

**Acumen Fund, Inc.
and Subsidiaries**

Consolidated Financial Statements

December 31, 2015 and 2014

Independent Auditors' Report

Board of Directors Acumen Fund, Inc.

We have audited the accompanying consolidated financial statements of Acumen Fund, Inc. and Subsidiaries ("Acumen"), which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Acumen Capital Markets I, LP, which statements reflect total assets constituting 10% of consolidated total assets at December 31, 2015 and 2014, and total revenues constituting 0% of consolidated total revenues for each of the years then ended. These statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Acumen Capital Markets I, LP, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, based on our audits and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Acumen Fund, Inc. and Subsidiaries as December 31, 2015 and 2014 and the consolidated changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedules on pages 22-24 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

PKF O'Connor Davies, LLP

June 14, 2016

Acumen Fund, Inc. and Subsidiaries

Consolidated Statements of Financial Position

	December 31	
	2015	2014
ASSETS		
Operating Assets		
Cash and cash equivalents	\$ 33,993,645	\$ 45,195,810
Contributions and pledges receivable, net	20,828,308	16,536,895
Interest receivable	8,578	124
Accounts and other receivables	516,208	68,444
Prepaid expenses and other assets	380,166	327,564
Interest in charitable remainder trust	379,533	396,131
Property and equipment, net	570,284	183,035
Security deposits	348,294	64,100
Total Operating Assets	57,025,016	62,772,103
Portfolio Assets		
Cash and cash equivalents	1,559,008	-
Certificates of deposit	294,048	294,025
Interest and dividend receivable	1,375,809	1,292,101
Program related equity investments, net	42,981,304	31,545,395
Program related loans receivable, net	11,697,913	12,261,004
Total Portfolio Assets	57,908,082	45,392,525
Total Assets	\$ 114,933,098	\$ 108,164,628
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 506,561	\$ 516,483
Accrued salaries and related expenses	1,011,372	702,865
Taxes payable on foreign loan interest income	1,319	3,280
Notes payable	4,937,297	4,937,297
Total Liabilities	6,456,549	6,159,925
Net Assets		
Unrestricted		
Operating	19,203,212	26,674,588
Portfolio funds	57,908,082	45,392,525
Noncontrolling limited partners' interests in Acumen Capital Markets I, LP	4,596,378	4,683,089
Total Unrestricted	81,707,672	76,750,202
Temporarily restricted	26,768,877	25,254,501
Total Net Assets	108,476,549	102,004,703
	\$ 114,933,098	\$ 108,164,628

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Activities Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Operating Support and Revenue			
Contributions	\$ 6,805,184	\$ 16,927,500	\$ 23,732,684
Provision for uncollectible pledges	(243,834)	(261,059)	(504,893)
In-kind contributions	3,076,682	-	3,076,682
Program fees	308,207	100,000	408,207
Investment income	108,927	-	108,927
Change in value of charitable remainder trust	-	(16,598)	(16,598)
Loss on disposal of fixed assets	(18,383)	-	(18,383)
Other income	32,317	-	32,317
Net assets released from restrictions	<u>7,368,209</u>	<u>(7,368,209)</u>	<u>-</u>
Total Operating Support and Revenue	<u>17,437,309</u>	<u>9,381,634</u>	<u>26,818,943</u>
Portfolio Revenue (Losses)			
Interest and dividend income, program related investments	561,700	-	561,700
Realized loss on equity investments	(91,722)	-	(91,722)
Realized debt portfolio gains	238,747	-	238,747
Provision for losses	(2,273,644)	-	(2,273,644)
Net assets released from restrictions	<u>7,867,258</u>	<u>(7,867,258)</u>	<u>-</u>
Total Portfolio Revenue (Losses)	<u>6,302,339</u>	<u>(7,867,258)</u>	<u>(1,564,919)</u>
Total Support and Revenue	<u>23,739,648</u>	<u>1,514,376</u>	<u>25,254,024</u>
EXPENSES			
Program Expenses			
Portfolio management	7,314,180	-	7,314,180
Outreach, impact and communications	3,920,167	-	3,920,167
Fellows	<u>1,938,524</u>	<u>-</u>	<u>1,938,524</u>
Total Program Expenses	<u>13,172,871</u>	<u>-</u>	<u>13,172,871</u>
Supporting Expenses			
Management and general	3,104,152	-	3,104,152
Fundraising	<u>2,379,979</u>	<u>-</u>	<u>2,379,979</u>
Total Supporting Expenses	<u>5,484,131</u>	<u>-</u>	<u>5,484,131</u>
Total Expenses	<u>18,657,002</u>	<u>-</u>	<u>18,657,002</u>
Change in Net Assets Before Foreign			
Currency Translation Loss	5,082,646	1,514,376	6,597,022
Foreign currency translation loss	<u>(125,176)</u>	<u>-</u>	<u>(125,176)</u>
Change in Net Assets	4,957,470	1,514,376	6,471,846
NET ASSETS			
Beginning of the year	<u>76,750,202</u>	<u>25,254,501</u>	<u>102,004,703</u>
End of the year	<u>\$ 81,707,672</u>	<u>\$ 26,768,877</u>	<u>\$ 108,476,549</u>

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Activities Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Operating Support and Revenue			
Contributions	\$ 8,185,153	\$ 10,781,410	\$ 18,966,563
Provision for uncollectible pledges	(4,135)	(22,500)	(26,635)
In-kind contributions	1,457,032	-	1,457,032
Investment income	58,417	15,678	74,095
Change in value of charitable remainder trust	-	10,532	10,532
Other income	63,110	-	63,110
Net assets released from restrictions	5,175,647	(5,175,647)	-
Total Operating Support and Revenue	14,935,224	5,609,473	20,544,697
Portfolio Revenue (Losses)			
Interest and dividend income, program related investments	893,574	-	893,574
Realized loss on equity investments	(1,899,821)	-	(1,899,821)
Provision for losses	(3,936,686)	-	(3,936,686)
Other investment expenses	7,364	-	7,364
Net assets released from restrictions	3,093,589	(3,093,589)	-
Total Portfolio Revenue (Losses)	(1,841,980)	(3,093,589)	(4,935,569)
Total Support and Revenue	13,093,244	2,515,884	15,609,128
EXPENSES			
Program Expenses			
Portfolio management	6,160,339	-	6,160,339
Outreach, impact and communications	2,751,834	-	2,751,834
Fellows	1,661,645	-	1,661,645
Total Program Expenses	10,573,818	-	10,573,818
Supporting Expenses			
Management and general	2,749,819	-	2,749,819
Fundraising	2,163,677	-	2,163,677
Total Supporting Expenses	4,913,496	-	4,913,496
Total Expenses	15,487,314	-	15,487,314
Change in Net Assets Before Foreign			
Currency Translation Loss and Contributed Capital	(2,394,070)	2,515,884	121,814
Foreign currency translation loss	(76,315)	-	(76,315)
Contributed capital	580,088	-	580,088
Change in Net Assets	(1,890,297)	2,515,884	625,587
NET ASSETS			
Beginning of the year	78,640,499	22,738,617	101,379,116
End of the year	\$ 76,750,202	\$ 25,254,501	\$ 102,004,703

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Cash Flows

	Year Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 6,471,846	\$ 625,587
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	156,705	100,921
Provision for uncollectible pledges and write-offs	504,893	26,635
Donated securities	-	(1,727,766)
Change in interest in charitable remainder trust	16,598	(10,532)
Foreign currency exchange (gain) loss	278,016	(69,027)
Loss on disposal of fixed assets	18,383	-
Realized loss on equity investments	91,722	1,899,821
Provision for portfolio losses	2,273,644	3,936,686
Change in operating assets and liabilities		
Contributions and pledges receivable, net of discount	(4,796,306)	(3,477,930)
Interest and dividend receivable	(92,162)	(419,740)
Accounts and other receivables	(447,764)	(55,196)
Prepaid expenses and other current assets	(52,602)	(105,227)
Accounts payable and accrued expenses	298,585	315,197
Taxes payable on foreign loan interest income	(1,961)	-
Net Cash from Operating Activities	4,719,597	1,039,429
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(562,337)	(48,964)
Purchase of investments	(23)	-
Proceeds from maturity of certificates of deposit	-	90
Proceeds from sale of program related equity investments	280,273	392,142
Program related loans made	(5,358,472)	(1,421,121)
Program related equity investments made	(11,886,105)	(4,502,586)
Repayment of program related loans	3,448,104	503,905
Security (deposits) refunds	(284,194)	(15,516)
Net Cash from Investing Activities	(14,362,754)	(5,092,050)
Net Change in Cash and Cash Equivalents	(9,643,157)	(4,052,621)
CASH AND CASH EQUIVALENTS		
Beginning of year	45,195,810	49,248,431
End of year	\$ 35,552,653	\$ 45,195,810
SUPPLEMENTAL CASH FLOWS INFORMATION		
Cash paid for taxes	\$ 93,652	\$ 94,134

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2015 and 2014

1. Organization and Tax Status

Acumen Fund, Inc., a not for profit organization, aims to elevate the lives of the poor by building financially sustainable and scalable organizations (non-profit and for-profit) that deliver affordable, critical goods and services. A disciplined process is adhered to in selecting and managing its philanthropic investments as well as in measuring the end result. Acumen Fund, Inc. manages six portfolio areas of expertise, focused on global social needs: (i) Health, (ii) Housing (iii) Water & Sanitation, (iv) Energy, (v) Agriculture and (vi) Education. In addition, Acumen Fund, Inc. runs a leadership program that consists of a global and three regional fellows programs to identify, network and support social change leaders. Acumen Fund, Inc. also focuses on dissemination of ideas, particularly around insights for impact measurement of its work and awareness raising of its approaches to tackling poverty. Acumen Fund, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and has been classified as an organization that is not a private foundation.

In addition to managing its global operations from its New York office, Acumen Fund, Inc. formed Acumen Advisory Services India Private Limited (“Acumen India”) and Acumen Fund Pakistan (a Pakistan company) (“Acumen Pakistan”); subsidiaries which manage regional operations. Acumen India is a corporation which Acumen Fund, Inc. owns 99.9%. In addition, Acumen Trust, an Indian not-for-profit public charitable trust was formed to accept local donations to support certain of our programs. Its board and officers are comprised of Acumen staff. Acumen Pakistan is a company limited by guarantee incorporated in Pakistan under section 42 of the Companies Ordinance, 1984, which is the equivalent to a 501(c)(3) public charity in the United States. Acumen Fund, Inc. has the right to appoint a majority of the Board of Directors of Acumen Pakistan which comprises of 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.

In December 2008, Acumen Fund, Inc. formed a Delaware limited partnership, Acumen Capital Markets I, LP (“ACM”), in which it serves as general partner and manager. ACM makes portfolio investments consistent with and as an extension of Acumen Fund, Inc.’s charitable activities. For income tax purposes, partners report their respective portions of ACM income and expense in their income tax returns.

In October 2014, Acumen Fund, Inc. formed two Delaware entities - Acumen Capital Partners LLC (“ACP”) and Acumen Capital Markets Investments LLC (“ACMI”). Acumen Fund, Inc. owns 100% of ACP, which was organized to be the fund manager for an early-stage growth fund that is currently being raised. ACP owns 100% of ACMI, which was set up to hold shares in such fund through which the fund will distribute a portion of the profit, known as “carry”. Neither ACP nor ACMI had any financial activity in 2015

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2015 and 2014

1. Organization and Tax Status *(continued)*

ACP elected to be taxed as a corporation for income tax purposes; ACMI elected to be taxed as a partnership for US income tax purposes. In March 2015, a private limited liability company was formed under the laws of Mauritius, named KawiSafi Ventures Limited (“KawiSafi”). KawiSafi is the entity formed to be the aforementioned early-stage growth fund. ACP owns 100% of KawiSafi, holding management shares. KawiSafi has elected to be treated as partnership for US income tax purposes. KawiSafi had no financial activity in 2015.

The accompanying consolidated financial statements of Acumen Fund, Inc. include the accounts of Acumen Fund, Inc., Acumen India, Acumen Pakistan, Acumen Canada and ACM.

2. Summary of Significant Accounting Policies

Principles of Consolidation

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

Basis of Presentation and Use of Estimates

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

Fair Value of Financial Instruments

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

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2015 and 2014

2. Summary of Significant Accounting Policies (continued)

Contributions and Pledges Receivable

Contributions and unconditional promises to give are recorded as support and are classified as unrestricted, temporarily restricted, or permanently restricted support.

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

Allowance for Doubtful Accounts

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

Property and Equipment

Property and equipment are stated at cost. Acumen capitalizes all purchases of property and equipment greater than \$1,000. Depreciation is computed using the straight-line method over the estimated useful life of the assets, which are 2 to 3 years for leasehold improvements and 3 to 5 years for furniture, computer equipment and website development.

Net Asset Presentation

Acumen reports information regarding its financial position and activities according to three classes of net assets based on donor restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets based on the presence or absence of donor imposed restrictions.

In-Kind Contributions

Donated services are stated in the financial statements at fair value if those services 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.

Donated office space is recorded as in-kind contributions at its estimated fair value. Such donations are reported as unrestricted revenue unless the donors specify a length of time over which the donated space is to be occupied. The contribution is then reported as temporarily restricted, and the restrictions expire evenly over the required period.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2015 and 2014

2. Summary of Significant Accounting Policies (continued)

Beneficial Interest in a Charitable Remainder Trust

Acumen has a beneficial interest in a charitable remainder trust. Under the terms of the trust, distributions are made from the trust to designated beneficiaries for the remainder of their lives. The remainder of the assets in the trust will be transferred to Acumen. The trust is held and managed by an independent trustee. As of 2015 and 2014 the value of Acumen's estimated interest in the remainder trusts was approximated using a 7% discount rate over the remaining life expectancy of the income beneficiaries.

Program Related Equity Investments

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

Program Related Loans Receivable

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

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

Grant Expense

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

Foreign Currency Translation

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

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2015 and 2014

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

Allocation of Expenses

Certain expenses are allocated to program or supporting services based on management's estimates.

Accounting for Uncertainty in Income Taxes

Acumen recognizes the effect of income tax positions only when they are more than likely than not of being sustained. Acumen is no longer subject to audits by the United States taxing jurisdictions for periods prior to December 31, 2012.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is June 14, 2016.

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

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

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2015 and 2014

4. Contributions and Pledges Receivable

Pledges receivable are shown net of a discount to present value using rates ranging from .4% to 50% on payments due in future years.

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

	<u>2015</u>	<u>2014</u>
Due within:		
Up to one year	\$16,357,534	\$ 9,697,488
One to five years	<u>6,183,717</u>	<u>9,395,266</u>
	22,541,251	19,092,754
Present value discount	(1,326,943)	(1,968,511)
Allowance for doubtful accounts	<u>(386,000)</u>	<u>(587,348)</u>
Contributions and pledges receivable, net	<u>\$20,828,308</u>	<u>\$16,536,895</u>

Acumen works with the Charities Aid Foundation (“CAF”), a not-for-profit organization providing a range of services to facilitate tax efficient, charitable donations in the United Kingdom. During 2015, Acumen received a total of £101,481 or \$150,344 of charitable donations (net of fees) into an account maintained with CAF. Throughout the course of the year, CAF transferred £106,351 or \$157,378 into Acumen’s operating bank account. £45,575 or \$67,519 remains in the Acumen CAF account as of December 31, 2015.

5. Fair Value Measurements

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

The following is a reconciliation of the beginning and ending balances for Level 3 assets for December 31, 2015:

	<u>2015</u>	<u>2014</u>
Beginning balance	\$ 396,131	\$ 385,599
Change in present value of beneficial interest in remainder trust	<u>(16,598)</u>	<u>10,532</u>
Ending balance	<u>\$ 379,533</u>	<u>\$ 396,131</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2015 and 2014

6. Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Computer equipment, systems integration and website development	\$ 746,768	\$ 477,035
Leasehold improvements and equipment	470,345	375,016
Furniture	<u>325,133</u>	<u>156,899</u>
	1,542,246	1,008,950
Accumulated depreciation	<u>(971,962)</u>	<u>(825,915)</u>
	<u>\$ 570,284</u>	<u>\$ 183,035</u>

Depreciation expense for 2015 and 2014 was \$155,015 and \$100,921.

7. Program Related Loans Receivable

Program related portfolio loans receivable consist of loans advanced to projects located throughout the developing world related to Acumen's portfolio activities. Loans receivable are carried at a cost of \$17,159,008 and \$16,922,170 less an allowance for uncollectible amounts of \$4,894,751 and \$4,485,665 and a foreign currency translation adjustment of \$566,343 and \$175,501 at December 31, 2015 and 2014.

Contractual interest rates on program related loans at December 31, 2015 and 2014 were equal to the market rates and therefore no contribution expense was recorded.

Acumen assesses the risk of their financing receivables internally as either performing or monitoring. Performing receivables are investments that meet repayment benchmarks on a timely basis. Monitoring receivables are investments that are either behind in their repayment schedules or the overall health of the investee organization is lessened based upon an assessment of the investee. The following is the recorded investment in financing receivables using Acumen's internally assigned credit quality indicators.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2015 and 2014

7. Program Related Loans Receivable *(continued)*

	2015		
	Performing	Monitoring	Total
Health	\$ 1,081,600	\$ 189,055	\$ 1,270,655
Agriculture	3,925,320	2,565,713	6,491,033
Energy	1,902,658	138,779	2,041,437
Housing	-	114,355	114,355
Water and Sanitation	363,636	-	363,636
Education	656,660	-	656,660
Acumen America	300,000	-	300,000
Other	1,026,480	-	1,026,480
	<u>\$9,256,354</u>	<u>\$3,007,902</u>	12,264,256
Foreign currency translation adjustment			(566,343)
			<u>\$ 11,697,913</u>

	2014		
	Performing	Monitoring	Total
Health	\$ 1,539,914	\$ 1,206,500	\$ 2,746,414
Agriculture	3,150,000	4,042,036	7,192,036
Energy	1,240,140	138,779	1,378,919
Housing	-	119,789	119,789
Water and Sanitation	541,662	39,930	581,592
Education	-	50,000	50,000
Technology	367,755	-	367,755
	<u>\$6,839,471</u>	<u>\$5,597,034</u>	12,436,505
Foreign currency translation adjustment			(175,501)
			<u>\$ 12,261,004</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2015 and 2014

7. Program Related Loans Receivable *(continued)*

The following reflects the activity in the valuation allowance account for 2015 and 2014 by class of financing receivables and the monitored financing receivables related to each balance in the valuation allowance account at December 31, 2015 and 2014.

	2015				Total
	Health	Agriculture	Housing	Water and Sanitation	
Allowance for credit losses					
Beginning balance	\$2,405,898	\$ 997,978	\$ 962,000	\$ 119,789	\$4,485,665
Recoveries	(214,149)	(2,961)	(962,000)	-	(1,179,110)
Provision	<u>100,000</u>	<u>1,455,511</u>	<u>-</u>	<u>32,685</u>	<u>1,588,196</u>
Ending balance	<u>\$2,291,749</u>	<u>\$2,450,528</u>	<u>\$ -</u>	<u>\$ 152,474</u>	<u>\$4,894,751</u>
Ending balance, individually evaluated for impairment	<u>\$2,291,749</u>	<u>\$2,450,528</u>	<u>\$ -</u>	<u>\$ 152,474</u>	<u>\$4,894,751</u>
Financing receivables					
Ending balance	<u>\$2,480,805</u>	<u>\$4,129,951</u>	<u>\$ -</u>	<u>\$ 152,474</u>	<u>\$6,763,230</u>
Ending balance, individually evaluated for impairment	<u>\$2,480,805</u>	<u>\$4,129,951</u>	<u>\$ -</u>	<u>\$ 152,474</u>	<u>\$6,763,230</u>
	2014				
	Health	Agriculture	Housing	Water and Sanitation	Total
Allowance for credit losses					
Beginning balance	\$ 1,364,952	\$ 823,414	\$ 1,261,583	\$ 114,127	\$3,564,076
Recoveries	(109,121)	-	(299,583)	-	(408,704)
Provision	<u>1,150,067</u>	<u>174,564</u>	<u>-</u>	<u>5,662</u>	<u>1,330,293</u>
Ending balance	<u>\$2,405,898</u>	<u>\$ 997,978</u>	<u>\$ 962,000</u>	<u>\$ 119,789</u>	<u>\$4,485,665</u>
Ending balance, individually evaluated for impairment	<u>\$2,405,898</u>	<u>\$ 997,978</u>	<u>\$ 962,000</u>	<u>\$ 119,789</u>	<u>\$4,485,665</u>
Financing receivables					
Ending balance	<u>\$3,337,399</u>	<u>\$1,201,078</u>	<u>\$ 962,000</u>	<u>\$ 159,719</u>	<u>\$5,660,196</u>
Ending balance, individually evaluated for impairment	<u>\$3,337,399</u>	<u>\$1,201,078</u>	<u>\$ 962,000</u>	<u>\$ 159,719</u>	<u>\$5,660,196</u>

All impaired loans at December 31, 2015 and 2014 are included in the ending balance of financing receivables.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2015 and 2014

7. Program Related Loans Receivable *(continued)*

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

	2015					
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 days	Total Past Due	Current	Total Financing Receivable
Health	\$ 30,000	\$ 50,000	\$ 1,554,585	\$ 1,634,585	\$ (363,930)	\$ 1,270,655
Energy	7,304	7,304	-	14,608	2,026,829	2,041,437
Agriculture	61,090	61,090	921,359	1,043,539	5,447,494	6,491,033
Total	\$ 98,394	\$ 118,394	\$ 2,475,944	\$ 2,692,732	\$ 7,110,393	\$ 9,803,125
	2014					
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 days	Total Past Due	Current	Total Financing Receivable
Health	\$ -	\$ -	\$ 2,556,180	\$ 2,556,180	\$ 190,234	\$ 2,746,414
Water	25,000	-	75,000	100,000	481,592	581,592
Agriculture	-	-	817,377	817,377	6,374,659	7,192,036
Total	\$ 25,000	\$ -	\$ 3,448,557	\$ 3,473,557	\$ 7,046,485	\$ 10,520,042

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

2016	\$ 3,493,995
2017	4,224,659
2018	1,108,426
2019	1,616,705
2020 and thereafter	1,254,128
	\$11,697,913

8. Program Related Equity Investments

Program related equity investments consist of funds invested for equity positions in business enterprises in connection with Acumen's portfolio activities. Equity investments are carried at cost of \$52,806,238 and \$40,934,815 less a valuation allowance of \$9,824,935 and \$9,389,420 at December 31, 2015 and 2014.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2015 and 2014

8. Program Related Equity Investments *(continued)*

Acumen holds a significant ownership percentage in certain of its program related equity investments however 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. Acumen does not heavily participate in the management or direction of ongoing operations or operating decisions. In addition, Acumen's significant ownership percentage in some cases is only temporary and will be diluted at such time 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.

9. Changes in Noncontrolling Limited Partners' Interests

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

Balance January 1, 2014	\$ 6,051,787
2014 Changes:	
Capital contributions	25,918
Deficiency of revenue over expenses	<u>(1,394,616)</u>
Balance December 31, 2014	4,683,089
2015 Changes:	
Deficiency of revenue over expenses	<u>(86,711)</u>
Balance December 31, 2015	<u>\$ 4,596,378</u>

10. Notes Payable

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

The Notes are unsecured, unguaranteed, and uninsured with a fixed rate of interest of 3% per annum. The interest is payable quarterly if, in the reasonable discretion of the Investment Manager, cash is available for payment at such time. The principal on the Notes and any unpaid interest shall be payable at the end of the term solely out of the assets of ACM. ACM shall have no obligation to pay interest and principal unless it has unencumbered assets sufficient to pay such amounts. The Investment Manager shall have no obligation to liquidate assets of ACM or make capital calls to its partners in order to make payments of interest at any time prior to maturity of the Note.

At December 31, 2015 and 2014, ACM had drawn \$5,270,250, representing 100% of the commitment, and paid down \$237,273 of the Note. \$95,680 of the remaining capital commitment is due to Acumen Fund, Inc. and has been eliminated in consolidation for a total balance of \$4,937,297 as of December 31, 2015 and 2014.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2015 and 2014

11. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following at December 31:

	2015	2014
+Acumen Online	\$ 149,006	\$ 14,940
Acumen America	3,829,041	517,016
Agriculture	352,170	3,559,923
ANDE	-	6,910
CRUT	379,533	396,131
East Africa	-	4,505
Education	1,816,141	2,943,612
ELII	3,166,217	-
Energy	448,010	2,760,814
Fellows	1,482,437	1,745,915
Health	522,908	693,353
Impact	1,085,439	508,062
India	-	13,035
Kawisafi	4,111,937	-
Latin America	1,406,587	3,040,290
Leadership	791,670	1,200,869
Multi-year	3,544,225	4,459,890
Other	701,843	-
Pakistan	-	112,392
Pioneer Fund	-	493,583
SAP	-	400,000
Technical assistance	321,994	393,693
Water	1,255,779	1,255,779
West Africa	1,403,940	733,789
	\$26,768,877	\$ 25,254,501

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2015 and 2014

11. Temporarily Restricted Net Assets *(continued)*

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donor or as a result of the expiration of donor imposed time restrictions as follows:

	2015	2014
+Acumen Online	\$ 492,847	\$ 477,790
Acumen America	342,500	-
Agriculture	324,088	771,793
ANDE	-	105,950
East Africa	40,000	10,000
Education	1,986,731	456,254
Energy	3,264,833	542,900
Fellows	1,267,715	1,170,765
Health	870,063	-
Impact	600,296	561,039
India	-	182,123
Latin America	1,654,201	207,065
Leadership	212,356	87,626
Multi-year	1,682,732	2,764,806
Other	695,127	250,000
Pakistan	221,769	30,000
Pioneer Fund	500,000	-
SAP	545,000	-
Technical assistance	250,690	438,097
West Africa	284,519	213,028
	\$ 15,235,467	\$ 8,269,236

12. In-Kind Contributions

In-kind contributions for the years ended December 31 are as follows:

	2015	2014
Rent	\$ 382,394	\$ 236,249
Consulting services	1,656,756	-
Legal services	1,037,532	1,218,783
Equipment	-	2,000
	\$3,076,682	\$1,457,032

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2015 and 2014

13. Retirement Plan

Acumen Fund, Inc. maintains a 401(k) defined contribution retirement plan covering eligible employees. Acumen Fund, Inc. contributes 3% of the employees' compensation, inclusive of bonuses. Acumen Fund, Inc. plan expenses were \$142,471 and \$111,263 for 2015 and 2014.

14. Commitments and Contingencies

Leases

Acumen occupied its primary office location at no charge under an agreement for donated occupancy which expired in October 31, 2015. The lease was extended on a month to month basis until December 31, 2015. Donated occupancy recognized in the consolidated statements of activities for 2015 and 2014 totaled \$637,532 and \$596,861. The deferred portion of donated occupancy of approximately \$280,000 is included in contributions and pledges receivable in the consolidated statement of financial position at December 31, 2014.

During 2015, Acumen entered into a 10 years and two month noncancelable lease agreement which begins on January 1, 2016 and expires on February 28, 2026. The lease agreement calls for monthly fixed payments with a 2.5% annual escalation.

Acumen also occupies office space in connection with its global operations under operating leases which provide for minimum annual rental payments as follows:

2016	\$ 578,396
2017	726,234
2018	753,058
2019	505,837
2020	518,483
2021 and thereafter	<u>2,891,219</u>
	<u>\$5,973,227</u>

Rent expense (including donated occupancy) for 2015 and 2014 was \$980,334 and \$910,502.

Program Grants, Loans and Investments

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

	<u>2015</u>	<u>2014</u>
Loans	\$ 5,358,472	\$ 1,421,121
Equity investments	<u>11,886,105</u>	<u>4,502,586</u>
	<u>\$ 17,244,577</u>	<u>\$ 5,923,707</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2015 and 2014

14. Commitments and Contingencies *(continued)*

Program Grants, Loans and Investments (continued)

Since 2001, Acumen has made portfolio loan and equity disbursements in excess of \$100 million. Together with allocated disbursements approved but not approved as an obligation of approximately \$10.7 million, Acumen's cumulative investments under management total over \$110.7 million.

At December 31, 2015 and 2014, approximately \$5.6 million and \$8.8 million in program disbursements have been committed and remains contingent upon the approval of interim progress reports and statements. Approximately \$5.1 and \$7.6 million of additional program disbursements were committed in 2015 and 2014, respectively. Subsequent disbursements are to be made upon Acumen's satisfaction that recipients have demonstrated progress towards the stated objectives of the disbursements. As such, these amounts have not been recorded in the consolidated financial statements.

Standby Letters of Credit

At December 31, 2015 and 2014, Acumen had outstanding standby letters of credit in the total amount of \$294,000, as guarantees for program related lending activities. The letters of credit were issued in lieu of direct portfolio loan disbursements and certificates of deposit were purchased as collateral for the letters of credit.

Committed Capital

At December 31, 2015 and 2014, ACM limited partners had a commitment to make program loans or investments of \$10,570,250 and Acumen Fund, Inc. had a commitment to make program loans or investments of \$1,000,000. Acumen Fund, Inc. may draw down these commitments to enable ACM to make investments, to pay fees and expenses or to provide reserves. At December 31, 2015 and 2014, ACM's funded partner commitments amounted to \$9,926,251. The ratio of total contributed capital to total committed capital is 94%.

* * * * *

**Acumen Fund, Inc.
and Subsidiaries**

Supplementary Financial Information

December 31, 2015 and 2014

Acumen Fund, Inc. and Subsidiaries
Consolidating Schedule of Financial Position
December 31, 2015
(with summarized totals at December 31, 2014)

ASSETS	Acumen Fund, Inc.			Acumen India	Acumen India Trust	Acumen Pakistan	Acumen Capital Markets I, LP	Acumen Canada	Eliminating Entries	2015 Total	2014 Total
	Unrestricted	Temporarily Restricted	Total								
Operating Assets											
Cash and cash equivalents	\$ 22,216,365	\$ 7,197,853	\$ 29,414,218	1,011,993	\$ 606,854	298,119	\$ 2,440,285	\$ 222,176	\$ -	\$ 33,993,645	\$ 45,195,810
Contributions and pledges receivable, net	1,636,817	19,191,491	20,828,308	-	-	-	-	-	-	20,828,308	16,536,895
Interest receivable	-	-	-	8,568	-	10	-	-	-	8,578	124
Investment in subsidiaries	500,959	-	500,959	-	-	-	-	-	(500,959)	-	-
Loans to subsidiaries	750,000	-	750,000	-	-	-	-	-	(750,000)	-	-
Accounts and other receivables	909,766	-	909,766	28,220	-	8,254	-	-	(430,032)	516,208	68,444
Prepaid expenses and other assets	191,882	-	191,882	173,375	60	14,849	-	-	-	380,166	327,564
Interest in charitable remainder trust	-	379,533	379,533	-	-	-	-	-	-	379,533	396,131
Property and equipment, net	487,414	-	487,414	38,890	8,164	35,816	-	-	-	570,284	183,035
Security deposits	285,845	-	285,845	50,753	10,581	1,115	-	-	-	348,294	64,100
Total Operating Assets	26,979,048	26,768,877	53,747,925	1,311,799	625,659	358,163	2,440,285	222,176	(1,680,991)	57,025,016	62,772,103
Portfolio Assets											
Cash and cash equivalents	1,559,008	-	1,559,008	-	-	-	-	-	-	1,559,008	-
Certificates of deposit	294,048	-	294,048	-	-	-	-	-	-	294,048	294,025
Interest and dividend receivable	1,091,208	-	1,091,208	-	-	20,359	264,242	-	-	1,375,809	1,292,101
Program related portfolio equity investments, net	37,960,461	-	37,960,461	-	-	290,653	5,730,190	-	(1,000,000)	42,981,304	31,545,395
Program related portfolio loans receivable, net	8,119,318	-	8,119,318	-	-	1,387,986	2,286,289	-	(95,680)	11,697,913	12,261,004
Total Portfolio Assets	49,024,043	-	49,024,043	-	-	1,698,998	8,280,721	-	(1,095,680)	57,908,082	45,392,525
	\$ 76,003,091	\$ 26,768,877	\$ 102,771,968	\$ 1,311,799	\$ 625,659	\$ 2,057,161	\$ 10,721,006	\$ 222,176	\$ (2,776,671)	\$ 114,933,098	\$ 108,164,628
LIABILITIES AND NET ASSETS											
Liabilities											
Accounts payable and accrued expenses	\$ 495,502	\$ -	\$ 495,502	52,124	\$ 2,036	\$ 96,250	\$ 292,190	\$ -	\$ (431,541)	\$ 506,561	\$ 516,483
Accrued salaries and related expenses	904,691	-	904,691	59,551	-	47,130	-	-	-	1,011,372	702,865
Taxes payable on foreign loan interest income	1,319	-	1,319	-	-	-	-	-	-	1,319	3,280
Deferred income	-	-	-	-	-	-	-	-	-	-	-
Intercompany loan	-	-	-	-	-	749,027	-	-	(749,027)	-	-
Notes payable	-	-	-	-	-	-	5,032,977	-	(95,680)	4,937,297	4,937,297
Total Liabilities	1,401,512	-	1,401,512	111,675	2,036	892,407	5,325,167	-	(1,276,248)	6,456,549	6,159,925
Net Assets											
Unrestricted											
Operating	25,577,536	-	25,577,536	50,138	-	(534,244)	-	222,176	(6,112,394)	19,203,212	26,674,588
Portfolio funds	49,024,043	-	49,024,043	-	-	1,698,998	-	-	7,185,041	57,908,082	45,392,525
Noncontrolling limited partners' interests in Acumen Capital Markets I, LP	-	-	-	-	-	-	-	-	4,596,378	4,596,378	4,683,089
Total Unrestricted	74,601,579	-	74,601,579	50,138	-	1,164,754	-	222,176	5,669,025	81,707,672	76,750,202
Temporarily restricted											
Contributed capital	-	26,768,877	26,768,877	-	-	-	-	-	-	26,768,877	25,254,501
Stockholder's equity	-	-	-	353,133	896,198	-	-	-	(1,249,331)	-	-
Partners' capital	-	-	-	796,853	(272,575)	-	-	-	(524,278)	-	-
Total Net Assets	74,601,579	26,768,877	101,370,456	1,200,124	623,623	1,164,754	5,395,839	222,176	(1,500,423)	108,476,549	102,004,703
	\$ 76,003,091	\$ 26,768,877	\$ 102,771,968	\$ 1,311,799	\$ 625,659	\$ 2,057,161	\$ 10,721,006	\$ 222,176	\$ (2,776,671)	\$ 114,933,098	\$ 108,164,628

See independent auditors' report

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Activities
Year Ended December 31, 2015
(with summarized totals for the year ended December 31, 2014)

	Acumen Fund, Inc.			Acumen India	Acumen India Trust	Acumen Pakistan	Acumen Capital Markets I, LP	Acumen Canada	Eliminating Entries	2015 Total	2014 Total
	Unrestricted	Temporarily Restricted	Total								
SUPPORT AND REVENUE											
Operating Support and Revenue											
Contributions	\$ 6,135,566	\$ 16,927,500	\$ 23,063,066	\$ -	\$ 114,973	\$ 1,396,563	\$ -	\$ 195,129	\$ (1,037,047)	\$ 23,732,684	\$ 18,966,563
Provision for uncollectible amounts	(243,834)	(261,059)	(504,893)	-	-	-	-	-	-	(504,893)	(26,635)
Donated services	3,076,682	-	3,076,682	-	-	-	-	-	-	3,076,682	1,457,032
Program fees	316,957	100,000	416,957	916,079	-	-	-	-	(924,829)	408,207	-
Investment income	51,936	-	51,936	29,413	18,488	9,090	-	-	-	108,927	74,095
Change in value of charitable remainder trust	-	(16,598)	(16,598)	-	-	-	-	-	-	(16,598)	10,532
Loss on disposal of fixed assets	(18,228)	-	(18,228)	(65)	-	(90)	-	-	-	(18,383)	-
Other income	10,218	-	10,218	-	-	22,099	-	-	-	32,317	63,110
Net assets released from restrictions	7,368,209	(7,368,209)	-	-	-	-	-	-	-	-	-
Total Operating Support and Revenue	16,697,506	9,381,634	26,079,140	945,427	133,461	1,427,662	-	195,129	(1,961,876)	26,818,943	20,544,697
Portfolio Revenue and (Losses)											
Interest and dividend income, program related investments	352,489	-	352,489	-	-	118,538	90,673	-	-	561,700	893,574
Realized loss on equity investments	-	-	-	-	-	-	(91,722)	-	-	(91,722)	(1,899,821)
Realized debt portfolio gains	238,747	-	238,747	-	-	-	-	-	-	238,747	-
Provision for losses	(2,159,991)	-	(2,159,991)	-	-	(113,653)	-	-	-	(2,273,644)	(3,936,686)
Other portfolio investment expenses	-	-	-	-	-	-	-	-	-	-	7,364
Net assets released from restriction	7,867,258	(7,867,258)	-	-	-	-	-	-	-	-	-
Total Portfolio Revenue and (Losses)	6,298,503	(7,867,258)	(1,568,755)	-	-	4,885	(1,049)	-	-	(1,564,919)	(4,935,569)
Total Revenues	22,996,009	1,514,376	24,510,385	945,427	133,461	1,432,547	(1,049)	195,129	(1,961,876)	25,254,024	15,609,128
EXPENSES											
Program Services											
Portfolio management	7,978,063	-	7,978,063	788,265	-	380,841	91,800	-	(1,924,789)	7,314,180	6,160,339
Outreach, impact and communication	3,857,322	-	3,857,322	41,169	-	21,676	-	-	-	3,920,167	2,751,834
Fellows	1,471,976	-	1,471,976	2,571	232,208	231,769	-	-	-	1,938,524	1,661,645
Total Program Services	13,307,361	-	13,307,361	832,005	232,208	634,286	91,800	-	(1,924,789)	13,172,871	10,573,818
Supporting Services											
Management and general	2,912,071	-	2,912,071	110,541	1,808	79,732	-	-	-	3,104,152	2,749,819
Fundraising	2,218,516	-	2,218,516	55,088	-	106,363	-	12	-	2,379,979	2,163,677
Total Supporting Services	5,130,587	-	5,130,587	165,629	1,808	186,095	-	12	-	5,484,131	4,913,496
Total Expenses	18,437,948	-	18,437,948	997,634	234,016	820,381	91,800	12	(1,924,789)	18,657,002	15,487,314
Change in Net Assets Before Foreign Currency											
Translation Loss and Contributed Capital	4,558,061	1,514,376	6,072,437	(52,207)	(100,555)	612,166	(92,849)	195,117	(37,087)	6,597,022	121,814
Foreign currency translation gain (loss)	(19,379)	-	(19,379)	(24,032)	(29,601)	(73,559)	(2,922)	(5,272)	29,589	(125,176)	(76,315)
Contributed capital	-	-	-	-	-	-	-	-	-	-	580,088
Change in Net Assets	4,538,682	1,514,376	6,053,058	(76,239)	(130,156)	538,607	(95,771)	189,845	(7,498)	6,471,846	625,587
NET ASSETS											
Beginning of the year	70,062,897	25,254,501	95,317,398	1,276,363	753,779	626,147	5,491,610	32,331	(1,492,925)	102,004,703	101,379,116
End of the year	\$ 74,601,579	\$ 26,768,877	\$ 101,370,456	\$ 1,200,124	\$ 623,623	\$ 1,164,754	\$ 5,395,839	\$ 222,176	\$ (1,500,423)	\$ 108,476,549	\$ 102,004,703

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Functional Expenses For the Year Ended December 31, 2015 (with summarized totals for the year ended December 31, 2014)

	Program Services						2015 Total	2014 Total
	Portfolio Management	Outreach, Impact and Communications	Fellows	Total	Management and General	Fundraising		
Salaries	\$ 3,244,907	\$ 1,743,528	\$ 722,835	\$ 5,711,270	\$ 1,512,764	\$ 1,542,497	\$ 8,766,531	\$ 7,423,792
Payroll taxes and employee benefits	442,469	306,473	124,602	873,544	260,350	243,058	1,376,952	1,110,962
Professional fees	101,724	154,404	211,815	467,943	125,759	32,090	625,792	689,274
Consulting fees	103,485	825,569	356,456	1,285,510	37,279	19,454	1,342,243	1,524,654
Program grants	201,943	25,000	-	226,943	-	-	226,943	444,054
Donated legal services	2,092,841	-	-	2,092,841	601,447	-	2,694,288	1,218,783
Donated space	130,439	169,073	29,581	329,093	142,170	166,268	637,531	596,711
Travel	268,823	239,203	208,585	716,611	102,095	109,577	928,283	901,054
Meetings	22,918	114,965	182,895	320,778	19,578	17,137	357,493	425,547
Marketing material	5,740	105,172	474	111,386	213	16,739	128,338	19,896
Technology expenses	42,206	54,739	15,239	112,184	84,843	60,779	257,806	117,074
Telephone	77,113	42,737	9,238	129,088	26,417	24,577	180,082	246,826
Office supplies, printing and postage	44,636	21,245	15,927	81,808	23,398	15,790	120,996	104,247
Occupancy	209,169	31,403	33,476	274,048	36,904	31,851	342,803	313,791
Insurance	36,291	12,313	3,186	51,790	19,646	12,132	83,568	53,472
Investment fees and bank charges	81,091	29,938	16,442	127,471	51,033	54,312	232,816	49,938
Corporate tax expense	25,333	-	-	25,333	-	-	25,333	102,623
Miscellaneous	148,545	12,018	1,745	162,308	9,236	2,645	174,189	43,695
Total Expenses before depreciation	7,279,673	3,887,780	1,932,496	13,099,949	3,053,132	2,348,906	18,501,987	15,386,393
Depreciation	34,507	32,387	6,028	72,922	51,020	31,073	155,015	100,921
 Total Expenses	 <u>\$ 7,314,180</u>	 <u>\$ 3,920,167</u>	 <u>\$ 1,938,524</u>	 <u>\$ 13,172,871</u>	 <u>\$ 3,104,152</u>	 <u>\$ 2,379,979</u>	 <u>\$ 18,657,002</u>	 <u>\$ 15,487,314</u>

See independent auditors' report