JohnsonLambert LLP
cpas + consultants

Calvert Impact Capital, Inc.

Consolidated Financial Statements

Years ended December 31, 2023, 2022 and 2021
with Report of Independent Auditors

Calvert Impact Capital, Inc.

Consolidated Financial Statements

Years ended December 31, 2023, 2022 and 2021

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, 2023, 2022 and 2021, 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

Adoption of New Accounting Standard
As discussed in Note B to the financial statements, effective January 1, 2023, the Company adopted Financial Accounting Standards Board Accounting Standards Update 2016-13 and subsequent amendments, Financial Instruments—Credit Losses (Topic 326). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 28, 2024

Calvert Impact Capital, Inc.

Consolidated Statements of Financial Position

	December 31, 2023	2022	2021
Assets			
Cash and cash equivalents	$ 134,180,147	$ 108,338,725	$ 149,845,496
Certificates of deposit	3,680,000	2,000,000	6,000,000
Investments, at fair value	16,204,183	34,291,585	20,336,165
Portfolio related investments:			
Loans receivable, net of allowance for credit losses of $9,857,827, $14,115,818, and $9,909,509, respectively	398,460,859	383,816,693	400,815,427
Portfolio investments, at fair value	112,495,673	116,961,233	92,214,334
Interest and fees receivable	2,730,030	2,045,505	1,903,231
Other receivables	17,336,916	7,044,053	5,350,955
Other assets	4,687,965	4,393,692	2,303,354
Furniture, equipment and software, net of accumulated depreciation of $2,016,828, $1,644,822 and $1,188,594, respectively	942,581	1,314,587	1,740,882
Total assets	$ 690,718,354	$ 660,206,073	$ 680,509,844
Liabilities and net assets			
Liabilities:			
Accrued interest payable	$ 8,071,991	$ 6,398,372	$ 6,410,253
Accounts payable and accrued expenses	10,586,561	7,532,908	2,119,126
Community Investment Notes payable (the Notes)	577,041,740	556,510,674	593,496,911
Subordinated loans payable	27,186,000	25,350,000	20,350,000
Other liabilities	3,458,275	3,989,726	1,417
Total liabilities	626,344,567	599,781,680	622,377,707
Net assets without donor restrictions:			
Undesignated	40,523,838	36,552,162	34,285,516
Non-controlling interests	23,662,378	23,684,660	23,659,050
Total net assets without donor restrictions	64,186,216	60,236,822	57,944,566
Total net assets with donor restrictions	187,571	187,571	187,571
Total net assets	64,373,787	60,424,393	58,132,137
Total liabilities and net assets	$ 690,718,354	$ 660,206,073	$ 680,509,844

See accompanying notes to the consolidated financial statements.

Calvert Impact Capital, Inc.

Consolidated Statements of Activities

	Years ended December 31, 2023	2022	2021
Change in net assets without donor restrictions			
Support:			
Contributions	$ 434,624	$ 86,430	$ 309,896
Grants	250,000	4,305,000	290,000
Total support	684,624	4,391,430	599,896
Revenue:			
Portfolio revenue			
Portfolio investment revenue	24,562,926	18,898,689	17,148,719
Change in fair value of investments	6,858,898	4,610,585	4,924,730
Portfolio fee revenue	1,250,073	3,117,916	3,625,766
Change in fair value of foreign currency denominated loans	(60,125)	(74,952)	570,302
Change in fair value of derivatives	213,226	(309,357)	891,005
Interest and dividend income	5,720,435	2,208,855	237,891
Other revenue	-	5,371	-
Total revenue	38,545,433	28,457,107	27,398,413
Net assets released from restriction:			
Satisfaction of program restrictions	1,571,739	559,590	1,316,378
Total support and revenue	40,801,796	33,408,127	29,314,687
Expenses:			
Program services	26,711,966	27,860,299	22,669,106
Support services:			
Management and general	9,241,935	2,334,161	1,728,832
Fundraising	338,859	359,481	518,307
Total expenses	36,292,760	30,553,941	24,916,245
Change in net assets without donor restrictions before non-operating items	4,509,036	2,854,186	4,398,442
Redemption of non-controlling interest in FPIF	-	-	(1,114,247)
Redemption of non-controlling interest in E4I	(76,042)	(76,041)	(76,041)
Redemption of non-controlling interest in IAFG	(483,600)	(485,889)	(486,540)
Change in net assets without donor restrictions	3,949,394	2,292,256	2,721,614
Changes in net assets with donor restrictions			
Contributions and grants	1,571,739	559,590	336,151
Net assets released from restriction	(1,571,739)	(559,590)	(1,316,378)
Total change in net assets with donor restrictions	-	-	(980,227)
Change in net assets	3,949,394	2,292,256	1,741,388
Net assets at beginning of period	60,424,393	58,132,137	56,390,749
Net assets at end of period	$ 64,373,787	$ 60,424,393	$ 58,132,137

See accompanying notes to the consolidated financial statements.

Calvert Impact Capital, Inc.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services					**Support Services**			
	Investments	**Notes**	**Syndication**	**Other**	**Total**	**Management and General**	**Fundraising**	**Total Support Services**	**2023 Total**
Total employee compensation	$ 3,276,213	$ 787,229	$ 516,117	$ 710,674	$ 5,290,233	$ 911,676	$ 283,660	$ 1,195,336	$ 6,485,569
Other expenses									
Interest expenses	158,932	12,858,876	-	-	13,017,808	505,713	-	505,713	13,523,521
Grant expense	-	-	-	1,674,775	1,674,775	7,007,393	-	7,007,393	8,682,168
Consultants	203,172	41,827	13,146	123,904	382,049	50,192	7,170	57,362	439,411
Occupancy	171,441	35,931	11,293	60,569	279,234	43,118	6,160	49,278	328,512
Provision for credit losses	4,201,794	-	-	-	4,201,794	-	-	-	4,201,794
Depreciation	194,140	40,687	12,788	68,589	316,204	48,827	6,975	55,802	372,006
Professional fees	95,861	5,332	2,190	46,482	149,865	395,042	2,286	397,328	547,193
Equipment and software	137,304	34,768	26,704	54,602	253,378	35,280	4,912	40,192	293,570
Taxes		-	-	4,453	4,453	12,142	-	12,142	16,595
Travel	71,156	29,057	6,843	25,348	132,404	51,308	11,179	62,487	194,891
Conferences	22,231	13,010	1,632	1,113	37,986	5,505	1,863	7,368	45,354
Supplies	31,769	7,469	3,658	12,099	54,995	25,531	4,775	30,306	85,301
Dues and subscriptions	64,302	12,194	4,048	35,708	116,252	18,456	7,972	26,428	142,680
Miscellaneous	3,050	3,409	782	25,060	32,301	7,274	1,376	8,650	40,951
Bank charges	4,668	19,085	2,349	767	26,869	21,106	-	21,106	47,975
Commissions	(1,410)	730,142	-	-	728,732	-	-	-	728,732
Registration fees	-	-	-	596	596	30,192	-	30,192	30,788
Insurance	-	-	-	-	-	72,559	-	72,559	72,559
Marketing	675	7,370	286	3,707	12,038	621	531	1,152	13,190
Total other expenses	5,359,085	13,839,157	85,719	2,137,772	21,421,733	8,330,259	55,199	8,385,458	29,807,191
Total	$ 8,635,298	$ 14,626,386	$ 601,836	$ 2,848,446	$ 26,711,966	$ 9,241,935	$ 338,859	$ 9,580,794	$ 36,292,760

See accompanying notes to the consolidated financial statements.

Calvert Impact Capital, Inc.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services					Support Services			
	Investments	Notes	Syndication	Other	Total	Management and General	Fundraising	Total Support Services	2022 Total
Total employee compensation	$ 3,415,402	$ 1,042,016	$ 512,018	$ 552,527	$ 5,521,963	$ 994,880	$ 312,429	$ 1,307,309	$ 6,829,272
Other expenses									
Interest expenses	13,109	11,439,776	-	-	11,452,885	391,257	-	391,257	11,844,142
Grant expense	-	97,949	-	3,461,740	3,559,689	-	-	-	3,559,689
Consultants	209,842	62,277	154,132	249,523	675,774	46,402	7,327	53,729	729,503
Occupancy	171,020	53,509	36,722	28,328	289,579	39,870	6,295	46,165	335,744
Provision for credit losses	4,251,727	-	-	(43,316)	4,208,411	-	-	-	4,208,411
Depreciation	232,392	72,711	49,900	38,494	393,497	54,177	8,554	62,731	456,228
Professional fees	27,558	7,966	5,581	121,186	162,291	486,610	1,620	488,230	650,521
Equipment and software	179,602	56,723	59,165	46,046	341,536	41,870	6,611	48,481	390,017
Taxes	-	-	-	4,480	4,480	55,976	-	55,976	60,456
Travel	38,842	34,066	7,985	30,790	111,682	36,419	7,178	43,597	155,280
Conferences	8,289	12,120	188	2,716	23,313	2,370	375	2,745	26,058
Supplies	19,459	6,117	4,147	6,421	36,144	11,155	924	12,079	48,223
Dues and subscriptions	53,411	8,662	3,414	73,899	139,386	15,515	5,755	21,270	160,656
Miscellaneous	3,141	4,137	1,546	13,472	22,296	7,179	2,405	9,584	31,880
Bank charges	15,146	26,235	4,258	2,318	47,957	20,588	-	20,588	68,545
Commissions	112,411	746,114	-	-	858,525	-	-	-	858,525
Registration fees	-	-	-	1,310	1,310	31,019	-	31,019	32,329
Insurance	203	63	44	33	343	98,874	8	98,882	99,225
Marketing	-	6,687	750	1,800	9,237	-	-	-	9,237
Total other expenses	5,336,152	12,635,112	327,832	4,039,240	22,338,336	1,339,281	47,052	1,386,333	23,724,669
Total	$ 8,751,554	$ 13,677,128	$ 839,850	$ 4,591,767	$ 27,860,299	$ 2,334,161	$ 359,481	$ 2,693,642	$ 30,553,941

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 credit 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	7,484	64,858	399,122
Professional fees	42,679	7,160	3,135	94,333	147,307	267,014	2,245	269,259	416,566
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 Statements of Cash Flows

	Years ended December 31,		
	2023	2022	2021
Cash flows from operating activities			
Change in net assets	$ 3,949,394	$ 2,292,256	$ 1,741,388
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:			
Depreciation	372,006	456,229	399,121
Net change in fair value of investments	(6,163,060)	(4,610,585)	(4,695,705)
Net change in fair value of derivatives	(213,227)	309,357	(891,005)
Net change in provision for credit losses	(4,257,992)	4,206,309	1,898,887
Distributions paid from Partnerships	559,642	561,930	1,676,828
Changes in operating assets and liabilities:			
Other receivables	(6,398,087)	(4,796,408)	4,767,955
Interest and fees receivable	(684,525)	(142,274)	(416,229)
Other assets	(294,273)	653,944	346,221
Accounts payable and accrued expenses	3,053,653	6,544,135	661,490
Other liabilities	(318,224)	(195,683)	-
Accrued interest payable	1,673,619	(11,881)	774,070
Net cash (used in) provided by operating activities	(8,721,074)	5,267,329	6,263,021
Cash flows from investing activities			
Cost of investments acquired	(34,751,097)	(65,502,330)	(61,172,560)
Proceeds from sale or maturity of investments	61,787,117	35,410,596	31,173,265
Loans issued	(206,357,220)	(128,721,389)	(213,934,749)
Repayments of loans	195,971,047	141,513,814	162,764,521
Purchases of furniture, equipment and software	-	(29,934)	(1,199,387)
Net cash provided by (used in) investing activities	16,649,847	(17,329,243)	(82,368,910)
Cash flows from financing activities			
Increase in subordinated loans payable	2,136,000	5,000,000	5,050,000
Subordinated loan repayments	(300,000)	-	(2,869,525)
Distributions of interests in Partnerships	(559,642)	(561,930)	(1,676,828)
Proceeds from issuance of the Notes	199,420,915	108,499,371	172,334,590
Repayments of the Notes	(182,784,624)	(142,382,298)	(114,353,400)
Net cash provided by (used in) financing activities	17,912,649	(29,444,857)	58,484,837
Net change in cash and cash equivalents	25,841,422	(41,506,771)	(17,621,052)
Cash and cash equivalents, beginning of year	108,338,725	149,845,496	167,466,548
Net cash and cash equivalents, end of period	$ 134,180,147	$ 108,338,725	$ 149,845,496
Supplemental disclosures of cash flow information			
Interest paid	$ 11,702,800	$ 11,451,657	$ 11,047,260
Non-cash activities			
Initial recognition of right of use lease asset	$ -	$ 2,744,282	$ -

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).

In March 2022, the board of directors of the Company effectuated a reorganization (the Reorganization) amending the Company's Bylaws to name CIC Global Impact, Inc. (CI), a newly formed Delaware 501(c)(3) tax-exempt entity as the sole member of the Company, and granted CI the power to appoint the board of the Company. As a result of the Reorganization, the Company became a wholly controlled subsidiary of CI. The board of directors of CI reaffirmed the appointments of the existing board of directors of the Company and there have been no changes to the composition of the board committees or executive leadership as a result of the Reorganization. The Company'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. CIC Global Impact, Inc.'s name was subsequently changed to Calvert Impact, Inc.

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 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.

Note B - Summary of Significant Accounting Policies (Continued)

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.

Adoption of Accounting Standard
The Company adopted Accounting Standards Update (ASU) 2016-13 and subsequent amendments, *Financial Instruments – Credit Losses (Topic 326)* (the guidance) on January 1, 2023. The guidance replaces the incurred loss impairment model with an expected loss model, also referred to as the current expected credit loss (CECL) model. The model requires the Company to measure expected credit losses on financial assets measured at amortized cost and record an allowance for credit loss against those assets. The Company adopted the guidance using the modified retrospective approach. There was no impact to the Company from adopting the standard as of January 1, 2023.

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:

<u>Net assets without donor restrictions</u> - 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.

<u>Net assets with donor restrictions</u> - 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.

Note B - Summary of Significant Accounting Policies (Continued)

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, 2023, 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, 2023. There are currently no examinations being conducted.

Subsequent Events
The Company has evaluated subsequent events through March 28, 2024,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.

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.

Note B - Summary of Significant Accounting Policies (Continued)

Investments and Fair Value Measurements (continued)
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.

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/CDARS
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, 2023 earn interest at rates ranging from 4.35% to 5.25% and mature from December 2024 to January 2026. 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 of deposit are automatically renewable by the depository financial institution unless the Company provides notification to the institution.

Note B - Summary of Significant Accounting Policies (Continued)

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 credit losses. Amortized cost is the principal balance outstanding. Interest income is accrued on the unpaid principal balance.

Allowance for Credit Losses
The Company has established an allowance for credit losses to provide estimates of uncollectible loans, which is reflected in the consolidated statements of financial position within loans receivable as a contra asset. Although variability is inherent in such estimates, management believes that the allowance for credit losses on loans provided in the consolidated financial statements is adequate. However, because of the small population of loans and limited historical experience, as well as changing, unassessed or inaccurate variables and analysis, actual losses could be significantly more or less than management's estimate. As adjustments to these estimates become necessary, such adjustments are included in current operations as an expense for provision for credit losses in the consolidated statements of activities. On a quarterly basis, the Company reviews the current level of reserves, and the state of the portfolio to determine the adequacy of the reserve level to cover future losses based on historical experience adjusted for current conditions and reasonable supportable forecasts.

The Company pools loans for estimating its allowance for credit loss based on the individual risk score of each loan. The risk score is derived from the measures: Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EaD) for any given loan asset. The product of these three measures (PD x LGD x EaD) provides an expected loss rate, which when multiplied by the principal of the given asset produces an initial addition to the overall allowance for credit losses. In certain instances, the Company receives credit enhancements, which may reduce the necessary credit 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. In assessing PD, LGD and EaD the Company considers the risk attributes of the prospective loan, including the borrower’s past performance, current conditions, and reasonable, supportable forecasts of its future business prospects;

The Company also addresses the GAAP requirements of CECL by making a macro-level adjustment to the allowance for credit losses. In this process the Company analyzes high-level scenarios for the US Domestic, and separately the International, economic environments for the near-term horizon, and applies those scenarios to the loan assets in its portfolio. These scenarios are grounded in factors such as Unemployment, Inflation, and GDP growth, and they adjust the expected loss rate calculations to produce a net residual change to the established allowance for credit losses. This macro-level adjustment is reviewed annually.

Note B - Summary of Significant Accounting Policies (Continued)

Allowance for Credit Losses (continued)
The Company ceases to accrue interest on loans when they become 90 days past due unless the obligation is both well secured and in the process of collection, or when management believes the asset is not collectible. Loans are returned to accrual status only when all the principal and interest amounts contractually due are brought current and in the opinion of management, future payments are reasonably assured. Interest accrued on these loans is reversed against interest income. If deemed finally uncollectible, the asset is written-off, offsetting the asset value on the consolidated statement of financial position against the allowance for credit losses. Changes in the allowance for credit losses on loans are recorded as provision for credit losses income (expense) on the statements of activities. After write off, any recovery is recognized as income in the period in which it was received. A charge off does not lessen the effort to collect. See further disclosures surrounding credit losses included in Note E.

The Company elected not to measure the credit loss allowance for accrued interest receivable on loans and writes off accrued interest as a reversal of interest income. For the year ended December 31, 2023, $207,018 of accrued interest was reversed against interest income. Accrued interest receivable on loans in the amount of $2,730,030 as of December 31, 2023, was excluded from the estimate of credit losses. Accrued interest receivable is included in interest and fees receivable on the consolidated statements of financial position.

Prior to the adoption of the credit loss standard on January 1, 2023, financial assets reported at amortized cost were reviewed for impairment using an incurred loss model.

Off-Balance Sheet Credit Exposures
Off-balance sheet credit exposures include financial guarantees and loan commitments issued by the Company. The Company measures expected credit losses on off-balance sheet credit exposures on a collective basis based on the likelihood that the Company will be required to fund the credit obligation. The Company considers historical loss rates, adjusted for current conditions, and reasonable and supportable forecasts in determining its estimate for expected credit losses on off-balance sheet credit exposures. The expected credit loss related to off-balance sheet credit exposures is recorded as a liability on the statements of financial position, and adjustments to the estimate are recorded as credit loss income (expense) on the statements of activities. There was no liability for off-balance sheet credit exposures as of December 31, 2023.

Other Receivables
Other receivables are recorded at original invoice or closing statement amount, net of any allowance for credit losses based on an aging analysis. Other receivables consist of redemption of portfolio investments that are initiated but not settled as of year end, community investment notes that are initiated but not settled as of year end, and grants receivable. Management determined no allowance for credit losses for other receivables was deemed necessary as of December 31, 2023, 2022, and 2021.

Note B - Summary of Significant Accounting Policies (Continued)

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.

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, 2023, 2022 and 2021 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, 2023, 2022 and 2021 is classified as a Level 2 fair value measurement based on observable foreign currency exchange rates. As of December 31, 2023, 2022 and 2021, the aggregate carrying amount of the hedged assets was $9,443,337, $9,502,851, and $10,133,834, 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.

Accounting for Leases
The Company adopted Accounting Standards Codification (ASC) Topic 842, *Leases* on January 1, 2022. Among other requirements, lessees are required to identify leases as either operating or finance and to recognize the following for all leases (with the exception of short-term leases) as of the date of adoption: 1) a lease liability, which is the lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and 2) a right-of use (ROU) asset, which is an asset that represents the lessee's ROU, or control the use of a specified asset for the lease term. As a result of adopting, the Company recognized a ROU asset of $2,744,282 and a lease liability of $3,874,635 on January 1, 2022, which are reflected in the consolidated statement of financial position within other assets and other liabilities, respectively. The Company used 3% for the discount rate for the lease disclosed further in Note K.

Note B - Summary of Significant Accounting Policies (Continued)

Accounting for Leases (continued)
The Company determines if an arrangement is a lease or contains a lease at inception of a contract and classifies each lease as an operating or finance lease. A contract is determined to be or contains a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Company records a right-of-use (ROU) asset for the right to use an underlying asset for the lease term and a lease liability, on a discounted basis, for the obligation to make lease payments arising from the lease. The discount rate used is typically the Company's secured borrowing rate, as most of the Company's leases do not provide an implicit rate underlying leased assets. ROU assets are subject to review for impairment.

For operating leases, lease expense relating to fixed payments is recognized on a straight-line basis over the lease term and lease expense relating to variable payments is expensed as incurred.

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 consolidated 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 C - Liquidity and Availability of Resources

Financial assets available for general expenditure within one year of the consolidated statement of financial position date, comprise the following, as of December 31:

	2023	2022	2021
Cash and cash equivalents	$ 134,180,147	$ 108,338,725	$ 149,845,496
Interest and fees receivable	2,730,030	2,045,505	1,903,231
Other receivables	16,347,951	7,044,053	5,350,955
Loans receivable	73,713,358	64,634,629	82,820,529
Short-term investments	18,204,183	36,291,585	26,336,165
Long-term investments appropriated for current use	58,836,114	73,652,279	58,703,527
Financial assets available to meet cash needs for general expenditures within one year	$ 304,011,783	$ 292,006,776	$ 324,959,903

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 the process of making loans and investments, the Company must first commit to the borrowers and investees, and over a period of time known as the drawdown period (which can extend for years) the loan or investment will be funded in cash. These potential drawdowns become a reduction in available liquidity as they are funded, and the amount of undrawn commitments can be material at any given time. The Company monitors this balance closely.

Note C - Liquidity and Availability of Resources (Continued)

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:

2023	Level 1	Level 2	Level 3	Total
Fixed Income Securities and Mutual funds:				
Fixed income funds	$ 2,986,875	$ 13,217,308	$ -	$ 16,204,183
Alternative investments	-	-	70,951,491	70,951,491
Total investments in hierarchy	$ 2,986,875	$13,217,308	$70,951,491	87,155,674
Alternative investment funds at net asset value				41,544,182
Total investments held at fair value				$128,699,856

2022	Level 1	Level 2	Level 3	Total
Fixed Income Securities and Mutual funds:				
Fixed income funds	$ 24,441,155	$ 9,850,430	$ -	$ 34,291,585
Alternative investments	-	-	72,290,820	72,290,820
Total investments in hierarchy	$ 24,441,155	$ 9,850,430	$ 72,290,820	106,582,405
Alternative investment funds at net asset value				44,670,413
Total investments held at fair value				$151,252,818

2021	Level 1	Level 2	Level 3	Total
Fixed Income Securities and Mutual funds:				
Fixed-income funds	$ 20,336,165	$ -	$ -	$ 20,336,165
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

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 Closed-end and open-end alternative investment funds. In accordance with the partnership agreements, limited partners generally are not liable for any liabilities or for the payment of any debts and obligations of the funds (though face the risk of total loss of investment and may have obligations with respect to unfunded commitments and the return of distributions to meet certain fund liabilities). Except for blended finance funds where a subset of partners absorb first losses, net profits and losses are generally allocated to each partner in accordance with the ratio of their respective capital account balances, subject to any carried interest allocated to the fund sponsor. Generally, the Company may withdraw any or part of its capital account from open-end alternative investment funds upon providing written notice and other stipulations as defined in the partnership agreements. Generally, the Company has no right to withdraw its capital account from a closed-end alternative investment fund until the expiration of the fund's term. As of December 31, 2023, the Company has an outstanding capital commitment to purchase an additional amount of approximately $22,068,433.

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, 2023, 2022 and 2021, no adjustments were made to the valuations provided by the underlying private investment companies.

During 2023, 2022 and 2021, 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.

Note D - Investment and Fair Value Measurement (Continued)

The majority of the open-end 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 open-end 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 $10,250,204, $14,566,541, and $44,181,241 of Level 3 investments during the years ended December 31, 2023, 2022 and 2021, respectively.

The Company sold $15,704,231, $1,638,421 and $1,187,984 of Level 3 financial assets, during the years ended December 31, 2023, 2022 and 2021, respectively.

Note E - Loans Receivable

Loans receivable, net of an allowance for credit 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.

Note E - Loans Receivable (Continued)

The following are the largest single borrowers representing 2.45% or more of loans outstanding as of December 31, 2023:

Borrower	Total Outstanding	% of Total Loans Outstanding
ARC Chicago, LLC	$ 42,289,989	10.36%
PEQ Calvert, LLC	21,754,531	5.33%
Pace Equity Warehouse C, LLC	15,782,103	3.87%
Acrecent Finance Partners, LLC	15,000,000	3.67%
Accial Capital Fund 1, LLC	15,000,000	3.67%
Calvert Impact Climate, Inc.	11,028,000	2.70%
ADM Capital Somei Lending Platform Limited	10,657,344	2.61%
Vivriti	10,000,000	2.45%
Africa GoGreen Fund For Renewable Energy & Energy	10,000,000	2.45%
Urgo Capital Limited	10,000,000	2.45%
African Local Currency Bond Fund	10,000,000	2.45%
SANAD Fund for MSME	10,000,000	2.45%
Total	$ 181,511,967	44.45%

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. The Company takes these factors into consideration when assigning its risk scores. However, the Company does not consider international loans to represent a separate pool in estimating its allowance for credit losses.

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	2023	2022	2021
Domestic	$ 240,602,624	$ 221,054,207	$221,684,531
International	167,716,062	176,878,305	189,040,405
Total loans receivable	$408,318,686	$ 397,932,512	$ 410,724,936

Note E - Loans Receivable (Continued)

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

Loans receivable	2023	2022	2021
Loans without credit enhancements	$ 276,991,154	$ 279,788,007	$ 291,021,323
Loans with credit enhancements	131,327,532	118,144,504	119,703,613
Allowance for credit losses	(9,857,827)	(14,115,818)	(9,909,509)
Total loans receivable, net	$ 398,460,859	$ 383,816,693	$ 400,815,427

As of December 31, 2023, 2022, and 2021 there were loans totaling $3,968,109, $12,414,030, and $10,791,842, respectively, on which accrual of interest has been discontinued. As of December 31, 2023, 2022, and 2021 there were loans totaling $3,146,052, $0, and $0, respectively, that were 90 days or more past due, but not on nonaccrual status as of the reporting date.

The Company pools its loans receivable by assigned risk rating scores, with 1 being low risk and 4 being the highest risk loan. The Company calculates credit loss on loans receivable based on the loss rate associated with an individual loan's risk score with 1 being low risk and 4 being the highest risk loan. The Company also considered current conditions and reasonable and supportable forecasts and adjusted the rate using the macro-level adjustment of $1,950,000 as of December 31, 2023. The following table summarizes the loans receivable balances as of December 31, 2023, based on the risk scores assigned by the Company.

Risk Rating Score	Loans Receivable	Average Allowance for Credit Losses Rate	Allowance for Credit Losses
Risk Score 1	$ 320,905,023	0.71%	$ 2,286,314
Risk Score 2	53,683,732	3.92%	2,105,742
Risk Score 3	20,747,637	5.89%	1,221,557
Risk Score 4	12,982,294	17.67%	2,294,214
Macro-Level Adjustment	-	-	1,950,000
	$ 408,318,686		$ 9,857,827
		Loans Receivable, Net	$398,460,859

Note E - Loans Receivable (Continued)

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:

	2023	2022	2021
Cash collateral	$ 80,387	$ 84,145	$ 87,718
Third and related party guarantees	87,156,132	69,162,162	66,204,429
Total	$ 87,236,519	$ 69,246,307	$ 66,292,147

The allowance for credit 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 credit losses. The allowance for credit losses on loans receivable is summarized in the following table:

Allowance for credit losses	Loans without Credit Enhancements	Credit Enhancements	Total
Balance as of January 1, 2021	$ 6,232,383	$ 1,778,239	$ 8,010,622
Loans written off during the year	(18,322)	-	(18,322)
Net change in provision for credit loss allowance	2,617,711	(700,502)	1,917,209
Balance as of December 31, 2021	8,831,772	1,077,737	9,909,509
Loans written off during the year	(2,803)	-	(2,803)
Net change in provision for credit loss allowance	3,522,666	686,446	4,209,112
Balance as of December 31, 2022	12,351,635	1,764,183	14,115,818
Loans written off during the year	(8,406,720)	-	(8,406,720)
Net change in provision for credit loss allowance	4,902,504	(753,776)	4,148,729
Balance as of December 31, 2023	$ 8,847,419	$ 1,010,407	$ 9,857,827

The Company wrote off $8,406,720, $2,803, and $18,322 of loans receivable during the years ended December 31, 2023, 2022, and 2021, respectively. The Company wrote off $207,018, $0, and $795 of accrued interest as a reversal of interest income during the years ended December 31, 2023, 2022 and 2021, respectively. There were no expected recoveries of loans receivable written off as of December 31, 2023, 2022, and 2021.

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 5%.

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.

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, 2023, 2022 and 2021, 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, 2023, the top 10 Note holders held Notes representing $99,446,560 or 17% of the total Notes payable balance.

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

Maturities of Notes by year, as of December 31, 2023 are as follows:

2024	$ 199,688,895
2025	99,771,874
2026	74,197,988
2027	27,285,420
2028	90,835,511
Thereafter	85,262,052
Total	$ 577,041,740

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. Interest rates as of December 31, 2023 on these subordinated loans range from .75% and 4.75%.

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

Organization	2023 Principal Amount	2022 Principal Amount	2021 Principal Amount
Junior Subordinated Loans			
Wells Fargo	$ 1,500,000	$ 1,500,000	$ 1,500,000
Common Spirit Health.	5,000,000	5,000,000	-
Private individual	500,000	500,000	500,000
Page Hill Foundation	300,000	300,000	300,000
Private Individual	250,000	250,000	250,000
Foundation for the Carolinas	9,636,000	7,500,000	7,500,000
Meredith Lorraine Meyercord Trust	-	200,000	200,000
Women's Foundation of Minnesota	-	100,000	100,000
Banc of America Community Development Corporation	10,000,000	10,000,000	10,000,000
Total junior subordinated loans payable	$ 27,186,000	$ 25,350,000	$ 20,350,000

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

Maturities of subordinated loans as of December 31, 2023 are:

2024	$ 1,000,000
2025	800,000
2026	500,000
2027	-
2028	12,500,000
Thereafter	12,386,000
Total	$ 27,186,000

The Company entered into a new 15 year, $5,000,000 subordinated loan agreement in March 2022, with Foundation for the Carolinas which has $2,864,000 undrawn balance as of December 31, 2023. Additionally, the Company entered into a new 10 year, $5,000,000 subordinated loan agreement in July, 2022 with Banc of America Community Development Foundation which also has not yet been drawn upon as of December 31, 2023.

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, 2023, 2022 and 2021, the Company was in compliance with debt covenants.

Note G – Credit Facilities

In 2019, the Company entered into a credit facility with Banc of America Community Development Corporation for a $10,000,000 which expired in 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 expired in May 2022. These two facilities were then combined and extended until July 2024 as a new revolving line of credit with Bank of America, N.A. for $13,000,000. As of December 31, 2023, no amounts had been drawn on this facility.

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 was effective for a period of 3 years ending in December 2023. In December 2023, this agreement was renewed for a term of one year ending December 2024. As of December 31, 2023, 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 to their limited partners of $559,642, $561,930, and $1,676,828 in 2023, 2022 and 2021, respectively. The changes in consolidated net assets without donor restrictions for the year ended December 31, 2023 are presented in the following table:

	Total	Controlling Interest	Non-controlling interest
Net assets without donor restrictions, January 1, 2021	$ 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
Change in net assets before non-operating items	2,854,186	2,266,646	587,540
Repurchases of interests in Partnerships	(561,930)	-	(561,930)
Change in net assets without donor restrictions	2,292,256	2,266,646	25,610
Net assets without donor restrictions, December 31, 2022	60,236,822	36,552,162	23,684,660
Change in net assets before non-operating items	4,509,036	3,971,676	537,360
Repurchases of interests in Partnerships	(559,642)	-	(559,642)
Change in net assets without donor restrictions	3,949,394	3,971,676	(22,282)
Net assets without donor restrictions, December 31, 2023	$ 64,186,216	$ 40,523,838	$ 23,662,378

Note I - Net Assets with Donor Restrictions

In October 2017, the Company 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 unrestricted the donor capital, which is reflected as net assets released from restriction in the consolidated statement of activities for the year ending December 31, 2021.

Note I - Net Assets with Donor Restrictions (Continued)

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

	2023	2022	2021
Subject to perpetuity	$ 187,571	$ 187,571	$ 187,571
Total net assets with donor restrictions	$ 187,571	$ 187,571	$ 187,571

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:

	2023	2022	2021
Subject to specific purpose	$ 1,571,739	$ 559,590	$ 1,316,378
Total net assets released with donor restrictions	$ 1,571,739	$ 559,590	$ 1,316,378

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 $438,894, $424,608 and $416,331 for the years ending December 31, 2023, 2022 and 2021, respectively.

Note K - Future Minimum Lease Payments and Rentals

In 2020, the Company entered into a lease agreement for office space in Bethesda, Maryland commencing January 1, 2021 and terminating December 31, 2031. The lease prescribes price per square foot increases and grants a rent abatement and tenant improvement lease incentives. The Company has an option to renew at the end of the lease term or to early terminate the lease with proper notification and additional termination fees per the terms of the lease agreement. The Company has not recognized the renewal options or early termination in the Company's accounting for the lease in accordance with GAAP because the Company is not reasonably certain to exercise these options as of December 31, 2023. During 2023, 2022 and 2021, the Company recognized $312,574, $335,744 and $342,359, respectively, as rental expense.

Future Minimum Lease Payments	
2024	$ 434,862
2025	445,747
2026	456,895
2027	468,306
2028	479,982
Thereafter	1,513,239
Total undiscounted lease payments:	3,799,031
Less: present value adjustment	(438,303)
Lease liability	$ 3,360,728

Note L - Related Party Transactions

In 2008, the Company incubated a new and independent 501(c)3 called ImpactAssets.

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 $13,000,000, $34,740,000, and $34,740,000 in Community Investment Notes as of December 31, 2023, 2022, and 2021, respectively. Additionally, upon meeting certain stipulations, Calvert Research and Management granted the Company $1,250,000 over the course of 2018 – 2022, and $250,000 in 2023.

Note L - Related Party Transactions (Continued)

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, 2023, 2022 and 2021, the Company's foreign currency loans managed by MFX are valued at a USD equivalent of $9,443,337, $9,502,851 and $10,133,834, respectively. These are reflected in the consolidated statements of financial position within loans receivable.

In 2023, 2022 and 2021, the company provided collateral of $200,000, $200,000 and $200,000 to MFX in order to raise the limit on hedging exposures. These are reflected in the consolidated statements of financial position within other assets.

In December 2022, the Company entered into a bridge loan credit agreement with Calvert Impact Small Business, LLC (CISB), a wholly owned subsidiary of CI, for up to $22,370,000. As of December 31, 2023 and 2022, $5,268,160 and $0, respectively, had been drawn on this agreement, which is reflected in the consolidated statements of financial position within loans receivable. As of December 31, 2023 and 2022, $32,392 and $0, respectively, of interest was accrued under this agreement, which is reflected in the consolidated statements of financial position within interest and fees receivable.

In October 2022, the Company entered into a loan agreement with CI for $5,000,000 to support CI as sponsor of the Calvert Impact Climate, Inc. Cut Carbon note payable. This note has an interest rate of 6.5%. As of December 31, 2023 and 2022, $5,000,000 and $0, respectively, had been drawn on this agreement, which is reflected in the consolidated statements of financial position within loans receivable. As of December 31, 2023 and 2022, $56,425 and $0, respectively, of interest was accrued under this agreement, which is reflected in the consolidated statements of financial position within interest and fees receivable.

In December 2023, the Company entered into a Promissory note with CI for $250,000 at 0% interest and due May 29, 2037. As of December 31, 2023, $250,000 had been drawn on this note, which is reflected in the consolidated statements of financial position within other receivables.

In December 2022, the Company executed a Grant agreement to CI. for $3,000,000 to provide funds for general operations. In 2023, the Company executed another Grant agreement for an additional $7,000,000 to CI. As of December 31, 2023 and 2022, $7,945,000 and $3,000,000, respectively, were accrued under these agreements and included within accounts payable and accrued expenses on the consolidated statements of financial position.

Note L - Related Party Transactions (Continued)

In October 2023, the Company purchased $11,028,000 of Cut Carbon Notes Class A from Calvert Impact Climate, Inc. (Climate), a wholly owned subsidiary of CI, at an interest rate of 5.5%. These are reflected within loans receivable on the consolidated statements of financial position as of December 31, 2023. Interest of $124,678 was earned on loan receivable during the year ended December 31, 2023, and is included in portfolio investment revenue on the consolidated statements of activities. As of December 31, 2023, $28,642 of interest was accrued related to the Cut Carbon Notes and reflected in the consolidated statements of financial position within interest and fees receivable.

On August 5, 2015, the Company entered into a Senior Loan Agreement with FPIF. This agreement allows FPIF to borrow funds from the Company as evidenced by a promissory note for the purpose of financing portfolio investments made by FPIF. As of December 31, 2023, 2022, and 2021, principal of $4,500,000, $4,500,000, and $6,903,829 were due from FPIF under this agreement and reflected in the consolidated statements of financial position within loans receivable. As of December 31, 2023 and 2022, interest of $13,563 and $13,563, respectively, were due from FPIF and reflected in the consolidated statements of financial position within interest and fees receivable.

On January 1, 2023, the Company entered into a shared services agreement to provide operational services to CI, Climate, CISB, Climate United Fund (CU), Calvert Impact Advisory Services, LLC (CIAS), and Calvert Impact Mission Driven Bank Fund, LLC (MDBF), all of which are wholly owned subsidiaries of CI. Under the agreement, the Company provides operational services for an annual fee of $1,000,000, which is included as a reduction in employee compensation, occupancy, and equipment and software expenses on the consolidated statement of functional expenses during the year ended December 31, 2023.

In the course of business the company also incurs costs related to other entities which are then billed at costs to the other entities. These transactions are eliminated in the consolidated financial statements.