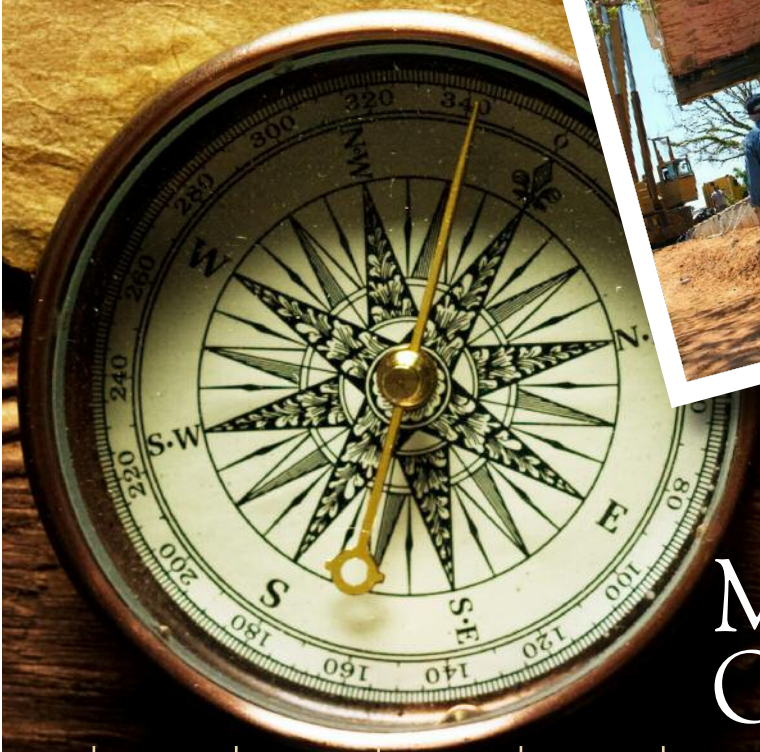



2009 IMPACT REPORT



MARKING A JOURNEY OF 15 YEARS

1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009



SINCE 1994, ECD/HOPE HAS...
generated over \$1.4 billion in financing
and assisted more than 75,000 people in the
Delta and other economically distressed
communities across the Mid South.

Small Business

- 9,704 Jobs
- 2,898 Entrepreneurs Trained
- 4,047 Total Businesses Assisted
 - \$223 Million Financed
- 900 Community Facility Slots Assisted

Homeownership & Affordable Housing

- 11,849 Total Homeowners Assisted
 - 80% First-Time Homeowners
 - 65% Low-Income Borrowers
- 238 Low-Income Housing Units Developed
 - \$1.2 Billion in Affordable Housing and Homeownership Financing

Individual Development Services

- 26,000 HOPE Members
- 3,488 Consumer Loans
- \$50 Million in Consumer Loans Financed



2009: The Year In Review

Dear Friends,

We are proud and fortunate to report to you that during 2009, a year when more financial institutions failed than any since the Great Depression, ECD/HOPE helped more people and made more loans than any single year in our history.

While we were certainly not immune to the financial crisis, years of experience gained from providing responsible financing and related services in one of the nation's most economically distressed regions positioned ECD/HOPE to have a very productive year.

A year of transition

In many ways, 2009 was a year of transition as we absorbed the growth from recent years and adapted to the ongoing turmoil in the economy and financial sector.

On the Gulf Coast, we continued a shift from hurricane recovery to positioning ECD/HOPE as a primary source of development finance services for low-income residents. By doing so, we are supporting residents' ongoing efforts to regain stability, while providing access to our full range of financial products and services.

Throughout the region, many traditional lenders dramatically restricted their lending activity, making it difficult for many to access financing to support their families and their businesses. For many, ECD/HOPE was able to extend a safety net by providing a record number of consumer, commercial and mortgage loans in 2009. In the process we were able to help stabilize businesses, preserve jobs and save homes from foreclosure. We also stepped up our efforts with developers to provide quality rental housing as more and more people are

priced out of homeownership; and continued to provide financial counseling, both through our staff and in collaboration with nonprofit partners.

Growing, adapting and making an impact

Hope Community Credit Union continued to grow, providing access to affordable, responsible financial products and services to more than 25,000 member-owners. In addition to serving more people, HOPE intensified its efforts to help vulnerable consumers preserve their income by launching a payday loan alternative to high-cost predatory loans, and by offering Volunteer Income Tax Assistance and low-cost refund anticipation loans.

Because economic conditions remain uncertain, individuals and institutions seek a safe place to invest their hard-earned money. Not only has HOPE provided its depositors with a safe haven from the economic storm, it puts their funds to use in a responsible manner, producing social as well as financial returns – a stark contrast to many of the stories coming from Wall Street and from troubled financial institutions.

Changing lives by changing policy

Following Hurricane Katrina, we saw first hand how difficult navigating the road to recovery is for those who lack assets. Seeking to apply these lessons and related solutions to the current economic crisis, ECD/HOPE increased its efforts to work with policy makers, advocates and others to address the disproportionate challenges facing low-wealth people and communities, and to facilitate their recovery from the Great Recession.

Through the Mississippi Economic Policy Center we provided data and analysis regarding the need for workforce supports and financial assistance for working families, and encouraged policies and practices that limit the type of irresponsible lending practices that contributed to the financial crisis.

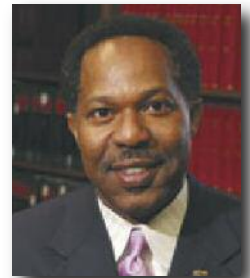
Our policy work also extended to the federal level, as ECD/HOPE testified before Congressional committees, participated in a Small Business Financing Forum hosted by the Treasury Secretary and SBA Administrator, attended the White House Jobs Summit, and joined a dozen community bankers in a closed-door meeting with with the President. Among the outcomes generated by these efforts was the establishment of the Community Development Capital Initiative, a \$1 billion program to increase access to capital in the nation's hardest hit areas.

The responsibility continues

While we achieved a measure of success in 2009, much work remains ahead as financial uncertainty looms into the foreseeable future. ECD/HOPE would not have the ability to respond to the needs of those we serve without the generous support entrusted to us over the years. This allows us to reach deeper than traditional financial institutions and make a difference in the lives of those who need it most. Thank you for your past and continued support as we strive to strengthen communities, build assets and improve lives throughout the Mid South.



William A. Percy
William A. Percy
Chairman
Enterprise Corporation
of the Delta



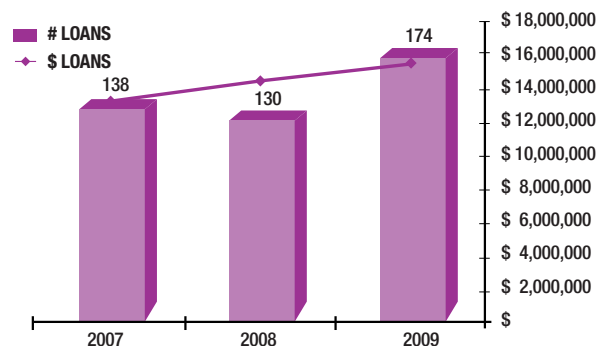
Robert L. Gibbs
Robert L. Gibbs
Chairman
Hope Community
Credit Union



William J. Bynum
William J. Bynum
Chief Executive Officer
ECD/HOPE

Affordable Housing

Mortgage Loan Originations



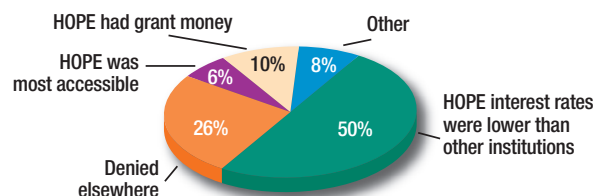
Everyone deserves a safe, comfortable place they can call home. By providing affordable and responsible financial products and services, and through innovative partnerships, ECD/HOPE makes quality housing possible for thousands of low- and moderate-income families each year.

Since 1994, ECD/HOPE has helped more than 1,900 people become homeowners. Equally important, ECD/HOPE continues to expand the availability of affordable rental units to families for whom homeownership is not yet an option.

People benefit from housing in ways that go far beyond the homes themselves. Quality

housing contributes to better educational outcomes, safer neighborhoods, more stable families and communities, and enhanced prospects for economic growth. With every quality, affordable home it supports, ECD/HOPE helps make someone's life a little better, and makes the Mid South a little stronger.

HOPE Mortgage Borrowers Reason for Choosing HOPE



ARKANSAS
LOUISIANA
MISSISSIPPI

Pew Charitable Trusts provide seed funding for Foundation for the Mid South's "Delta Partnership," an initiative to address workforce and business development needs in the Delta regions of Arkansas, Louisiana and Mississippi.

Enterprise Corporation of the Delta (ECD) is incorporated as a free-standing entity to undertake the business development objectives of the Delta Partnership; ECD begins operations in June 1994.



ECD makes its first loan: TCS Caseworks in Hughes, Arkansas.

Pew capital challenge is met by Entergy Corporation and the Walton Family, Ford, Kauffman, MacArthur and Mott Foundations.

ECD and Foundation for the Mid South organize the Southern Enterprise Communities Forum, a consortium of the region's enterprise communities and empowerment zones.



Hope Community Credit Union is chartered by Anderson UMC to address the need for non-predatory services in low-income neighborhoods in Jackson, Mississippi.



ECD initiates FastTrac entrepreneurial training program. Local administrators include Delta State University, University of Arkansas at Pine Bluff, Northeast Louisiana University, Mississippi County Community College and Good Faith Fund.

ECD kicks off Breaking New Ground campaign to highlight the Delta's potential and to promote collaboration. Community economic development practitioners and funders attend ECD-hosted networking forum in Little Rock.



Arkansas, Louisiana and Mississippi state economic development agencies and ECD sign Memorandum of Understanding, underscoring a shared commitment to strengthen the Delta.

1994

1995

1996

A Place To Call Home

Workforce Housing Solutions for the Gulf Coast

Through partnership between ECD and Pentagon, LLC, 154 families in Mississippi's Hancock and Harrison Counties are moving to new homes.

Gardenia Hills and Homestead were aging trailer parks on the Mississippi Gulf Coast. Already in poor condition, both suffered damage during Hurricane Katrina. Despite their state of repair, these parks offered great potential as housing developments.

With financial assistance from ECD, Pentagon purchased the land and began improvements. ECD secured 154 Mississippi Cottages from the Mississippi Emergency Management Agency. These one-, two- and three-bedroom units had been used for temporary housing after Hurricane Katrina. The cottages are being refurbished and relocated to Gardenia Hills and Homestead.

On the sites of two old trailer parks, two new neighborhoods are springing to life. Both parks have been significantly upgraded with paved roads and attractive landscaping. Gardenia Hills and Homestead will become home to dozens of low-income families who were displaced by Hurricane Katrina, providing a solid foundation from which these residents can continue with the process of rebuilding their lives and their communities.

Anne Fidell lost just about everything in Katrina. She lived in two different FEMA trailer and desperately wanted to find another place to live, but simply didn't have the funds to find anything else. Then she heard about the Mississippi Cottage subdivisions. She was able to move into one of the cottages and feels like she's home. "This neighborhood gives me a sense of place and belonging," said Anne. "I can't wait to see how beautiful everything is going to be with the improvements they're making. I love this place!"



A Neighborhood Transformed

The Memphis Flea Market

Joseph Sy's business vision was about more than just making a profit. It was about making a lasting difference in his community.

In a largely Hispanic area of Memphis, TN, an abandoned apartment complex had become a magnet for crime and drug use. Where most people simply saw a structure that needed to be torn down, Joseph saw an opportunity to revitalize the neighborhood and restore pride to the community.

Joseph purchased the downtrodden apartment complex, leveled the buildings and converted the land into a lively outdoor flea market filled with vendors and artisans. "I wanted a place where everyone could come together and spend the weekend without spending a lot of money," Joseph said. "There's nothing quite like the smile on a kid's face after finding a fifty-cent flea market treasure."

Encouraged by the initial success of the project, Joseph made the decision to purchase and revamp adjacent properties, including a vacant strip mall across the street. ECD/HOPE financed these properties and provided operating capital to help Joseph achieve his goal of transforming the area into a vibrant shopping destination.

"This flea market has turned the area around," Joseph explained. "Neighborhood crime is down, property values are up and people are proud of their community again. That alone makes it all worthwhile."



Commercial Lending

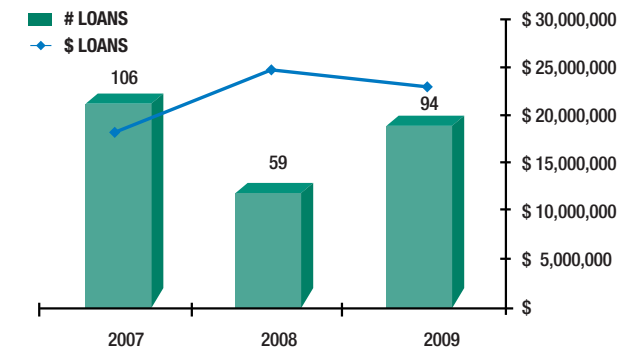


Most lenders view commercial loans strictly from a business perspective. Given its mission of improving lives throughout the Mid South, ECD/HOPE sees commercial lending from a very different point of view.

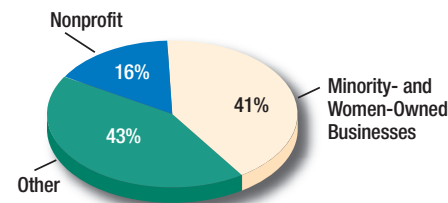
ECD/HOPE places a priority on supporting businesses that benefit the community and make life better for its citizens. Toward this end, ECD/HOPE has developed substantial expertise in providing financing for nonprofits, health care and child care facilities, affordable housing developers and other vital infrastructure that makes a community a better place to live and conduct business.

In 2009 – at a time when many traditional lenders have cut back on business financing – ECD/HOPE provided loans to 94 small- to medium-sized businesses, generating more than \$18 million in financing, providing critical resources that help stabilize communities and support hundreds of workers.

Commercial Loan Originations

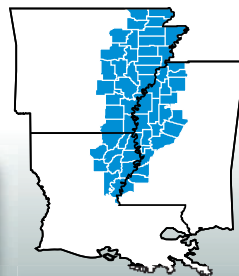


Commercial Loans To Under-Served Populations



ECD initiates Memorandum of Understanding with state and federal manufacturing extension programs.

ECD is designated by Treasury Department as one of the nation's first Community Development Financial Institutions.



ECD and Bain & Company analysis of business development in the Delta documents: \$2.5 billion capital gap, geographical disparities, and potential for job growth and broadened ownership in the service sector.



ECDI is established.

Winthrop Rockefeller Foundation, Walton Family Foundation and Pew Charitable Trusts provide initial funding for "Matching Opportunity with Capital" campaign to expand ECD's impact.

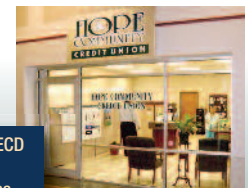


ECD hosts Clarksdale visit by President Clinton to kick off "New Markets Initiative" to promote private investment in economically distressed areas.

HOPE expands its field of membership to include Fellowship of Hope Ministries, Amos Network, 100 Concerned Clergy and ECD.



Entergy makes \$5 million investment in ECD – the largest non-foundation investment in a community development financial institution.



Entergy and ECD organize the Delta Business LINC mentor-protégé program to assist fledgling businesses.

HOPE opens its first full-time branch in the Jackson Medical Mall.

1997

1998

1999

2000

Community Development Intermediary



In the Mid South there is no shortage of need. Recent years have been particularly difficult. Thousands lost homes and businesses as a result of hurricanes and flooding. The current economic crisis has exacerbated problems in a region that for generations has lagged behind the rest of the nation on most indicators of economic and social well-being. Solving this myriad of challenges requires a comprehensive and collaborative approach.

Fortunately, there are a number of entities, both public and private, with the capacity and the willingness to help. By functioning as a community development intermediary, ECD/HOPE helps connect those in need of assistance with those who can provide the resources to tackle the development challenges facing our region.

In 2009, ECD worked with the State of Louisiana to provide 142 grants and loans totaling \$7.4 million to businesses in areas recovering from hurricanes Katrina and Rita. In Mississippi, we collaborated with the Gulf Coast Renaissance

Corporation to underwrite over 4,000 applications for "MyHome MyCoast", a state-supported initiative that helps hurricane-affected families purchase homes.

By attracting resources, structuring programs, and otherwise acting as a "financial matchmaker", ECD/HOPE helps families and businesses navigate the obstacles in their path, continually working toward the goal of making the days ahead better and brighter than the days behind us.



ECD and the Kellogg Foundation launch the "Emerging Markets Partnership," a five-year effort to stimulate investment and foster networking in the Delta, focusing on key areas including enterprise development, housing and health care; Supporting Memorandum of Cooperation signed by Entergy, Fannie Mae, and governors of Arkansas, Louisiana and Mississippi.



ECD receives national CDFI Excellence Award for Community Impact.



ECD receives Mississippi Governor's Small Business Achievement Award.

ECD becomes the primary sponsor of Hope Community Credit Union.



HOPE Mortgage program is initiated with 22 banks and mortgage originators.



ECD receives \$2 million in Mississippi HOME Funds to support homeownership.

More than 25 Emerging Markets Partnership joint ventures underway; Activities through 12/03 have supported approximately 3,000 people, 320 businesses and 300 housing units in the Delta.



ECD is among the first in the nation to receive a federal New Markets Tax Credit allocation – awarded \$15 million to support ECD/HOPE expansion.

2001

2002

2003

A Lesson In Determination

Dupont Building and the Louisiana Business Grant & Loan Program

Located near Lake Charles, Louisiana, Dupont Building is a leading manufacturer of water-resistant fiberglass shelters for the communications and aviation industries. In 2005, the company had a client list that included Verizon and the Federal Aviation Administration, giving Dupont a steady stream of orders and bright prospects for the future.

Then came Hurricane Rita. The 22-foot tidal surge destroyed Dupont's entire facility. Completed shelters, ready for delivery, were scattered across the parish. Even worse news came when their insurance company denied coverage.

Despite losing almost everything, owners Ricky and Michelle Guidry still had contracts to fill and fifty employees who needed paychecks more than ever. Determined to move forward, they

converted hay barns into makeshift manufacturing facilities.

They rented a plane to locate their shelters in the marsh, then retrieved them and converted them into temporary offices. They did, as Michelle Guidry put it, "Whatever it took."

Dupont got by with an SBA loan, but struggled due to insufficient operating capital. In 2009, their road to recovery led to ECD. Working as administrator of the Louisiana Business Grant and Loan Program, ECD helped Dupont secure a \$20,000 grant and a \$230,000 low-interest loan. "This loan is helping us get back to full speed," said Michelle Guidry. "It's made all the difference in the world."

Because of the operating capital provided by the state funds, the plant is now being expanded, and plans are underway to construct permanent offices. The Guidrys also have plans to take good care of their employees. They recently purchased eight acres to provide home sites for employees who lost their homes during the hurricane.



One Step at a Time

Helping Ray White bring his goals within reach

At the young age of 23, Ray White already has a goal for his family's future. "I want to buy a home of our own," he explained. "I want a nice, safe place where our kids can play as they grow up."

Ray recognized that attaining his goal would require improving his credit. "When I was younger, I didn't realize how important good credit is," Ray said. "I made mistakes, and I wanted to fix them so I could improve my rating."

Ray came to HOPE through Life Abundant Ministries of Sherwood Arkansas, a partner in the HOPE Affinity Network. After a discussion with Ray about his goals and financial situation, a HOPE program officer provided financial counseling, including training on how to read a credit report and prepare a budget.

To improve his credit score, Ray took advantage of a HOPE StretchPay loan. Designed as an alternative to predatory payday loans, StretchPay offers low interest rates and automatic approval after 60 days of credit union membership. The StretchPay loan has an added benefit: it can be used to establish or improve credit.

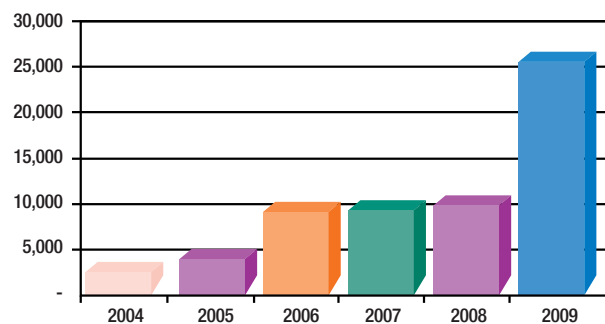
Ray repaid his initial StretchPay loan within 30 days. He has since borrowed and repaid additional loans, improving his credit score by several points. Ray has also completed his credit counseling program and is well on the way toward his goal of owning a home.

"I feel in my heart that this is making a difference. I can see the improvement," Ray stated. He added that his friends at HOPE seem to be as happy with his progress as he is. "They are there for me no matter what," he said. "They want me to be successful in life, and I appreciate that."



Retail Financial Services

HOPE Membership



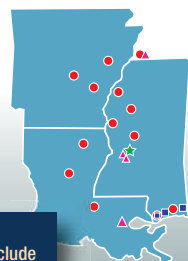
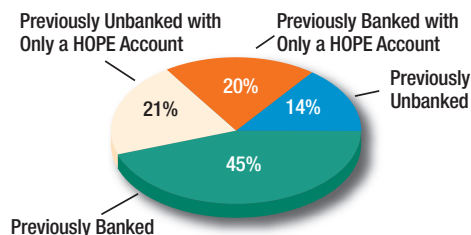
It doesn't always take dramatic actions to change lives in remarkable ways. Sometimes, all it takes is a willingness to listen and an eagerness to help.

Hope Community Credit Union provides affordable and responsible financial services in underserved areas of the Mid South. HOPE focuses on communities that many traditional financial institutions avoid, thereby providing residents of these areas with access to the tools required to address a range of essential financial service needs.

HOPE members can take advantage of affordable and responsible banking options, from basic checking and savings accounts to online banking to consumer and business loans. HOPE also plays a vital role in financial education, helping members improve their credit ratings, protect themselves from unscrupulous lenders and save for tomorrow.

Combined, these services give credit union members just what the organization's name implies: HOPE. And for many people, that makes all the difference in the world.

Prior Banking Status Of Members



Service area expanded to include tri-state area.

ECD secures NMTC guaranty from State of Mississippi.

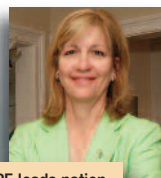


New Orleans branch opened.

ECD closes initial NMTC investments.



Hurricanes Katrina & Rita devastate Gulf Region. ECD/HOPE response includes: Katrina Relief Fund, recovery loans/accounts, Power of HOPE and policy advocacy.



HOPE leads nation in deposit growth.

HOPE Affinity Network strategy initiated.



Terry Road branch and Biloxi offices opened.

ECD leads effort to pass Mississippi NMTC Program.

Memphis office opened.



Home Again created in collaboration with NeighborWorks America and Enterprise Community Partners.



ECD/HOPE assets exceed \$100 million.

HOPE leads nation in member growth as a result of Katrina services.

ECD/HOPE receives Wachovia's National CDFI Excellence Award for Policy & Advocacy and the Building Economic Alternatives Award from Co-op America/Social Investment Forum.

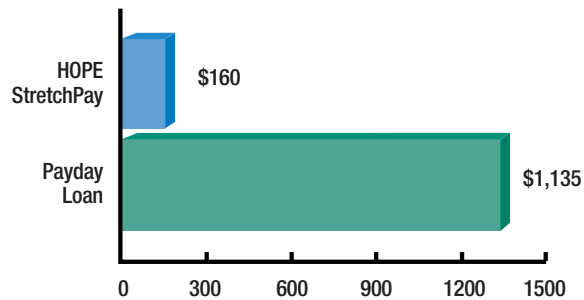
2004

2005

2006

Policy

PayDay Loan Comparison
Annual Cost



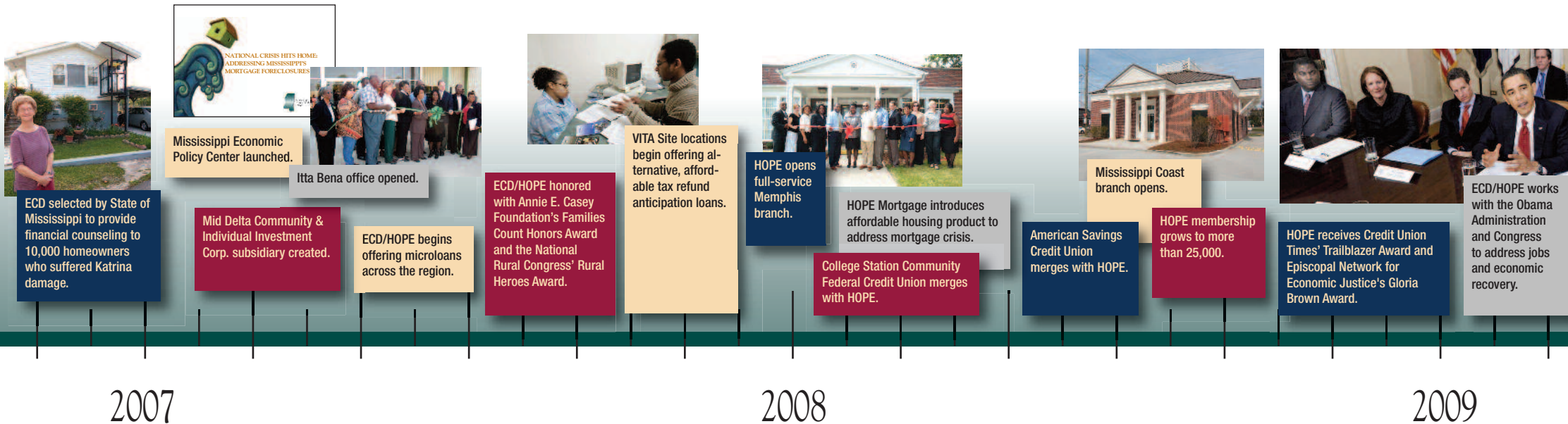
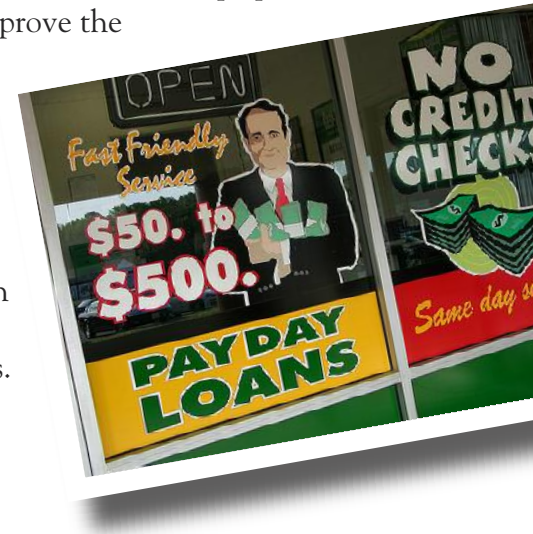
Why is it that people who are often the most financially vulnerable in our society – low-income, elderly, the disabled, women, rural, minorities – on average pay the most for financial services? It's a good question, to which there is no good answer.

Every day, ECD/HOPE assists people of modest means who have been hurt by predatory lenders. The interest rates and fees extracted by payday lenders can be staggering, often exceeding an APR of 500 percent.

Drawing on over 15 years of experience in lending to financially underserved people and communities, ECD/HOPE engages in rigorous policy analysis and advocacy to take its lessons learned to scale. In conjunction with nonprofits, banks, churches and universities, ECD/HOPE uses data and experience to undertake, inform and advocate for responsible lending policies and practices that will reduce the high cost of financial services for economically vulnerable people.

This is but one of the ways that ECD/HOPE uses data and analysis to change lives. Through its Mississippi Economic Policy Center, ECD provides information and support to nonprofits, the media, lawmakers, grassroots advocates and others to build capacity, raise awareness and ultimately influence policies that create opportunities for working families and low-income individuals.

By working with others to shape policies and practices that improve the quality of life in the Mid South, ECD/HOPE multiplies its impact far beyond that achieved through its development finance programs.



A Policy of Fairness

Creating a brighter future for people like David Bowles

When David Bowles came to EDC/HOPE, he was struggling with credit issues, high interest rates and high monthly payments. Like many people in the region today, David had fallen victim to predatory lending and deceptive credit practices. Living on a fixed disability income, he had little left over at the end of the month.

In most states, there are few laws to protect people like David. Through its policy and advocacy efforts, ECD/HOPE strives to enact laws that will curb predatory lending and give all low-wealth people access to affordable financial products that keep money in the pockets of working families to pay for gas, food and housing.

David heard about ECD/HOPE and decided to look into the services available to him. "My brother is an officer with a credit union in California. He checked HOPE out before I opened my account and was very impressed with their mission and their management."

HOPE refinanced David's car loan at a significantly lower rate, reducing his monthly payment. Since that first loan, HOPE has helped David with two other loans that enabled him to pay off high-interest credit cards and further reduce his monthly notes. In addition to providing David with a resource for responsible lending, HOPE provided credit counseling to help him improve his credit rating. Today his credit rating is up into the 700s.

By saving money on monthly payments, David is now able to actually set money aside each month in a savings account. "I go to HOPE and think about what a difference they have made in my life," David said. "I am proud to be a member of an organization that is driven by a mission to change people's lives."



ECD/HOPE Governance



ECD/HOPE

Enterprise Corporation of the Delta
Hope Community Credit Union



ECD Board of Directors

Bill Bynum
ECD/HOPE

Hodding Carter
University of North Carolina

Elgin Clemons
Celebrity Brands International

Ronnie Crudup
New Horizon Church International

Mike Espy
Mike Espy, PLLC

Robert Gibbs
Brunini, Grantham, Grower & Hewes

Kim Lee
Dryades Savings Bank

Ed Lupberger
Nesher Investments

Ivory Lyles
Lyles Consulting, Inc.

Fred Miller
Bank of Anguilla

Martha Murphy
Coastal Land & Development, LLC

Martie North
Bank of the Ozarks

Billy Percy
Greenville Compress

William Winter
Watkins, Ludlam, Winter & Stennis,
P.A.

Bonnie Bolton*
JPMorgan Chase

David Johnson*
BankPlus

**ECDI Management Committee Only*

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Mississippi Minority Capital Fund

James Brooks
Mississippi Department of Education

Carol Burnett
Mississippi Low-Income Child-Care
Initiative

Bill Bynum
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Richard Campbell
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Phyllis Cassidy
Good Work Network

Elgin Clemons
Celebrity Brands International

Robert Gibbs
Brunini, Grantham, Grower & Hewes

Gwen Harmon
National Civil Rights Museum

George Penick
St. Andrew's Episcopal School

Maura Phillips
Mortgage Guaranty Insurance
Corporation

Carol Borne Spencer
Episcopal Diocese of Mississippi

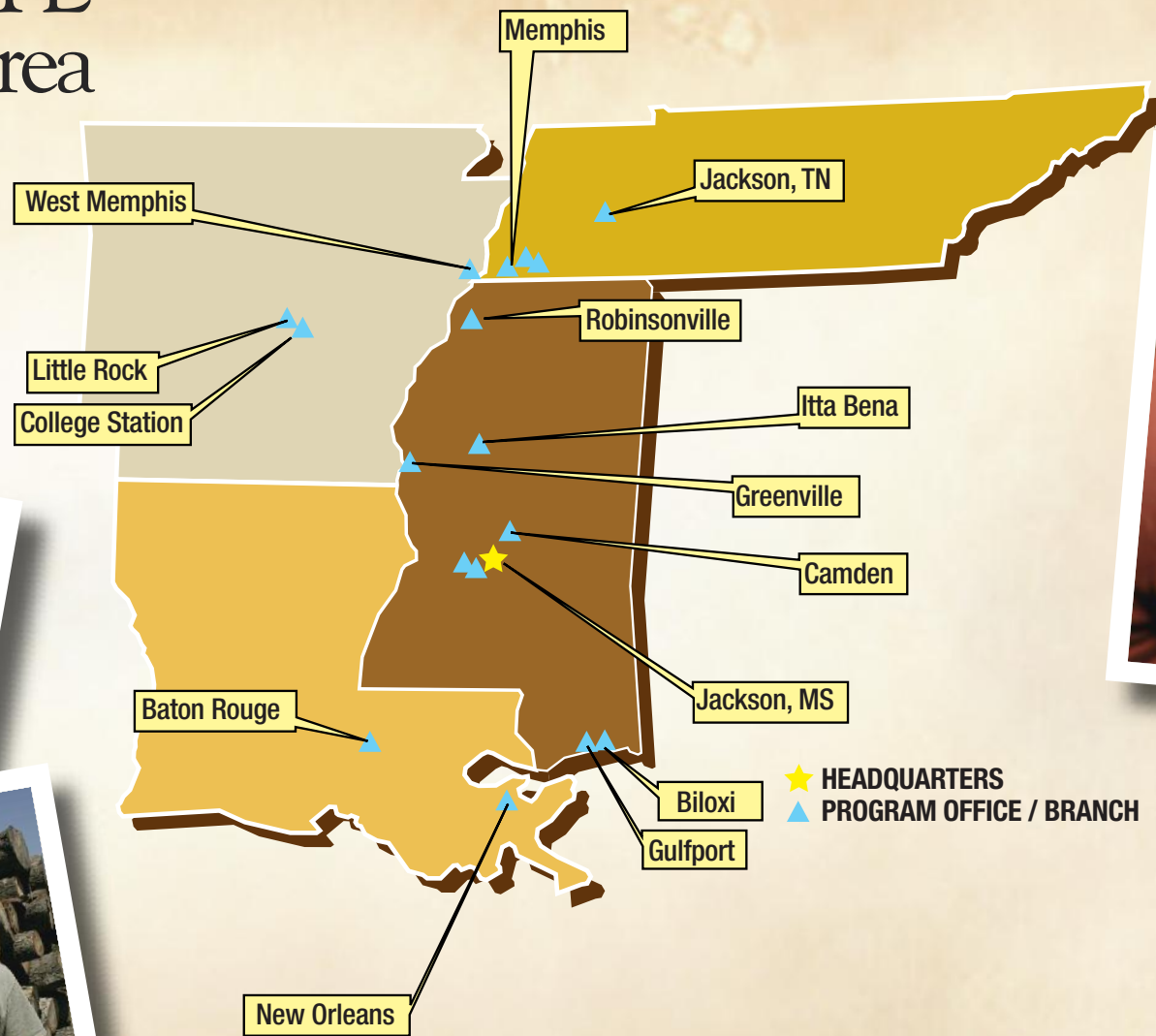
Austin Porter
Porter Law Firm

Troy Stovall
Howard University

Herman Taylor
University of Mississippi
Medical Center

Neddie Winters
Mission Mississippi

ECD/HOPE Service Area



STRENGTHENING COMMUNITIES.
BUILDING ASSETS. IMPROVING LIVES.

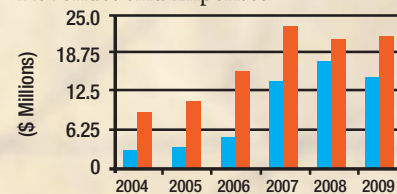
ECD/HOPE

Consolidated and Combined Financial Highlights

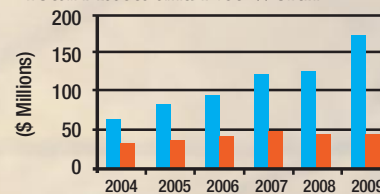


	Years Ended December 31	
	2009	2008
Results of Operations		
Earned Revenues	\$ 15,021,679	\$ 17,711,951
Operating Expenses	21,340,566	21,057,531
Loan Loss Reserve Expense	2,868,113	1,102,502
Change in Net Assets (Net Income/(Loss))	(5,863,598)	(4,802,979)
Financial Position		
Total Assets	\$ 177,996,484	\$ 129,215,687
Total Net Assets (Net Worth)	46,412,055	47,114,439
Loans and Investments	120,726,229	83,799,433
Total Debt	32,320,954	35,623,297
Total Deposits	99,263,475	46,477,950
Results of Activities		
Total Loans Closed	50,205,442	41,857,889

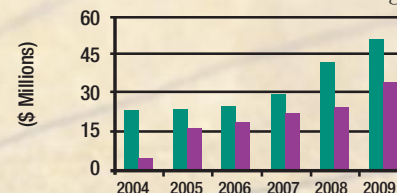
Revenues and Expenses



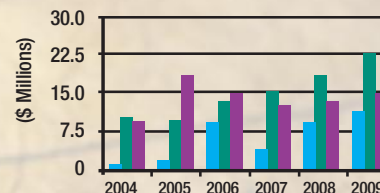
Total Assets and Net Worth



Loans and Investments Outstanding



Loans and Investments Closed



ECD/HOPE

Combined Statement of Financial Condition

As of December 31, 2009 and 2008

	ECD Consolidated	HOPE	Eliminations	Combined 2009	2008
Assets					
Cash and cash equivalents	\$ 8,278,173	\$ 14,748,480	\$ (28,984)	\$ 22,997,669	\$ 14,136,507
Debt and other securities	16,908,398	18,730,155	(13,116,431)	22,522,123	16,747,572
Cash restricted for loans to be made by subsidiary	2,740,090			2,740,090	2,737,729
Grants and other receivables (Note 3)	3,719,420	2,903,867	(4,409,897)	2,213,391	8,053,657
Prepaid expenses	169,584	66,131		235,715	193,436
Other assets	759,109	1,850,273		2,609,382	635,581
Interest receivable	177,177	358,283		535,460	295,766
Consumer loans		32,285,567		32,285,567	12,833,764
Commercial loans (Note 4)	31,175,395	20,082,077		51,257,472	42,455,578
Residential mortgage loans	6,196,757	28,439,307		34,636,064	24,725,002
Allowance for loan losses (Note 5)	(2,228,186)	(3,262,940)		(5,491,126)	(3,146,208)
Loans, net	35,143,966	77,544,011		112,687,977	76,868,136
Foreclosed property	2,547,126			2,547,126	3,785,089
Goodwill		244,472		244,472	
Property and equipment, net	2,302,522	6,360,556		8,663,078	5,762,213
Total assets	\$ 72,745,567	\$ 122,806,228	\$ (17,555,311)	\$ 177,996,484	\$ 129,215,687
Liabilities					
Accounts payable	\$ 3,635,248	\$192,327	\$ (2,523,058)	\$ 1,304,517	\$2,521,388
Dividends payable		117,439		117,439	
Member deposits		99,292,459	(28,984)	99,263,475	46,477,950
Other liabilities	3,187,715	2,471,746	(1,886,838)	3,772,622	8,953,873
Long-term loans (Note 9)	21,840,200	18,402,606	(13,116,431)	27,126,375	24,148,036
Total liabilities	28,663,163	120,476,577	(17,555,311)	131,584,429	82,101,248
Net Assets and Equity					
Uninsured capital and reserves		2,329,651		2,329,651	2,060,717
Unrestricted net assets	18,417,632			18,417,632	23,556,674
Minority interest	22,209,995			22,209,995	17,709,319
Total unrestricted	40,627,626	2,329,651		42,957,277	43,326,710
Temporarily restricted	2,762,266			2,762,266	3,095,217
Permanently restricted	692,512			692,512	692,512
Total net assets	44,082,404	2,329,651		46,412,055	47,114,439
Total liabilities and net assets	\$ 72,745,567	\$ 122,806,228	\$ (17,555,311)	\$ 177,996,484	\$ 129,215,687

ECD/HOPE

Combined Statement of Activity

	Unrestricted	Temporarily Restricted	Permanently Restricted	2009 Total	2008 Total
Revenues and Gains:					
Grants and contributions	\$ 3,794,103	\$ 1,201,024		\$ 4,995,127	\$ 893,217
Program income	12,838,465			12,838,465	14,979,896
Investment income	2,183,215			2,183,215	2,732,055
	<u>18,815,782</u>	<u>1,201,024</u>		<u>20,016,806</u>	<u>18,605,168</u>
Net Assets Released from Restrictions:					
Satisfaction of program restrictions	1,543,975	(1,533,975)		10,000	
Expiration of time restrictions					
	<u>20,359,757</u>	<u>(332,951)</u>		<u>20,026,806</u>	<u>18,605,168</u>
Total Revenues and Gains					
Expenses:					
Program expenses:					
Commercial lending and assistance	5,956,077			5,956,077	5,035,351
Mortgage lending and housing	2,029,109			2,029,109	6,069,365
HOPE and consumer lending	7,715,839			7,715,839	(822,435)
Other programs	5,639,541			5,639,541	10,598,749
	<u>21,340,566</u>			<u>21,340,566</u>	<u>20,881,030</u>
Development and communications					176,501
General administration	4,549,839			4,549,839	2,350,616
	<u>25,890,404</u>			<u>25,890,404</u>	<u>23,408,147</u>
Total Expenses					
Change in net assets before minority interests	(5,530,647)	(332,951)		(5,863,598)	(4,802,979)
Change in other comprehensive gains/losses	172,213			172,213	46,733
Minority interests in subsidiaries losses	488,326			488,326	(316,903)
Change in Net Assets Attributable to Controlling Interest	<u>(4,870,108)</u>	<u>(332,951)</u>		<u>(5,203,059)</u>	<u>(5,073,149)</u>
Net Assets Attributable to Controlling Interest:					
At beginning of year	25,617,391	3,095,217	692,512	29,405,120	34,478,269
At end of year	<u>20,747,283</u>	<u>2,762,266</u>	<u>692,512</u>	<u>24,202,061</u>	<u>29,405,120</u>
Net Assets of Minority Interests	<u>22,209,995</u>			<u>22,209,995</u>	<u>17,709,319</u>
Net Assets and Equity at End of Year	<u>\$ 42,957,278</u>	<u>\$ 2,762,266</u>	<u>\$ 692,512</u>	<u>\$ 46,412,056</u>	<u>\$ 47,114,439</u>

ECD/HOPE Notes to Combined & Consolidated Financial Statements

For the years ending
December 31, 2009 and 2008

1. Basis of Presentation

The accompanying combined and consolidated financial statements include the consolidated financial statements of the Enterprise Corporation of the Delta (ECD) and the financial statements of Hope Community Credit Union (HOPE). ECD has received a ruling from the Internal Revenue Service for exemption from income taxes as a public charity under Internal Revenue Code Sections 501(c)(3) and 509(a)(2). HOPE is a credit union under Section 501(c)(14) of the Internal Revenue Code. All significant intercompany accounts and transactions have been eliminated in the combination and consolidation. The purpose of this presentation is to report ECD and HOPE as operating together to fulfill their mission. ECD is the primary sponsor of HOPE and encompasses the field of membership of HOPE. ECD and HOPE share staff and resources in operating terms. Separate audited financial statements of ECD and HOPE are available at www.ecd.org and www.hopecu.org.

Subsidiaries of ECD include ECD Investments, LLC (ECDI); ECD Investments BIDCO Corporation (BIDCO); ECD Associates, LLC (ECDA); ECD New Markets, LLC (ECDNM); Home Again, Inc. (Home Again); Mid-Delta Community and Individual Investment Corporation (MDCIIC); ECD First Commercial, LLC (ECD First); ECD Plus, LLC (ECD Plus); and ECD Central City, LLC. ECDI, a Mississippi Limited Liability Company, was formed in 1997 as a for-profit subsidiary of ECD. ECD holds the controlling interest in ECDI through its ownership of all of ECDI's outstanding Class B units. Class A and C units of ECDI are available for investment by qualified institutional and individual investors. Investments made by qualified institutional and individual investors less accumulated losses are shown as minority interest in subsidiary. BIDCO is a wholly-owned subsidiary of ECDI. ECDI and BIDCO were created to extend ECD's commercial lending activities. ECDA, a Mississippi Limited Liability Company, was formed in 2004 to raise capital to invest in ECDNM, a Mississippi Limited Liability Company formed in 2003. ECD is the managing member of ECDA and ECDNM. Units of ECDA are available for

investment by qualified institutional and individual investors. Capital invested by ECDA in ECDNM is used to invest in HOPE. In return, ECDA receives New Markets Tax Credits and cash over the investment periods which are distributed to investors in ECDA. Home Again began operation in 2006 with the Company as primary sponsor. Home Again provides mortgage financing and recovery consultation services to eligible persons in the coastal region of Mississippi in the aftermath of Hurricane Katrina. MDCIIC was acquired by ECD in 2007 and is a Mississippi corporation that provides loans and technical assistance to small businesses in a six-county service area in the delta region of Mississippi. ECD First and ECD Plus began operations in 2007 and are commercial loan funds in partnership with local banks. ECD Central City began operations in 2009 and is a commercial loan fund in partnership with a local bank. On January 1, 2009, HOPE acquired all the assets and liabilities of American Savings Credit Union (ASCU) in a NCUA-directed merger accounted for as a purchase. This merger resulted in an excess of fair value of liabilities assumed over fair value of assets acquired of approximately \$244,000.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about ECD/HOPE's financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

2. Cash and Marketable Securities

Cash and marketable securities are comprised of cash and cash equivalents and other securities held by ECD/HOPE in the ordinary course of business:

	2009	2008
Cash and cash equivalents	\$ 11,018,263	\$ 16,874,236
Debt and other securities	16,908,398	16,747,572
	<u>\$ 27,926,663</u>	<u>\$ 33,621,808</u>

3. Grants and Other Receivables

Unconditional grants are recognized as revenue in the period the commitment is received. Unconditional grants to be received over a period of time in excess of one year are recorded at fair value at the date of the grant based upon the present value of payments to be received. ECD/HOPE's management anticipates grants receivable at December 31, 2009 will be received and available for support of ECD/HOPE's programs as follows:

Annie E. Casey Foundation	\$ 200,000
The Ford Foundation	75,000
State of MS HOME Grant	20,960
MEMA	775,000
LA Disaster Relief Foundation	25,870
Kellogg Foundation	300,000
NeighborWorks America	175,000
Mott Foundation	50,000
Contracts and Other Receivables	622,150
Total Grants	<u>\$ 2,243,980</u>

Less adjustment to reflect grants receivable at fair value at the date of grant (discounted cash flows based on 4 percent discount rate)	(30,589)
Net Grants Receivable	<u>\$ 2,213,391</u>

4. Loans

The composition of the loan portfolio is as follows:

	2009	2008
Consumer loans outstanding	32,285,567	12,833,764
Commercial loans outstanding	51,257,772	42,455,578
Residential mortgage loans outstanding	34,636,064	24,725,002
	<u>\$ 118,179,103</u>	<u>\$ 80,014,344</u>

Consumer loans are either uncollateralized or secured by vehicles or deposits.

Commercial loans are typically collateralized by property, equipment, inventories and/or receivables with loan-to-value ratios from 50% to 100%. Commercial loans are typically guaranteed by the principals of the borrower.

Commercial loan commitments are made to accommodate the financial needs of ECD/HOPE's customers. These arrangements have a credit risk essentially the same as that involved in extending loans to customers of commercial banks and are subject to ECD/HOPE's normal credit practices.

ECD/HOPE also originates and purchases residential mortgage loans. These loans are typically collateralized by residential real estate with a loan to value ratio of 97% or less. The majority of these loans are typically sold within three months of origination or purchase.

5. Allowance for Loan Losses

The allowance for loan losses is maintained at a level considered adequate by management to provide for probable loan losses related to specifically identified loans and for losses inherent in the loan portfolio that has been estimated as of the balance sheet date. Management's determination of the adequacy of the allowance is based on an evaluation of the portfolio, growth and composition of the loan portfolios, economic conditions and other relevant factors. The allowance is increased by provisions for loan losses charged to expense.

Transactions in the allowance for loan losses are summarized as follows:

	2009	2008
Balance at beginning of year	\$ 3,146,208	\$ 2,413,351
Provision charged to operating expenses	2,089,085	1,102,502
Provision acquired with ASCU merger	3,123,946	
Loans and investments charged off and foreclosed	(2,868,113)	(3,69,645)
Balance at end of period	<u>\$ 5,491,126</u>	<u>\$ 3,146,208</u>

6. Investments in Privately Held Companies

ECD/HOPE made its first investments in privately held companies in 1998. These investments have generally been in the form of preferred stock or subordinated debt. Investments in privately held companies are carried at the lower of cost or net realizable value. The Company regularly evaluates whether, in management's opinion, events or circumstances have occurred which may indicate that the carrying amount of the Company's investments in privately held companies may not be recoverable based upon estimated future discounted cash flows from the

investment. If some or all of the investment is determined to be unrecoverable, the asset is written down to the estimated net realizable value. The Company recognized an impairment loss on privately held company investments of \$25,000.

7. Foreclosed Property

Foreclosed property consists of properties repossessed by the Company on foreclosed loans. These assets are stated at the lower of the outstanding loan amount (including accrued interest, if any) or fair value at the date acquired less estimated costs to sell. Losses arising from the acquisition of such property are charged against the allowance for loan losses. Declines in value resulting from disposition of such property are expensed as impairment loss on foreclosed property or loss on disposition of foreclosed property, as applicable.

8. Dividends Payable on Shares and Share Certificates

Dividends payable are dividends earned on share draft accounts, share accounts and share certificates by members of HOPE and not yet paid by HOPE. Share draft accounts are the credit union equivalent of bank checking accounts. Interest is earned on HOPE money market share draft accounts. Share accounts are the credit union equivalent of bank savings accounts, and share certificates are the credit union equivalent of bank certificates of deposit. All share draft accounts, share accounts and share certificates are insured by the National Credit Union Administration up to \$250,000 per member.

9. Long-Term Debt

The maturities of long-term debt at December 31, 2009, are as follows:

2010	\$ 5,613,238
2011	1,818,692
2012	1,914,222
2013	1,403,508
2014	1,591,776
Thereafter	14,784,939
	<u>\$ 27,126,375</u>

10. Uninsured Capital and Reserves

The uninsured capital and reserves include accumulated reserves and undivided earnings of HOPE.

Enterprise Corporation of the Delta
www.ecd.org

Hope Community Credit Union
www.hopecu.org

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Mississippi: Biloxi, Camden, Greenville, Gulfport,
Itta Bena, Jackson, Robinsonville
Tennessee: Jackson, Memphis



ECD/HOPE
Enterprise Corporation of the Delta
Hope Community Credit Union



STRENGTHENING COMMUNITIES.
BUILDING ASSETS. IMPROVING LIVES.

1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009