To Whom It May Concern:

2019 was an amazing year for Capital Good Fund: we celebrated the tenth anniversary of our founding by doing what we do best—creating pathways out of poverty and advancing a green economy through inclusive financial services for thousands of families. I am pleased to share our 2019 audited financials, which demonstrate our commitment to changing lives, tackling predatory lending, and operating with integrity and compassion. This is yet another “clean” (unmodified) audit; combined with our 4.8 out of 5-star client rating on Google, a clear picture emerges of a preeminent nonprofit that has earned the trust and respect of its auditors, staff, funders, investors, partner organizations, and most importantly, of the clients and communities we serve.

A few highlights from the audit:

- Loan volume grew from 1,064 for $2.98 million in 2018 to 1,185 for $3.02 million, an increase of 121 and $31,000, respectively
- Assets grew by 47%, from $5.5 million to $8.2 million
- Total income grew by 29%, from $2.5 million to $3.3 million
- Net assets without Equity Equivalent Investments (“EQ2”) grew 235%, from $116,000 to $391,000
- Net assets with EQ2 grew 29%, from $1.6 million to $2.1 million
- Earned income grew 14%, from $696,000 to $796,000
- Total loan portfolio outstanding grew 30%, from $3.81 million to $4.98 million

A Note on Equity Equivalent Investments: An EQ2 is a special form of debt that must have six characteristics, including having no right of acceleration, an indeterminate maturity date, and being fully subordinated. If a liability meets these criteria, it can be treated like equity on the nonprofit’s balance sheet. We therefore calculate two net assets: with EQ2 (adding EQ2 to our net assets) and without EQ2 (treating EQ2 as a traditional liability).

In 2019 we remained on course to achieve our long-term strategic: to change tens of thousands of lives through equitable loans and financial coaching for the economically vulnerable; and to increase earned income and thus, operational self-sufficiency. We deepened our market presence in Rhode Island, Delaware, Florida, and Massachusetts, and secured a lending license in Illinois, where launched operations in January 2020. We made significant investments in technology, marketing, and personnel, which will enable us to build on our success and track record. And we demonstrated, yet again, that it is possible to make equitable, small-dollar personal loans to people that mainstream lenders often deem too “risky” to lend to: immigrants, the low-income, minorities, domestic violence survivors, ex-offenders, and those with no or poor credit. These communities are often excluded from the financial system because of issues outside their control—an illness, a layoff caused by a recession, domestic violence, and, more broadly, a lack of affordable housing, living-wage jobs, and access to health care.

Though these are difficult times—as of this writing, the Covid-19 pandemic is devastating the country—we are proud to offer a Crisis Relief Loan (www.GoodFund.us/COVID) and are confident that we can help the nation not only weather this crisis, but also forge a better and more just future. Moreover, thanks to our dedication to building strong relationships with our borrowers, we have seen no degradation in our portfolio; while this may change, we are well-positioned to serve as a crucial resource for struggling families in 2020 and beyond.

Please do not hesitate to reach out with any questions or comments. We pride ourselves on our transparency: all our financials can be downloaded at https://capitalgoodfund.org/en/aboutus/financials

Sincerely,

Andy Posner
Founder & CEO