Calvert Impact Capital, Inc.

Consolidated Financial Statements

Years ended December 31, 2021, 2020 and 2019
with Report of Independent Auditors

Calvert Impact Capital, Inc.

Consolidated Financial Statements

Years ended December 31, 2021, 2020 and 2019

Contents

Report of Independent Auditors

Board of Directors
Calvert Impact Capital, Inc.

Opinion
We have audited the consolidated financial statements of Calvert Impact Capital, Inc. (the Company), which comprise the consolidated statements of financial position as of December 31, 2021, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Johnson Lambert LLP

Vienna, Virginia
March 25, 2022

Calvert Impact Capital, Inc.

Consolidated Statements of Financial Position

	December 31, 2021	2020	2019
Assets			
Cash and cash equivalents	$ 149,845,496	$ 167,466,548	$ 104,720,022
Certificates of deposit	6,000,000	11,000,000	8,000,000
Investments, at fair value	20,336,165	17,916,320	2,698,699
Portfolio related investments:			
Loans receivable, net	400,815,427	351,544,086	349,405,849
Portfolio investments, at fair value	92,214,334	54,939,181	60,508,738
Interest and fees receivable	1,903,231	1,487,002	2,071,261
Other receivables	5,350,955	6,945,336	3,238,006
Other assets	2,303,354	2,649,574	2,054,816
Furniture, equipment and software, net of accumulated depreciation of $1,188,594, $1,715,674 and $1,383,465, respectively	1,740,882	940,615	1,108,915
Total assets	$ 680,509,844	$ 614,888,662	$ 533,806,306
Liabilities and net assets			
Liabilities:			
Accrued interest payable	$ 6,410,253	$ 5,636,183	$ 4,572,044
Accounts payable and accrued expenses	2,119,126	1,457,636	1,903,229
Community Investment Notes payable (the Notes)	593,496,911	532,342,148	457,460,714
Subordinated loans payable	20,350,000	18,169,525	13,169,525
Refundable and recoverable grants	12,300	12,300	108,800
Fair value of foreign currency exchange contracts and cross-currency interest rate swaps, net	(10,883)	880,121	1,210,913
Total liabilities	622,377,707	558,497,913	478,425,225
Net assets without donor restrictions:			
Undesignated	34,285,516	29,756,507	28,961,809
Board designated – Cassiopeia Initiative	-	714,286	714,286
Non-controlling interests	23,659,050	24,752,159	24,699,370
Total net assets without donor restrictions	57,944,566	55,222,952	54,375,465
Total net assets with donor restrictions	187,571	1,167,797	1,005,616
Total net assets	58,132,137	56,390,749	55,381,081
Total liabilities and net assets	$ 680,509,844	$ 614,888,662	$ 533,806,306

See accompanying notes to the consolidated financial statements.

Calvert Impact Capital, Inc.

Consolidated Statements of Activities

	Years ended December 31, 2021	2020	2019
Change in net assets without donor restrictions			
Support:			
Contributions	$ 309,896	$ 236,746	$ 118,739
Grants	290,000	1,747,000	585,189
Total support	599,896	1,983,746	703,928
Revenue:			
Portfolio revenue			
Portfolio investment revenue	17,148,719	16,959,547	16,562,671
Change in fair value of investments	4,924,730	2,178,037	2,530,265
Portfolio fee revenue	3,625,766	2,746,752	3,550,857
Change in fair value of foreign currency denominated loans	570,302	(353,855)	664,797
Change in fair value of derivatives	891,005	330,792	221,160
Interest and dividend income	237,891	731,470	1,983,292
Other revenue	-	63,381	152,759
Total revenue	27,398,413	22,656,124	25,665,801
Net assets released from restriction:			
Satisfaction of program restrictions	1,316,378	148,089	276,000
Total support and revenue	29,314,687	24,787,959	26,645,729
Expenses:			
Program services	22,669,106	21,196,330	17,295,526
Support services:			
Management and general	1,728,832	1,622,291	1,805,723
Fundraising	518,307	428,855	408,383
Total expenses	24,916,245	23,247,476	19,509,632
Change in net assets without donor restrictions before non-operating items	4,398,442	1,540,483	7,136,097
(Redemption) of non-controlling interest in IAOF	-	(131,672)	(523,636)
(Redemption) of non-controlling interest in FPIF	(1,114,247)	-	-
(Redemption) of non-controlling interest in E4I	(76,041)	(76,250)	(76,042)
(Redemption) of non-controlling interest in IAFG	(486,540)	(485,074)	(484,865)
Change in net assets without donor restrictions	2,721,614	847,487	6,051,554
Changes in net assets with donor restrictions			
Contributions and grants	336,151	310,270	313,644
Net assets released from restriction	(1,316,378)	(148,089)	(276,000)
Total change in net assets with donor restrictions	(980,227)	162,181	37,644
Change in net assets	1,741,388	1,009,668	6,089,198
Net assets at beginning of period	56,390,749	55,381,081	49,291,883
Net assets at end of period	$ 58,132,137	$ 56,390,749	$ 55,381,081

See accompanying notes to the consolidated financial statements.

Calvert Impact Capital, Inc.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2021

	Program Services					Support Services			
	Investments	**Notes**	**Syndication**	**Other**	**Total**	**Management and General**	**Fundraising**	**Total Support Services**	**2021 Total**
Total employee compensation	$ 3,473,845	$ 888,362	$ 589,243	$ 563,990	$ 5,515,440	$ 1,020,849	$ 310,925	$ 1,331,774	$ 6,847,214
Other expenses									
Interest expenses	136,362	11,864,095	42,765	42,765	12,085,987	85,531	85,531	171,062	12,257,049
Grant expense	40,625	376,586	40,625	40,625	498,461	81,440	81,250	162,690	661,151
Consultants	167,206	48,690	148,828	131,643	496,367	40,985	5,346	46,331	542,698
Occupancy	182,948	54,563	20,328	28,887	286,726	49,214	6,419	55,633	342,359
Provision for loan losses	1,933,765	-	-	(16,556)	1,917,209	-	-	-	1,917,209
Depreciation	213,280	63,610	23,698	33,676	334,264	57,374	7,483	64,857	399,121
Professional fees	42,679	7,160	3,135	94,333	147,307	267,014	2,246	269,260	416,567
Equipment and software	276,690	82,533	48,543	45,077	452,843	74,431	9,708	84,139	536,982
Taxes	-	-	-	360	360	(118,302)	-	(118,302)	(117,942)
Travel	3,356	3,115	944	3,310	10,725	11,789	1,783	13,572	24,297
Conferences	775	(2,788)		-	(2,013)	704	-	704	(1,309)
Supplies	13,706	4,129	1,549	2,714	22,098	12,658	553	13,211	35,309
Dues and subscriptions	48,816	8,378	5,791	9,375	72,360	14,167	5,495	19,662	92,022
Miscellaneous	11,549	5,114	1,872	20,285	38,820	6,038	1,568	7,606	46,426
Bank charges	15,743	22,720	3,954	2,356	44,773	20,193	-	20,193	64,966
Commissions	136	730,803	-	-	730,939	-	-	-	730,939
Registration fees	42	228	2	1,616	1,888	29,606	-	29,606	31,494
Insurance	-	-	-	-	-	75,141	-	75,141	75,141
Marketing	-	10,794	1,810	1,948	14,552	-	-	-	14,552
Total other expenses	3,087,678	13,279,730	343,844	442,414	17,153,666	707,983	207,382	915,365	18,069,031
Total	$ 6,561,523	$ 14,168,092	$ 933,087	$ 1,006,404	$ 22,669,106	$ 1,728,832	$ 518,307	$ 2,247,139	$ 24,916,245

See accompanying notes to the consolidated financial statements.

Calvert Impact Capital, Inc.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services					Support Services			
	Investments	**Notes**	**Syndication**	**Other**	**Total**	**Management and General**	**Fundraising**	**Total Support Services**	**2020 Total**
Total employee compensation	$ 3,072,709	$ 1,012,566	$ 517,547	$ 522,163	$ 5,124,985	$ 999,193	$ 286,881	$ 1,286,074	$ 6,411,059
Other expenses									
Interest expenses	185,483	11,044,738	37,801	37,801	11,305,823	75,603	75,603	151,206	11,457,029
Grant expense	74,480	30,049	16,609	19,655	140,793	36,264	21,034	57,298	198,091
Consultants	173,935	47,581	17,726	209,794	449,036	42,916	5,598	48,514	497,550
Occupancy	330,393	98,538	36,710	52,167	517,808	88,878	11,593	100,471	618,279
Provision for loan losses	2,107,442	-	-	(45,855)	2,061,587	-	-	-	2,061,587
Depreciation	177,524	52,946	19,725	28,030	278,225	47,755	6,229	53,984	332,209
Professional fees	49,176	8,875	3,334	42,723	104,108	162,883	1,128	164,011	268,119
Equipment and software	257,127	76,614	44,944	40,888	419,573	69,590	9,023	78,613	498,186
Taxes	-	-	-	4,464	4,464	(76,558)	-	(76,558)	(72,094)
Travel	9,755	4,943	1,804	5,166	21,668	10,013	3,543	13,556	35,224
Conferences	1,845	8,666	19	1,226	11,756	643	38	681	12,437
Supplies	10,923	3,910	1,174	2,562	18,569	4,619	694	5,313	23,882
Dues and subscriptions	50,598	10,831	8,900	14,171	84,500	7,535	5,485	13,020	97,520
Miscellaneous	15,621	7,971	2,247	19,546	45,385	7,676	1,809	9,485	54,870
Bank charges	15,418	24,071	4,495	2,776	46,760	25,188	-	25,188	71,948
Commissions	-	540,113	-	-	540,113	-	-	-	540,113
Registration fees	-	8,671	-	980	9,651	30,226	-	30,226	39,877
Insurance	242	72	27	38	379	89,679	9	89,688	90,067
Marketing	6,594	94	94	4,365	11,147	188	188	376	11,523
Total other expenses	3,466,556	11,968,683	195,609	440,497	16,071,345	623,098	141,974	765,072	16,836,417
Total	$ 6,539,265	$ 12,981,249	$ 713,156	$ 962,660	$ 21,196,330	$ 1,622,291	$ 428,855	$ 2,051,146	$ 23,247,476

See accompanying notes to the consolidated financial statements.

Calvert Impact Capital, Inc.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2019

	Program Services					Support Services			
	Investments	**Notes**	**Syndication**	**Other**	**Total**	**Management and General**	**Fundraising**	**Total Support Services**	**2019 Total**
Total employee compensation	$ 2,890,001	$ 873,720	$ 456,725	$ 487,560	$ 4,708,006	$ 990,631	$ 271,627	$ 1,262,258	$ 5,970,264
Other expenses									
Interest expense	227,968	9,143,602	-	-	9,371,570	-	-	-	9,371,570
Grant expense	-	136,000	-	-	136,000	-	-	-	136,000
Consultants	124,580	30,839	11,639	138,349	305,407	70,964	8,299	79,263	384,670
Occupancy	329,091	82,273	32,909	49,364	493,637	106,954	24,682	131,636	625,273
Provision for loan losses	245,757	-	-	-	245,757	-	-	-	245,757
Depreciation	181,713	45,428	18,171	27,257	272,569	59,057	13,628	72,685	345,254
Professional fees	51,244	5,252	2,101	484,751	543,348	248,591	12,377	260,968	804,316
Equipment and software	222,114	96,577	38,160	34,955	391,806	71,627	16,493	88,120	479,926
Taxes	-	-	-	26,067	26,067	1,627	-	1,627	27,694
Travel	58,181	54,022	8,761	34,484	155,448	106,192	39,218	145,410	300,858
Conferences	10,414	18,038	2,824	1,902	33,178	8,989	1,749	10,738	43,916
Supplies	21,149	5,446	1,745	7,542	35,882	16,281	8,675	24,956	60,838
Dues and subscriptions	47,898	3,975	9,439	11,043	72,355	17,801	11,504	29,305	101,660
Bank charges	23,720	15,207	4,162	2,080	45,169	24,675	-	24,675	69,844
Commissions	-	369,061	-	-	369,061	-	-	-	369,061
Registration fees	(75)	8,851	-	3,360	12,136	18,793	-	18,793	30,929
Insurance	-	-	-	-	-	62,993	-	62,993	62,993
Marketing	9,149	33,028	4,005	31,948	78,130	548	131	679	78,809
Total other expenses	1,552,903	10,047,599	133,916	853,102	12,587,520	815,092	136,756	951,848	13,539,368
Total	$ 4,442,904	$ 10,921,319	$ 590,641	$ 1,340,662	$ 17,295,526	$ 1,805,723	$ 408,383	$ 2,214,106	$ 19,509,632

See accompanying notes to the consolidated financial statements.

Calvert Impact Capital, Inc.

Consolidated Statements of Cash Flows

	Years ended December 31,		
	2021	2020	2019
Cash flows from operating activities			
Change in net assets	$ 1,741,388	$ 1,009,668	$ 6,089,198
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Depreciation	399,121	332,209	345,254
Net change in fair value of investments	(4,695,705)	(1,903,362)	(2,636,121)
Net change in fair value of derivatives	(891,005)	(330,792)	(221,160)
Net change in provision for loan losses	1,898,887	2,024,365	138,668
Transfer of investments to ImpactAssets, Inc.		149,996	100,000
Distributions paid to Partnerships	1,676,828	692,996	1,084,543
Changes in operating assets and liabilities:			
Other receivables	4,767,955	(4,583,401)	327,344
Interest and fees receivable	(416,229)	584,259	196,132
Other assets	346,221	(594,759)	(562,760)
Accounts payable and accrued expenses	661,490	(445,593)	334,368
Accrued interest payable	774,070	1,064,139	885,343
Net cash (used in) provided by operating activities	6,263,021	(2,000,275)	6,080,809
Cash flows from investing activities			
Cost of investments acquired	(61,172,560)	(32,112,190)	(12,242,321)
Proceeds from sale or maturity of investments	31,173,265	21,217,492	6,928,128
Loans issued	(213,934,749)	(120,512,733)	(73,169,670)
Repayments of loans	162,764,521	116,350,132	65,688,536
Purchases of furniture, equipment and software	(1,199,387)	(163,909)	(214,708)
Net cash used in investing activities	(82,368,910)	(15,221,208)	(13,010,035)
Cash flows from financing activities			
Increase in subordinated loans payable	5,050,000	7,500,000	5,000,000
Subordinated loan repayments	(2,869,525)	(2,596,500)	(1,310,000)
Distributions of interests in Partnerships	(1,676,828)	(692,996)	(1,084,543)
Proceeds from issuance of the Notes	172,334,590	183,306,940	142,883,710
Repayments of the Notes	(114,353,400)	(107,549,435)	(96,633,092)
Net cash provided by financing activities	58,484,837	79,968,009	48,856,075
Net change in cash and cash equivalents	(17,621,052)	62,746,526	41,926,849
Cash and cash equivalents, beginning of year	167,466,548	104,720,022	62,793,173
Net cash and cash equivalents, end of period	$ 149,845,496	$ 167,466,548	$ 104,720,022
Supplemental disclosures of cash flow information			
Interest paid	$ 11,047,260	$ 10,219,930	$ 8,252,260
Non-cash activities			
Transfer of investments and Notes to ImpactAssets, Inc.	-	$ 149,996	$ 100,000

See accompanying notes to the consolidated financial statements.

Note A - Organization

Calvert Impact Capital, Inc. (the Company) was formed in l988 with a mission to enable people to invest for social good. To realize its mission, the Company administers products and services designed to be a bridge between funding available in the capital markets and organizations that can invest those funds to benefit under-resourced communities.

On April 23, 2010, Community Investment Partners, Inc. (CIP, Inc.), a wholly owned subsidiary of the Company was formed as a Maryland non-stock corporation. The Company is the sole member of the taxable corporation. CIP, Inc. is organized to promote community investment by, among other things, providing fund management and investor services to social and community development institutions in order to encourage the flow of investment resources to disadvantaged communities.

The Company formed two special purpose vehicles in 2015 to further advance its mission in partnership with like-minded organizations. The first, Age Strong, is an initiative of AARP Foundation (AARP), Capital Impact Partners, and the Company, which is funded through the FPIF Feeder Facility L.P. (FPIF). Age Strong's goal is to lend to organizations that provide critical services for people over the age of 50 in the United States of America. The second, Inter-American Opportunity Facility (IOF), is a partnership between the Inter-American Development Bank (IDB) and the Company to fuel socially responsible small business growth in Latin America and the Caribbean. In 2020, The Inter-American Opportunity Facility was discontinued, having completed its activities and final distributions to the partners.

The Company formed two additional special purpose vehicles in 2016 to continue the mission with additional like-minded organizations. The first, Equity for Impact, L. P. (E4I), is a limited partnership with the Ford Foundation, a New York not-for-profit corporation (Ford Foundation) and the John D and Catherine T. MacArthur Foundation, an Illinois not-for-profit corporation (MacArthur Foundation). Ford Foundation and MacArthur Foundation are the Limited Partners of E4I, which is controlled by a wholly owned subsidiary of the Company as the partnership's General Partner. Ford Foundation and MacArthur Foundation collectively committed $7,500,000 to the limited partnership. The investment in E4I by Ford Foundation and MacArthur Foundation, as contractually agreed, forms a barrier to protect the Company's Community Investment Noteholders and subordinated debt investors, should the Company suffer significant losses over the twelve-year life of E4I.

Note A - Organization (Continued)

The second special purpose vehicle created in 2016 is the ImpactAssets Funded Guarantee, L.P. (IAFG). ImpactAssets, Inc., (ImpactAssets) a Maryland not-for-profit corporation, is the primary Limited Partner of IAFG, which is controlled by a wholly owned subsidiary of the Company as the partnership's General Partner and minority Limited Partner. ImpactAssets contributed assets of $15,000,000 in the form of Calvert Community Investment Notes to the limited partnership, which as contractually agreed, forms a barrier to protect the Company's other Community Investment Noteholders and subordinated debt investors, should the Company suffer significant losses over the twelve-year life of IAFG.

The Company serves as the general partner of FPIF, IOF, IAFG and E4I (collectively, the Partnerships).

The Community Investment Notes (the Notes) are investments purchased by individuals and institutions, serving as a source of funding for programmatic investments (primarily loans) to investment partners working in under-resourced communities.

Note B - Summary of Significant Accounting Policies

Principles of Consolidation
The consolidated financial statements include the accounts of Calvert Impact Capital, Inc., CIP, Inc., and the Partnerships (collectively referred to as the Company). The Company is the general partner and has substantive rights to manage and control the Partnerships. Accordingly, the Company consolidates these Partnerships and reflects the non-controlling interests separately in the Company's net assets without donor restrictions. All significant inter-entity balances and transactions have been eliminated in consolidation.

Basis of Accounting and Use of Estimates
The accompanying consolidated financial statements have been prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). The preparation of the consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of support, revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note B - Summary of Significant Accounting Policies (Continued)

Basis of Presentation
The accompanying consolidated financial statements were prepared using GAAP for not-for-profit entities. These standards require not-for-profits to report information regarding their financial position and activities in two classes of net assets as follows:

Net assets without donor restrictions- Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. From time to time, the Board of Directors may designate a portion of net assets for a specific purpose; however, board designated net assets are classified as net assets without donor restrictions. Non-controlling interests in limited partnerships represent third-party limited partner ownership in the Partnerships for which the Company serves as the general partner.

Net assets with donor restrictions - Net assets with donor restrictions represent amounts that are specifically restricted by donors or grantors for specific programs or future periods. The Company reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Tax Status
Calvert Impact Capital, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Company has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. CIP, Inc. is subject to income tax on its net income, if any. The Partnerships are not subject to federal income tax and any partnership income is taxable to the individual partners. CIP, Inc. has generated net operating losses (NOL) through December 31, 2021, which are available to be carried forward and offset against future taxable income. The Company performs an assessment of the future realization of deferred tax assets and considers historical taxable income and projections for future taxable income over the periods during which the deferred tax assets are recoverable and determines if it is more likely than not that CIP, Inc. will realize the benefits of those differences. The Company has established a valuation allowance against the NOL as it is more likely than not that CIP, Inc. will be unable to utilize the NOL prior to their expiration.

Management has concluded that Calvert Impact Capital, Inc. has maintained its exempt status and that there are no uncertain tax positions as of December 31, 2021. There are currently no examinations being conducted.

Note B - Summary of Significant Accounting Policies (Continued)

Subsequent Events
The Company has evaluated subsequent events through March 25, 2022, which is the date the consolidated financial statements were available to be issued and has considered all relevant matters in the preparation of the consolidated financial statements and notes.

The Board of Directors of Calvert Impact Capital, Inc. ("CIC") effectuated a reorganization (the "Reorganization") on March 14, 2022, amending CIC's Bylaws to name CIC Global Impact, Inc. ("CICGI") as the sole member of CIC. As a result, CIC became a subordinate organization of CICGI. There are no changes to the composition of CIC's Board of Directors, Board committees, or executive leadership team as a result of the Reorganization. CICGI, in its capacity as the sole member of CIC, and the Board of Directors of CIC will each have authority to amend CIC's Bylaws. CICGI has the authority to amend CIC's Articles of Incorporation. CIC's charitable purpose, its lending and investing activities, and other day to day operations including the membership of its staff and Board of Directors are unchanged as a result of the Reorganization.

Cash and Cash Equivalents
The Company considers highly liquid investments, with maturity of three months or less when purchased, to be cash equivalents. The Company maintains cash in bank deposit and money market accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management monitors these balances and believes they do not represent a significant credit risk to the Company.

Investments and Fair Value Measurements
The Company generally carries its investments at fair value and reports gains and losses in the consolidated statements of activities. GAAP establishes a framework and hierarchy for measuring fair value and disclosing fair value measurements.

The Company invests in various investment instruments. Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

The Company's classifications for investments are based on the fair value framework established by GAAP. The framework is based on the inputs used in the valuation and requires that observable inputs be used in valuations when available. The disclosure of fair value estimates in the fair value guidance includes a hierarchy based on whether significant valuation inputs are observable.

Note B - Summary of Significant Accounting Policies (Continued)

Investments and Fair Value Measurements (continued)
The three levels of the hierarchy are as follows:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets that the Company can access.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities and market-corroborated inputs.

Level 3: Inputs to valuation methodology are unobservable for the asset or liability and are significant to the fair value measurement.

In accordance with GAAP, alternative investment funds, which are measured at fair value using the net asset value per share (or equivalent) as a practical expedient, have not been classified in the fair value hierarchy.

Certificates of deposit held do not meet the definition of securities under accounting standards and thus are not subject to the fair value disclosure requirements of GAAP.

Certificates of Deposit/CDAR'S
Bank certificates of deposit (CDs) and Certificate of Deposit Account Registry Service (CDARS) are placed with financial institutions. The CDs are shown at the original deposit amounts plus earned interest. CDs and CDARS as of December 31, 2021 earn interest at rates of 0.07% and have maturities ranging from March 2022 through June 2022. Certain of these certificates of deposit are subject to penalties for early withdrawal. Penalties for early withdrawal would not have a material effect on the consolidated financial statements. The certificates are automatically renewable by the depository financial institution unless the Company provides notification to the institution.

Loans Receivable
Loans for which management has the intent and ability to hold until maturity or payoff are recorded at amortized cost, net of the allowance for loan losses. Amortized cost is the principal balance outstanding. Interest income is accrued on the unpaid principal balance.

Note B - Summary of Significant Accounting Policies (Continued)

Allowance for Loan Losses
The Company has established an allowance for loan losses to provide for estimates of uncollectible loans. Although variability is inherent in such estimates, management believes that the allowance for losses provided in the consolidated financial statements is adequate. However, because of the small population of loans and limited historical experience, actual losses could be significantly more or less than management's estimate. As adjustments to this estimate become necessary, such adjustments are included in current operations. On a quarterly basis, the Company reviews the current level of reserves against prior losses, and the state of the portfolio to determine the adequacy of the reserve level to cover future losses. The Company follows a three-step approach to determining the reserve:

(1) A reserve percentage is assigned based on the individual risk score of each loan. The percentage applied for each risk category may be changed from time to time by the Company;

(2) The Company identifies loans that warrant special consideration and applies a specific loan loss allowance for each of these loans independent of the other loans;

(3) In certain instances, the Company receives credit enhancements, which may reduce the necessary loan loss reserve for the loan. This support is evaluated on a case-by-case basis taking into account the type and amount of credit enhancement as well as management's assessment of the Company's ability to utilize the credit enhancement in the event of borrower default. These credit enhancements are typically in the form of cash collateral and third party guarantees supporting either a portion or the entire outstanding loan.

The Company ceases to accrue interest on loans when they become 180 days past due or when management believes the receivable is not collectible. Interest accrued on these loans is reversed against interest income. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and in the opinion of management, future payments are reasonably assured.

Furniture, Equipment and Software
Furniture, equipment, and software are stated at cost, net of accumulated depreciation, and are depreciated on the straight-line basis over the estimated useful lives, which range from 1 to 11 years.

Note B - Summary of Significant Accounting Policies (Continued)

Accounting for Derivatives
Derivatives are recorded in the consolidated statements of financial position at fair value. Changes in fair value are recorded when they occur in the consolidated statements of activities. The Company's derivatives as of December 31, 2021, 2020 and 2019 consist of foreign currency exchange contracts and cross-currency interest rate swaps that hedge the Company's currency risk on its foreign-currency denominated loans receivable. The Company has had foreign currency denominated loans in Indian Rupees (INR), Mexican Pesos (MXN), and Colombian Pesos (COP) The Company's derivative liability as of December 31, 2021, 2020 and 2019 is classified as a Level 2 fair value measurement based on observable foreign currency exchange rates. As of December 31, 2021, 2020 and 2019, the aggregate carrying amount of the hedged assets was $10,133,834, $15,308,121, and $20,464,052, respectively.

Accounting for Foreign Currency Denominated Transactions
The books and records of the Company are maintained in U.S. dollars. Transactions denominated in foreign currencies are translated into U.S. dollars at the consolidated statement of financial position date rate of exchange. Changes in foreign currency denominated transactions are recorded in the consolidated statements of activities in the period the change occurs.

Contributions and Grants
Unconditional contributions and grants are recognized when received. Conditional contributions and grants, with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions and grants received prior to meeting the conditions are reported as refundable advances in the consolidated statements of financial position.

Functional Allocation of Expenses
The costs of providing programs and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statement of functional expenses present the natural classification detail of expenses by function.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include information technology, occupancy and human resources costs, which are allocated on the basis of the average full-time headcount of each cost center.

Note B - Summary of Significant Accounting Policies (Continued)

Transfer to ImpactAssets

The Company conducted a multi-year process beginning in 2010 to transfer the Giving Fund assets to ImpactAssets, a mission-aligned organization. These transfers are non-operating items that reduce net assets. An agreement was made in 2016 to transfer the final Giving Fund assets to ImpactAssets. As of December 31, 2016, all items were transferred except for $663,755 of private investments, of which the final $149,996 were transferred during 2020. The total amount transferred to ImpactAssets was comprised of the following for the years ended December 31:

	2021	2020	2019
Common stock and other equity securities, fair value	$ -	$ 149,996	$ 100,000

Covid -19 Risks and Uncertainties

The ongoing COVID-19 coronavirus pandemic (COVID-19) continues to have a global impact creating uncertainty, volatility, and disruption across economies and financial markets. The Company's operational and financial performance will depend on certain developments, including the duration and spread of COVID-19 and its impact on the Company and its investors, employees and vendors. As such, COVID-19 could have a material adverse effect on the Company's financial position in the future. The ultimate duration and impact of the COVID-19 outbreak on the Company's financial position cannot be reasonably estimated at this time.

Note C - Liquidity and Availability of Resources

Financial assets available for general expenditure within one year of the balance sheet date, comprise the following, as of December 31:

	2021	2020	2019
Cash and cash equivalents	$ 149,845,496	$ 167,466,548	$ 104,720,022
Interest and fees receivable	1,903,231	1,487,002	2,071,261
Other receivables	5,350,955	6,945,336	3,238,006
Loans receivable	82,820,529	77,621,092	64,375,510
Short-term investments	26,336,165	28,916,320	10,539,703
Long-term investments appropriated for current use	58,703,527	31,088,906	42,804,771
Financial assets available to meet cash needs for general expenditures within one year	$ 324,959,903	$ 313,525,204	$ 227,749,273

Note C - Liquidity and Availability of Resources (Continued)

The Company regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Company has various sources of liquidity at its disposal, including cash and cash equivalents, investments, and receivables. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds and other short-term and long-term investments. The investments are closely monitored for their return/yield, which is a significant component of the Company's process for managing its liquidity. In addition, foreign transactions will be denominated in US dollars, or hedged to US dollars through deliverable or non-deliverable forward swaps or other appropriate mechanisms utilized to minimize foreign currency exposure. Limitations on investments (for example, total amount per entity and minimum ratings criteria) apply to the ultimate provider of credit support, including the issuer, the guarantor, the insurer, or the bank providing the letter of credit. Investments will be held in bank, brokerage, money market funds, or other custody accounts. In the event of an unanticipated liquidity need, the Company could draw upon the $13 million in available lines of credit and $20 million available Note Purchase Agreement, discussed further in Note G. The Company has evaluated its general expenditures for the next fiscal year and has determined that certain donor or grantor restrictions are for purposes related to the regular, ongoing programs and activities of the Company.

In addition to financial assets available to meet general expenditures over the next 12 months, the Company operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the consolidated statement of cash flows which identifies the sources and uses of the Company's cash.

Note D - Investment and Fair Value Measurement

The following table summarizes the Company's investments held at fair value in accordance with GAAP as of December 31:

2021	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed-income funds	$ 20,336,165	-	-	$ 20,336,165
Fixed income securities	-	-	-	-
Alternative investments	-	-	$ 59,058,912	59,058,912
Total investments in hierarchy	$ 20,336,165	-	$ 59,058,912	79,395,077
Alternative investment funds at net asset value				33,155,422
Total investments held at fair value				$112,550,499

Note D - Investment and Fair Value Measurement (Continued)

2020	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed-income funds	$ 16,430,601	$ -	$ -	$ 16,430,601
Fixed income securities		1,485,720		1,485,720
Alternative investments			14,734,064	14,734,064
Total investments in hierarchy	$ 16,430,601	$ 1,485,720	$ 14,734,064	32,650,385
Alternative investment funds at net asset value				40,205,116
Total investments held at fair value				$ 72,855,501

2019	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed-income funds	$ 537,790	$ -	$ -	$ 537,790
Fixed income securities	-	2,160,909	-	2,160,909
Alternative investments	-	-	15,013,433	15,013,433
Total investments in hierarchy	$ 537,789	$ 2,160,909	$ 15,013,433	17,712,132
Alternative investment funds at net asset value				45,495,305
Total investments held at fair value				$ 63,207,437

The fair value of the fixed-income securities are based upon market quotations from pricing services. The pricing service prepares estimates of fair value measurements for these securities using proprietary pricing applications, which include available relevant market information, benchmark curves, benchmarking of like securities, sector groupings and matrix pricing (Level 2).

The Company is a limited partner investor in various alternative investment funds. In accordance with the partnership agreements, limited partners are not liable for any liabilities or for the payment of any debts and obligations of the funds. Net profits and losses are allocated to each partner in accordance with the ratio of their respective capital account balances. The Company may withdraw any or part of their capital account upon providing written notice and other stipulations as defined in the partnership agreements. As of December 31 2021, the Company has an outstanding capital commitment to purchase an additional amount of approximately $11,145,120.

Note D - Investment and Fair Value Measurement (Continued)

Investments in alternative investment funds are typically valued, as a practical expedient, utilizing the net asset valuations provided by the underlying private investment companies and/or their administrators, without adjustment, when the net asset valuations of the investments are calculated in a manner consistent with GAAP for investment companies. The Company applies the practical expedient to its investments in private investment companies, unless it is probable that the Company will sell a portion of an investment at an amount different from the net asset valuation. If it is probable that the Company will sell an investment at an amount different from the net asset valuation or in other situations where the practical expedient is not available, the Company considers other factors in addition to the net asset valuation, such as features of the investment, including subscription and redemption rights, expected discounted cash flows, transactions in the secondary market, bids received from potential buyers, and overall market conditions in its determination of fair value. As of December 31, 2021, 2020 and 2019, no adjustments were made to the valuations provided by the underlying private investment companies.

During 2021, 2020 and 2019, the Company took positions in several alternative investment funds. The objective of the funds is to provide an investment option delivering liquidity, security, risk-adjusted return, administrative ease and developmental impact. The funds are designed to provide capital appreciation and social impact by investing in low-income finance institutions (LIFIs), which include microfinance institutions (MFIs), small and medium enterprise (SME) banks and other regulated or unregulated financial institutions in emerging and developed markets, including the United States of America.

The majority of the alternative investment funds require the Company to provide at least a 90 days prior written notice to the General Partner before withdrawing all or any portion of its capital account balance, subject to certain additional restrictions including but not limited to a seven-year waiting period for a particular contribution. The remaining alternative investment funds require the Company to provide at least 30 days prior written notice to the administrator of the fund before withdrawing their interest in the funds subject to certain restrictions including but not limited to one-month waiting period for a particular contribution.

Level 3 financial assets
The Company purchased $44,181,241, $347,153, and $796,873 of Level 3 investments during the years ended December 31, 2021, 2020 and 2019, respectively.

The Company sold $1,187,984, $575,496 and $0 of Level 3 financial assets, during the years ended December 31, 2021, 2020 and 2019, respectively.

Note E - Loans Receivable

Loans receivable, net of an allowance for losses, consist of loans made in accordance with the Company's stated purpose of providing financial assistance to investment partners operating in and/or for the benefit of economically disadvantaged communities, which are under-served by traditional capital sources. Pursuant to the terms of the note agreements, interest is typically due quarterly or semi-annually.

The following are the largest single borrowers representing 2.4% or more of loans outstanding as of December 31, 2021:

Borrower	Total Outstanding	% of Total Loans Outstanding
ARC Chicago, LLC	$45,555,970	11.09%
PACE Equity Warehouse LLC	23,995,892	5.84%
Accion Opportunity Fund Community Development	14,000,000	3.41%
Eco-Business Fund S.A., SICAV-SIF	13,000,000	3.17%
PEQ Calvert, LLC	12,779,552	3.11%
LIIF Housing Preservation Fund II, LLC	11,927,378	2.90%
Financiera Fortaleza, SA de C.V SOFOM, E.N.R	10,131,834	2.47%
SANAD Fund for MSME	10,000,000	2.43%
ResponsAbility Financial Inclusion Investments	10,000,000	2.43%
Banco Atlantida S.A., Honduras	10,000,000	2.43%
African Local Currency Bond Fund.	10,000,000	2.43%
FEI-OGEF LP	10,000,000	2.43%
Northern Arc Capital	10,000,000	2.43%
Vivriti	10,000,000	2.43%
Vision Fund International	10,000,000	2.43%
Total	$ 211,390,626	51.47%

The Company makes loans in developing markets that may be subject to increased risks due to political and regulatory environments, and overall market and economic factors in the countries in which the borrower conducts business or invests. These risks are generally magnified in countries with emerging markets, due to the limited availability of information, currency fluctuations, and the volatility of political and economic conditions in some areas. Fluctuations in exchange rates may adversely affect the repayment of loans. Political or social instability may prevent borrowers from operating effectively and hinder repayment to the Company.

Note E - Loans Receivable (Continued)

The following table summarizes the domestic and international loans outstanding, on a gross basis, based upon the geography in which the borrower conducts its operations:

Loans receivable	2021	2020	2019
Domestic	$ 221,684,531	$ 197,998,605	$ 241,353,078
International	189,040,405	161,556,103	114,039,028
Total loans receivable	$ 410,724,936	$ 359,554,708	$ 355,392,106

The following table summarize the loans receivable balances as of December 31, based on whether the Company has specifically allowed for loan losses due to credit quality of the loans or considered the loans as part of the Company's general loan loss estimate:

Loans receivable	2021	2020	2019
Classified loans with specific loan loss allowance	$ 10,791,842	$ 6,000,000	$ -
General loans	280,229,481	239,682,180	248,762,363
Loans with credit enhancements	119,703,613	113,872,528	106,629,743
Allowance for loan losses	(9,909,509)	(8,010,622)	(5,986,257)
Total loans receivable, net	$ 400,815,427	$ 351,544,086	$ 349,405,849

As of December 31, 2021, one loan was placed on non-accrual status.

The Company has secured cash collateral and active guarantees through third and related parties to protect against losses that may be incurred on specific loans or portfolios of loans outstanding. These active guarantees and cash collateral are summarized below:

	2021	2020	2019
Cash collateral	$ 87,718	$ 248,070	$ 473,667
Third and related party guarantees	66,204,429	55,048,386	49,867,220
Total	$ 66,292,147	$ 55,296,456	$ 50,340,887

Note E - Loans Receivable (Continued)

The allowance for loan losses on loans receivable is adjusted throughout the year based upon the Company's assessment of its adequacy compared to the current outstanding loans. The current year's adjustment in the allowance is reflected in the provision for loan losses. The allowance for loan losses on loans receivable is summarized in the following table:

Allowance for loan losses	Specific Allowance	General Allowance	Credit Enhancements	Total
Balance as of January 1, 2019	$ -	$ 3,939,331	$ 1,908,258	$ 5,847,589
Loans written off during the year	-	(107,089)	-	(107,089)
Net change in provision for loan loss allowance	-	880,341	(634,584)	245,757
Balance as of December 31, 2019	-	4,712,583	1,273,674	5,986,257
Loans written off during the year	-	(37,222)	-	(37,222)
Net change in provision for loan loss allowance	399,200	1,157,822	504,565	2,061,587
Balance as of December 31, 2020	399,200	5,833,183	1,778,239	8,010,622
Loans written off during the year	-	(18,322)	-	(18,322)
Net change in provision for loan loss allowance	2,443,593	174,118	(700,502)	1,917,209
Balance as of December 31, 2021	$ 2,842,793	$ 5,988,979	$ 1,077,737	$ 9,909,509

Note F - Community Investment Notes Payable and Subordinated Loans Payable

The Company created the Community Investment Note (the Notes) program to raise funds and reinvest those funds directly in community development and similar organizations with missions that include affordable housing, economic development and business development in urban and rural communities. The Notes are sold through three channels: directly by the Company in paper form, online notes sold directly by the Company through its website platform and brokered notes sold through the Depository Trust Company (DTC). The Notes pay investors a fixed rate of interest ranging from 0% to 4%.

Funds from paper Notes sold directly by the Company are provided by individuals and institutional investors through the sale of the Notes of $1,000 or greater. The Notes pay investors a fixed rate of interest reflective of risk, return and the mission of the Company. The Company also issues online Notes through its website platform, which are purchased by investors in quantities of $20 or greater.

The Company is a party to a Trust Indenture Agreement (the indenture agreement) with the Bank of New York (BONY). This agreement allows the Company to issue Notes in a form referred to as brokered, or book entry notes, which are eligible for electronic settlement through the DTC. The Notes, once issued, are represented by permanent global certificates that are registered in the name of Cede & Co., as nominee of the DTC. BONY has been designated as the indenture trustee to the indenture agreement and in this capacity BONY serves as paying agent for the book-entry notes.

Note F - Community Investment Notes Payable and Subordinated Loans Payable (Continued)

The indenture agreement imposes certain financial and other covenants on the Company and allows BONY to take specified actions on behalf of the holder of book-entry Notes under certain circumstances. At December 31, 2021, 2020 and 2019, the Company was in compliance with covenants relating to this agreement. For a more complete description of this agreement please refer to the Company's Prospectus.

The Notes are offered under a self-executing exemption from federal registration. The Company and the Notes comply with state registration requirements. The Notes are senior to the subordinated loans.

At December 31, 2021, the top 10 Note holders held Notes representing $125,654,500 or 21% of the total Notes payable balance.

Maturities by year, as of December 31, 2021 are as follows:

2022	$ 182,525,999
2023	91,661,992
2024	117,952,984
2025	74,185,090
2026	35,343,004
Thereafter	91,827,842
Total	$ 593,496,911

Loans were provided by the following organizations to: 1) provide financial assistance to community development organizations operating in economically disadvantaged communities, which are under-served by traditional capital sources and 2) provide subordinate financing to assist the Company in attracting investors for the Note program.

Note F - Community Investment Notes Payable and Subordinated Loans Payable (Continued)

The principal amounts of subordinated loans payable by lending organization as of December 31 are as follows:

Organization	2021 Principal Amount	2020 Principal Amount	2019 Principal Amount
Junior Subordinated Loans			
Wells Fargo	$ 1,500,000	$ 1,500,000	$ 1,500,000
Calvert Investment Administrative Services, Inc.	-	-	1,000,000
The Columbia Bank	-	500,000	1,000,000
Deutsche Bank	-	-	1,000,000
The Colorado Health Foundation	-	750,000	750,000
Private individual	500,000	500,000	500,000
The Piton Foundation	-	577,125	577,125
The Colorado Health Trust	-	492,400	492,400
San Francisco Foundation	-	350,000	350,000
Page Hill Foundation	300,000	300,000	300,000
Private Individual	250,000	200,000	200,000
The Denver Foundation	-	200,000	200,000
Foundation for the Carolinas	7,500,000	7,500,000	-
Meredith Lorraine Meyercord Trust	200,000	200,000	200,000
Women's Foundation of Minnesota	100,000	100,000	100,000
Banc of America Community Development Corporation	10,000,000	5,000,000	5,000,000
Total junior subordinated loans payable	$ 20,350,000	$ 18,169,525	$ 13,169,525

Maturities as of December 31, 2021 are:

2022	$ 200,000
2023	600,000
2024	1,000,000
2025	800,000
2026	-
Thereafter	17,750,000
Total	$ 20,350,000

Under the terms of the loans detailed above, the Company is subject to certain debt covenants, which require the Company to maintain minimum specific liquidity ratios and to provide timely financial and progress reports to the lending organizations. As of December 31, 2021, 2020 and 2019, the Company was in compliance with debt covenants.

Note G – Credit Facilities

The Company entered into a revolving credit facility with Prudential Impact Investments, Private Debt, LLC for a $5,000,000 line of credit. This facility had a maturity date of May, 2021 and has not been extended or renewed. In July, 2019, the Company entered into a credit facility with Banc of America Community Development Corporation for a $10,000,000 which expires January 2022. In September, 2019, the Company entered into a revolving line of credit with Bank of America, N.A for $3,000,000 which expires January 2022. Both of these lines have been extended to May, 2022, and thereafter are expected to be combined and extended. As of December 31, 2021, no amounts had been drawn on these facilities.

In December 2020, the Company entered into a Note Purchase Agreement with an unaffiliated third party. This agreement provides the Company with the right to place up to $20,000,000 of Community Investment Notes for a term of 1 year with said third party. The agreement is effective for a period of 3 years ending in December 2023. As of December 31, 2021, no Community Investment Notes had been placed under this agreement.

Note H - Special Purpose Vehicles

As described in Note A, the Company formed four Partnerships. The Partnerships returned capital of $1,676,828, $692,996, and $1,084,543 in 2021, 2020 and 2019, respectively. The changes in consolidated net assets without donor restrictions for the year ended December 31, 2021 are presented in the following table:

	Total	Controlling Interest	Non-controlling interest
Net assets without donor restrictions, January 1, 2019	$ 48,323,912	$ 23,311,208	$ 25,012,704
Change in net assets before non-operating items	7,136,096	6,364,887	771,209
Repurchases of interests in Partnerships	(1,084,543)	-	(1,084,543)
Change in net assets without donor restrictions	6,051,553	6,364,887	(313,334)
Net assets without donor restrictions, December 31, 2019	54,375,465	29,676,095	24,699,370
Change in net assets before non-operating items	1,540,483	794,698	745,785
Repurchases of interests in Partnerships	(692,996)	-	(692,996)
Change in net assets without donor restrictions	847,487	794,698	52,789
Net assets without donor restrictions, December 31, 2020	55,222,952	30,470,793	24,752,159
Change in net assets before non-operating items	4,398,442	3,814,723	583,719
Repurchases of interests in Partnerships	(1,676,828)	-	(1,676,828)
Change in net assets without donor restrictions	2,721,614	3,814,723	(1,093,109)
Net assets without donor restrictions, December 31, 2021	$ 57,944,566	$ 34,285,516	$ 23,659,050

Note I - Net Assets with Donor Restrictions

In October 2017, Calvert Impact Capital entered into an agreement (Cassiopeia Initiative or Initiative) with Cassiopeia Foundation (Cassiopeia), in which Cassiopeia donated to the Company their economic interest in certain limited partnerships (the Capital), which were expected to mature over the subsequent three years. The Capital provides net assets initially restricted, and subsequently unrestricted and designated, as support for financing transactions that are co-aligned with the Company's and Cassiopeia's missions. The Company is solely responsible for approving the credit aspects of any transaction, following its normal, standard operating procedures. Upon the maturity of each transaction, its apportioned Capital will be undesignated from the Initiative, forming a permanent base of the Company's net assets. In 2021, this agreement was amended to unrestrict the donor capital.

Net assets with donor restrictions are restricted for the following purposes or periods:

	2021	2020	2019
Subject to specified purpose	$ -	$ 980,226	$ 818,045
Subject to perpetuity	187,571	187,571	187,571
Total net assets with donor restrictions	$ 187,571	$ 1,167,797	$ 1,005,616

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the passage of time as follows for the year ended December 31:

	2021	2020	2019
Subject to specified purpose	$ 1,316,378	$ 148,089	$ 276,000
Total net assets released with donor restrictions	$ 1,316,378	$ 148,089	$ 276,000

Note J - Retirement Plan

The Company sponsors a 401(k) Plan (the Plan) for its employees. Employees with three months of service and having attained the age of twenty-one are eligible for participation in the Plan. The Company double-matches up to the first 2% of employee deferrals (i.e. the Company contributes up to 4%) and then matches employee deferrals up to a maximum of a further 4% of the employee's compensation (i.e. maximum total of 8% contributed by the Company), which vests immediately to the employee. Participants are eligible for employer matching contributions after one year of service. The Company made contributions to the Plan of $416,331, $342,006 and $306,609 for the years ending December 31, 2021, 2020 and 2019, respectively.

Note K - Future Minimum Lease Payments and Rentals

In 2020, the Company entered into a lease agreement for office space commencing January 1, 2021 and terminating December 31, 2031. The lease prescribes price per square foot increases and grants a rent abatement. Rent Expense, rent abatements, and other concessions are recognized on a straight-line basis over the term of the lease, with the difference between straight-line rent and actual rent payments being recorded as a liability in the consolidated statement of financial position. The lease also provides a tenant improvement allowance.

Future Minimum Lease Payments		
2022	$	310,412
2023		424,241
2024		434,862
2025		445,747
2026		456,895
Thereafter		2,461,527
	$	4,533,684

Note L - Related Party Transactions

In 2008, the Company incubated a new and independent 501(c)3 called ImpactAssets. In order to segregate the Company's Giving Fund activities from its other activities, the Company began a multi-year process beginning in 2010 and mostly concluding in 2016 to transfer these Giving Fund assets to ImpactAssets as described in Note B.

As referenced in Note A, Impact Assets has contributed $15,000,000 in Community Investment Notes to IAFG.

Calvert Research and Management, formerly Calvert Investments, holds the licensing agreement to the Calvert name and holds $34,740,000 in Community Investment Notes as of December 31, 2021. Additionally, upon meeting certain stipulations, Calvert Research and Management will grant the Company up to $1.25 million over the course of 2018 – 2022.

Micro FX Solutions (MFX) is an initiative to help manage currency risk in the microfinance sector. The Company funded $10,000 in pre-operational capital and made additional equity investments of $75,000 in 2009. The Company also enters into agreements with MFX from time to time to manage the fluctuation of foreign currency values related to loans denominated in foreign currency to reduce its currency risk that the value of the loans repayments would be less than the original loan amount. MFX acts as a counterparty to provide hedging services for these loans. As of December 31, 2021, 2020 and 2019, the Company's foreign currency loans managed by MFX are valued at a USD equivalent of $10,133,834, $15,308,121 and $20,464,052, respectively.

Note L - Related Party Transactions (Continued)

In 2021, 2020 and 2019, the company provided collateral of $200,000, $400,000 and $400,000 to MFX in order to raise the limit on hedging exposures.

Note M - Accounting For Derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The Company utilizes derivative instruments, such as foreign currency exchange contracts and cross-currency interest rate swaps, as hedging instruments of its foreign currency denominated assets. A derivative instrument refers to an investment whose value is “derived” from the value of an underlying asset, reference rate or index. The Company uses derivative instruments to attempt to protect against possible changes in the foreign currency exposures. These derivatives are designated by management as fair value hedging. The Company does not enter into derivative transactions for other purposes.

The Company accounts for derivative instruments in accordance with GAAP. GAAP requires an entity to recognize all derivatives as either assets or liabilities in the consolidated statements of financial position and to measure those instruments at fair value. The derivative instruments are marked-to-market with the change in value recorded in the accompanying statements of activities in change in fair value of foreign currency denominated loans.

The Company attempts to minimize credit risk by limiting hedging activities to a third-party hedging counterparty. See further disclosure on the hedge party in Note L of the related party disclosures. The Company’s derivative as of December 31, 2021, 2020 and 2019 is classified as a Level 2 fair value measurement based on observable foreign currency exchange rates.

Note M - Accounting For Derivatives (Continued)

The Company's foreign currency exchange contracts and cross-currency interest rate swaps are subject to master netting arrangements and have been presented as a single amount on a net basis within the accompanying statements of financial position. The Company's U.S. dollar fair value of foreign currency exchange contracts and cross-currency interest rate swaps, net as of December 31, 2021, 2020 and 2019 consist of the following:

Asset Derivatives	2021	2020	2019
Colombia pesos	$ -	$ -	$ 220,523
Mexican pesos	216,966	184,632	-
Total asset derivatives at fair value	$ 216,966	$ 184,632	$ 220,523

Liability Derivatives	2021	2020	2019
Indian rupees	$ -	$ (894,773)	$ (952,442)
Mexican pesos	(206,083)	(169,980)	(478,994)
Total liability derivatives at fair value	$ (206,083)	$ (1,064,753)	$ (1,431,436)
Net asset (liability) derivatives at fair value	$ 10,883	$ (880,121)	$ (1,210,913)