JohnsonLambert LLP
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Calvert Impact Capital, Inc.

Consolidated Financial Statements

Years ended December 31, 2019, 2018 and 2017
with Report of Independent Auditors

Calvert Impact Capital, Inc.

Consolidated Financial Statements

Years ended December 31, 2019, 2018 and 2017

Contents

Report of Independent Auditors

Board of Directors
Calvert Impact Capital, Inc.

We have audited the accompanying consolidated financial statements of Calvert Impact Capital, Inc. (the Company), which comprise the consolidated statements of financial position as of December 31, 2019, 2018 and 2017, the related consolidated statements of activities, and cash flows for the years then ended, the consolidated statements of functional expenses for the years ended December 31, 2019 and 2018, 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from 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 auditor's judgement, 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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Calvert Impact Capital, Inc. as of December 31, 2019, 2018, and 2017 and the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Johnson Lambert LLP

Vienna, Virginia
March 31, 2020

Calvert Impact Capital, Inc.

Consolidated Statements of Financial Position

	December 31, 2019	2018	2017
Assets			
Cash and cash equivalents	$104,720,022	$ 62,793,173	$ 66,598,757
Certificates of deposit	8,000,000	8,000,000	13,800,000
Investments, at fair value	2,698,699	3,092,943	6,134,921
Portfolio related investments:			
Loans receivable, net	349,405,849	342,063,384	311,646,716
Portfolio investments, at fair value	60,508,738	52,264,178	36,618,400
Interest and fees receivable	2,071,261	2,267,393	1,972,287
Other receivables	3,238,006	2,458,128	2,723,203
Other assets	2,054,816	1,492,056	1,195,787
Furniture, equipment and software, net of accumulated depreciation of $1,383,465, $1,038,210, $859,380, respectively	1,108,915	1,239,462	702,193
Total assets	$533,806,306	$ 475,670,717	$ 441,392,264
Liabilities and net assets			
Liabilities:			
Accrued interest payable	$4,572,044	$ 3,686,702	$ 2,766,748
Accounts payable and accrued expenses	1,903,229	1,568,861	1,637,681
Community Investment Notes payable (the Notes)	457,460,714	410,102,873	379,616,193
Subordinated loans payable	13,169,525	9,169,525	9,842,400
Refundable and recoverable grants	108,800	418,800	400,000
Fair value of foreign currency exchange contracts and cross-currency interest rate swaps, net	1,210,913	1,432,073	3,119,148
Total liabilities	478,425,225	426,378,834	397,382,170
Net assets without donor restrictions:			
Undesignated	28,961,809	22,596,922	17,627,427
Board designated – Cassiopeia Initiative	714,286	714,286	-
Non-controlling interests	24,699,370	25,012,704	24,759,972
Total net assets without donor restrictions	54,375,465	48,323,912	42,387,399
Total net assets with donor restrictions	1,005,616	967,971	1,622,695
Total net assets	55,381,081	49,291,883	44,010,094
Total liabilities and net assets	$533,806,306	$ 475,670,717	$ 441,392,264

See accompanying notes to the consolidated financial statements.

Calvert Impact Capital, Inc.

Consolidated Statements of Activities

	Years ended December 31, 2019	2018	2017
Change in net assets without donor restrictions			
Support:			
Contributions	$ 118,739	$ 132,580	$ 488,426
Grants	585,189	477,860	382,500
Total support	703,928	610,440	870,926
Revenue:			
Portfolio revenue			
Portfolio investment revenue	16,562,671	15,122,946	12,730,779
Change in fair value of investments	2,530,265	2,190,971	2,317,261
Portfolio fee revenue	3,550,857	2,428,591	1,625,983
Change in fair value of foreign currency denominated loans	664,797	(1,770,883)	834,855
Change in fair value of derivatives	221,160	1,687,075	(2,053,098)
Interest and dividend income	1,983,292	1,316,462	756,193
Other revenue	152,759	163,239	152,124
Total revenue	25,665,801	21,138,401	16,364,097
Net assets released from restriction:			
Satisfaction of program restrictions	276,000	1,144,724	2,002,344
Total support and revenue	26,645,729	22,893,565	19,237,367
Expenses:			
Program services	17,295,526	14,420,942	12,756,521
Support services:			
Management and general	1,805,723	1,657,490	1,581,511
Fundraising	408,383	317,713	343,273
Total expenses	19,509,632	16,396,145	14,681,305
Change in net assets without donor restrictions before non-operating items	7,136,097	6,497,420	4,556,062
(Redemption)/sale of non-controlling interest in IAOF	(523,636)	-	(128,574)
(Redemption)/sale of non-controlling interest in E4I	(76,042)	(76,042)	3,680,625
(Redemption)/sale of non-controlling interest in IAFG	(484,865)	(484,865)	(460,296)
Transfer to ImpactAssets, Inc.	-	-	(663,341)
Change in net assets without donor restrictions	6,051,554	5,936,513	6,984,476
Changes in net assets with donor restrictions			
Contributions and grants	313,644	490,000	1,443,686
Net assets released from restriction	(276,000)	(1,144,724)	(2,002,344)
Total change in net assets with donor restrictions	37,644	(654,724)	(558,658)
Change in net assets	6,089,198	5,281,789	6,425,818
Net assets at beginning of period	49,291,883	44,010,094	37,584,276
Net assets at end of period	$ 55,381,081	$ 49,291,883	$ 44,010,094

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
Expenses									
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 expenses	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
Miscellaneous	-	-	-	-	-	-	-	-	-
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 Statement of Functional Expenses

Year Ended December 31, 2018
(with Summarized Totals for 2017)

	Program Services					Support Services				
	Investments	**Notes**	**Syndication**	**Other**	**Total**	**Management and General**	**Fundraising**	**Total Support Services**	**2018 Total**	**2017 Total**
Total employee compensation	$ 2,621,290	$ 976,105	$ 342,700	$ 477,406	$ 4,417,501	$ 955,335	$ 257,869	$ 1,213,204	$ 5,630,705	$ 4,884,977
Interest expense	282,328	7,460,043	-	-	7,742,371	-	-	-	7,742,371	6,222,520
Grant expense	16,737	5,237	1,335	137,772	161,081	4,723	308	5,031	166,112	13,066
Consultants	58,933	22,186	71,104	133,049	285,272	14,600	1,903	16,503	301,775	554,085
Occupancy	327,064	102,333	22,072	54,176	505,645	92,300	12,038	104,338	609,983	612,223
Provision for loan losses	30,879	-	-	(85,587)	(54,708)	-	-	-	(54,708)	163,792
Depreciation	95,885	30,001	6,471	15,883	148,240	27,060	3,530	30,590	178,830	378,436
Professional fees	58,011	7,240	1,989	68,460	135,700	319,859	1,878	321,737	457,437	317,003
Equipment and software	150,971	47,698	23,784	26,032	248,485	42,588	5,555	48,143	296,628	315,660
Taxes	99,000	-	-	8,284	107,284	3,119	-	3,119	110,403	222,715
Travel	80,497	56,251	19,699	30,163	186,610	81,136	21,543	102,679	289,289	234,712
Conferences	13,221	6,739	6,298	5,154	31,412	7,778	819	8,597	40,009	46,397
Supplies	5,513	4,125	3,101	6,972	19,711	9,434	6,201	15,635	35,346	31,252
Dues and subscriptions	61,813	14,254	8,289	10,690	95,046	10,166	5,546	15,712	110,758	83,013
Miscellaneous	(15,212)	(612)	(815)	27,028	10,389	(3,364)	(233)	(3,597)	6,792	133,478
Bank Charges	7,517	34,700	5,252	2,117	49,586	27,442	-	27,442	77,028	55,950
Commissions	-	288,884	-	-	288,884	-	-	-	288,884	288,407
Registration fees	348	3,231	-	2,640	6,219	23,348	-	23,348	29,567	29,826
Insurance	-	-	-	509	509	40,668	-	40,668	41,177	46,375
Marketing	378	21,745	378	13,204	35,705	1,298	756	2,054	37,759	47,418
	1,273,883	8,104,055	168,957	456,546	10,003,441	702,155	59,844	761,999	10,765,440	9,796,328
	$ 3,895,173	$ 9,080,160	$ 511,657	$ 933,952	$ 14,420,942	$ 1,657,490	$ 317,713	$ 1,975,203	$ 16,396,145	$ 14,681,305

See accompanying notes to the consolidated financial statements.

Calvert Impact Capital, Inc.

Consolidated Statements of Cash Flows

	Years ended December 31, 2019	2018	2017
Cash flows from operating activities			
Change in net assets	$ 6,089,198	$ 5,281,789	$ 6,425,818
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Depreciation	345,254	178,830	378,436
Net change in fair value of investments	(2,636,121)	(2,239,590)	(2,317,261)
Net change in fair value of derivatives	(221,160)	(1,687,075)	2,005,445
Net change in provision for loan losses	138,668	(54,707)	163,792
Transfer of investments and Notes to ImpactAssets, Inc.	100,000	172,895	237,630
Donated stock and non-cash contributions	-	-	(299,399)
Proceeds from sale of interests in Partnerships, net	-	-	(3,091,755)
Distributions paid to Partnerships	1,084,543	560,907	-
Changes in operating assets and liabilities:			
Other receivables	327,344	909,869	(1,454,584)
Interest and fees receivable	196,132	(295,106)	344,520
Other assets	(562,760)	(296,269)	(414,948)
Accounts payable and accrued expenses	334,368	(68,820)	522,814
Accrued interest payable	885,343	919,954	724,986
Net cash provided by operating activities	6,080,809	3,382,677	3,255,494
Cash flows from investing activities			
Cost of investments acquired	(12,242,321)	(21,590,690)	(30,069,381)
Proceeds from sale or maturity of investments	6,928,128	16,853,580	9,251,745
Loans issued	(73,169,670)	(93,501,733)	(75,827,998)
Repayments of loans	65,688,536	63,139,774	47,004,885
Purchases of furniture, equipment and software	(214,708)	(716,098)	(485,457)
Net cash used in investing activities	(13,010,035)	(35,815,167)	(50,126,206)
Cash flows from financing activities			
Increase in subordinated loans payable	5,000,000	108,800	500,000
Subordinated loan repayments	(1,310,000)	(762,875)	(567,600)
Cash received from sale of interests in Partnerships	-	-	3,680,625
Distributions of interests in Partnerships	(1,084,543)	(560,907)	(588,870)
Proceeds from issuance of the Notes	142,883,710	91,349,071	127,414,852
Repayments of the Notes	(96,633,092)	(61,507,183)	(69,855,092)
Net cash provided by financing activities	48,856,075	28,626,906	60,583,915
Net change in cash and cash equivalents	41,926,849	(3,805,584)	13,683,205
Cash and cash equivalents, beginning of year	62,793,173	66,598,757	52,915,552
Net cash and cash equivalents, end of period	$104,720,022	$ 62,793,173	$ 66,598,757
Supplemental disclosures of cash flow information			
Interest paid	$ 8,252,260	$ 6,822,417	$ 5,497,534
Non-cash activities			
Transfer of investments and Notes to ImpactAssets, Inc.	$ 100,000	$ 172,895	$ 217,630

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-served 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 funds 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 Company to fuel socially responsible small business growth in Latin America and the Caribbean.

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 Calvert Impact Capital as the partnership's General Partner. Ford Foundation and MacArthur Foundation collectively committed $7,500,000 to the limited partnership, of which $3,750,000 was contributed in 2016 and $3,750,000 was contributed in 2017. The investment in E4I by Ford Foundation and MacArthur Foundation, as contractually agreed, forms a barrier to protect Calvert Impact Capital'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 Comapny 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 investments (primarily loans) to investment partners working in underserved 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. Management has concluded that the Company has properly maintained its exempt status and that there are no uncertain tax positions as of December 31, 2019. There are currently no examinations being conducted. CIP, Inc. has generated net operating losses (NOL) through December 31, 2019, 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.

Note B - Summary of Significant Accounting Policies (Continued)

Subsequent Events
The Company has evaluated subsequent events through March 31, 2020, 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.

On December 31, 2019, a report was made to the World Health Organization's office in China of "a pneumonia of unknown cause." Since then, the COVID-19 pandemic has rapidly become a matter of global health and economic concern. This pandemic has the potential to adversely affect businesses of all sizes, complexities and sectors across the globe for an unknown duration. The financial and operational effects of these disruptions on the Company's portfolio companies, service providers, and the Company's capabilities are also uncertain at this time.

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
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 (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, 2019 earn interest at rates ranging from 1.9 % to 2.5% and have maturities ranging from January 2020 through June 2020. 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.

Note B - Summary of Significant Accounting Policies (Continued)

Allowance for Losses
The Company has established an allowance for 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 implements 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 has established a policy for loans placed on non-accrual status. 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 8 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, 2019, 2018 and 2017 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 foreign currency denominated loans in Indian rupees (INR), Mexican Pesos (MXN), and Colombian Pesos (COP). The Company's derivative liability as of December 31, 2019, 2018 and 2017 is classified as a Level 2 fair value measurement based on observable foreign currency exchange rates. As of December 31, 2019, 2018, and 2017, the aggregate carrying amount of the hedged assets was $20,464,052, $32,937,846, and $31,888,568, 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 statements 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
All contributions and grants are considered to be without donor restrictions unless specifically restricted by the donor or grantor. Amounts received that are designated for future periods or restricted by the donor or grantor for specific purposes are reported as assets with donor restrictions. Amounts received that are restricted by the donor or grantor for specific purposes are reported as assets without donor restrictions if expenses exceed contributions for the related purpose. When a restriction of a temporary nature expires or has been satisfied, 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 restriction.

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 statement of functional expense present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated to program and supporting services benefited.

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 on 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 $149,996 are still in the process of being transferred as of December 31, 2019. The total amount transferred to ImpactAssets was comprised of the following for the years ended December 31:

	2019	**2018**	**2017**
Common stock and other equity securities, fair value	$ 100,000	$ 172,985	$ 237,630
	$ 100,000	$ 172,985	$ 237,630

Reclassifications
Certain prior year balances have been reclassified to conform with current year presentation. These reclassifications resulted in no changes in net assets.

Accounting Pronouncements Adopted
The Company adopted the provisions of Accounting Standards Updates (ASU) *ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (topic 958). This accounting standard is meant to help not-for- profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. There was no material impact to the financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

During 2019, the Company also adopted the provisions of *ASU 2018-13 Recognition and Measurement of Financials Assets and Financial Liabilities*. These updates modified the disclosure requirements on certain Level 3 investments that are measured at fair value. As a result of adopting this standard, modifications were made to the disclosures in Note D. There was no material impact to the consolidated financial statements as a result of adoption. Accordingly, no adjustment to net assets was recorded.

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:

	2019	2018
Cash and cash equivalents	$104,720,022	$ 62,793,173
Interest and fees receivable	2,071,261	2,267,393
Other receivables	3,238,006	2,458,128
Loans receivable	64,375,510	73,732,516
Short-term investments	10,539,703	10,842,948
Long-term investments appropriated for current use	42,804,771	25,643,527
Financial assets available to meet cash needs for general expenditures within one year	$227,749,273	$177,737,685

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 $18 million in available lines of credit. 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 organization.

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 statement of cash flows which identifies the sources and uses of the Company’s cash and shows positive cash generated by operations for fiscal years 2019, 2018 and 2017.

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:

2019	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed-income funds	$ 537,789	$ -	$ -	$ 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

2018	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed-income funds	$ 528,168	$ -	$ -	$ 528,168
Fixed income securities	-	2,564,775	-	2,564,775
Alternative investments	-	-	13,621,349	13,621,349
Total investments in hierarchy	$ 528,168	$ 2,564,775	$ 13,621,349	16,714,292
Alternative investment funds at net asset value				38,642,829
Total investments held at fair value				$ 55,357,121

2017	Level 1	Level 2	Level 3	Total
Common stock	$ 41,250	$ -	$ -	$ 41,250
Mutual funds:				
Fixed-income mutual funds	5,104,660	-	-	-
Fixed income securities	-	989,011	-	5,104,660
Total investments in hierarchy	$ 5,145,910	$ 989,011	$ -	6,134,921
Alternative investment funds at net asset value				36,618,400
Total investments held at fair value				$ 42,753,321

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).

Note D - Investment and Fair Value Measurement (Continued)

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 2019, and of the current alternative investments held by the Company, the Company has an outstanding capital commitment to purchase an additional amount of approximately $5,752,000 of these investments. As of December 31, 2019, the Company has authorized purchases of new alternative investments during calendar year 2020 of approximately $6,700,000.

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, 2019, 2018, and 2017, no adjustments were made to the valuations provided by the underlying private investment companies.

During 2019, 2018, and 2017, 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 two-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.

Note D - Investment and Fair Value Measurement (Continued)

Level 3 financial assets
The Company purchased $796,873, $13,206,414, and $0 of Level 3 investments during the years ended December 31, 2019, 2018, and 2017 respectively.

There were no transfers into or out of Level 3 financial assets, including the sale of securities, during the years ended December 31, 2019, 2018, and 2017 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 2.1% or more of loans outstanding as of December 31, 2019:

Borrower	Total Outstanding	% of Total Loans Outstanding
ARC Chicago LLC	$ 46,217,170	13.00%
AARP, SPV	19,454,461	5.47%
Eco-Business Fund, S.A. SICAV-SIF	10,000,000	2.81%
SANAD Fund for MSME	10,000,000	2.81%
Responsibility Financial Inclusion Investments	10,000,000	2.81%
Banco International de Costa Rica, SA	10,000,000	2.81%
Gro-Fin SCB Limited Partnership	9,000,000	2.53%
Preservation of Affordable Housing	9,000,000	2.53%
Blue Hub Loan Fund	8,300,000	2.34%
ADM Capital Somei Lending Platform Limited	8,514,332	2.40%
Clearinghouse CDFI	8,000,000	2.25%
Intelligrow	7,483,380	2.11%
Total	$155,969,343	43.89%

Note E - Loans Receivable (Continued)

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 investments. Political or social instability may prevent borrowers from operating effectively and hinder repayment to the Company.

The following table summarizes the domestic and international loans outstanding, on a gross basis, as of December 31, 2019 based upon the geography in which the borrower conducts its operations:

	Total Outstanding	% of Total Loans Outstanding
Domestic	$ 241,353,078	68%
International	114,039,028	32%
Total	$ 355,392,106	100%

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	2019	2018	2017
Classified loans with specific loan loss allowance	$ -	$ -	$ 129,000
General loans	248,762,363	224,425,425	211,459,811
Loans with credit enhancements	106,629,743	123,485,548	105,960,201
Allowance for loan losses	(5,986,257)	(5,847,589)	(5,902,296)
Total loans receivable, net	$ 349,405,849	$ 342,063,384	$ 311,646,716

As of December 31, 2019, no loans receivable were 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:

	2019	2018	2017
Cash collateral	$ 473,667	$ 576,676	$ 645,576
Third and related party guarantees	49,867,220	56,903,379	65,191,570
Total	$ 50,340,887	$ 57,480,055	$ 65,837,146

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, 2017	$ 8,435	$ 4,717,505	$ 1,012,563	$ 5,738,504
Loans written off during the year	-	-	-	-
Net change in provision for loan loss allowance	4,464	(775,043)	934,371	163,792
Balance as of December 31, 2017	12,899	3,942,462	1,946,934	5,902,296
Loans written off during the year	-	-	-	-
Net change in provision for loan loss allowance	(12,899)	(3,131)	(38,676)	(54,707)
Balance as of December 31, 2018	-	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

Note F - Community Investment Notes 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. In 2014, the Company started issuing 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 (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, 2019, 2018, and 2017 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 (see Note F).

At December 31, 2019, the top 10 Note holders held Notes representing $134,244,395 or 29.35% of the total Notes payable balance.

Maturities by year are as follows:

2020	$148,277,142
2021	67,384,875
2022	76,367,762
2023	26,383,696
2024	63,625,615
Thereafter	75,421,624
Total	$457,460,714

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 (Continued)

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

Organization	2019 Principal Amount	2018 Principal Amount	2017 Principal Amount
Junior Subordinated Loans			
Wells Fargo	$ 1,500,000	$ 1,500,000	$ 1,500,000
Calvert Investment Administrative Services, Inc.	1,000,000	1,000,000	1,000,000
The Columbia Bank	1,000,000	1,000,000	1,000,000
PNC Community Development Company	-	1,000,000	1,000,000
Deutsche Bank	1,000,000	1,000,000	1,000,000
The Colorado Health Foundation	750,000	750,000	750,000
Private individual	500,000	500,000	500,000
The Piton Foundation	577,125	577,125	1,250,000
The Colorado Health Trust	492,400	492,400	492,400
San Francisco Foundation	350,000	350,000	350,000
Page Hill Foundation	300,000	300,000	300,000
Private Individual	200,000	200,000	200,000
The Denver Foundation	200,000	200,000	200,000
Fidelity Charitable Trust	-	-	-
Meredith Lorraine Meyercord Trust	200,000	200,000	200,000
Women's Foundation of Minnesota	100,000	100,000	100,000
Bank of America	5,000,000	-	-
Total junior subordinated loans payable	$ 13,169,525	$ 9,169,525	$ 9,842,400

Maturities as of December 31, 2018 are:

2020	$ 2,800,000
2021	1,550,000
2022	200,000
2023	100,000
2024	3,019,525
Thereafter	5,500,000
Total	$ 13,169,525

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, 2019, 2018, and 2017 the Company was in compliance with all its debt covenants.

Note G - Line of Credit

In May, 2017 the Company entered into a revolving credit facility with Prudential Impact Investments, Private Debt, LLC for a $5,000,000 line of credit. In July, 2019, the Company entered into a credit facility with Banc of America Community Development Corporation for a $10,000,000 line of credit. In September, 2019 the Company entered into a revolving line of credit with Bank of America, N.A for $3,000,000. As of December 31, 2019, no funds had been drawn on any of these facilities.

Note H - Special Purpose Vehicles

As described in Note A, the Company formed four Partnerships between 2015 and 2016. AARP and IDB contributed capital of $1,000,000 and $642,857, respectively, for non-controlling, limited partner interests during the year ended December 31, 2015. In 2016, AARP and IDB contributed additional capital of $1,000,000 and $123,810, respectively. ImpactAssets contributed $15,000,000 to IAFG for non-controlling limited partner interests in 2016. The Ford Foundation and MacArthur Foundation contributed $3,750,000, in total, for non-controlling, limited partner interests in E4I in 2016, and a further net amount of $3,680,625 in 2017. The Partnerships returned capital of $1,084,543, $560,907, and $588,870 in 2019, 2018, and 2017, respectively. The changes in consolidated net assets without donor restrictions for the year ended December 31, 2019 are presented in the following table:

	Total	Controlling Interest	Non-controlling interest
Net assets without donor restrictions, January 1, 2017	$ 35,402,922	$ 14,309,013	$ 21,093,909
Change in net assets before non-operating items	4,556,062	3,981,754	574,308
Sale of non-controlling interest in Partnerships	3,680,625	-	3,680,625
Repurchases of interests in Partnerships	(588,870)	-	(588,870)
Transfer to ImpactAssets	(663,341)	(663,341)	-
Change in net assets without donor restrictions	6,984,475	3,318,414	3,666,063
Net assets without donor restrictions, December 31, 2017	42,387,399	17,627,427	24,759,972
Change in net assets before non-operating items	6,497,420	5,683,781	813,639
Repurchases of interests in Partnerships	(560,907)	-	(560,907)
Transfer to ImpactAssets	-	-	-
Change in net assets without donor restrictions	5,936,513	5,683,781	252,832
Net assets without donor restrictions, December 31, 2018	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
Sale of non-controlling interest in Partnerships			
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

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.

As of December 31, 2019, Calvert has received $1,507,330 from this Initiative, and has a remaining receivable of $0.

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

	2019	2018	2017
Subject to specified purpose	$ 818,045	$ 780,400	$ 1,435,124
Subject to perpetuity	187,571	187,571	187,571
Total net assets with donor restrictions	$ 1,005,616	$ 967,971	$ 1,622,695

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:

	2019	2018	2017
Subject to specified purpose	$ 276,000	$ 1,144,724	$ 2,002,344
Total net assets released with donor restrictions	$ 276,000	$ 1,144,724	$ 2,002,344

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% to 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 $306,609, $288,623, and $245,727 for the years ending December 31, 2019, 2018 and 2017, respectively.

Note K - Future Minimum Lease Payments and Rentals

In 2011, the Company entered into a lease agreement for office space commencing January 1, 2012 and terminating December 31, 2020. The lease prescribes price per square foot increases and grants a rent abatement. In 2013, the Company entered into an agreement for additional office space commencing February 1, 2013 and terminating December 31, 2020. The lease prescribes per square foot increases. In addition, during 2013, the Company entered into a sublease agreement to lease a portion of its office space. This sublease commenced December 1, 2013 and terminated September 30, 2019. Future minimum rental payments under the operating leases for calendar year 2020 is expected to approximate $598,900.

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 $34,590,911 in Community Investment Notes as of December 31, 2019. Additionally, upon meeting certain stipulations, Calvert Research and Management will grant the Company up to $1 million over the course of 2018 – 2023.

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, 2019, 2018, and 2017, the Company had foreign currency loans valued at a USD equivalent of $20,464,052, $32,937,846, and $31,888,568 respectively.

In August 2017, the Company and MFX Solutions entered into an Additional Access agreement in which Calvert provided collateral of $400,000 to MFX in order to raise the limit on hedging exposures. In February 2018, the Company increased the collateral amount to MFX in the amount of $200,000.

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 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 disclose on the hedge party in Note L of the related party disclosures. The Company currently has foreign currency denominated loans in Indian rupees (INR), Mexican Pesos (MXN) and Colombian Pesos (COP). The Company’s derivative liability as of December 31, 2019, 2018, and 2017 is classified as a Level 2 fair value measurement based on observable foreign currency exchange rates.

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, 2019, 2018 and 2017 consist of the following:

Asset Derivatives	2019	2018	2017
Colombia pesos	$ 220,523	$ 293,081	$ -
Mexican pesos	-	161,429	140,853
Total asset derivatives at fair value	$ 220,523	$ 454,510	$ 140,853

Liability Derivatives	2019	2018	2017
Colombia pesos	$ -	$ -	$ (307,323)
Indian rupees	(952,442)	(1,771,686)	(2,952,678)
Mexican pesos	(478,994)	(114,897)	-
Total liability derivatives at fair value	$ (1,431,436)	$ (1,886,583)	$ (3,260,001)
Net liability derivatives at fair value	$ (1,210,913)	$ (1,432,073)	$ (3,119,148)