



Calvert Social Investment Foundation, Inc.

Audited Financial Statements

*Years ended December 31, 2008, 2007 and 2006
with Report of Independent Auditors*

Calvert Social Investment Foundation, Inc.

Audited Financial Statements

Years ended December 31, 2008, 2007 and 2006

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Report of Independent Auditors

Board of Directors
Calvert Social Investment Foundation, Inc.

We have audited the accompanying statements of financial position of Calvert Social Investment Foundation, Inc. (the Foundation) as of December 31, 2008, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Calvert Social Investment Foundation, Inc. at December 31, 2008, 2007 and 2006 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Johnson Lambert & Co LLP

Falls Church, Virginia
April 15, 2009

Calvert Social Investment Foundation, Inc.

Statements of Financial Position

	<u>2008</u>	December 31, <u>2007</u>	<u>2006</u>
Assets			
Cash and cash equivalents	\$ 24,371,699	\$ 27,473,865	\$ 14,247,465
Program related investments:			
Certificates of deposit	25,358,565	6,665,377	12,319,886
Notes receivable, net of allowance for loan losses of \$4,550,574, \$3,868,681 and \$2,469,475, respectively	128,731,496	104,061,441	81,585,613
Mission Plus Placements, net of allowance for losses of \$234,912, \$160,075 and \$125,056, respectively	1,074,485	991,688	1,050,514
Cash pledged as collateral, net of allowance for losses of \$72,301, \$20,000 and \$46,000, respectively	1,352,903	1,405,204	1,579,204
Other investments:			
Mutual funds	11,623,360	18,291,498	14,417,901
Common stock and other equities	2,426,172	352,510	395,289
Debt securities	7,936,699	6,842,299	16,598,794
Interest and fees receivable	1,905,538	1,456,524	1,847,557
Grants and accounts receivable	2,460,371	1,382,925	1,464,171
Other assets	229,889	119,324	230,512
Furniture, equipment and software, net of accumulated depreciation of \$219,429, \$170,340, and \$134,930, respectively	<u>240,643</u>	<u>143,178</u>	<u>69,059</u>
Total assets	<u>\$ 207,711,820</u>	<u>\$ 169,185,833</u>	<u>\$ 145,805,965</u>

-Continued-

Calvert Social Investment Foundation, Inc.

Statements of Financial Position (Continued)

	<u>2008</u>	December 31, <u>2007</u>	<u>2006</u>
Liabilities and net assets			
Liabilities:			
Accrued interest payable	\$ 2,090,118	\$ 1,692,998	\$ 1,300,502
Accounts payable and accrued expenses	99,791	750,793	33,740
Calvert Community Investments (CCI) notes payable	158,118,460	119,249,765	109,217,558
Subordinated loans payable	13,926,665	13,610,000	9,930,000
Refundable grant	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total liabilities	<u>175,235,034</u>	<u>136,303,556</u>	<u>121,481,800</u>
Net assets:			
Unrestricted net assets			
Undesignated	\$ 1,012,235	\$ 1,483,639	\$ 1,901,707
Board designated:			
Calvert Giving Fund	25,183,756	25,645,386	17,275,609
Capital Support	5,104,865	4,568,818	2,522,877
Loan Loss Support	<u>652,085</u>	<u>-</u>	<u>-</u>
Total unrestricted net assets	31,952,941	31,697,843	21,700,193
Temporarily restricted net assets	336,274	647,012	2,038,432
Permanently restricted net assets	<u>187,571</u>	<u>537,422</u>	<u>585,540</u>
Total net assets	<u>32,476,786</u>	<u>32,882,277</u>	<u>24,324,165</u>
Total liabilities and net assets	<u>\$ 207,711,820</u>	<u>\$ 169,185,833</u>	<u>\$ 145,805,965</u>

See accompanying notes to the financial statements.

Calvert Social Investment Foundation, Inc.

Statements of Activities

	Year ended December 31,		
	2008	2007	2006
Change in unrestricted net assets			
Support:			
Contributions	\$ 7,137,826	\$ 11,441,282	\$ 6,620,270
Grants	1,795,000	3,250,000	535,000
Donated facilities and administrative support	562,324	467,544	255,240
Total support	<u>9,495,150</u>	<u>15,158,826</u>	<u>7,410,510</u>
Revenue:			
Program revenue	6,538,616	4,853,708	3,641,493
Investment income	1,211,697	1,322,570	1,669,329
Fee income	734,220	634,077	518,919
Total revenue	<u>8,484,533</u>	<u>6,810,355</u>	<u>5,829,741</u>
Net assets released from restriction:			
Satisfaction of program restrictions	1,462,097	2,201,909	1,872,053
Donor releases	349,851	48,118	242,607
Total support and revenue	<u>19,791,631</u>	<u>24,219,208</u>	<u>15,354,911</u>
Expenses			
Program Services	14,783,250	13,071,863	9,843,101
Support services			
Management and general	807,424	652,495	572,308
Fundraising	491,027	408,314	313,595
Total expenses	<u>16,081,701</u>	<u>14,132,672</u>	<u>10,729,004</u>
Change in unrestricted net assets before non-operating items	3,709,930	10,086,536	4,625,907
Change in fair value of investments	<u>(3,454,832)</u>	<u>(88,886)</u>	<u>599,669</u>
Change in unrestricted net assets	255,098	9,997,650	5,225,576
Changes in temporarily restricted net assets			
Contributions	6,359	27,489	995,190
Grants	1,145,000	783,000	900,000
Net assets released from restriction	<u>(1,462,097)</u>	<u>(2,201,909)</u>	<u>(1,872,053)</u>
Change in temporarily restricted net assets	(310,738)	(1,391,420)	23,137
Change in permanently restricted net assets			
Contributions	-	-	16,445
Donor releases from restriction	<u>(349,851)</u>	<u>(48,118)</u>	<u>(242,607)</u>
Change in permanently restricted net assets	(349,851)	(48,118)	(226,162)
Change in net assets	(405,491)	8,558,112	5,022,551
Net assets at beginning of period	<u>32,882,277</u>	<u>24,324,165</u>	<u>19,301,614</u>
Net assets at end of period	<u>\$ 32,476,786</u>	<u>\$ 32,882,277</u>	<u>\$ 24,324,165</u>

See accompanying notes to the financial statements.

Calvert Social Investment Foundation, Inc.

Statements of Cash Flows

	Year ended December 31,		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Cash flows from operating activities			
Change in net assets	\$ (405,491)	\$ 8,558,112	\$ 5,022,551
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation	49,090	29,966	33,732
Change in market value of investments	3,454,832	88,886	(599,669)
Provision for loan loss	809,031	1,408,225	551,507
Loss on loan to qualified organization	-	174,500	50,000
Changes in operating assets and liabilities:			
Grants and accounts receivable	(1,077,446)	81,246	(604,339)
Interest and fees receivable	(449,014)	391,033	(327,570)
Other assets	(110,565)	111,188	(43,743)
Accounts payable and accrued expenses	(651,002)	717,053	(1,732)
Accrued interest payable	397,120	392,496	9,245
Net cash provided by operating activities	<u>2,016,555</u>	<u>11,952,705</u>	<u>4,089,982</u>
Cash flows from investing activities			
Cost of investments acquired	(31,555,451)	(9,905,877)	(12,751,485)
Proceeds from investments sold	12,907,507	21,397,177	21,073,814
Loans and Mission Plus Placements	(30,619,251)	(28,958,651)	(27,196,455)
Repayments of loans	5,109,669	4,932,924	4,685,409
Net cash pledged (released) as collateral	-	200,000	77,150
Purchase of equipment	(146,555)	(104,085)	(54,447)
Net cash used in investing activities	<u>(44,304,081)</u>	<u>(12,438,512)</u>	<u>(14,166,014)</u>
Cash flows from financing activities			
Increase in subordinated loans payable and refundable grant	\$ 650,000	\$ 4,200,000	\$ 750,000
Subordinate loan repayments	(333,335)	(520,000)	-
Proceeds from issuance of CCI notes	53,223,445	20,805,376	31,437,744
Repayments of CCI notes payable	<u>(14,354,750)</u>	<u>(10,773,169)</u>	<u>(13,494,951)</u>
Net cash provided by financing activities	<u>39,185,360</u>	<u>13,712,207</u>	<u>18,692,793</u>
Net change in cash and cash equivalents	(3,102,166)	13,226,400	8,616,761
Cash and cash equivalents, beginning of year	<u>27,473,865</u>	<u>14,247,465</u>	<u>5,630,704</u>
Net cash and cash equivalents, end of period	<u>\$ 24,371,699</u>	<u>\$ 27,473,865</u>	<u>\$ 14,247,465</u>
Supplemental disclosures of cash flow information			
Interest paid	<u>\$ 3,465,445</u>	<u>\$ 2,719,619</u>	<u>\$ 2,704,326</u>

See accompanying notes to the financial statements.

Calvert Social Investment Foundation, Inc.

Notes to Financial Statements

Years ended December 31, 2008, 2007 and 2006

Note A - Organization

The Calvert Social Investment Foundation, Inc. (the Foundation) was formed in 1988 with a mission to maximize the flow of capital to disadvantaged communities. To realize its mission, the Foundation administers products and services designed to bridge traditional sources of capital and organizations benefiting under-served communities.

The Calvert Community Investment Notes are investments from individuals and institutions, serving as a source of capital for direct loans to community-based non-profits. The Mission Plus Program primarily entails donations to the Foundation that are dedicated to financing high-impact, innovative community organizations. The Foundation, through its Community Investment Partners Program (CIP Program), on a fee for service basis, provides support and services to third party investors enabling their investment in under-served communities. The Calvert Giving Fund is a donor-advised program whereby donors make an irrevocable donation to the Foundation. The Calvert Giving Fund allows the donor to recommend how the contribution is invested and to which charity grants can be made from the fund.

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation 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.

Note B - Summary of Significant Accounting Policies

Basis of Accounting and Use of Estimates

The accompanying financial statements have been prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States (GAAP); whereby revenue is recognized when earned and expenses recorded when incurred. The preparation of 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 financial statements, and the reported amounts of support, revenue and expenses during the reporting period.

Basis of Presentation

The accompanying financial statements were prepared using accounting standards generally accepted for foundations. These standards require foundations to report information regarding their financial position and activities in three classes of net assets as follows:

Calvert Social Investment Foundation, Inc.

Notes to Financial Statements (Continued)

Note B - Summary of Significant Accounting Policies (Continued)

Unrestricted net assets - represents resources, which have met all applicable restrictions and are considered to be available for unrestricted use. 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 unrestricted net assets.

Temporarily restricted net assets - represents resources restricted by donors until such time as either purpose or time restrictions have been met.

Permanently restricted net assets - represents resources that contain a stipulation that permanently restricts the use of such funds, but allows earnings from the funds to be used for either temporarily restricted or unrestricted purposes.

Cash and Cash Equivalents

The Foundation considers highly liquid investments, with maturity of three months or less when purchased to be cash equivalents.

Investments

The Foundation carries its investments at fair value and reports gains and losses in the statement of activities. The fair values of investments are based on quoted market prices or recognized pricing services at the reporting date.

Accounting for Derivatives

Derivatives are recorded in the statement of financial position at fair value. Fair value for the Foundation's derivative financial instruments are based on quoted prices. Changes in fair value are recorded when they occur in the statement of activities.

Accounting for Foreign Currency Denominated Transactions

The books and records of the Foundation are maintained in U.S. dollars. Transactions denominated in foreign currencies are translated into U.S. dollars at the balance sheet date rate of exchange. Changes in foreign currency denominated transactions are recorded in the statement of activities in the period the change occurs.

Allowance for Losses

The Foundation has established an allowance for losses to provide for estimates of uncollectible loans, cash pledged as collateral and Mission Plus Placements. Although variability is inherent in such estimates, management believes that the allowance for losses provided in the 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.

Calvert Social Investment Foundation, Inc.

Notes to Financial Statements (Continued)

Note B - Summary of Significant Accounting Policies (Continued)

Furniture and Equipment

Furniture and equipment are stated at cost and are depreciated on the straight-line basis over the estimated useful lives, which range from 3 to 7 years. Depreciation expense was \$49,090, \$29,966 and \$33,732 for the years ended December 31, 2008, 2007, and 2006, respectively.

Contributions and Grants

All contributions and grants are considered to be available for unrestricted use 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 temporarily restricted. When a temporary restriction expires or has been satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Contributed property and equipment is recorded at its estimated fair value at the date of donation. If donors stipulate a length of time the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Donated Facilities and Administrative Support

The Foundation receives office space and professional and administrative support at no cost from the Calvert Group Ltd (Calvert Group) and the Acacia Mutual Life Insurance Company. Donated facilities and administrative support are recognized as unrestricted support at their estimated fair values and as an offsetting expense in the appropriate functional expense category.

Expense Allocation

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, costs have been allocated to program, management and general, and fundraising expenses.

Fair Value of Financial Instruments

Generally accepted accounting principles require the disclosure of the fair value of financial instruments based on market interest rates for comparable assets and liabilities at the balance sheet date. For financial instruments for which there is no quoted market prices, a reasonable estimate of fair value would require incurring excessive costs. Because the mission of the Foundation is to raise and lend funds at below market interest rates, these disclosures for the Foundation's notes receivables, Mission Plus Placements, CCI Notes payable, subordinated loans payable and refundable grant are not meaningful and are not presented in these financial statements.

Calvert Social Investment Foundation, Inc.

Notes to Financial Statements (Continued)

Note C - Investments

Bank certificates of deposit (CDs) are placed with financial institutions providing sources of capital to under-served communities. The CDs are shown at the original deposit amounts (generally \$100,000 per institution) plus earned interest. Domestic CDs earn interest at rates ranging from 2.00% to 5.27% and have maturities ranging from January 8, 2009 through October 31, 2013. 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 financial statements. The certificates are automatically renewable by the depository financial institution unless the Foundation provides notification to the institution.

The Foundation maintains cash in bank deposit accounts, which at times may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management monitors these balances and believes they do not represent a significant credit risk to the Foundation. The cash balances pledged as collateral, described in Note G, are held in foreign banks, and therefore, are not insured by the FDIC.

The Foundation also has deposits with certain foreign institutions. There was one foreign deposit held at December 31, 2008 which earns interest at 8.00% and matures May 16, 2011. Foreign deposits are not insured against loss. At December 31, 2008, 2007, and 2006 the Foundation had CDs totaling \$350,000, \$226,209, and \$106,995, respectively on deposit with foreign institutions. Additionally, the Foundation has cash on deposit as collateral as described in Note G.

The Foundation maintains money market accounts with the Calvert Group, which had total balances of \$17,991,699, \$10,956,196, and \$10,465,675 as of December 31, 2008, 2007, and 2006, respectively. The Foundation also maintained mutual fund accounts with the Calvert Group, which had total balances of \$9,727,046, \$16,061,026, and \$12,186,453 as of December 31, 2008, 2007 and 2006, respectively.

During 2008, the Foundation adopted Statements of Financial Accounting Standards No. 157 (SFAS No. 157), *Fair Value Measurement*. This standard established a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The levels of the hierarchy and those investments included in each are as follows:

Level 1- Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets.

Calvert Social Investment Foundation, Inc.

Notes to Financial Statements (Continued)

Note C - Investments (Continued)

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.

The following table summarizes the Foundation's investments in accordance with SFAS No. 157 at December 31, 2008:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Mutual funds and equities	\$ 12,924,532	\$ -	\$ 12,924,532
Debt and government securities	-	1,540,669	1,540,669
Total investments held at fair value	12,924,532	1,540,669	14,465,201
Investment held at cost	-	-	7,521,030
Total Investments	<u>\$ 12,924,532</u>	<u>\$ 1,540,669</u>	<u>\$ 21,986,231</u>

The Foundation 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 statement of financial position.

Investment income comprised the following for the years ended December 31:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Interest income	\$ 462,048	\$ 579,897	\$ 1,275,813
Dividend income	731,373	742,673	393,516
Change in fair value of derivative	135,415	-	-
Change in fair value of foreign currency	<u>(117,139)</u>	<u>-</u>	<u>-</u>
Total investment income	1,211,697	1,322,570	1,669,329
Change in fair value of investments	<u>(3,454,832)</u>	<u>(88,886)</u>	<u>599,699</u>
Total return on investments	<u>\$ (2,243,135)</u>	<u>\$ 1,233,684</u>	<u>\$ 2,269,028</u>

Calvert Social Investment Foundation, Inc.

Notes to Financial Statements (Continued)

Note D - Notes Receivable

Notes receivable, net of an allowance for losses, consist of loans made in accordance with the Foundation's stated purpose of providing financial assistance to community development organizations operating in economically disadvantaged communities, which are under-served by traditional capital sources. Pursuant to the terms of the note agreements, interest is due semi-annually and the Foundation has the right to adjust the interest rates on the notes annually. Notice of interest rate adjustments must be given to the borrower at least ten but not more than thirty calendar days prior to the anniversary date of the note.

The following individual notes receivable represent exposures greater than or equal to 5% of the Foundation's net assets as of December 31, 2008:

<u>Borrower</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Oikocredit USA	12/31/10	2.79%	\$ 6,534,767
Blue Orchard Microfinance Securities	07/31/11	4.34%	5,000,000
Rudolf Steiner Foundation Social Investment Fund	10/15/09	4.25%	4,000,000
Self Help Ventures Fund	07/21/13	4.50%	4,000,000
Microcredit Enterprises, LLC	01/03/09	4.50%	3,600,000
MicroVest I, LP	08/31/09	5.31%	3,000,000
The Reinvestment Fund	07/15/12	4.50%	2,500,000
Alterfin c.v.b.a.	06/30/11	4.25%	2,500,000
Boston Community Loan Fund	09/30/11	4.50%	2,000,000
New Hampshire Community Loan Fund	07/15/10	4.00%	4,000,000
Rural Community Assistance Corporation	07/15/12	4.00%	2,500,000
Self Help Ventures Fund	06/30/08	4.00%	2,000,000
Blue Orchard Loans for Development	03/13/13	6.02%	2,000,000
Media Development Loan Fund	09/30/09	4.50%	2,000,000
Illinois Facilities Fund	11/30/13	4.00%	2,000,000

The allowance for loan losses on notes receivable is adjusted during the year based upon management's assessment of its adequacy compared to the current outstanding notes. The current year's adjustment in the allowance is reflected in the provision for loan losses. As of December 31 the allowance for loan losses was:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Beginning of year	\$ 3,868,681	\$ 2,469,475	\$ 1,891,608
Loans written off during the year	-	(174,500)	(50,000)
Provision for loss allowance	681,893	1,573,706	627,867
End of year	<u>\$ 4,550,574</u>	<u>\$ 3,868,681</u>	<u>\$ 2,469,475</u>

Calvert Social Investment Foundation, Inc.

Notes to Financial Statements (Continued)

Note E - Foreign Currency Translation

During 2008 the Foundation issued four loans denominated in a foreign currency with a combined principal balance of \$2,500,000. Loans receivable denominated in foreign currencies are translated into U.S. dollars at the balance sheet date rate of exchange. Loans denominated in foreign currencies accrue interest at rates ranging from 7.00% to 10.65% annually, and mature between March 15, 2011 and October 31, 2012. Net currency losses of (\$117,139) from valuing foreign currency denominated assets at year-end exchange rates are reflected in the statement of activities as investment income.

Note F - Derivative Financial Instrument

To manage fluctuations of foreign currency values related to loans denominated in foreign currencies, the Foundation entered into four currency swap agreements, which mature in concert with the outstanding foreign currency loans described in Note E above. The Foundation does not enter into derivative financial instrument agreements for trading or speculative purposes. At December 31, 2008 the net position of the currency swaps is recorded as other assets in the statement of financial position. Change in the currency swap contracts' fair value of \$135,415 at December 31, 2008, is included in the statement of activities as investment income, and offsets the (\$117,139) change in value of the matched foreign currency loans discussed in Note E.

A currency swap is a foreign exchange agreement between two parties to exchange principal and fixed rate interest payments on a loan in one currency for principal and fixed rate interest payments on an equal loan in another currency. As a result of the currency swap agreements the Foundation has eliminated its currency risk that the value of the loan repayments would be less or greater than the original loan amounts.

Embedded in the currency swap is a forward contract which creates the obligation for both parties to close the swap agreement at the agreed upon maturity dates.

Note G - Cash Pledged as Collateral

For certain foreign borrowers the Foundation has placed cash on deposit with foreign financial institutions to serve as collateral for local currency loans or lines of credit between the financial institutions and the borrowers. Under the terms of these agreements, the borrowers will be liable to the Foundation should the financial institutions seize the deposits pursuant to an event of default by the borrowers.

Calvert Social Investment Foundation, Inc.

Notes to Financial Statements (Continued)

Note G- Cash Pledged as Collateral (Continued)

The following table summarizes these collateral arrangements at December 31:

<u>Financial Institution</u>	<u>Borrower</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Bancolombia	Woman's World Banking - Cali	\$ 102,177	\$ 102,177	\$ 308,250
ANZ Grindlay Bank	Grameen Fund	108,024	108,024	100,822
Bancolombia	Fundacion Mundo Mujer - Popayan	608,503	608,503	610,078
Atlantic Security Bank	Woman's World Banking - Bucaramanga	404,334	404,334	404,036
Atlantic Security Bank	Woman's World Banking - Medellin	101,083	101,083	101,009
Atlantic Security Bank	Woman's World Banking - Bogotá	<u>101,083</u>	<u>101,083</u>	<u>101,009</u>
	Total	1,425,204	1,425,204	1,625,204
	Less - allowance for losses	<u>(72,301)</u>	<u>(20,000)</u>	<u>(46,000)</u>
	Net cash pledged as collateral	<u>\$1,352,903</u>	<u>\$1,405,204</u>	<u>\$1,579,204</u>

Note H - Mission Plus Placements

The Mission Plus Placements Program was established to support higher-risk community development projects. The program is supported primarily through permanently restricted donor contributions.

In 2008, 2007 and 2006 the Foundation released \$349,851, \$48,118 and \$242,607, respectively, from previously permanently restricted donations in accordance with the donor's instructions. These amounts are reflected in donor releases in the statement of activities.

Through this program the Foundation has issued loans, purchased equity investments and pledged cash as loan collateral for community development projects.

Note I - Calvert Community Investments (CCI) Notes Payable

The Foundation created the Calvert Community Investment Note (CCI Note) program to raise funds and reinvest those funds as direct loans to community development organizations with missions that include housing, economic development and business development in urban and rural communities. These funds are to be loaned to the community groups at rates generally below market. As of December 31, 2008, CCI Notes are sold through three channels: definitive notes sold directly by the Foundation, book-entry notes sold through the Depository Trust Company (DTC) and online notes sold through MicroPlace Inc., a subsidiary of eBay Inc.

Calvert Social Investment Foundation, Inc.

Notes to Financial Statements (Continued)

Note I - Calvert Community Investments (CCI) Notes Payable (Continued)

Funds from definitive notes sold directly by the Foundation are provided by individuals and institutional investors through the sale of CCI notes of \$1,000 or greater. The CCI notes pay investors a fixed rate of interest which is typically below-market. Investors may choose an interest rate of 0% to 3% and terms of one, three, five, seven or ten years, or invest in periodic offers that specify the interest rate and term. At December 31, 2008, fifteen definitive CCI note holders held notes greater than 1% of the CCI balance. Notes held by these fifteen individuals totaled \$58,055,041 of the total CCI note payable balance.

In June 2007, to further expand the CCI Note program to small investors, the Foundation entered into an agreement with MicroPlace, Inc., a subsidiary of eBay Inc. and a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investment Protection Corporation (SIPC). The agreement allows the Foundation to issue its CCI Notes through the MicroPlace online brokerage platform in denominations as low as \$20. At December 31, 2008 there were \$1,231,973 CCI notes outstanding issued via the online channel which are included in CCI notes payable in the statement of financial position.

Proceeds from the issuance of notes through MicroPlace are used to fund the Foundation's lending to organizations that generally have a higher credit risk than the traditional loan portfolio. Investors purchasing the notes through the MicroPlace platform must designate a specific organization at the time of purchase.

The Foundation is a party to a Trust Indenture Agreement (the indenture agreement) with the Bank of New York (BONY). This agreement allows the Foundation to issue CCI Notes in a form referred to as book-entry notes, which are eligible for electronic settlement through the DTC. The book-entry 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 will serve as paying agent for the book-entry notes.

The indenture agreement imposes certain financial and other covenants on the Foundation and allows the BONY to take specified actions on behalf of the holder of notes under certain circumstances. At December 31, 2008, 2007 and 2006 the Foundation was in compliance with covenants relating to this agreement. For a more complete description of this agreement please refer to the Foundation's Prospectus. At December 31, 2008, 2007 and 2006 there were \$32,212,000, \$19,387,000 and \$13,261,032, respectively, book-entry notes outstanding, and are included in CCI notes payable in the statement of financial position.

Calvert Social Investment Foundation, Inc.

Notes to Financial Statements (Continued)

Note I - Calvert Community Investments (CCI) Notes Payable (Continued)

The CCI notes are offered under a self-executing exemption from federal registration. The Foundation and CCI notes comply with state registration requirements. CCI notes are senior to the \$13,926,665 in subordinated program-related loans (see Note J) as well as Loan Commitments of up to \$14,500,000 available for use by the Foundation (see Note L).

Maturities by year are as follows:

2009	\$ 53,231,400
2010	44,950,015
2011	37,288,286
2012	5,631,666
2013	15,946,543
Thereafter	<u>1,070,550</u>
Total	<u>\$ 158,118,460</u>

Note J - Subordinated Loans Payable

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 Foundation in attracting investors for the CCI program.

Calvert Social Investment Foundation, Inc.
Notes to Financial Statements (Continued)

Note J - Subordinated Loans Payable (Continued)

The principal amounts, interest rates, terms and methods of repayment as of December 31 are as follows:

<u>Organization</u>	<u>Description</u>	<u>2008 Principal Amount</u>	<u>2007 Principal Amount</u>	<u>2006 Principal Amount</u>
Senior Subordinated Loans				
Ameritas Life Insurance Company	Repayable in full on April 1, 2009 with interest payable annually at a rate of 3% per annum.	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Community Development Financial Institution Fund	Repayable in full on January 25, 2010 with interest payable annually on December 31st at a rate of 3% per annum.	1,000,000	1,000,000	1,000,000
The Ford Foundation	Repayable in full on September 13, 2017 with interest payable annually at a rate of 1% per annum.	750,000	750,000	-
The F.B. Heron Foundation	Repayable in full on May 31, 2007 with interest payable semi-annually at a rate of 3% per annum.	-	-	500,000
The F.B. Heron Foundation	Repayable in full on August 31, 2012 with interest payable annually at a rate of 3% per annum	500,000	-	-
Acacia Mutual Life Insurance Company	Repayable in full on September 1, 2010 with interest payable annually at a rate of 3% per annum.	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Total senior subordinated debt		<u>4,450,000</u>	<u>3,950,000</u>	<u>3,700,000</u>

Calvert Social Investment Foundation, Inc.

Notes to Financial Statements (Continued)

Note J - Subordinated Loans Payable (Continued)

<u>Organization</u>	<u>Description</u>	<u>2008 Principal Amount</u>	<u>2007 Principal Amount</u>	<u>2006 Principal Amount</u>
Junior Subordinated Loans				
MacArthur Foundation	Repayable in three installments of \$500,000 due each January 1, 2014, 2015, and 2016 and one installment of \$2,000,000 due April 1, 2018. Interest payable quarterly at a rate of 2% per annum.	\$ 3,500,000	\$ 3,500,000	\$ 1,500,000
Washington Mutual Bank, FA	Repayable in full on November 13, 2013 with interest payable semi-annually at a rate of 3% per annum.	3,000,000	3,000,000	3,000,000
Mellon Bank	Repayable in full on June 26, 2007. This is an interest free obligation.	-	-	10,000
First Professional Bank	Repayable in full on June 30, 2007. This is an interest free obligation.	-	-	10,000
DOEN Foundation	Repayable in full October 31, 2012 with interest payable annually at a rate of 3% per annum.	1,200,000	1,200,000	-
The Stephen Case Foundation	Repayable in installments of \$333,335 due December 20, 2008, \$333,333 due December 20, 2009 and \$333,332 due December 20, 2010. Interest payable annually at a rate of 2% per annum.	666,665	1,000,000	750,000
North West Area Foundation	Repayable in full on or before December 15, 2011. Interest payable annually at a rate of 2% per annum.	500,000	500,000	500,000
The Rockefeller Foundation	Repayable in full on or before November 15, 2015 with interest payable annually at a rate of 2% per annum.	450,000	450,000	450,000
Charles MacMartin	Repayable in full on or before January 31, 2013. Interest payable annually at a rate of 2% per annum.	150,000	-	-
US Trust Company	Repayable in full June 28, 2012 with interest payable annually at a rate of 3% per annum.	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Total junior subordinated debt		<u>9,476,665</u>	<u>9,660,000</u>	<u>6,230,000</u>
Total subordinated debt		<u>\$13,926,665</u>	<u>\$13,610,000</u>	<u>\$ 9,930,000</u>

Calvert Social Investment Foundation, Inc.

Notes to Financial Statements (Continued)

Note J - Subordinated Loans Payable (Continued)

Maturities as of December 31, 2008 are:

2009	\$	2,333,333
2010		1,533,333
2011		500,000
2012		1,710,000
2013		3,150,000
Thereafter		<u>4,699,999</u>
Total	\$	<u>13,926,665</u>

Under the terms of the loans detailed above, the Foundation is subject to certain debt covenants, which require the Foundation to maintain minimum net asset balances and specific liquidity ratios, and to provide timely financial and progress reports to the lending organizations. As of December 31, 2008, 2007 and 2006 the Foundation was in compliance with all its debt covenants.

The Foundation and the issuers of the subordinated debt detailed above entered into an Intercreditor Agreement (the Agreement). The Agreement clarifies and delineates the relationship between the junior subordinated debt and the senior subordinated debt and the various rights of each category of subordinated debt. One or more additional subordinated lenders may become a party to the Agreement upon notification by the Foundation to each of the other parties.

Note K - Refundable Grant

The Foundation received a refundable grant from the Open Society Institute (OSI) in the amount of \$1,000,000. This grant was issued by OSI to provide credit enhancements to support a loan issued by the Foundation to the Media Development Loan Fund (MDLF). The grant provides that in the event of a default by MDLF resulting in a loan loss by the Foundation, the amount of such loss shall serve to reduce and offset an equivalent amount of the grant refundable to OSI up to the total amount of the grant award. Upon repayment by MDLF of its loan from the Foundation, the Foundation is required to repay OSI the grant proceeds less any actual loan losses incurred on the MDLF loan. Accordingly, the Foundation has reflected this refundable grant as a liability in the statement of financial position. Under the terms of the agreement the Foundation has agreed to pay an annual fee of \$15,000 to OSI.

Calvert Social Investment Foundation, Inc.

Notes to Financial Statements (Continued)

Note L - Loan Commitments

On February 20, 2008, the Foundation entered into an Investment Guaranty Facility Agreement (Investment Guaranty) with the Overseas Private Investment Corporation, an agency of the United States (OPIC), pursuant to Section 234(b) of the Foreign Assistance Act of 1961. The Investment Guaranty provides that OPIC will make available to the Foundation a standby unfunded guaranty facility up to \$10,000,000. At December 31, 2008, the Foundation had activated \$2,500,000 of the \$10,000,000 limit. The Investment Guaranty is provided for the purpose of supporting the Foundation's liquidity to facilitate repayment of the Calvert Community Investment Notes that were issued to support loans to microfinance institutions in designated project countries. Draw downs on the guaranty will be subordinated to the CCI Notes. In consideration of the Investment Guaranty, the Foundation has agreed to pay OPIC annual fees equal to 1% of the activated portion of the Investment Guaranty plus 0.25% of the difference between the maximum commitment and the activated portion of the Investment Guaranty. At December 31, 2008 the Foundation had no outstanding amounts relating to this Investment Guaranty.

On December 18, 2007 the Foundation entered into a Loan Commitment Agreement (the Commitment) with Merrill Lynch Community Development Corporation (MLBUSA), whereby MLBUSA agrees to make one or more senior subordinated term loans to the Foundation. The initial activated amount of the Commitment is \$500,000, which can be increased up to a maximum commitment of \$2,500,000. In consideration of the Commitment, the Foundation has agreed to pay MLBUSA an annual commitment fee on each anniversary of the Commitment equal to 1% of the activated portion of the Commitment plus 0.25% of the difference between the maximum commitment and the activated portion of the Commitment. At December 31, 2008 the Foundation had no outstanding amounts relating to this Commitment.

The Foundation entered into a Standby Loan Commitment (Standby Commitment) with the Rockefeller Foundation (Lender), whereby the Lender agrees to make one or more senior subordinated term loans to the Foundation in the aggregate principal amount of up to \$1,000,000. The Standby Commitment is available for the Foundation during the period November 15, 2005 to November 15, 2010, and is to be used to increase the Foundation's capacity to issue CCI Notes. In consideration of the Standby Commitment the Foundation has agreed to pay the Lender an annual commitment fee on each anniversary of the date of the Standby Commitment period equal to 1% of the undrawn portion of the Standby Commitment. At December 31, 2008 the Foundation had no outstanding amounts relating to this Standby Commitment.

Calvert Social Investment Foundation, Inc.

Notes to Financial Statements (Continued)

Note L - Loan Commitments (Continued)

The Foundation has also entered into loan commitment agreements with the Calvert Administrative Services Company (Calvert Administrative) and the Gray Ghost Microfinance Fund, LLC (Gray Ghost), respectively, (collectively the grantors). The loan commitment agreements are each effective for 5-year terms (expiring August 2, 2009 and December 31, 2008, respectively) and provide that the grantors are required to provide loans to the Foundation, under the extreme circumstances that the Foundation were to sustain losses that exceed the value of the Foundation's loan loss reserves, net assets, and the junior subordinated loans discussed in Note H. Under the terms of the loan commitments, Calvert Administrative and Gray Ghost will lend up to \$1,000,000 and \$2,000,000, respectively. These loans, if funded, would be subordinate to the Foundation's Community Investment Notes and bear interest at the prime rate plus 2%. In exchange for these loan commitments, the Foundation has agreed to pay Calvert Administrative and Gray Ghost annual fees of \$10,000 and \$20,000, respectively.

Note M - Program Revenue

The components of program revenue were as follows for the years ending December 31:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Interest on notes receivable	\$ 6,031,644	\$ 4,358,136	\$ 3,088,087
Interest on certificates of deposit	<u>506,972</u>	<u>495,572</u>	<u>553,406</u>
Total	<u>\$ 6,538,616</u>	<u>\$ 4,853,708</u>	<u>\$ 3,641,493</u>

Note N - Donated Facilities and Administrative Support

The values of donated facilities and administrative support are summarized as follows:

<u>Expense Category</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Occupancy	\$ 557,164	\$ 463,132	\$ 249,485
Professional fees	<u>5,160</u>	<u>4,412</u>	<u>5,755</u>
Total	<u>\$ 562,324</u>	<u>\$ 467,544</u>	<u>\$ 255,240</u>

Note O - Net Assets

Unrestricted net assets consist of undesignated and board designated net assets. Board designated net assets are set aside by the Board of Directors for the Calvert Giving Fund, Capital Support, and beginning in 2008 Loan Loss Support. Contributions and grants designated to the Loan Loss Support category are set aside to support the Foundation's loan loss reserve.

Calvert Social Investment Foundation, Inc.

Notes to Financial Statements (Continued)

Note O - Net Assets (Continued)

Temporarily restricted net assets are available for use in programs specified by donors. The net assets released from donor restriction for the years ended December 31, 2008, 2007 and 2006 are attributable to expenses incurred related to these specific programs or the expiration of time restrictions.

Permanently restricted net assets are restricted for use in the Foundation's permanent revolving loan fund. Loan loss allowances established for loans issued from this fund are charged to loan loss expense. Donor releases for the years ended December 31, 2008, 2007 and 2006 reflect releases from permanently restricted net assets in accordance with donor instructions.

Note P - Related Parties

The Foundation is related to the Calvert Group. Four of the thirteen Foundation Board members also serve on Calvert Group related boards. The Foundation reimburses the Calvert Group for expenses incurred by the Calvert Group on behalf of the Foundation. As of December 31, 2008, 2007 and 2006 the Calvert Group was due \$0, \$0, and \$2,639, respectively, from the Foundation. The Calvert Group held investments in CCI notes, as described in Note I, issued by the Foundation of approximately \$25 million for the years ended December 31, 2008, 2007 and 2006, respectively.

Note Q - Retirement Plan

The Foundation 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 Foundation matches 100% of employee contributions up to 6% of the employee's compensation, which vests immediately to the employee. Participants are eligible for employer matching contributions after one year of service. The Foundation made contributions to the Plan of \$118,530, \$112,895, and \$55,922 for the periods ending December 31, 2008, 2007 and 2006, respectively.

Report of Independent Auditors
on Other Financial Information

Board of Directors
Calvert Social Investment Foundation, Inc.

The audited financial statements of the Calvert Social Investment Foundation, Inc. (the Foundation) and our report thereon are presented in the preceding section of this report. The statement of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements of the Foundation. This information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Johnson Lambert & Co LLP

Falls Church, Virginia
April 15, 2009

Calvert Social Investment Foundation, Inc.

Statement of Functional Expenses (with summary totals for 2007 and 2006)

	<u>Supporting Services</u>						
	<u>Program Services</u>	<u>Management and general</u>	<u>Fundraising</u>				
Expenses							
Employee Compensation							
Salaries	\$ 1,862,792	\$ 532,226	\$ 266,113	\$ 798,339	\$ 2,661,131	\$ 2,169,256	\$ 1,868,317
Employee benefits	268,303	76,658	38,329	114,987	383,290	327,693	346,606
Total employee compensation	<u>2,131,095</u>	<u>608,884</u>	<u>304,442</u>	<u>913,326</u>	<u>3,044,421</u>	<u>2,496,949</u>	<u>2,214,923</u>
Other expenses							
Grant expense	5,347,314	-	-	-	5,347,314	4,330,762	3,159,800
NRFC administration expense	89,005	-	-	-	89,005	71,596	111,951
Consultants	971,882	53,993	53,993	107,986	1,079,868	1,091,332	641,266
Conferences	104,113	5,784	5,784	11,568	115,681	26,023	34,536
Dues and subscriptions	33,316	5,879	-	5,879	39,195	51,654	18,829
Equipment and software	90,832	16,029	-	16,029	106,861	26,801	26,564
Insurance	-	31,187	-	31,187	31,187	27,772	20,663
Occupancy	90,891	515,051	-	515,051	605,942	509,372	296,949
Postage and delivery	20,452	5,113	-	5,113	25,565	27,594	26,840
Professional fees	62,517	16,030	1,603	17,633	80,150	82,118	54,282
Printing and publications	60,443	3,358	3,358	6,716	67,159	62,781	25,497
Supplies	6,058	6,058	-	6,058	12,116	19,086	20,990
Taxes - employee and other	-	191,624	-	191,624	191,624	135,047	92,018
Telephone	33,546	8,387	-	8,387	41,933	29,494	29,175
Travel	180,615	22,577	22,577	45,154	225,769	214,188	298,547
Marketing	10,027	-	-	-	10,027	50,536	94,457
Interest expense	3,911,698	-	-	-	3,911,698	3,135,906	2,724,064
Provision for loan losses	809,031	-	-	-	809,031	1,582,725	601,507
Production expense	24,670	-	-	-	24,670	31,966	60,815
Commissions	59,752	-	-	-	59,752	49,270	52,990
Registration fees	20,228	-	-	-	20,228	38,152	19,116
Depreciation	-	49,090	-	49,090	49,090	29,966	33,732
Bank charges	30,877	30,877	-	30,877	61,754	2,792	20,100
Miscellaneous	-	31,661	-	31,661	31,661	8,790	49,393
Allocated overhead	694,888	(794,158)	99,270	(694,888)	-	-	-
Total other expenses	<u>12,652,155</u>	<u>198,540</u>	<u>186,585</u>	<u>385,125</u>	<u>13,037,280</u>	<u>11,635,723</u>	<u>8,514,081</u>
Total	<u>\$ 14,783,250</u>	<u>\$ 807,424</u>	<u>\$ 491,027</u>	<u>\$ 1,298,451</u>	<u>\$ 16,081,701</u>	<u>\$ 14,132,672</u>	<u>\$ 10,729,004</u>