.4 million and \$2.8 million, respectively, of cash advances related to conditional contributions and are reported in conditional advances. In addition, at December 31, 2022 and 2021, Acumen had outstanding conditional grants of \$14.3 million and \$14.6 million, respectively, including conditional advances.



## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

**Allowance for doubtful accounts:** An allowance for doubtful accounts is established for accounts, contributions and other accounts receivables 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.

**Investments:** Non-programmatic investments are carried at fair value. Purchases and sales of securities are recorded on trade dates and realized gains and losses are determined on the basis of the average cost of securities sold. Net investment income includes realized and unrealized gains and losses, interest and dividends and investment fees, and is reflected in the consolidated statements of activities.

**Fair value of financial instruments:** Acumen measures investments and beneficial interest in charitable remainder trust at fair value on a recurring basis. Acumen follows accounting guidance which defines fair value and specifies a hierarchy of valuation techniques used to measure fair value. The disclosure of fair value estimates is based on whether the significant inputs into the valuation are observable. In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs. The following is a brief description of the type of valuation information (inputs) that qualifies a financial asset for each level:

**Level 1:** Unadjusted quoted market prices for identical assets or liabilities in active markets which are accessible by Acumen.

**Level 2:** Observable 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:** Unobservable inputs based on Acumen's own judgement as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data. 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.

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.

Acumen evaluates the various types of financial assets and liabilities to determine the appropriate fair value hierarchy based upon trading activity and the observability of market inputs. Acumen employs control processes to validate the reasonableness of the fair value estimates of its assets and liabilities, including those estimates based on prices and quotes obtained from independent third-party sources.

While Acumen believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the report date.

During the years ended December 31, 2022 and 2021, there were no changes in Acumen's techniques that had, or are expected to have, a material impact on its consolidated statements of financial position or activities.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

**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, or lease term, if shorter, and three to five years for furniture, computer equipment and website development. Right-of-use lease assets are depreciated over the lease term.

Expenditure for renewals and improvements that significantly add to the productive capacity to extend the useful life of the asset are capitalized. Expenditures for normal repairs and maintenance are expensed as incurred. Upon retirement, sale, or other disposition of property and equipment, the costs and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included within the consolidated statements of activities.

**Leases:** In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) Topic 842 (Topic 842) to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the statement of activities. Acumen adopted Topic 842 on January 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, Acumen has applied Topic 842 to reporting periods beginning on January 1, 2022, while prior periods continue to be reported and disclosed in accordance with Acumen's historical accounting treatment under ASC Topic 840, Leases.

Acumen has elected the package of practical expedients under the transition guidance within Topic 842, in which Acumen does not reassess (i) the historical lease classification, (ii) whether any existing contracts at transition are or contain leases, or (iii) the initial direct costs for any existing leases. Acumen has not elected to adopt the hindsight practical expedient and, therefore, will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of Topic 842 on January 1, 2022.

Acumen determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) Acumen obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. Acumen also considers whether its service arrangements include the right to control the use of an asset.

Acumen made an accounting policy election not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, Acumen made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

Future lease payments made include fixed rent escalation clauses or payments that depend on an index (such as a consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payment only when it is probable they will be incurred.

Acumen has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate and equipment asset classes. The non-lease components typically represent additional services transferred to Acumen, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Adoption of Topic 842 resulted in the recording of additional ROU assets and lease liabilities related to the Acumen's operating leases of \$2,585,933 and \$2,797,022 at January 1, 2022. The adoption of the new lease standard did not materially impact consolidated net income or consolidated cash flows and did not result in a cumulative effect adjustment to the opening balance of net assets.

**Impairment of long-lived assets:** Acumen evaluates the recoverability of its property and equipment whenever adverse events and changes in the business climate indicate that the expected undiscounted future cash flows from the related asset may be less than previously anticipated. If the net book value of the related asset exceeds the undiscounted future cash flows of the asset, the carrying amount would be reduced to the present value of its expected future cash flows and an impairment loss would be recognized. Management believes no indication of impairment existed at December 31, 2022 and 2021.

**Beneficial interest in a charitable remainder trust:** Acumen has a beneficial interest in a Charitable Remainder Trust (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 December 31, 2022 and 2021, the value of Acumen's estimated interest in the Trust was approximated using a 7.0% discount rate over the remaining life expectancy of the income beneficiaries.

**Program related equity and program related partnership investments:** Equity and partnership investments do not have a readily determinable value and, as such, are recorded using various methods depending on the nature of ownership and various other factors. The various methods are as follows:

**Fair value based on the measurement alternative:** These non-marketable investments are recorded at cost, adjusted for observable price changes for an identical or similar investment of the same issuer. Observable price changes and impairment indicators will be assessed each reporting period.

**Fair value using NAV:** Investments managed by external managers in fund structures that are not readily marketable are reported at fair value utilizing the most current information provided by the external manager, subject to assessments that the information is representative of fair value and in consideration of any factors deemed pertinent to the fair value measurement. As a practical expedient, Acumen is permitted under U.S. GAAP to estimate the fair value of its investments with external managers using the external managers' reported NAV without further adjustment, unless Acumen expects to sell the investment at a value other than NAV or the NAV is not calculated in accordance with U.S. GAAP.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

Certain investments are reviewed periodically to determine whether the underlying value has been impaired. If impairment has been identified and such impairment is deemed to be other than temporary, the carrying value of the investment is written down to the impaired value.

**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.

**Conditional advances:** 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 AF 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.

**In-kind contributions:** Donated professional services consist of professional services and are stated in the consolidated financial statements at estimated fair value at the date of receipt. Donated professional 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.

Acumen estimates the fair value of its in-kind contributions in accordance with FASB ASC Topic 820, Fair Value Measurement. If donated goods are received, it is Acumen's policy to utilize donated goods for mission related activities rather than monetize or sell the goods.

**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 calendar year are discounted to present value.

**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 statements of financial position date. The translation gains (losses) are included in the consolidated statements of activities.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

**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.

**Accounting for uncertainty in income taxes:** Acumen is recognized by the Internal Revenue Service as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code. Income earned in furtherance of these entities' tax-exempt purposes is exempt from federal and state income taxes. As such, no provision for income tax expense has been made in the accompanying consolidated financial statements.

Acumen has adopted the accounting standard on accounting for uncertainty in income taxes. Management assessed whether there were any uncertain tax positions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying consolidated financial statements. Generally, Acumen is no longer subject to US federal or state income tax examinations by tax authorities for three years from the filing date of the respective returns.

**Recently adopted accounting pronouncements:** In January 2020, the FASB issued Accounting Standards Update (ASU) 2020-01, *Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323) and Derivatives and Hedging (Topic 815)*, which clarifies that the observable price changes in orderly transactions that should be considered when applying the measurement alternative in accordance with ASC 321 include transactions that require it to either apply or discontinue the equity method of accounting under ASC 323. ASU 2020-01 also addresses questions about how to apply the guidance in Topic 815, *Derivatives and Hedging*, for certain forward contracts and purchased options to purchase securities that, upon settlement or exercise, would be accounted for under the equity method of accounting. Acumen retrospectively adopted this standard. The adoption of this standard did not result in a material impact to the consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not for Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities*, which requires not for profit entities to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. Contributed nonfinancial assets are to be presented as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. Disclosure requirements have also been added on disaggregated contributed nonfinancial assets by type. Acumen retrospectively adopted this standard, resulting in expanded disclosure.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

**Recently issued accounting pronouncements:** In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of activities as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022. Early adoption is permitted for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years.

**Subsequent events:** Management has evaluated subsequent events through August 25, 2023, the date that the consolidated financial statements were available for issuance.

#### 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, 2022 and 2021, approximately 67% and 38%, respectively, of gross contributions and pledges receivable were due from two donors.

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.

As of December 31, 2022, there was one individual investment that accounted for more than 5% of net assets. Acumen Fund, Inc.'s investment in KawiSafi as of December 31, 2022, was \$17,063,577.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

#### Note 4. Liquidity and Availability of Financial Assets and Resources

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

	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 63,726,936	\$ 52,745,887
Contributions receivable, net	32,493,939	13,223,420
Interest receivable	28,164	27,806
Accounts and other receivables	1,194,305	511,397
Investments	1,654,126	-
Cash restricted for long-term investment	3,617,084	5,172,660
Total financial assets	102,714,554	71,681,170
Less restricted or committed assets:		
Restricted by donor with time or purpose restrictions	(68,265,693)	(35,293,028)
Restricted to fund managers	(4,932,954)	(5,082,183)
Returnable grants for investing	(2,212,443)	(3,487,267)
Board designated cash threshold for year-end	(10,100,000)	(8,900,000)
Committed capital for strategic investments	(476,787)	(866,240)
Add back interest in remainder charitable trust	496,226	611,085
Add estimated net assets with purpose or time restrictions to be met in less than one year	21,469,728	17,519,350
Financial assets available to meet general expenditures over the next 12 months	38,692,631	36,182,887
Budget for next fiscal year	34,283,805	27,806,150
Surplus	\$ 4,408,826	\$ 8,376,737

The financial asset balance above does not include portfolio assets given the longer-term investing horizon and unpredictability around exit timing and potential for liquidation.

Acumen ended 2022 in a strong liquidity position, with available financial assets to meet operating expenses for the next 12 months of \$34.2 million. Acumen ended the year with \$41.6 million of restricted cash and \$68.2 million of total restricted funds.

Acumen's cash needs, excluding Acumen Capital Partner's activities, for 2022 amounted to \$25.0 million for operating expenses and \$10.1 million for Portfolio disbursements. 46.3% of its total cash needs (operating expenses and portfolio disbursements) was covered by restricted funds and 44.3% of its operating cash needs was covered by restricted funds in 2022. Acumen also recognized \$2.2M in conditional funding in 2022, which covered 9.0% of annual operating expenses and continues to be a growing source of funding.

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 2022, Acumen's non-restricted cash was 112.9% of budgeted 2022 non-restricted operating expenses. Of the non-restricted cash balance available for general expenditures at year end, \$0.5 million of non-restricted cash is informally earmarked for remaining capital commitments and \$2.2 million is returnable grant funding earmarked for investing.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 5. Contributions Receivable, Net

Contributions receivables are due as follows at December 31:

	2022	2021
Due within:		
Up to one year	\$ 27,320,560	\$ 12,035,316
One to five years	6,995,000	1,830,509
	<u>34,315,560</u>	<u>13,865,825</u>
Present value discount	(1,821,621)	(642,405)
Contributions and pledges receivable, net	<u>\$ 32,493,939</u>	<u>\$ 13,223,420</u>

Contributions receivable are shown net of a discount to present value using rates ranging from 3.8% to 4.7% 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 2022 and 2021, Acumen received a total of £36,232 or \$43,851 and £55,741 or \$75,450, respectively, of charitable donations (net of fees) into an account maintained with Prism.

#### Note 6. Investments

Investments consist of the following at December 31, 2022:

Domestic equities	\$ 1,524,696
Foreign equities	129,430
Total investments	<u>\$ 1,654,126</u>

These investments were donated in fiscal year 2022 and liquidated in early 2022. There were no investments at December 31, 2021.

#### Note 7. Fair Value Measurements

The following table is a summary of assets that the Acumen measures at fair value on a recurring basis at December 31:

	2022			
	Total	Level 1	Level 2	Level 3
Equity securities	\$ 1,654,126	\$ 1,654,126	\$ -	\$ -
Interest in charitable remainder trust	496,226	-	-	496,226
Total assets by fair value hierarchy	2,150,352	<u>\$ 1,654,126</u>	<u>\$ -</u>	<u>\$ 496,226</u>
Assets measured using net asset value	19,462,619			
Total	<u>\$ 21,612,971</u>			



## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

#### Note 7. Fair Value Measurements (Continued)

	2021			
	Total	Level 1	Level 2	Level 3
Interest in charitable remainder trust	\$ 611,085	\$ -	\$ -	\$ 611,085
Total assets by fair value hierarchy	611,085	\$ -	\$ -	\$ 611,085
Assets measured using net asset value	16,701,456			
Total	<u>\$ 17,312,541</u>			

Level 1 investments are classified as such due to their closeness to cash or being valued based on quoted market prices. 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 consolidated 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	2022 NAV in Funds	2021 NAV in Funds	Dollar Amount of Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Early growth funds investing in mission-aligned private company interest(s)	\$ 18,959,126	\$ 16,197,963	\$ 3,138,958	N/A	N/A
Funds investing in mission-aligned private company interest(s)	503,493	503,493	-	N/A	N/A
	<u>\$ 19,462,619</u>	<u>\$ 16,701,456</u>	<u>\$ 3,138,958</u>		

Acumen's beneficial interest in charitable remainder trust totaling \$496,226 and \$611,085 at December 31, 2022 and 2021, 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, 2022	Valuation Technique	Level 3 Unobservable Input	Range of Inputs
Charitable remainder Trust—held by third-party trustee	<u>\$ 496,226</u>	Value of underlying assets and present value techniques	Rate of Return Discount rate Life Expectancy	7% 5.80% 15 years
	Fair Value December 31, 2021	Valuation Technique	Level 3 Unobservable Input	Range of Inputs
Charitable remainder Trust—held by third-party trustee	<u>\$ 611,085</u>	Value of underlying assets and present value techniques	Rate of Return Discount rate Life Expectancy	7% 5.80% 16 years

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 7. Fair Value Measurements (Continued)

There were no purchases, disbursements or transfers related to Level 3 assets during the years ended December 31, 2022 and 2021.

#### Note 8. Property and Equipment

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

	2022	2021
Computer equipment, systems integration and website development	\$ 459,157	\$ 321,963
Leasehold improvements and equipment	194,309	165,443
Furniture	82,175	116,317
	<u>735,641</u>	<u>603,723</u>
Accumulated depreciation	(482,352)	(445,518)
	<u>\$ 253,289</u>	<u>\$ 158,205</u>

#### Note 9. Leases

Acumen leases real estate and equipment under operating lease agreements that have initial terms ranging from one to 10 years. Some leases include one or more options to renew, generally at Acumen's sole discretion. In addition, certain leases contain termination options where the rights to terminate are held by either Acumen, the lessor or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that Acumen will exercise that option. Acumen's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the year ended December 31, 2022:

Operating lease cost	\$ 747,304
Variable lease expense	-
Short-term lease expense	-
Total lease expense	<u>\$ 747,304</u>

Supplemental consolidated statement of financial position information related to leases is as follows as of December 31, 2022:

Operating lease right-of-use assets, net	\$ 1,919,393
Operating lease liabilities	2,106,898
Weighted average remaining lease term	3.9 years
Weighted average discount rate	2.0%

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 9. Leases (Continued)

The table below summarizes Acumen's scheduled future minimum lease payments for the years ending after December 31, 2022:

	Operating Leases
Years ending December 31:	
2023	\$ 753,182
2024	634,820
2025	643,307
2026	144,803
2027	378
Thereafter	284
Total lease payments	2,176,774
Less imputed interest	(69,876)
Total present value of operating lease liability	<u>\$ 2,106,898</u>

Occupancy expenses (including donated occupancy) totaled \$870,661 for the year ended December 31, 2021.

Future minimum lease commitments, as determined under Topic 840, for all non-cancelable operating leases are as follows as of December 31, 2022:

2023	\$ 619,673
2024	608,533
2025	625,561
2026	135,939
	<u>\$ 1,989,706</u>

#### Note 10. 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 59 and 52 loans at December 31, 2022 and 2021, respectively. Loans receivables are carried at a cost of approximately \$16.5 million and \$15.3 million, less an allowance for uncollectible amounts of approximately \$3.8 million and \$2.9 million, and a foreign currency translation adjustment of \$41,666 and \$56,297 at December 31, 2022 and 2021, respectively.

Contractual interest rates on program related loans at December 31, 2022 and 2021, 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 10. Program Related Loans Receivable (Continued)**

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

	2022		
	Performing	Monitoring	Total
Agriculture	\$ 2,728,724	\$ 1,532,694	\$ 4,261,418
Education	1,007,219	652,137	1,659,356
Energy	5,079,749	1,000,000	6,079,749
Health	2,181,500	1,378,257	3,559,757
Water and sanitation	150,000	-	150,000
Financial inclusion	780,000	15,600	795,600
	<u>\$ 11,927,192</u>	<u>\$ 4,578,688</u>	16,505,880
Valuation allowance			(3,790,716)
Foreign currency translation adjustment			(41,666)
			<u>\$ 12,673,498</u>

  

	2021		
	Performing	Monitoring	Total
Agriculture	\$ 2,326,099	\$ 1,532,694	\$ 3,858,793
Education	757,219	666,387	1,423,606
Energy	5,395,000	1,000,000	6,395,000
Health	1,685,463	517,688	2,203,151
Water and sanitation	250,000	-	250,000
Financial inclusion	1,130,000	15,600	1,145,600
	<u>\$ 11,543,781</u>	<u>\$ 3,732,369</u>	\$ 15,276,150
Valuation allowance			(2,889,772)
Foreign currency translation adjustment			(56,297)
			<u>\$ 12,330,081</u>

The following reflects the activity in the valuation allowance account for 2022 and 2021 by class of financing receivables and the monitored financing receivables related to each balance in the valuation allowance account at December 31:

	2022					Total
	Health	Agriculture	Education	Energy	Financial Inclusion	
Allowance for credit losses:						
Beginning balance:	\$ 460,188	\$ 1,382,176	\$ 531,808	\$ 500,000	\$ 15,600	\$ 2,889,772
Charge-offs	(195,893)	-	(7,126)	-	-	(203,019)
Provision	1,103,963	-	-	-	-	1,103,963
Ending balance	<u>\$ 1,368,258</u>	<u>\$ 1,382,176</u>	<u>\$ 524,682</u>	<u>\$ 500,000</u>	<u>\$ 15,600</u>	<u>\$ 3,790,716</u>
Financing receivables:						
Ending balance	<u>\$ 1,378,257</u>	<u>\$ 1,532,694</u>	<u>\$ 652,137</u>	<u>\$ 1,000,000</u>	<u>\$ 15,600</u>	<u>\$ 4,578,688</u>

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

#### Note 10. Program Related Loans Receivable (Continued)

	2021					
	Health	Agriculture	Education	Energy	Financial Inclusion	Total
Allowance for credit losses:						
Beginning balance:	\$ 267,165	\$ 2,369,153	\$ 397,058	\$ -	\$ -	\$ 3,033,376
Charge-offs	-	(1,316,977)	(100,000)	-	-	(1,416,977)
Provision	193,023	330,000	234,750	500,000	15,600	1,273,373
Ending balance	<u>\$ 460,188</u>	<u>\$ 1,382,176</u>	<u>\$ 531,808</u>	<u>\$ 500,000</u>	<u>\$ 15,600</u>	<u>\$ 2,889,772</u>
Financing receivables:						
Ending balance	<u>\$ 517,688</u>	<u>\$ 1,532,694</u>	<u>\$ 666,387</u>	<u>\$ 1,000,000</u>	<u>\$ 15,600</u>	<u>\$ 3,732,369</u>

All impaired loans at December 31, 2022 and 2021, are included in the ending balance of financing receivables.

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

	2022					
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Financing Receivable
Agriculture	\$ -	\$ -	\$ 1,588,777	\$ 1,588,777	\$ 2,672,641	\$ 4,261,418
Education	-	-	726,951	726,951	932,405	1,659,356
Energy	-	-	1,339,749	1,339,749	4,740,000	6,079,749
Financial inclusion	-	-	345,600	345,600	450,000	795,600
Health	-	-	1,274,805	1,274,805	2,284,952	3,559,757
Water	-	-	-	-	150,000	150,000
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,275,882</u>	<u>\$ 5,275,882</u>	<u>\$ 11,229,998</u>	<u>\$ 16,505,880</u>

  

	2021					
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Financing Receivable
Agriculture	\$ -	\$ -	\$ 1,206,051	\$ 1,206,051	\$ 2,652,742	\$ 3,858,793
Education	-	-	637,888	637,888	785,718	1,423,606
Energy	-	-	1,024,112	1,024,112	5,370,888	6,395,000
Financial inclusion	-	-	15,600	15,600	1,130,000	1,145,600
Health	-	-	1,274,805	1,274,805	928,346	2,203,151
Other	-	-	-	-	250,000	250,000
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,158,456</u>	<u>\$ 4,158,456</u>	<u>\$ 11,117,694</u>	<u>\$ 15,276,150</u>

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 10. Program Related Loans Receivable (Continued)

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

2023	\$ 7,051,035
2024	3,621,318
2025	2,659,679
2026	993,724
2027	355,613
2028 and thereafter	<u>1,824,511</u>
	16,505,880
Valuation allowance	(3,790,716)
Foreign currency translation adjustment	<u>(41,666)</u>
	<u><u>\$ 12,673,498</u></u>

#### Note 11. 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, 2022 and 2021, there are 90 and 84 equity and partnership investments totaling \$91.7 million and \$87.7 million, less a valuation allowance of approximately \$16.8 million and approximately \$15.6 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.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

#### Note 11. Program Related Equity and Partnership Investments (Continued)

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

	2022			Valuation Allowance	Net of Allowance
	Performing	Monitoring	Total		
Agriculture	\$ 8,053,023	\$ 8,039,149	\$ 16,092,172	\$ (3,531,250)	\$ 12,560,922
Education	6,625,695	1,388,520	8,014,215	(1,138,523)	6,875,692
Energy	33,745,038	6,461,275	40,206,313	(4,586,463)	35,619,850
Financial inclusion	5,113,494	2,650,962	7,764,456	(1,794,984)	5,969,472
Health	11,716,896	1,648,480	13,365,376	(1,648,480)	11,716,896
Housing	400,000	662,100	1,062,100	(662,100)	400,000
Water and sanitation	-	3,697,641	3,697,641	(3,697,641)	-
Other	1,467,161	-	1,467,161	-	1,467,161
	<u>\$ 67,121,307</u>	<u>\$ 24,548,127</u>	<u>\$ 91,669,434</u>	<u>\$ (17,059,441)</u>	<u>\$ 74,609,993</u>

Program related equity investments, net	\$ 55,147,374
Program related partnership investments, net	19,462,619
	<u>\$ 74,609,993</u>

	2021			Valuation Allowance	Net of Allowance
	Performing	Monitoring	Total		
Agriculture	\$ 9,143,384	\$ 6,153,276	\$ 15,296,660	\$ (3,018,471)	\$ 12,278,189
Education	5,120,348	682,441	5,802,789	(682,441)	5,120,348
Energy	29,433,878	7,629,198	37,063,076	(4,931,432)	32,131,644
Financial inclusion	6,289,146	-	6,289,146	-	6,289,146
Health	13,582,850	2,797,735	16,380,585	(2,567,884)	13,812,701
Housing	293,653	662,100	955,753	(662,100)	293,653
Water and sanitation	-	3,697,641	3,697,641	(3,697,641)	-
Other	2,217,161	-	2,217,161	-	2,217,161
	<u>\$ 66,080,420</u>	<u>\$ 21,622,391</u>	<u>\$ 87,702,811</u>	<u>\$ (15,559,969)</u>	<u>\$ 72,142,842</u>

Program related equity investments, net	\$ 55,441,386
Program related partnership investments, net	16,701,456
	<u>\$ 72,142,842</u>

Cumulative impairments and downward adjustments on program related equity investments as of December 31, 2022 and 2021, were approximately \$18,275,000 and \$15,560,000, respectively, with additional impairments and downward adjustments of approximately \$2,715,000 and \$2,324,000 during the years ended December 31, 2022 and 2021, respectively. Cumulative upward adjustments on program related equity investments as of December 31, 2022 and 2021, were approximately \$957,000 and \$957,000, respectively, with additional upward adjustments of approximately \$0 and \$957,000 during the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022, there was one individual investment that accounted for more than 5% of net assets. Acumen Fund, Inc.'s investment in KawiSafi as of December 31, 2022, was \$17,063,577.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

#### 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. The loan is unsecured, bore interest at 1.00% and originally matured on May 1, 2022. Under provisions of the CARES Act, and related loan, this loan was forgiven as Acumen met all the conditions for loan forgiveness. The conditions on the loan proceeds included retaining workers and maintaining payroll. During the active term of the loan, Acumen 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. This forgiveness has been recorded as gain on short-term loan payable forgiveness within the consolidated statements of activities.

#### Note 13. Net Assets With Donor Restrictions

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

	2022	2021
Acumen America	\$ 1,459,301	\$ 2,437,981
Alnylam	31,401	222,023
AM Robin Hood	480,566	-
Barclays	1,045,334	1,383,134
Johnson & Johnson	150,019	241,686
Medicaid Innovation Collaborative	751,540	372,460
Pfizer	123,005	123,005
Robert Wood Johnson Foundation	963,057	1,963,057
Takeda	937,500	-
<b>Acumen America</b>	<b>5,941,723</b>	<b>6,743,346</b>
Global Response Fund	-	80,950
India Solidarity Facility	-	1,813
<b>COVID-19 Response Fund</b>	<b>-</b>	<b>82,763</b>
ALIVE	29,190	47,786
Acumen Resilient Agriculture Fund	1,856,767	2,107,769
KawiSafi	1,760,317	3,064,891
<b>Fund Investments</b>	<b>3,646,274</b>	<b>5,220,446</b>
Africa	-	200,803
India	96,306	142,680
Latin America	513,426	1,400,112
Pakistan	-	32,237
West Africa	-	332,941
<b>Geography Restricted</b>	<b>609,732</b>	<b>2,108,773</b>
Target Foundation Workforce Development	749,930	977,610
<b>India</b>	<b>749,930</b>	<b>977,610</b>



Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 13. Net Assets With Donor Restrictions (Continued)

	2022	2021
Portfolio	\$ 89,531	\$ 123,782
<b>Latin America</b>	<u>89,531</u>	<u>123,782</u>
Acumen Angels	1,226,002	1,703,821
IKEA—East Africa Social Enterprise Accelerator	-	59,675
Leadership	8,957,184	8,924,446
Pakistan Accelerator	80,255	170,215
PwC—Civic Accelerator	-	18,293
Rabo Foundation—India Ag Acc	8,811	50,000
Regional Fellows	388,059	692,438
RF Food System Fellowship	-	433,112
Southeast Asian Expansion	949,684	1,129,357
<b>Leadership</b>	<u>11,609,995</u>	<u>13,181,357</u>
Gender Lens Support	4,283	4,283
<b>Post Investment Support</b>	<u>4,283</u>	<u>4,283</u>
Agriculture	2,303,706	2,745,382
Energy	39,231,000	-
Education	2,497,494	2,572,639
<b>Sector Restricted</b>	<u>44,032,200</u>	<u>5,318,021</u>
Collaboration Summit	67,662	67,662
Corp-1: WEF Alliance Project	44,960	44,960
Skoll Forum Ecosystem Event	27,971	27,971
<b>Strategic Partnerships</b>	<u>140,593</u>	<u>140,593</u>
CRUT	496,226	611,085
TIME RESTRICTED	945,206	780,969
<b>Total</b>	<u>\$ 68,265,693</u>	<u>\$ 35,293,028</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:

	2022	2021
Acumen America—General	\$ 1,296,452	\$ 779,186
Alnylam	190,622	777,977
AM Robin Hood	500,000	-
Barclays	1,237,801	1,158,333
Johnson & Johnson	91,667	258,314
MetLife	563,282	581,498
Robert Wood Johnson Foundation	1,000,000	1,325,000
Takeda	62,500	-
<b>Acumen America</b>	<b>4,942,324</b>	<b>4,880,308</b>
EYGS Thought Leadership Report	-	20,000
<b>Communications</b>	<b>-</b>	<b>20,000</b>
Acumen America Response Fund	-	140,000
Global Response Fund	80,950	548,374
India Solidarity Facility	1,813	60,687
<b>COVID-19 Response Fund</b>	<b>82,763</b>	<b>749,061</b>
ALIVE	20,000	-
Acumen Resilient Agriculture Fund (ARAF)	577,252	400,152
KawiSafi	1,304,573	2,301,927
<b>Fund Investments</b>	<b>1,901,825</b>	<b>2,702,079</b>
Africa	362,892	88,041
India	50,000	-
Latin America	1,198,262	615,395
Pakistan	32,573	-
West Africa	332,941	497,057
<b>Geography Restricted</b>	<b>1,976,668</b>	<b>1,200,493</b>
Target Foundation Workforce Development	227,680	22,390
Regional Fellows	83,848	141,485
<b>India</b>	<b>311,528</b>	<b>163,875</b>
Regional Fellows	-	160,088
<b>Latin America</b>	<b>-</b>	<b>160,088</b>

**Acumen Fund, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements**

**Note 13. Net Assets With Donor Restrictions (Continued)**

	2022	2021
Acumen Angels	\$ 523,998	\$ 750,000
Bill & Melinda Gates Foundation—Acumen Circles	-	51,724
IKEA—East Africa Social Enterprise Accelerator	59,675	341,325
Leadership	3,341,693	2,408,208
MAVA	-	86,206
Pakistan Accelerator	12,670	70,663
PwC—Civic Accelerator	18,293	2,207
Rabo Foundation—India Ag Acc	41,189	-
Regional Fellows	467,768	295,763
RF Food Systems Fellowship	298,236	61,784
Rockefeller Foundation	-	415,173
Unilever—Innovation Incubator	-	64,534
Southeast Asia Expansion	202,433	-
<b>Leadership</b>	<b>4,965,955</b>	<b>4,547,587</b>
Pakistan	60,987	83,696
<b>Pakistan</b>	<b>60,987</b>	<b>83,696</b>
Technical Assistance	-	22,473
<b>Post Investment Support</b>	<b>-</b>	<b>22,473</b>
Agriculture	100,000	3,080
Energy	3,152,950	5,170,109
Education	1,534,631	1,625,292
<b>Sector Restricted</b>	<b>4,787,581</b>	<b>6,798,481</b>
Corp-1: WEF Alliance Project	-	178,923
Skoll Forum Ecosystem Event	-	10,000
<b>Strategic Partnerships</b>	<b>-</b>	<b>188,923</b>
<b>TIME RESTRICTED</b>	<b>998,900</b>	<b>948,583</b>
<b>Total</b>	<b>\$ 20,028,531</b>	<b>\$ 22,465,647</b>
Net assets released from restrictions—operating support and revenue	\$ 14,858,240	\$ 11,672,002
Net assets released from restrictions—portfolio revenue	5,170,291	10,793,645
	<b>\$ 20,028,531</b>	<b>\$ 22,465,647</b>

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### 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 \$216,985 and \$197,715 for 2022 and 2021, respectively. During 2017, Acumen established a UK pension plan for eligible UK employees. Plan expenses for the UK pension were £60,493 or \$74,438 and £39,032 or \$53,646 for 2022 and 2021, respectively.

#### Note 15. Commitments, Contingencies and Uncertainties

**Program grants, loans and investments:** Since 2001, Acumen has made portfolio loan and equity disbursements of \$154.4 million. Together with allocated disbursements approved but not disbursed (an obligation of approximately \$2.1 million), Acumen's cumulative investments under management total over \$156.5 million.

At December 31, 2022 and 2021, approximately \$0.4 million and \$0.3 million in tranching program disbursements have been committed but disbursements remain contingent upon the approval of interim progress reports and statements. Approximately \$2.3 million and \$2.7 million of new program disbursements were committed in 2022 and 2021. Subsequent disbursements are to be made upon Acumen's satisfaction that recipients have demonstrated progress towards the stated objectives of the disbursements. As such, these amounts have not been recorded in the consolidated financial statements.

**Committed capital:** As of December 31, 2022, 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, 2022, Acumen Fund, Inc. had funded \$17.2 million of its commitment. The ratio of contributed capital to committed capital from Acumen Fund, Inc. is 89.4%. At December 31 2022, KawiSafi's total funded commitments amount to \$60.3 million. The ratio of total contributed capital to total committed capital for KawiSafi is 89.4%.

As of December 31, 2022, Acumen LatAm Impact Ventures LP ("ALIVE") 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 ALIVE, may direct the draw-down of these commitments for uses outlined in its shareholders' agreement, including to enable ALIVE to make investments, to pay fees and expenses and/or provide reserves. As of December 31, 2022, Acumen Fund, Inc. had funded \$0.9 million of its commitment. The ratio of contributed capital to committed capital from Acumen Fund, Inc. is 84.6%. As of December 31, 2022, ALIVE's total funded commitments amount is \$26.5 million. The ratio of total contributed capital to total committed capital for ALIVE is 84.5%.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 15. Commitments, Contingencies and Uncertainties (Continued)

As of December 31, 2022, Acumen Resilient Agriculture Fund (“ARAF”) has received shareholder commitments equal to \$58.0 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, 2022, Acumen Fund, Inc. had funded \$1.1 of its commitment. The ratio of contributed capital to committed capital from Acumen Fund, Inc. is 51.7%. As of December 31, 2022, ARAF’s total funded commitments amount is \$32.0 million. The ratio of total contributed capital to total committed capital for ARAF is 51.7%.

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

	2022	2021
Loans	\$ 2,760,000	\$ 4,368,000
SAFE investments	650,000	620,000
Equity investments	4,606,163	4,600,469
Partnership investments	2,084,079	3,539,289
	<u>\$ 10,100,242</u>	<u>\$ 13,127,758</u>

SAFE (Simple Agreement for Future Equity) investments grant investors the right to receive equity at a future date, based on terms and conditions outlined in the SAFE. Presentation of the 2021 portfolio disbursements has been updated to reflect the corresponding breakout of SAFE investments.

#### Note 16. Related-Party Transactions

Acumen Fund, Inc. received payment from KawiSafi for professional services in the amount of \$15,752 and \$21,280 in 2022 and 2021, respectively. 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. ACP received \$1,686,500 and \$1,686,500 in management fees from KawiSafi in 2022 and 2021, respectively.

Acumen Fund, Inc. received payment from ARAF for professional services in the amount of \$0 and \$39,932 in 2022 and 2021, respectively. Acumen Fund, Inc. is a limited partner in ARAF, and all professional service fees are charged according to a service-level agreement between Acumen Fund, Inc. and ARAF. ACP received \$1,693,600 and \$2,100,527 in management fees from ARAF in 2022 and 2021, respectively.

Acumen Fund, Inc. received payment from ALIVE for professional services in the amount of \$170,729 and \$147,390 in 2022 and 2021, respectively. Acumen Fund, Inc. is a limited partner in ALIVE. and all professional service fees are charged according to a service-level agreement between Acumen Fund, Inc. and ALIVE.

Acumen Fund, Inc. has been granted and holds certain seats on the Board of Directors for some portfolio companies as a result of the investments made in these organizations. A current board member of Acumen Fund, Inc., sits on the Board of Directors of certain companies which are also portfolio investments of Acumen Fund, Inc. This individual also has made personal investments with these companies.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 16. Related-Party Transactions (Continued)

Acumen Fund, Inc.'s Chief Executive Officer, Jacqueline Novogratz, currently serves on the Board of Directors for 60 Decibels, a for-profit impact measurement company that was launched by Acumen in 2019.

Acumen Fund, Inc. has outstanding contributions receivable from various employees and Trustees in both 2022 and 2021.

#### Note 17. In-Kind Contributions

In-kind contributions included in the consolidated statements of activities and functional expenses, and the corresponding expenses are as follows:

	2022	2021
Professional services	\$ 2,074,296	\$ 4,458,152
Facilities	25,109	-
	<u>\$ 2,099,405</u>	<u>\$ 4,458,152</u>

Donated facilities consist of the donated use of space for auctions utilized by Acumen in relation to special events. These amounts are recorded at estimated fair value using rental rates for the location, based on the date of the event.

Donated professional services consist of legal services for portfolio transactions and administrative legal matters. These professional services are utilized and reported at estimated fair value based on current rates for similar services.

No in-kind contributions were restricted for use at December 31, 2022 and 2021.

## **Supplementary Information**

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Financial Position  
December 31, 2022  
(With Summarized Totals at December 31, 2021)  
See Independent Auditor's Report

	Acumen Fund, Inc.			Acumen India	Acumen India Trust			Acumen Pakistan	Acumen Capital Holdings, LLC	Acumen Canada	Acumen Capital Partners LLC	Acumen EA Advisory Services	Acumen Fund Advisory	Acumen Fund West Africa	Eliminating Entries	2022 Total	2021 Total		
	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total											Without Donor Restrictions	With Donor Restrictions
<b>Assets</b>																			
Operating assets:																			
Cash and cash equivalents	\$ 20,438,935	\$ 37,248,579	\$ 57,687,514	\$ 709,941	\$ 117,033	\$ 106,540	\$ 223,573	\$ 171,794	\$ 609,946	\$ 781,740	\$ 5,100	\$ 10,427	\$ 4,085,848	\$ 87,759	\$ 119,767	\$ 15,267	\$ 63,726,936	\$ 52,745,887	
Contributions receivable, net	41,279	32,452,660	32,493,939	-	-	-	-	-	-	-	-	-	-	-	-	-	32,493,939	13,223,420	
Interest receivable	-	-	-	28,046	-	-	-	-	-	-	-	-	-	-	118	-	28,164	27,806	
Investment in subsidiaries	398,740	-	398,740	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans to subsidiaries	1,062,429	-	1,062,429	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accounts and other receivables	1,266,597	-	1,266,597	-	-	-	-	70,364	-	70,364	-	-	847,106	617,039	12	19,930	1,194,305	511,397	
Investments	1,654,126	-	1,654,126	-	-	-	-	-	-	-	(7,456)	-	-	-	-	-	1,654,126	-	
Prepaid expenses and other assets	314,044	-	314,044	9,737	3,516	-	3,516	39,471	-	39,471	-	-	133,244	80,997	20,062	5,479	606,550	530,994	
Interest in charitable remainder trust	-	496,226	496,226	-	-	-	-	-	-	-	-	-	-	-	-	-	496,226	611,085	
Cash restricted for long-term investment	-	3,617,084	3,617,084	-	-	-	-	-	-	-	-	-	-	-	-	-	3,617,084	5,172,660	
Property and equipment, net	131,564	-	131,564	-	8,946	-	8,946	5,211	-	5,211	-	-	1,826	54,160	51,582	-	253,289	158,205	
Right of use lease assets, net	1,748,672	-	1,748,672	-	-	-	-	-	-	-	-	-	-	-	-	10,774	1,919,393	-	
Security deposits	211,596	-	211,596	-	4,834	-	4,834	7,260	-	7,260	-	-	3,776	9,074	11,601	-	248,141	226,050	
<b>Total non-portfolio assets</b>	<b>27,267,982</b>	<b>73,814,549</b>	<b>101,082,531</b>	<b>747,724</b>	<b>134,329</b>	<b>106,540</b>	<b>240,869</b>	<b>294,100</b>	<b>609,946</b>	<b>904,046</b>	<b>5,100</b>	<b>2,971</b>	<b>5,071,800</b>	<b>849,029</b>	<b>203,142</b>	<b>51,450</b>	<b>(2,920,509)</b>	<b>106,238,153</b>	<b>73,207,544</b>
Portfolio assets:																			
Interest and dividend receivable, net	979,416	-	979,416	-	-	-	-	-	-	-	-	-	-	-	-	-	979,726	1,420,732	
Program related equity investments, net	53,473,624	-	53,473,624	-	-	-	-	59,569	-	59,569	750,000	864,181	-	-	-	-	55,147,374	55,441,386	
Program related loans receivable, net	12,206,846	-	12,206,846	-	-	-	-	-	-	-	-	466,652	-	-	-	-	12,673,498	12,330,081	
Program related partnership Investments	19,462,619	-	19,462,619	-	-	-	-	-	-	-	-	-	-	-	-	-	19,462,619	16,701,456	
<b>Total portfolio assets</b>	<b>86,122,505</b>	<b>-</b>	<b>86,122,505</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,569</b>	<b>59,569</b>	<b>750,000</b>	<b>1,331,143</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,263,217</b>	<b>85,893,655</b>	
<b>Total assets</b>	<b>\$ 113,390,487</b>	<b>\$ 73,814,549</b>	<b>\$ 187,205,036</b>	<b>\$ 747,724</b>	<b>\$ 134,329</b>	<b>\$ 106,540</b>	<b>\$ 240,869</b>	<b>\$ 353,669</b>	<b>\$ 609,946</b>	<b>\$ 963,615</b>	<b>\$ 755,100</b>	<b>\$ 1,334,114</b>	<b>\$ 5,071,800</b>	<b>\$ 849,029</b>	<b>\$ 203,142</b>	<b>\$ 51,450</b>	<b>\$ (2,920,509)</b>	<b>\$ 194,501,370</b>	<b>\$ 159,101,199</b>
<b>Liabilities and Net Assets</b>																			
Liabilities:																			
Accounts payable and accrued expenses	\$ 1,331,045	\$ -	\$ 1,331,045	\$ 2,331	\$ 745	\$ -	\$ 745	\$ 72,876	\$ -	\$ 72,876	\$ 752,052	\$ -	\$ 147,868	\$ 13,186	\$ 53,543	\$ 28,786	\$ (1,843,154)	\$ 559,278	\$ 1,378,808
Accrued salaries and related expenses	1,341,147	-	1,341,147	-	-	-	-	26,010	-	26,010	-	-	135,824	154,665	78,011	24,453	-	1,760,110	1,505,497
Taxes payable on foreign loan interest income	-	-	-	-	-	-	-	-	-	-	-	-	2,474	-	-	2,487	-	4,961	41,828
Conditional advances	384,366	-	384,366	-	151,656	106,540	258,196	70,642	339,403	410,045	-	-	1,890,095	-	-	-	(499,472)	2,443,230	2,842,004
Intercompany loan	-	-	-	-	-	-	-	1,051,268	-	1,051,268	-	-	-	-	-	-	(1,051,268)	-	-
Returnable grant capital	-	5,819,399	5,819,399	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,819,399	3,487,267
Lease liability	1,930,714	-	1,930,714	-	-	-	-	-	-	-	-	-	-	-	-	10,774	165,410	2,106,898	
<b>Total liabilities</b>	<b>4,987,272</b>	<b>5,819,399</b>	<b>10,806,671</b>	<b>2,331</b>	<b>152,401</b>	<b>106,540</b>	<b>258,941</b>	<b>1,220,796</b>	<b>339,403</b>	<b>1,560,199</b>	<b>752,052</b>	<b>-</b>	<b>2,176,261</b>	<b>167,851</b>	<b>131,554</b>	<b>66,500</b>	<b>(3,228,484)</b>	<b>12,693,876</b>	<b>9,255,404</b>
Net assets (deficit):																			
Without donor restrictions:																			
Operating	22,280,710	-	22,280,710	745,393	(18,072)	-	(18,072)	(926,696)	-	(926,696)	(746,952)	2,971	2,895,539	681,178	71,588	(15,050)	307,975	25,276,584	28,659,112
Portfolio funds	86,122,505	-	86,122,505	-	-	-	-	59,569	-	59,569	750,000	1,331,143	-	-	-	-	-	88,263,217	85,893,655
<b>Total without donor restrictions</b>	<b>108,403,215</b>	<b>-</b>	<b>108,403,215</b>	<b>745,393</b>	<b>(18,072)</b>	<b>-</b>	<b>(18,072)</b>	<b>(867,127)</b>	<b>-</b>	<b>(867,127)</b>	<b>3,048</b>	<b>1,334,114</b>	<b>2,895,539</b>	<b>681,178</b>	<b>71,588</b>	<b>(15,050)</b>	<b>307,975</b>	<b>113,541,801</b>	<b>114,552,767</b>
With donor restrictions:																			
Contributed capital	-	67,995,150	67,995,150	-	-	-	-	-	270,543	270,543	-	-	-	-	-	-	-	68,265,693	35,293,028
<b>Total net assets (deficit)</b>	<b>108,403,215</b>	<b>67,995,150</b>	<b>176,398,365</b>	<b>745,393</b>	<b>(18,072)</b>	<b>-</b>	<b>(18,072)</b>	<b>(867,127)</b>	<b>270,543</b>	<b>(596,584)</b>	<b>3,048</b>	<b>1,334,114</b>	<b>2,895,539</b>	<b>681,178</b>	<b>71,588</b>	<b>(15,050)</b>	<b>307,975</b>	<b>181,807,494</b>	<b>149,845,795</b>
<b>Total liabilities and net assets</b>	<b>\$ 113,390,487</b>	<b>\$ 73,814,549</b>	<b>\$ 187,205,036</b>	<b>\$ 747,724</b>	<b>\$ 134,329</b>	<b>\$ 106,540</b>	<b>\$ 240,869</b>	<b>\$ 353,669</b>	<b>\$ 609,946</b>	<b>\$ 963,615</b>	<b>\$ 755,100</b>	<b>\$ 1,334,114</b>	<b>\$ 5,071,800</b>	<b>\$ 849,029</b>	<b>\$ 203,142</b>	<b>\$ 51,450</b>	<b>\$ (2,920,509)</b>	<b>\$ 194,501,370</b>	<b>\$ 159,101,199</b>



Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Activities

Year Ended December 31, 2022

(With Summarized Totals for the Year Ended December 31, 2021)

See Independent Auditor's Report

	Acumen Fund, Inc.			Acumen India	Acumen India Trust			Acumen Pakistan	Acumen Capital Holdings, LLC	Acumen Canada	Acumen Capital Partners LLC	Acumen EA Advisory Services	Acumen Fund Advisory	Acumen Fund West Africa	Eliminating Entries	2022 Total	2021 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	\$ 6,187,073	\$ 53,032,207	\$ 59,219,280	\$ -	\$ 142,043	\$ 83,848	\$ 225,891	\$ 220,391	\$ -	\$ 9,986	\$ 1,434,556	\$ 2,046,121	\$ 809,952	\$ 792,076	\$ (3,861,034)	\$ 60,897,219	\$ 28,716,575		
In-kind contributions	2,099,405	-	2,099,405	-	-	-	-	-	-	-	-	-	-	-	-	2,099,405	4,458,152		
Program fees	815,810	-	815,810	-	-	-	-	-	-	-	3,380,100	-	2,466	-	-	4,198,376	4,147,086		
Investment income	361,136	-	361,136	24,301	24,027	-	24,027	83,724	-	83,724	-	-	1,657	-	-	494,845	214,926		
Change in value of charitable remainder trust	-	(114,859)	(114,859)	-	-	-	-	-	-	-	-	-	-	-	-	(114,859)	(58,933)		
Loss on disposal of property and equipment	-	-	-	-	-	-	-	(2,698)	-	(2,698)	-	-	-	-	-	(2,698)	-		
Other income	259,294	-	259,294	-	-	-	-	64,075	-	64,075	-	(5,296)	50	1,126	(231,213)	88,036	246,383		
Gain on short-term loan payable forgiveness	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,171,555		
Net assets released from restrictions	14,713,405	(14,713,405)	-	-	83,848	(83,848)	-	60,987	(60,987)	-	-	-	-	-	-	-	-		
<b>Total operating support and revenue</b>	<b>24,436,123</b>	<b>38,203,943</b>	<b>62,640,066</b>	<b>24,301</b>	<b>249,918</b>	<b>-</b>	<b>249,918</b>	<b>426,479</b>	<b>(60,987)</b>	<b>365,492</b>	<b>-</b>	<b>2,040,825</b>	<b>814,125</b>	<b>793,202</b>	<b>(4,092,247)</b>	<b>67,660,324</b>	<b>38,895,744</b>		
Portfolio revenue (losses):																			
Interest and dividend income, program related investments	138,974	-	138,974	-	-	-	-	-	-	-	-	-	-	-	-	138,974	2,686,002		
Realized and unrealized gain (loss) on equity and partnership investments	1,093,738	-	1,093,738	-	-	-	-	-	-	-	1,645	-	147	-	-	1,095,530	(2,060,147)		
Realized debt portfolio losses	(109,211)	-	(109,211)	-	-	-	-	-	-	-	6,332	-	-	-	-	(102,879)	(664,871)		
Provision for losses	(3,942,703)	-	(3,942,703)	-	-	-	-	-	-	-	-	-	-	-	-	(3,942,703)	(1,044,637)		
Other portfolio investment income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,500		
Net assets released from restrictions	5,170,291	(5,170,291)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Total portfolio revenue (losses)</b>	<b>2,351,089</b>	<b>(5,170,291)</b>	<b>(2,819,202)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,332</b>	<b>1,645</b>	<b>147</b>	<b>-</b>	<b>-</b>	<b>(2,819,202)</b>	<b>(1,028,153)</b>		
<b>Total support and revenue</b>	<b>26,787,212</b>	<b>33,033,652</b>	<b>59,820,864</b>	<b>24,301</b>	<b>249,918</b>	<b>-</b>	<b>249,918</b>	<b>426,479</b>	<b>(60,987)</b>	<b>365,492</b>	<b>-</b>	<b>2,040,825</b>	<b>814,272</b>	<b>793,202</b>	<b>(4,092,247)</b>	<b>64,849,246</b>	<b>37,867,591</b>		
Expenses:																			
Program expenses:																			
Portfolio management	11,085,385	-	11,085,385	-	-	-	-	170,502	-	170,502	9,177	-	4,682,930	747,031	559,142	362,246	(4,033,296)	13,583,117	14,629,821
Outreach, impact and communications	4,672,078	-	4,672,078	-	-	-	-	13,327	-	13,327	-	-	65,275	40,240	1,226	4,792,425	4,111,320		
Leadership	4,655,828	-	4,655,828	-	317,966	-	317,966	79,660	-	79,660	-	-	358,850	84,545	487,804	1,257	5,985,910	6,045,213	
<b>Total program expenses</b>	<b>20,413,291</b>	<b>-</b>	<b>20,413,291</b>	<b>-</b>	<b>317,966</b>	<b>-</b>	<b>317,966</b>	<b>263,489</b>	<b>-</b>	<b>263,489</b>	<b>9,177</b>	<b>-</b>	<b>4,682,930</b>	<b>1,171,156</b>	<b>663,927</b>	<b>851,276</b>	<b>(4,031,760)</b>	<b>24,361,452</b>	<b>24,786,354</b>
Supporting expenses:																			
Management and general	3,368,488	-	3,368,488	46,933	2,621	-	2,621	89,961	-	89,961	375	5,168	698,204	60,097	(24,921)	2,276	4,249,202	2,629,824	
Fundraising	3,951,350	-	3,951,350	-	-	-	-	13,254	-	13,254	-	-	159,681	7,315	3,675	382	4,135,657	3,168,358	
<b>Total supporting expenses</b>	<b>7,319,838</b>	<b>-</b>	<b>7,319,838</b>	<b>46,933</b>	<b>2,621</b>	<b>-</b>	<b>2,621</b>	<b>103,215</b>	<b>-</b>	<b>103,215</b>	<b>375</b>	<b>5,168</b>	<b>857,885</b>	<b>67,412</b>	<b>(21,246)</b>	<b>2,658</b>	<b>8,384,859</b>	<b>5,798,182</b>	
<b>Total expenses</b>	<b>27,733,129</b>	<b>-</b>	<b>27,733,129</b>	<b>46,933</b>	<b>320,587</b>	<b>-</b>	<b>320,587</b>	<b>366,704</b>	<b>-</b>	<b>366,704</b>	<b>9,552</b>	<b>5,168</b>	<b>4,682,930</b>	<b>2,029,041</b>	<b>751,339</b>	<b>830,030</b>	<b>(4,029,102)</b>	<b>32,746,311</b>	<b>30,584,536</b>
Change in net assets before foreign currency translation gain (loss) and distributions	(945,917)	33,033,652	32,087,735	(22,632)	(70,669)	-	(70,669)	59,775	(60,987)	(1,212)	(9,552)	11,150	133,371	11,784	62,933	(36,828)	(63,145)	32,102,935	7,283,055
Foreign currency translation gain (loss)	(60,977)	-	(60,977)	(85,518)	10,603	-	10,603	2,357	-	2,357	5,100	(88,531)	(13,515)	(33,095)	(15,169)	69,630	67,879	(141,236)	(193,642)
Capital distributions and transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,401,157)	
<b>Change in net assets</b>	<b>(1,006,894)</b>	<b>33,033,652</b>	<b>32,026,758</b>	<b>(108,150)</b>	<b>(60,066)</b>	<b>-</b>	<b>(60,066)</b>	<b>62,132</b>	<b>(60,987)</b>	<b>1,145</b>	<b>(4,452)</b>	<b>(77,381)</b>	<b>119,856</b>	<b>(21,311)</b>	<b>47,764</b>	<b>32,802</b>	<b>4,734</b>	<b>31,961,699</b>	<b>4,688,256</b>
Net assets (deficit):																			
Beginning of the year	109,410,109	34,961,498	144,371,607	853,543	41,994	-	41,994	(929,259)	331,530	(597,729)	7,500	1,411,495	2,775,683	702,489	23,824	(47,852)	303,241	149,845,795	145,157,539
End of the year	\$ 108,403,215	\$ 67,995,150	\$ 176,398,365	\$ 745,393	\$ (18,072)	\$ -	\$ (18,072)	\$ (867,127)	\$ 270,543	\$ (596,584)	\$ 3,048	\$ 1,334,114	\$ 2,895,539	\$ 681,178	\$ 71,588	\$ (15,050)	\$ 307,975	\$ 181,807,494	\$ 149,845,795

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Functional Expenses by Region

Year Ended December 31, 2022

(With Summarized Totals for the Year Ended December 31, 2021)

See Independent Auditor's Report

	Philanthropy							Fund Management		2022 Total	2021 Total	
	Acumen HQ (1) (2)	Canada	East Africa	Latin America (2)	India (3)	Pakistan	West Africa	Elimination	Total Philanthropy			ACP
Compensation	\$ 12,042,674	\$ -	\$ 1,492,182	\$ 1,026,362	\$ 651,612	\$ 222,941	\$ 432,493	\$ -	\$ 15,868,264	\$ 2,232,650	\$ 18,100,914	\$ 15,541,580
Professional and consultant fees	4,227,323	4,880	109,013	70,799	35,811	26,521	51,137	-	4,525,484	324,603	4,850,087	3,720,273
Program grants	4,945,644	-	-	-	115,593	-	-	(4,029,102)	1,032,135	1,427,275	2,459,410	3,201,629
In-kind contributions	2,099,405	-	-	-	-	-	-	-	2,099,405	-	2,099,405	4,458,152
Travel	301,747	-	130,786	48,007	57,761	44,317	107,329	-	689,947	153,541	843,488	210,679
Meetings	579,954	-	10,924	23,014	18,368	5,039	132,834	-	770,133	22,938	793,071	57,708
Marketing material	126,564	-	-	1,622	423	-	700	-	129,309	135	129,444	245,555
Technology expenses	763,250	-	25,963	8,697	8,527	1,310	1,944	-	809,691	70,100	879,791	784,761
Telephone	9,569	-	10,673	3,826	761	859	1,950	-	27,638	1,192	28,830	66,935
Office supplies	111,687	-	29,461	5,086	3,624	3,413	2,141	-	155,412	1,354	156,766	114,857
Occupancy	668,926	-	77,248	48,178	65,228	33,468	52,945	-	945,993	52,071	998,064	870,661
Insurance	93,083	-	4,206	-	721	-	-	-	98,010	16,775	114,785	125,811
Investment fees and bank charges	251,425	230	16,382	5,133	88,644	8,306	46,265	-	416,385	129,598	545,983	536,904
Vat and real estate taxes	65,970	58	284	4,965	15,504	-	334	-	87,115	164,655	251,770	261,464
Interest	-	-	-	-	-	18,437	-	-	18,437	-	18,437	3,285
Income tax	114,783	-	81,985	-	50,077	-	-	-	246,845	75,926	322,771	231,332
Miscellaneous	48,613	-	605	1,294	181	15	(42)	-	50,666	(925)	49,741	(3,926)
<b>Total expenses before depreciation</b>	<b>26,450,617</b>	<b>5,168</b>	<b>1,989,712</b>	<b>1,246,983</b>	<b>1,112,835</b>	<b>364,626</b>	<b>830,030</b>	<b>(4,029,102)</b>	<b>27,970,869</b>	<b>4,671,888</b>	<b>32,642,757</b>	<b>30,427,660</b>
Depreciation	41,094	-	39,329	3,987	6,024	2,078	-	-	92,512	11,042	103,554	156,876
<b>Total expenses</b>	<b>\$ 26,491,711</b>	<b>\$ 5,168</b>	<b>\$ 2,029,041</b>	<b>\$ 1,250,970</b>	<b>\$ 1,118,859</b>	<b>\$ 366,704</b>	<b>\$ 830,030</b>	<b>\$ (4,029,102)</b>	<b>\$ 28,063,381</b>	<b>\$ 4,682,930</b>	<b>\$ 32,746,311</b>	<b>\$ 30,584,536</b>

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

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

(3) India includes Acumen India, Acumen India Trust, and Acumen Fund Advisory entities found within the consolidated statement of activities