

**Acumen Fund, Inc.
and Subsidiaries**

Consolidated Financial Statements

December 31, 2016 and 2015



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, 2016 and 2015, 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Acumen Capital Markets I, LP, which statements reflect total assets constituting 10% of consolidated total assets at December 31, 2016 and 2015, and total revenues constituting 0% of consolidated total revenues for each of the years then ended. Those 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 consolidated financial statements are free of material misstatement.

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

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

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Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Acumen Fund, Inc. and Subsidiaries as December 31, 2016 and 2015 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 audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

PKF O'Connor Davies, LLP

May 23, 2017

Acumen Fund, Inc. and Subsidiaries

Consolidated Statements of Financial Position

	December 31	
	2016	2015
ASSETS		
Operating Assets		
Cash and cash equivalents	\$ 39,082,487	\$ 33,993,645
Contributions and pledges receivable, net	17,526,672	20,828,308
Interest receivable	2,320	8,578
Accounts and other receivables	76,815	516,208
Prepaid expenses and other assets	683,991	380,166
Interest in charitable remainder trust	407,281	379,533
Property and equipment, net	666,474	570,284
Security deposits	313,889	348,294
Total Operating Assets	58,759,929	57,025,016
Portfolio Assets		
Cash and cash equivalents	578,351	1,559,008
Certificates of deposit	294,070	294,048
Interest and dividend receivable	923,072	1,375,809
Taxes receivable	1,210	-
Program related equity investments, net	53,095,880	42,981,304
Program related loans receivable, net	10,652,450	11,697,913
Total Portfolio Assets	65,545,033	57,908,082
Total Assets	\$ 124,304,962	\$ 114,933,098
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 926,451	\$ 506,561
Accrued salaries and related expenses	731,477	1,011,372
Taxes payable on foreign loan interest income	3,278	1,319
Deferred income	1,083,511	879,847
Notes payable	4,290,708	4,937,297
Total Liabilities	7,035,425	7,336,396
Net Assets		
Unrestricted		
Operating	15,553,635	18,323,365
Portfolio funds	65,545,033	57,908,082
Noncontrolling limited partners' interests in Acumen Capital Markets I, LP	4,266,471	4,596,378
Total Unrestricted	85,365,139	80,827,825
Temporarily restricted	31,904,398	26,768,877
Total Net Assets	117,269,537	107,596,702
	\$ 124,304,962	\$ 114,933,098

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Activities Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Operating Support and Revenue			
Contributions	\$ 8,413,728	\$ 21,539,498	\$ 29,953,226
Provision for uncollectible pledges	(28,228)	(40,000)	(68,228)
In-kind contributions	1,226,202	-	1,226,202
Program fees	563,081	139,313	702,394
Investment income	348,104	-	348,104
Change in value of charitable remainder trust	-	27,748	27,748
Other income	583,101	-	583,101
Net assets released from restrictions	<u>8,756,399</u>	<u>(8,756,399)</u>	<u>-</u>
Total Operating Support and Revenue	<u>19,862,387</u>	<u>12,910,160</u>	<u>32,772,547</u>
Portfolio Revenue (Losses)			
Interest and dividend income, program related investments	391,849	-	391,849
Realized loss on equity investments	(226,358)	-	(226,358)
Realized debt portfolio gains	(210,571)	-	(210,571)
Provision for losses	(3,155,599)	-	(3,155,599)
Other portfolio investment expenses	-	-	-
Net assets released from restrictions	<u>7,774,639</u>	<u>(7,774,639)</u>	<u>-</u>
Total Portfolio Revenue (Losses)	<u>4,573,960</u>	<u>(7,774,639)</u>	<u>(3,200,679)</u>
Total Support and Revenue	<u>24,436,347</u>	<u>5,135,521</u>	<u>29,571,868</u>
EXPENSES			
Program Expenses			
Portfolio management	8,211,891	-	8,211,891
Outreach, impact and communications	4,988,602	-	4,988,602
Leadership	<u>1,744,036</u>	<u>-</u>	<u>1,744,036</u>
Total Program Expenses	<u>14,944,529</u>	<u>-</u>	<u>14,944,529</u>
Supporting Expenses			
Management and general	2,780,840	-	2,780,840
Fundraising	<u>2,193,982</u>	<u>-</u>	<u>2,193,982</u>
Total Supporting Expenses	<u>4,974,822</u>	<u>-</u>	<u>4,974,822</u>
Total Expenses	<u>19,919,351</u>	<u>-</u>	<u>19,919,351</u>
Change in Net Assets Before Foreign Currency Translation Gain			
Currency Translation Gain	4,516,996	5,135,521	9,652,517
Foreign currency translation gain	<u>20,318</u>	<u>-</u>	<u>20,318</u>
Change in Net Assets	<u>4,537,314</u>	<u>5,135,521</u>	<u>9,672,835</u>
NET ASSETS			
Beginning of the year	<u>80,827,825</u>	<u>26,768,877</u>	<u>107,596,702</u>
End of the year	<u>\$ 85,365,139</u>	<u>\$ 31,904,398</u>	<u>\$ 117,269,537</u>

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 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
Leadership	<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	<u>4,957,470</u>	<u>1,514,376</u>	<u>6,471,846</u>
NET ASSETS			
Beginning of the year	<u>75,870,355</u>	<u>25,254,501</u>	<u>101,124,856</u>
End of the year	<u>\$ 80,827,825</u>	<u>\$ 26,768,877</u>	<u>\$ 107,596,702</u>

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended	
	December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 9,672,835	\$ 6,471,846
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	283,885	156,705
Provision for uncollectible pledges and write-offs	68,228	504,893
Change in interest in charitable remainder trust	(27,748)	16,598
Foreign currency exchange (gain) loss	(20,318)	125,176
Loss on disposal of assets	-	18,383
Realized loss on equity investments	226,358	91,722
Provision for portfolio losses	3,155,599	2,273,644
Change in operating assets and liabilities		
Contributions and pledges receivable, net of discount	3,233,408	(4,796,306)
Interest and dividend receivable	458,995	(92,162)
Accounts and other receivables	438,183	(447,764)
Prepaid expenses and other assets	(303,825)	(52,602)
Accounts payable and accrued expenses	139,995	298,585
Taxes payable on foreign loan interest income	1,959	(1,961)
Deferred income	203,664	-
Net Cash from Operating Activities	17,531,218	4,566,757
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(380,075)	(562,337)
Reinvested interest	(22)	(23)
Proceeds from sale of program related equity investments	300,000	280,273
Program related loans made	(2,909,064)	(5,358,472)
Program related equity investments made	(11,941,378)	(11,886,105)
Repayment of program related loans	2,119,690	3,600,944
Security (deposits) refunds	34,405	(284,194)
Net Cash from Investing Activities	(12,776,444)	(14,209,914)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(646,589)	-
Net Change in Cash and Cash Equivalents	4,108,185	(9,643,157)
CASH AND CASH EQUIVALENTS		
Beginning of year	35,552,653	45,195,810
End of year	\$ 39,660,838	\$ 35,552,653
SUPPLEMENTAL CASH FLOWS INFORMATION		
Cash paid for taxes	\$ 70,198	\$ 93,652
Cash paid for interest	390,471	-

See notes to consolidated financial statements

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

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 of 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". ACP and ACMI began financial activities in 2016.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

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 2016 and 2015.

2. Summary of Significant Accounting Policies

Principles of Consolidation

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

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

Basis of Presentation and Use of Estimates

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

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, 2016 and 2015

2. Summary of Significant Accounting Policies (continued)

Contributions and Pledges Receivable

Contributions and unconditional promises to give are recorded as support when received 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

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Acumen and changes therein are classified as unrestricted or temporarily restricted. Unrestricted amounts are those currently available for use in Acumen's operations. Temporarily restricted amounts are those which are stipulated by donors for specific operating purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. All contributions are considered available for unrestricted use, unless specifically restricted by the donor or subject to other legal restrictions.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

2. Summary of Significant Accounting Policies (continued)

In-Kind Contributions

Donated services are stated in the consolidated 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.

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 2016 and 2015 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.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

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

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 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.

Allocation of Expenses

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

Reclassifications

Certain amounts from the 2015 consolidated financial statements were reclassified to conform to the 2016 presentation.

Accounting for Uncertainty in Income Taxes

Acumen recognizes the effect of income tax positions only when they are more than likely than not of being sustained. Management has determined that Acumen has no uncertain tax positions that would require financial statement recognition or disclosure. Acumen is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to December 31, 2013.

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 May 23, 2017.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

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.

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>2016</u>	<u>2015</u>
Due within:		
Up to one year	\$12,526,610	\$16,357,534
One to five years	<u>5,828,920</u>	<u>6,183,717</u>
	18,355,530	22,541,251
Present value discount	(769,080)	(1,326,943)
Allowance for doubtful accounts	<u>(60,000)</u>	<u>(386,000)</u>
Contributions and pledges receivable, net	<u>\$17,526,450</u>	<u>\$20,828,308</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 2016 and 2015, Acumen received a total of £157,085 or \$210,286 and £101,481 or \$150,344 of charitable donations (net of fees) into an account maintained with CAF, respectively. Throughout 2016 and 2015, CAF transferred £143,466 or \$202,817 and £106,351 or \$157,378 into Acumen's operating bank account. As of December 31, 2016 and 2015, £59,194 or \$72,999 and £45,575 or \$67,519 remained in the Acumen CAF account, respectively.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
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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 as of December 31:

	2016	2015
Beginning balance	\$ 379,533	\$ 396,131
Change in present value of beneficial interest in remainder trust	27,748	(16,598)
Ending balance	\$ 407,281	\$ 379,533

6. Property and Equipment

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

	2016	2015
Computer equipment, systems integration and website development	\$1,020,364	\$746,768
Leasehold improvements and equipment	509,475	470,345
Furniture	364,635	325,133
	1,894,474	1,542,246
Accumulated depreciation	(1,228,000)	(971,962)
	\$ 666,474	\$570,284

Depreciation expense for 2016 and 2015 was \$283,885 and \$156,705.

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 \$15,348,334 and \$17,159,007 less an allowance for uncollectible amounts of \$4,280,620 and \$4,894,751 and a foreign currency translation adjustment of \$415,264 and \$566,343 at December 31, 2016 and 2015.

Contractual interest rates on program related loans at December 31, 2016 and 2015 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.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

7. Program Related Loans Receivable *(continued)*

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

	2016		
	Performing	Monitoring	Total
Health	\$ 1,206,600	\$ 89,055	\$ 1,295,655
Agriculture	5,114,115	444,558	5,558,673
Energy	794,046	27,756	821,802
Housing	1,350,287	-	1,350,287
Education	1,841,297	-	1,841,297
FinTech	150,000	-	150,000
Other	50,000	-	50,000
	<u>\$ 10,506,345</u>	<u>\$ 561,369</u>	11,067,714
Foreign currency translation adjustment			(415,264)
			<u>\$ 10,652,450</u>
	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	976,480	114,355	1,090,835
Water and Sanitation	363,636	-	363,636
Education	956,660	-	956,660
Other	50,000	-	50,000
	<u>\$ 9,256,354</u>	<u>\$ 3,007,902</u>	12,264,256
Foreign currency translation adjustment			(566,343)
			<u>\$ 11,697,913</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

7. Program Related Loans Receivable (continued)

The following reflects the activity in the valuation allowance account for 2016 and 2015 by class of financing receivables and the monitored financing receivables related to each balance in the valuation allowance account at December 31:

	2016				
	Health	Agriculture	Energy	Total	
Allowance for credit losses					
Beginning balance	\$2,291,749	\$2,603,002	\$ -	\$4,894,751	
Recoveries	-	(828,665)	-	(828,665)	
Provision	100,000	3,510	111,024	214,534	
Ending balance	<u>\$2,391,749</u>	<u>\$1,777,847</u>	<u>\$ 111,024</u>	<u>\$4,280,620</u>	
Ending balance, individually evaluated for impairment	<u>\$2,391,749</u>	<u>\$1,777,847</u>	<u>\$ 111,024</u>	<u>\$4,280,620</u>	
Financing receivables					
Ending balance	<u>\$2,480,805</u>	<u>\$2,222,404</u>	<u>\$ 138,779</u>	<u>\$4,841,988</u>	
Ending balance, individually evaluated for impairment	<u>\$2,480,805</u>	<u>\$2,222,404</u>	<u>\$ 138,779</u>	<u>\$4,841,988</u>	
	2015				
	Health	Agriculture	Housing	Water and Sanitation	Total
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	100,000	1,455,511	-	32,685	1,588,196
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>

All impaired loans at December 31, 2016 and 2015 are included in the ending balance of financing receivables.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

7. Program Related Loans Receivable (continued)

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

	2016					Total Financing Receivable
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 days	Total Past Due	Current	
Health	\$ -	\$ -	\$ 2,480,805	\$ 2,480,805	\$ (1,185,150)	\$ 1,295,655
Energy	7,304	7,304	29,216	43,824	777,978	821,802
Agriculture	61,011	61,011	1,648,923	1,770,945	3,787,728	5,558,673
Total	<u>\$ 68,315</u>	<u>\$ 68,315</u>	<u>\$ 4,158,944</u>	<u>\$ 4,295,574</u>	<u>\$ 3,380,556</u>	<u>\$ 7,676,130</u>

	2015					Total Financing Receivable
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 days	Total Past Due	Current	
Health	\$ 30,000	\$ 50,000	\$ 1,554,585	\$ 1,634,585	\$ (363,930)	\$ 1,270,655
Water	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	<u>\$ 98,394</u>	<u>\$ 118,394</u>	<u>\$ 2,475,944</u>	<u>\$ 2,692,732</u>	<u>\$ 7,110,393</u>	<u>\$ 9,803,125</u>

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

2017	\$ 4,746,130
2018	727,769
2019	1,745,695
2020	563,284
2021	179,217
2022 and thereafter	2,690,355
	<u>\$10,652,450</u>

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 \$65,506,975 and \$52,806,238 less a valuation allowance of \$12,411,095 and \$9,824,934 as of December 31, 2016 and 2015.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

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:

	<u>Noncontrolling Interest</u>
Balance January 1, 2015	\$ 4,683,089
Deficiency of revenue over expenses	<u>(86,711)</u>
Balance December 31, 2015	4,596,378
Deficiency of revenue over expenses	<u>(329,907)</u>
Balance December 31, 2016	<u>\$ 4,266,471</u>

10. Notes Payable

ACM has a promissory note which is to mature December 31, 2018 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 Notes.

At December 31, 2016 and 2015, ACM had drawn \$5,270,250, representing 100% of the commitment, and paid down \$896,354 of the Note. \$83,188 of the remaining balance is due to Acumen Fund, Inc. and has been eliminated in consolidation as of December 31, 2016 and 2015.

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

11. Temporarily Restricted Net Assets

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

	2016	2015
+Acumen Online	\$ 30,242	\$ 149,006
Acumen America	1,984,717	3,829,041
Agriculture	149,402	352,170
CRUT	407,282	379,533
East Africa	54,827	-
Education	1,165,297	1,816,141
ELII	3,102,550	3,166,217
Energy	7,093,356	448,010
Fellows	90,787	1,482,437
Global Gathering	540,339	-
Health	383,468	522,908
Impact	3,243,927	1,085,439
Kawisafi	7,253,043	4,111,937
Latin America	678,164	1,406,587
Leadership	325,032	791,670
Multi-year	1,133,012	3,544,225
Pakistan	95,192	-
Post Investment	231,239	701,843
Regional Fellows	689,176	-
Robert Wood Johnson	2,334,689	-
Technical Assistance	98,717	321,994
Water & Sanitation	740,658	1,255,779
West Africa	79,282	1,403,940
	\$ 31,904,398	\$ 26,768,877

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

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:

	<u>2016</u>	<u>2015</u>
+Acumen Online	\$ 828,855	\$ 492,847
Acumen America	651,492	342,500
Agriculture	228,608	324,088
East Africa	149,032	40,000
Education	2,864,647	1,986,731
ELI	597,000	-
Energy	882,982	3,264,833
Fellows	1,170,447	1,267,715
Health	-	870,063
Impact	1,179,334	600,296
Kawisafi	2,746,957	-
Latin America	1,287,300	1,654,201
Leadership	132,680	212,356
Multi-year	1,769,189	1,682,732
Pakistan	17,000	221,769
Pioneer Fund	-	500,000
Post Investment	653,225	695,127
Robert Wood Johnson	607,848	-
SAP	-	545,000
Technical Assistance	100,288	250,690
West Africa	149,032	284,519
Water & Sanitation	515,122	-
	<u>\$ 16,531,038</u>	<u>\$ 15,235,467</u>

12. In-Kind Contributions

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

	<u>2016</u>	<u>2015</u>
Rent	\$ -	\$ 382,394
Consulting services	-	1,656,756
Legal services	1,226,202	1,037,532
	<u>\$ 1,226,202</u>	<u>\$ 3,076,682</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

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 \$155,170 and \$142,471 for 2016 and 2015.

14. Commitments and Contingencies

Leases

Acumen occupied its primary office location at no charge under an agreement for donated occupancy which expired on 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 totaled \$637,532.

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

Acumen also occupies office space in connection with its global operations under operating leases. Future minimum annual rental payments for all leases is as follows:

2017	\$ 715,173
2018	736,798
2019	595,113
2020	547,343
2021	531,445
2022 and thereafter	<u>2,359,774</u>
	<u>\$5,485,646</u>

Rent expense (including donated occupancy in 2015) is recognized on a straight-line basis and totaled \$908,222 and \$980,334 for 2016 and 2015.

Program Grants, Loans and Investments

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

	<u>2016</u>	<u>2015</u>
Loans	\$ 2,909,064	\$ 5,358,472
Equity investments	<u>11,941,378</u>	<u>11,886,105</u>
	<u>\$ 14,850,442</u>	<u>\$ 17,244,577</u>

Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

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, 2016 and 2015, approximately \$1.8 million and \$5.6 million in program disbursements have been committed and remains contingent upon the approval of interim progress reports and statements. Approximately \$2.9 million and \$5.1 million of additional program disbursements were committed in 2016 and 2015. 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

At December 31, 2016 and 2015, 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, 2016 and 2015, 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, 2016 and 2015

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Financial Position
December 31, 2016
(with summarized totals at December 31, 2015)

	Acumen Fund, Inc.		Total	Acumen India	Acumen India Trust	Acumen Pakistan	Acumen Capital Markets I, LP	Acumen Canada	Acumen Capital Partners	Eliminating Entries	2016		2015
	Unrestricted	Temporarily Restricted									Total	Total	
ASSETS													
Operating Assets													
Cash and cash equivalents	\$ 21,121,572	\$ 14,423,099	\$ 35,544,671	\$ 1,006,590	\$ 593,904	\$ 137,884	\$ 1,341,543	\$ 431,566	\$ 26,309	\$ -	\$ 39,062,487	\$ 33,993,645	
Contributions and pledges receivable, net	442,984	17,074,018	17,517,002	2,310	-	10	-	9,670	-	-	17,526,672	20,828,308	
Interest receivable	-	-	-	-	-	-	-	-	-	-	2,320	8,578	
Investment in subsidiaries	500,959	-	500,959	-	-	-	-	-	-	(500,959)	-	-	
Loans to subsidiaries	750,000	-	750,000	-	-	-	-	-	-	(750,000)	-	-	
Accounts and other receivables	1,368,064	-	1,368,064	330,960	-	8,299	-	-	-	(1,630,538)	76,815	516,208	
Prepaid expenses and other assets	519,823	-	519,823	134,697	977	28,494	-	-	-	-	683,991	380,166	
Interest in charitable remainder trust	407,281	-	407,281	-	-	-	-	-	-	-	407,281	379,533	
Property and equipment, net	579,390	-	579,390	35,129	9,319	42,636	-	-	-	-	666,474	570,284	
Security deposits	254,527	-	254,527	49,412	8,629	1,121	-	-	-	-	313,869	348,294	
Total Operating Assets	25,537,319	31,904,398	57,441,717	1,559,126	613,029	218,444	1,341,543	441,256	26,309	(2,851,497)	58,759,929	57,025,016	
Portfolio Assets													
Cash and cash equivalents	370,567	-	370,567	-	-	207,784	-	-	-	-	578,351	1,559,008	
Certificates of deposit	294,070	-	294,070	-	-	-	383,875	-	-	-	294,070	294,046	
Interest and dividend receivable	531,151	-	531,151	-	-	8,046	-	-	-	-	923,072	1,375,809	
Taxes receivable	-	-	-	-	-	1,210	-	-	-	-	1,210	-	
Program related portfolio equity investments, net	47,926,713	-	47,926,713	-	-	440,720	5,728,447	-	-	(1,000,000)	53,095,860	42,981,304	
Program related portfolio loans receivable, net	7,658,930	-	7,658,930	-	-	790,419	2,266,289	-	-	(63,188)	10,652,450	11,697,913	
Total Portfolio Assets	56,781,431	-	56,781,431	-	-	1,448,179	8,995,611	-	-	(1,063,188)	65,545,033	57,908,062	
	\$ 82,318,750	\$ 31,904,398	\$ 114,223,148	\$ 1,559,128	\$ 613,029	\$ 1,666,623	\$ 9,740,154	\$ 441,256	\$ 26,309	\$ (3,964,685)	\$ 124,304,962	\$ 114,933,088	
LIABILITIES AND NET ASSETS													
Liabilities													
Accounts payable and accrued expenses	\$ 1,416,490	\$ -	\$ 1,416,490	\$ 72,406	\$ 2,560	\$ 154,495	\$ 334,798	\$ -	\$ 70,166	\$ (1,124,464)	\$ 926,451	\$ 506,561	
Accrued salaries and related expenses	651,575	-	651,575	43,957	(309)	36,254	-	-	-	-	731,477	1,011,372	
Taxes payable on foreign loan interest income	3,278	-	3,278	-	-	-	-	-	-	-	3,278	1,319	
Deferred income	-	-	-	-	1,083,511	-	-	-	-	(753,054)	1,083,511	879,847	
Intercompany loan	-	-	-	-	-	753,054	-	-	-	(63,186)	4,290,708	4,937,297	
Notes payable	-	-	-	-	-	-	4,373,696	-	-	(63,186)	7,035,425	7,336,396	
Total Liabilities	2,071,343	-	2,071,343	116,363	1,085,762	943,803	4,708,694	-	70,166	(1,960,706)	12,241,425	13,661,477	
Net Assets (Deficit)													
Unrestricted													
Operating	23,465,976	-	23,465,976	293,479	(530,490)	(1,505,699)	-	441,256	(43,857)	(6,566,630)	15,553,635	16,323,365	
Portfolio funds	96,781,431	-	96,781,431	-	-	1,448,179	-	-	-	7,315,423	65,545,033	57,908,062	
Noncontrolling limited partners' interests in Acumen Capital Markets I, LP	-	-	-	-	-	-	-	-	-	4,266,471	4,266,471	4,596,378	
Total Unrestricted	80,247,407	-	80,247,407	293,479	(530,490)	(57,720)	-	441,256	(43,857)	5,015,064	85,365,139	80,827,825	
Temporarily restricted	-	31,904,398	31,904,398	-	-	-	-	-	-	-	31,904,398	26,766,877	
Contributed capital	-	-	-	353,133	(6,561)	-	-	-	-	(344,572)	-	-	
Stockholder's equity	-	-	-	796,153	66,318	780,540	-	-	-	(1,643,011)	-	-	
Partners' capital	80,247,407	31,904,398	112,151,805	1,442,765	(472,733)	722,820	5,031,460	441,256	(43,857)	(2,003,979)	117,269,537	107,596,702	
Total Net Assets (Deficit)	\$ 82,318,750	\$ 31,904,398	\$ 114,223,148	\$ 1,559,128	\$ 613,029	\$ 1,666,623	\$ 9,740,154	\$ 441,256	\$ 26,309	\$ (3,964,685)	\$ 124,304,962	\$ 114,933,088	

See independent auditors' report

Acumen Fund, Inc. and Subsidiaries

**Consolidating Schedule of Activities
Year Ended December 31, 2016**

(with summarized totals for the year ended December 31, 2015)

	Acumen Fund, Inc.										2015 Total	
	Unrestricted	Temporarily Restricted	Total	Acumen India	Acumen India Trust	Acumen Pakistan	Acumen Capital Markets I, LP	Acumen Canada	Acumen Capital Partners	Eliminating Entries		2016 Total
SUPPORT AND REVENUE												
Operating Support and Revenue												
Contributions	\$ 7,811,954	\$ 21,539,498	\$ 29,351,452	\$ 228,260	\$ 5,666	\$ 382,687	\$ -	\$ 213,411	\$ -	\$ (228,260)	\$ 29,953,226	\$ 23,732,664
Provision for uncollectible pledges	(26,228)	(40,000)	(66,228)	-	-	-	-	-	-	-	(66,228)	(504,893)
In-kind contributions	1,226,202	-	1,226,202	-	-	-	-	-	-	-	1,226,202	3,076,662
Program fees	668,234	139,313	807,547	1,233,208	-	-	-	-	398,404	(1,736,765)	702,394	408,207
Investment income	85,804	-	85,804	23,653	28,828	60,758	149,061	-	-	-	348,104	108,927
Change in value of charitable remainder trust	-	27,748	27,748	-	-	-	-	-	-	-	27,748	(16,598)
Loss on disposal of assets	-	-	-	-	-	-	-	-	-	-	-	(18,368)
Other income	565,527	-	565,527	-	-	17,574	-	-	-	-	583,101	32,317
Net assets released from restrictions	8,750,399	(8,756,389)	-	-	-	-	-	-	-	-	-	-
Total Operating Support and Revenue	19,085,692	12,910,160	31,995,852	1,485,121	34,494	461,029	149,061	213,411	398,404	(1,965,025)	32,772,547	26,818,943
Portfolio Revenue (Losses)												
Interest and dividend income, program related investments	344,623	-	344,623	-	-	54,649	-	-	-	(7,423)	391,849	561,700
Realized loss on equity investments	(226,358)	-	(226,358)	-	-	-	-	-	-	-	(226,358)	(91,722)
Realized debt portfolio losses	(210,571)	-	(210,571)	-	-	-	-	-	-	-	(210,571)	238,747
Provision for losses	(3,155,899)	-	(3,155,899)	-	-	-	-	-	-	-	(3,155,899)	(2,273,644)
Net assets released from restriction	7,774,639	(7,774,639)	-	-	-	-	-	-	-	-	-	-
Total Portfolio Revenue (Losses)	4,626,734	(7,774,639)	(3,247,905)	-	-	54,649	-	-	-	(7,423)	(3,200,679)	(1,564,919)
Total Support and Revenue	23,612,626	5,135,521	28,748,147	1,485,121	34,494	515,678	149,061	213,411	398,404	(1,972,448)	29,571,868	25,254,024
EXPENSES												
Program Expenses												
Portfolio management	7,381,370	-	7,381,370	849,894	14,856	482,816	511,745	-	442,261	(1,471,111)	8,211,891	7,314,180
Outreach, impact and communication	4,894,121	-	4,894,121	67,161	-	27,320	-	-	-	-	4,988,602	3,920,167
Leadership	1,256,661	-	1,256,661	15,264	264,928	207,183	-	-	-	-	1,744,036	1,936,524
Total Program Expenses	13,532,152	-	13,532,152	932,319	279,784	717,319	511,745	-	442,261	(1,471,111)	14,944,529	13,172,871
Supporting Expenses												
Management and general	2,474,040	-	2,474,040	195,219	1,589	109,992	-	-	-	-	2,780,840	3,104,152
Fundraising	2,005,687	-	2,005,687	52,457	-	135,638	-	-	-	-	2,193,982	2,379,979
Total Supporting Expenses	4,479,727	-	4,479,727	247,676	1,589	245,630	-	-	-	-	4,974,822	5,484,131
Total Expenses	18,011,879	-	18,011,879	1,180,055	281,373	963,149	511,745	-	442,261	(1,471,111)	19,919,351	18,657,002
Change in Net Assets Before Foreign Currency Translation Gain (Loss)	5,600,747	5,135,521	10,736,268	305,066	(246,879)	(447,471)	(362,684)	213,411	(43,857)	(501,337)	9,652,517	6,597,022
Foreign currency translation gain (loss)	45,081	-	45,081	(26,077)	(309)	5,537	(1,695)	-	-	(2,219)	20,318	(125,176)
Change in Net Assets	5,645,828	5,135,521	10,781,349	278,989	(247,188)	(441,934)	(364,379)	213,411	(43,857)	(503,556)	9,672,835	6,471,846
NET ASSETS (DEFICIT)												
Beginning of the year	74,601,579	26,768,877	101,370,456	1,163,776	(228,545)	1,164,754	5,395,839	227,845	-	(1,500,423)	107,596,702	101,124,856
End of the year	\$ 80,241,407	\$ 31,904,398	\$ 112,145,805	\$ 1,442,765	\$ (472,733)	\$ 722,820	\$ 5,031,460	\$ 441,256	\$ (43,857)	\$ (2,003,979)	\$ 117,269,537	\$ 107,596,702

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Acumen Fund, Inc. and Subsidiaries

Consolidated Schedule of Functional Expenses

For the Year Ended December 31, 2016

(with summarized totals for the year ended December 31, 2015)

	Program Services							2015 Total
	Outreach, Impact and Communications		Leadership		Management and General		Fundraising	
	Portfolio Management	Total	Total	Total	Total	Total		
Salaries	\$ 3,610,722	\$ 2,084,460	\$ 713,749	\$ 6,408,931	\$ 1,404,402	\$ 1,373,967	\$ 9,187,300	\$ 8,766,531
Payroll taxes and employee benefits	556,430	346,793	114,491	1,017,714	240,754	241,137	1,499,605	1,376,952
Professional fees	183,318	30,873	153,330	367,521	190,176	21,764	579,461	625,792
Consulting fees	902,210	1,008,212	289,307	2,199,729	56,637	61,811	2,318,177	1,342,243
Program grants	537,912	81,215	-	619,127	-	-	619,127	226,943
Donated professional services	1,074,986	-	-	1,074,986	151,216	-	1,226,202	2,694,288
Donated space	-	-	-	-	-	-	-	637,531
Travel	328,796	233,638	186,596	749,030	136,662	85,760	971,452	928,283
Meetings	18,451	601,111	138,803	758,365	69,093	15,903	843,361	357,493
Marketing material	1,079	114,939	8,022	124,040	7,860	8,005	139,905	128,338
Technology expenses	116,073	79,404	18,369	213,846	80,829	85,250	379,925	257,806
Telephone	81,007	51,505	10,484	142,996	28,437	27,777	199,210	180,082
Office supplies, printing and postage	51,722	23,019	6,883	81,624	13,415	13,624	108,663	120,996
Occupancy	326,456	187,637	58,605	572,698	198,486	137,038	908,222	342,803
Insurance	41,636	13,945	2,376	57,957	8,611	10,164	76,732	83,568
Investment fees and bank charges	175,001	38,790	24,968	238,759	54,042	56,632	349,433	232,816
Foreign corporate tax expense	53,940	-	-	53,940	85,613	-	139,553	25,333
Miscellaneous	68,397	17,081	2,803	88,281	-	857	89,138	174,189
Total Expenses before depreciation	<u>8,128,136</u>	<u>4,912,622</u>	<u>1,728,786</u>	<u>14,769,544</u>	<u>2,726,233</u>	<u>2,139,689</u>	<u>19,635,466</u>	<u>18,501,987</u>
Depreciation	<u>83,755</u>	<u>75,980</u>	<u>15,250</u>	<u>174,985</u>	<u>54,607</u>	<u>54,293</u>	<u>283,885</u>	<u>155,015</u>
Total Expenses	<u>\$ 8,211,891</u>	<u>\$ 4,988,602</u>	<u>\$ 1,744,036</u>	<u>\$ 14,944,529</u>	<u>\$ 2,780,840</u>	<u>\$ 2,193,982</u>	<u>\$ 19,919,351</u>	<u>\$ 18,657,002</u>

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