Across the Deep South, generations of resilient public servants, artists and business leaders have broken barriers, distinguishing themselves while making life better for others. In a region marked by entrenched economic, racial and social disparities, HOPE taps into this wellspring of determination, innovation and courage to fulfill our mission.

Lifelong barrier breaker Pastor Farrell Duncombe, who studied at the feet of his Sunday school teacher, Rosa Parks, says, “I see a correlation between the Civil Rights Movement and the challenges HOPE addresses today. When we talk about justice and equality, no matter what the goal, economics will be involved.”

HOPE champions those on the edge of the economy, working in small towns and inner city neighborhoods to remove obstacles that limit one’s ability to prosper. We are committed to a Deep South that works for all – regardless of race, gender, birthplace or station in life.

HOPE is especially proud to work alongside and continue the legacy of countless barrier breakers, including those who are longtime leaders and those of the next generation. Together, we are the barrier breakers for this time.

Bill Bynum
Chief Executive Officer

Reverend Farrell Duncombe,
Hope Credit Union Board Member and former Pastor, St. Paul AME, Montgomery, AL

Reverend Farrell Duncombe,
Hope Credit Union Board Member and former Pastor, St. Paul AME, Montgomery, AL
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HOPE Community Partnership mural installed at the historic Itta Bena courthouse, across the street from HOPE's branch.
“We are about breaking cycles,” says Frank Adams, Jr., CEO of the A.G. Gaston Boys & Girls Club. “We serve children who may have wonderful parents, but who face a number of barriers. They deal with food insecurity, safety issues in their neighborhoods, a lack of technology that most people take for granted, and other challenges that come with poverty.

Within the four walls of this building, we try to mitigate those challenges,” Adams continues. “We provide bright paths and opportunities for our children, no matter where they come from. We are a place of hope.

That place of hope has become even more hopeful on February 19, 2020, when the A.G. Gaston Boys & Girls Club opened the doors to a new, $15.5 million clubhouse.

The sparkling new facility offers space to provide tutoring, mentoring services, and after-school activities for 450 children at one time – nearly twice the capacity of the old clubhouse. Added amenities include a dedicated teen center, a commercial kitchen for preparing hot meals, a performing arts venue, and spacious, well-equipped areas for academic, STEM, and indoor and outdoor recreational activities. The new facility will also serve as a community gathering space, a ‘village center’ for neighborhood meetings and programming.

HOPE provided $9 million in New Markets Tax Credit as part of the financing for the construction of the new facility.

“HOPE has been an example of servant leadership in our community. They’ve not only provided financial support, they’ve also provided enthusiasm and emotional support for our work,” Adams says.

A.G. GASTON BOYS & GIRLS CLUB
BIRMINGHAM, ALABAMA

COMMUNITY & ECONOMIC DEVELOPMENT
Breaking Barriers for Future Generations

A.G. GASTON BOYS & GIRLS CLUB
BIRMINGHAM, ALABAMA

COMMUNITY & ECONOMIC DEVELOPMENT

“HOPE got our vision and understood that we wanted to be a source of catalytic change in this community. They saw this project not just as a business opportunity, but as a way to focus on the needs of our community. This clubhouse is transformative for our community and for individual children and it is the direct result of the support of HOPE,” says Frank Adams, CEO of the A.G. Gaston Boys & Girls Club.
The revitalization of Jackson, Mississippi’s capital city is vital to the economic future of the entire state. Unfortunately, over the last couple of decades, businesses have migrated to the suburbs and vacancies for commercial office space have steadily risen. In 2019, more than 1 out of 5 commercial office spaces in downtown Jackson were vacant.

The economic hardship facing the central business district of Jackson was precisely the type of challenge HOPE takes on when it considers leveraging the New Markets Tax Credit (NMTC) program. The program was created nearly 20 years ago to increase and direct capital into economically distressed communities. Historically, HOPE has used NMTC to fund projects that otherwise would not receive funding from any other entity.

HOPE partnered with developer Andrew Mattiace to secure $10 million in NMTCs to completely renovate and repurpose Jackson’s historic Lamar Life building. The city’s first “skyscraper” and a landmark downtown property, the graceful building and its stately clock tower had stood watch over Capitol Street since 1924. The property was still in use as an office building, but Mattiace and HOPE saw the potential for a modern development that also expanded affordable housing.

Work began on the penthouse-to-basement renovation in 2017. The building’s entire infrastructure, including all electrical and plumbing, was replaced with modern, state-of-the-art equipment; every floor of the grand, 11-story building received a cosmetic facelift; and the building was converted from 100 percent apartments, office, and retail space into 15% of the housing units were set aside for affordable housing.

Work was completed in January of 2019. By March 1, the entire building, now known as the Lamar Life Lofts, was leased. The renovation of this signature property, which is listed on the National Register of Historic Places, has served as a catalyst for additional development and investment in downtown Jackson.

I needed an office in a convenient, central location,” says Taylor Sledge, who runs a financial services business from his office in the Lamar Life Lofts. “This building has that location and also offered a community atmosphere. It’s a good atmosphere. I think the success of this project will encourage the entrepreneurial spirit in Mississippi. In how many other cities could you take this kind of dream and make it happen?”

HOPE New Markets Tax Credit Outcomes 2002 - 2019

$398 million
Invested across the Deep South

3,737
Total Jobs Created or Retained

33%
Average Poverty Rate in Communities Supported by HOPE Investments
It’s a fitting name for the Ashé Cultural Arts Center, the organization that turned a once-blighted neighborhood into a cultural tourism destination. Located in Central City, a low-income area in New Orleans, Ashé was the brainchild of HOPE member Carol Bebelle.

“New Orleans is famous for its African-influenced culture,” Bebelle says. “But everyone was making money off the culture except the artists. There was a need for a cultural center where the black folks had the keys."

Under Bebelle’s leadership as executive director, Ashé rented a building in the heart of Central City in 1998. More than just a physical space, Bebelle envisioned Ashé as the anchor for a cultural corridor that would promote commerce and foster a sense of community.

HOPE was a part of that vision from the beginning. The Central City Merchants and Business Association chose HOPE to conduct a feasibility study to assess the community’s potential for economic development. Realizing that potential was strong, HOPE wrote Ashé a bridge loan that kept the center running until its first substantial source of funding, a grant from the Ford Foundation, came in. Grants from the W.K. Kellogg Foundation, Annie E. Casey Foundation, and others followed.

"HOPE was also the first financial institution to establish a location in Central City."

Today, the Ashé Cultural Center is a hub for art exhibitions, cultural presentations, and community gatherings, and the corridor Ashé anchors is a lively swath of businesses, museums, and restaurants. Ashé purchased the space it once rented, ensuring it will continue to be a community anchor for years to come.

Ashé continues to partner with HOPE to plan for Central City’s future.

“As the property value goes up, we’re looking at financial products that will help local people purchase homes and open businesses here, so that Central City doesn’t become out of reach financially for the people and culture the neighborhood is built on,” says Bebelle, who retired as Ashé’s director in 2019. “We’re moving from place making to place keeping.”

Yet another reason to say, “Ashé.”

**Barrier Breaker**

**CAROL BEBELLE**

**NEW ORLEANS, LOUISIANA**

Ashé is West African for “amen” or “so let it be done.”

"HOPE looked at this area and saw more than poverty and blight,” Bebelle says. "HOPE saw our potential."
With help from HOPE, Carlos Rene Otero Cruz is living the American dream. Otero Cruz immigrated to America from Colombia and landed a job on the assembly line at Bimbo International, a company that produces bread and other baked goods for Walmart, Target, and large supermarkets.

When he saw the opportunity to purchase a Bimbo distribution route, Otero Cruz was eager to make the leap from employee to business owner. But when he turned to his bank for a loan to purchase a bread delivery truck, Otero Cruz was turned down due to a lack of credit history.

Then the Hispanic Interest Coalition of Alabama recommended he apply for a loan through HOPE. HOPE used credit enhancement funds through the Wells Fargo Diverse Community Capital program to provide a cash security that closed the gap between Otero Cruz' available collateral and what was needed to cover the loan.

Otero Cruz walked into HOPE as an assembly line worker and left HOPE as a small business owner. His next goal is to work with HOPE on a mortgage loan as he continues to build a successful life in America.

“I never thought this would be possible. HOPE has helped me realize my dream of owning my own business in this beautiful country and given me the financial independence to provide for my loved ones,” Otero Cruz says.

61% of Businesses and Nonprofits Financed by HOPE in 2019 were Owned or Led by Women and/or People of Color

“I hope to grow my business to the point that I can hire others in an immigration situation similar to mine and help them become autonomous,” Otero Cruz says. “HOPE is a collaborative financial institution that helps people progress in life.”

The Best Thing Since Sliced Bread

CARLOS RENE OTERO CRUZ
BIRMINGHAM, ALABAMA
It’s been 16 years since Maria Aguilar Rodriguez left Mexico for a better life and a career in the United States, but she still remembers the challenges of adjusting to a new country, a new language, and a new culture.

Today, Rodriguez uses her own experiences to help others in her job as a program coordinator with the Mexican Consulate in Little Rock, Arkansas. Rodriguez works with immigrants from Mexico to the United States, matching them with financial, educational, and healthcare services. Between the main office and a “consulate on wheels” program, the Mexican Consulate serves as many as 200 people per day.

Rodriguez works hand-in-hand with Crece con HOPE (Grow with HOPE), a program that provides financial services designed specifically for Spanish-speaking immigrants. Rodriguez can recommend HOPE to her clients with confidence because HOPE allowed her to launch a small business selling packaged meals made from her own recipes.

“HOPE is a very important partner for the Consulate,” Rodriguez says. “We have the same mission – to make sure people have a good quality of life here. These immigrants are hard workers. We want to see them buy homes, build their credit scores, and start successfully businesses in America. By helping immigrants navigate financial matters, HOPE is helping them navigate life in this country.”

MARIA AGUILAR RODRIGUEZ
LITTLE ROCK, ARKANSAS

42% of Hispanic Households living in the South are UNBANKED or UNDERBANKED more than twice the rate for White Households
Mornings at Memphis Merit Academy begin with 112 kindergarteners and first graders in crisp maroon uniforms chanting the school mantra:

“Who are we? Merit Academy! Where are we going? To college!”

The school opened in 2019, Merit is located in Parkway Village, one of Memphis’ most disadvantaged neighborhoods. In the community, 65 percent of children under the age of 5 live in poverty. Liquor stores outnumber grocery stores and the crime rate is among the highest in Memphis.

“We know what we refer to as ‘the brutal facts,’ but we don’t let them get in the way,” says Lakeena Booker, Merit’s founder and head of school. “Every student deserves a school where the leaders and teachers work daily to close the achievement gap between affluent and non-affluent students. Merit is that school.”

Merit’s location was chosen with care. In a low-income community, ease of transportation can be a critical factor in whether a child makes a school regularly or not; it was important that the school be located within the Parkway Village community. Merit plans to add a grade every year up to grade 8, so it was vital that the space chosen offer room for growth.

HOPE not only provided funding for renovations to the space, but played a critical role in choosing it.

“HOPE was a partner in our two-year planning process,” Booker says. “HOPE helped us understand the market and the budget and the need to match our financial plan to determine how much space we could afford.”

Merit chose a 34,000-square foot space. HOPE helped develop a plan to renovate an initial 14,000 square foot of space, saving upfront renovation costs, but allowing Merit the flexibility to grow into out space. Barriers are being broken.

“Merit isn’t just closing the gap. We go beyond the gap,” says Alexia Hudson, Merit kindergarten teacher. “We aren’t just giving our students a seat at the table, We are building the table.”

7,403 Students Educated in Schools Financed by HOPE
86% from Low-Income Households
Chelsey Walker was just 3 years old when she first proclaimed, “I want to be a doctor.” Now 26 and a student at the Louisiana State University School of Medicine, the soon-to-be “Dr.” Chelsey Walker hopes to someday open her own practice treating low-income families in her hometown of New Orleans.

An outstanding student and hard worker who assisted in conducting neuroscientific research at LSU while still in high school and whose work was published in medical journals while she was still a college undergraduate, Walker had never set a goal she couldn’t reach—until she tried to get an auto loan.

“I had plenty of long-term student loan debt from medical school, but I had no credit history,” Walker says. “I realized what a barrier that was when I wanted to buy a car in my own name and I couldn’t get a loan. The people at the dealership didn’t even turn on their computers. They simply said, ‘no.’”

When Walker reluctantly asked her father for help, he signed for her car loan, and also offered her some sound advice: turn to Hope Credit Union for help establishing her own credit history.

HOPE helped Walker with a cash-secured loan, which essentially allowed her to build a credit history by borrowing and repaying her own money within a year. She had paid the loan back, opened a savings account, and secured a credit card in her name. Walker can now focus on her medical studies and her career plans without worrying that a lack of credit will hold her back.

“It’s a relief to know that my credit score isn’t getting killed while I’m finishing my medical education and that my lack of credit won’t be a barrier to achieving the goals I’ve set for myself or my plans to give back to my community,” says Walker.
The Reverend Farrell Duncombe was inspired by one of the greatest of all barrier breakers, Rosa Parks. Duncombe vividly remembers her as the “den mother” who walked him and his friends to church for Junior NAACP meetings. Years later, a grown-up Duncombe, then principal of Montgomery’s Sidney Lanier High School, asked Ms. Parks to visit the school and address his students, in true barrier breaker fashion, the topic of her speech was refusing to let obstacles keep you down. “It was like the children had seen Jesus,” Duncombe says. “I had tears in my eyes. It was a high moment in my life.” Like his role model, Duncombe was never afraid to stand up for equality. He broke his first barrier in 1970, when he was named the first African American band director at newly desegregated Lanier High School. It was a violent, tumultuous time in the Deep South; for his entire first year on the job, Duncombe was accompanied by a bodyguard. He was subjected to everything from name calling to death threats, but nothing could deter Duncombe from his goal, which was not only to lead the band, but also to unify the diverse school community.

“I see a correlation between the Civil Rights Movement and the challenges HOPE addresses today. When we talk about justice and equality, no matter what the goal, economics will be involved,” Duncombe says. “HOPE not only understands that, they are an organization that cares. They are sensitive to the needs of the people they serve. People facing economic barriers need hope and that is what HOPE gives them.”
Quintus Johnson and his wife, Cassandra, have built their careers on serving others. Quintus is an officer with the Leland, Mississippi, Police Department and Cassandra is a school teacher. But when the Johnsons were ready to buy a home for themselves and their four little girls, their lack of a substantial down payment made traditional lenders hesitant to serve them.

“Time after time, we were disappointed,” Quintus says. “If we could afford it, the neighborhood wasn’t right. If the neighborhood was right, we could never get the financing. We had looked for such a long time, my wife had given up hope. We had decided we’d just have to keep renting or settle for something that wasn’t what we really wanted.”

Then a partnership between HOPE and the Wells Fargo NeighborhoodLIFT program made the Johnsons’ dream of homeownership a reality. The program offers down payment grants to first-time homebuyers, and in a show of gratitude for their service, offers even more generous assistance to first responders like Quintus Johnson. Homebuyers agree to stay in the home for five years; the balance to be repaid each year and after five years, is forgiven completely.

“The attitude from NeighborhoodLIFT and HOPE was all hands on deck, ready to help us in every way,” Quintus says. “It’s an awesome feeling to know that your hard-earned money is going to pay for something that is yours.”

In May of 2019, the Johnsons moved into a three-bedroom, two-bath home in a family-friendly neighborhood in Greenville, Mississippi. The house offers wide hallways for the family to run down, a big yard for the family to play in, and the joy that comes from knowing they have finally come home.

“When we saw this house, we knew it was home,” Quintus says. “It was all hands on deck, ready to help us in every way.”

“Thanks to HOPE and NeighborhoodLIFT, we made it home.”

Giving Families A Lift Home

“It’s an awesome feeling to know that your hard-earned money is going to pay for something that is yours,” Quintus Johnson says. “This house is perfect for us, a blessing. It was a long-awaited journey with some obstacles along the way, but thanks to HOPE and NeighborhoodLIFT, we made it home.”
HOPE is proud to stand on the shoulders of legendary barrier breakers Civil Rights Activist and Hope Credit Union member-owner Myrlie Evers-Williams, and founding Hope Enterprise Corporation director, former Governor William Winter.

The former chairwoman of the NAACP’s national board of directors, Evers-Williams is credited with spearheading the operations that restored the NAACP to its original status as the premier Civil Rights organization in America. She became the NAACP’s first chairperson emeritus in 1996, when she retired to establish the Medgar Evers Institute, now the Medgar & Myrlie Evers Institute.

Evers-Williams has been a force for civil rights since the 1960s. She and her late husband, Medgar, opened and managed the first NAACP Mississippi State Office. Their stand for justice would cost Medgar Evers his life; in 1963, Evers-Williams and the couple’s three children saw their husband and father assassinated in the driveway of the Evers’ home in Jackson. Evers-Williams and the children later relocated to California, where she continued to be a champion for justice and equality.

In addition to her service work, Evers-Williams enjoyed a successful professional career, holding leadership positions in business and education and earning acclaim as an author and public speaker. Active in politics, Evers-Williams was the first African American woman to head the Southern California Democratic Women’s Division and was a member of the National Women’s Political Caucus.

Evers-Williams holds 16 honorary degrees from leading colleges and universities and is a recipient of numerous civil rights, human rights and community awards. Selected by President Barack Obama, she was the first lifespan and first woman to deliver the inaugural invocation at a presidential inauguration.

Evers-Williams shares HOPE’s mission of helping people on the fringe of the American economy to move to the mainstream, and giving everyone an equal chance to prosper.

Throughout his public service and private sector careers, Winter would become a champion for civil rights. As the 58th governor of Mississippi (1980-1984), Winter championed educational equality; public kindergarten was the cornerstone of his Education Reform Act of 1982.

Winter was one of President Bill Clinton’s seven appointees to the President’s Advisory Board on Race. His involvement brought the first-ever Deep South dialogue event about racial reconciliation to the University of Mississippi in Oxford. Hailed as the single most successful event of the entire initiative by President Clinton, the event prompted the University of Mississippi to form the William Winter Institute for Racial Reconciliation. The Institute, now a nonprofit headquartered in Jackson, Mississippi, promotes community building, youth involvement, and policy and civic engagement.

Winter celebrated HOPE’s mission in an address to the organization’s employees.

“There are certain things that everybody agrees on. Everybody wants their children to get the best education. Everybody wants to have a fair shot at a decent job where they can make a living. Everybody wants to live in a decent house on a safe street. And above all else, everybody wants to be treated with dignity and respect. Those are universal aspirations. ‘What all of you [at HOPE] are doing is creating a society where people can see the realization of these basic aspirations and hope. What HOPE is doing is the most important thing going on in America.”

Myrlie Evers-Williams
Civil Rights Activist

Barrier Breakers

HOPE provides people with access to self-determination, and economic empowerment, and dignity. That is exactly what Medgar wanted.”
It’s noon at the Refill Café in West Jackson, and the crowd is bustling. The bright cafe hums with lively chatter as workers serve sandwiches and lunch plates to a diverse crowd. For Refill workers like Brantley Hughes, every lunch served is a step toward a new life.

“Four months ago, I could not have imagined being in this spot,” 20-year-old Hughes says. “I’d tell anyone struggling, come to Refill and get into this program.”

Refill Café is a project of the Refill Jackson Initiative, a life skills and workforce training program for young adults struggling to break the barriers of addiction, poverty, crime, and challenging socioeconomic backgrounds.

“Most of our program members have had little or no positive influences in their lives,” says Emily Stanfield, president and CEO of the Refill Jackson Initiative. “As a result, they have a bad picture of themselves.”

Refill changes that picture. The 10-week program is a combination of classroom training, life skills coaching, and hands-on work in the Refill Café. Members learn job skills and also develop important soft skills like teamwork, accountability, anger management, and problem solving.

“HOPE provided financing for the freestanding building that houses the Refill Café and classrooms. For program members like Hughes, the bright yellow building embodies the chance to rebuild their lives.”

Hughes’s drug addiction had cost him his job, his home, and his relationships. He reached a turning point when he witnessed another homeless addict shot over a shoe.

“It wasn’t even a pair of shoes,” Brantley says, his voice shaking. “It was a shoe. It was a typical crackhead move. I weighed less than 100 pounds. I was terrified. I knew I was done.”

A rehab program helped Hughes get clean, but he needed a new direction that would keep him on the right path. He found that direction within the walls of Refill. Since completing the program in 2019, Hughes has repaired his broken relationships with his family and is on track to re-enter the workforce.

“I’m proud of myself.” Hughes says. “The Refill staff is proud that I’ve come this far and they let me know every day they’re proud of me. If you put 100 percent into Refill, you get more than 100 percent back.”
At the time of his arrest, DeAndre Brown was wanted by the city of Memphis, Shelby County, and the State of Tennessee. Today, DeAndre has business contracts with the city of Memphis, Shelby County, and the State of Tennessee.

DeAndre and his wife, Vinessa, are the founders of Lifeline to Success, an organization that helps men and women rejoin community life after incarceration. This is a challenge DeAndre knows firsthand. He was a promising pre-med student at Rhodes College when a desire for easy money lured him into a life of crime that eventually led to a decade spent in and out of prison. Upon his release, DeAndre and Vinessa decided to make ministering to other returning citizens their life’s work.

An important part of that transformative process is learning to manage finances. Many of their clients have never earned a paycheck or had a bank account, and the process of establishing one can be intimidating. They’ve served time in prison, but the thought of going into ‘the banks scares them,’ DeAndre says. Writing a check, applying for a loan, even something as simple as showing off an ATM card gives them a sense of pride.

I thank God for HOPE. They’re doing more than opening accounts and issuing ATM cards. They’re helping these men and women take a step forward in life,” DeAndre Brown says.

“HOPE’s commitment to serving returning citizens when so many institutions aren’t interested is a ray of hope that allows me to believe change in the way returning citizens are viewed and treated is possible,” DeAndre Brown says.

Barrier Breakers

DEANDRE AND VINESSA BROWN

MEMPHIS, TENNESSEE

An important part of that transformative process is learning to manage finances. The Browns, their organization, and their clients all have accounts with HOPE.

Lifeline to Success’s clients attend work and life skills classes every morning. Afterwards, they spend working in low-income areas of Memphis, performing landscaping and janitorial services as members of paid work crews or as volunteers.

In addition to transforming themselves, Lifeline clients are fighting blight, violence, unemployment, and other aspects of what DeAndre refers to as the ‘criminal culture.’ More than 1,000 clients with felony records have joined the program over the past eight years; fewer than five have gone on to commit another felony.
HOPE draws on 25 years of community development expertise and the unique experiences of its members to shape public policy and the practices of private institutions. In collaboration with organizations from across the country, HOPE advocates for changes in the unjust systems that make HOPE’s work so necessary.

In 2019, the group released its seminal work, a white paper titled “Transforming Persistent Poverty in America: How Community Development Financial Institutions Drive Economic Opportunity.” The paper presents a vision in which persistent poverty no longer exists and outlines several policy recommendations to bring the vision to fruition.

Collectively, the Partners have over 200 years of experience serving the Mississippi Delta, Appalachia, Native American communities, and communities along the United States/Mexico border. In the last 10 years alone, the Partners have deployed over $2 billion reaching millions of people who reside in persistent poverty communities.
The poverty rate in communities surrounding HBCUs is 31 percent, in contrast to a rate of 18% in areas surrounding predominantly white colleges and universities. The HBCU-CDFI Economic Mobility Strategy Guide is a blueprint for improving that statistic.

Since the Hope Community Partnership was launched in 2016, 30 resident-driven projects have been funded totaling $250,730.
HOPE and NeighborWorks America co-hosted a Community Leadership Institute that brought 60 leaders from around Mississippi together in Greenville for training on how to improve their communities. Representatives also shared ideas for addressing similar concerns across different communities.

“The diversity of attendees and the community leaders’ enthusiasm and passion were remarkable,” says Donald R. Phoenix, regional vice president, southern region, NeighborWorks America. “Now they are armed with some best practice tools and have connected with one another to address challenges within their own communities. I call that a huge success.”

COMMUNITY LEADERSHIP INSTITUTE

HOPE assists community partners in launching catalyst projects, smaller projects that can be completed relatively quickly and build enthusiasm and momentum for larger, long-term projects. Grants awarded in 2018 helped fund several Mississippi projects that were completed in 2019, including a neighborhood walking trail in Louisville and the renovation of the Brazil community center in Itta Bena.

CATALYST PROJECTS

“In the past, other organizations had come into these communities, made plans and promises, and then disappeared. HOPE is different. We go in with the attitude that we aren’t experts here to dictate what to do, we are partners who are here to listen and work together, and will be there for the long term. The level of engagement in the Community Partnership program continues to grow as the relationship and trust between HOPE and the communities grows.”

Mayor George Holland
Moorhead, Mississippi

HOPE knows what’s happening in these communities. They don’t sit back and wait for us to come to them. They volunteer information and resources and contact us about grant opportunities they know will benefit us. HOPE is proactive.”

— Mayor George Holland
Moorhead, Mississippi

A renovated recreational space in Louisville was a project funded by the Hope Community Partnership.

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Moorhead, Mississippi

HOPE knows what’s happening in these communities. They don’t sit back and wait for us to come to them. They volunteer information and resources and contact us about grant opportunities they know will benefit us. HOPE is proactive.”

— Mayor George Holland
Moorhead, Mississippi

A renovated recreational space in Louisville was a project funded by the Hope Community Partnership.

In the past, other organizations had come into these communities, made plans and promises, and then disappeared. HOPE is different. We go in with the attitude that we aren’t experts here to dictate what to do, we are partners who are here to listen and work together, and will be there for the long term. The level of engagement in the Community Partnership program continues to grow as the relationship and trust between HOPE and the communities grows.”

— Dee Jones
HOPE Vice President, Community and Economic Development

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— Dee Jones
HOPE Vice President, Community and Economic Development
In the spring of 2020, people nationwide were facing an uncertain future due to the spread of the coronavirus. As a result of shelter-in-place orders, the American economy ground to a halt and unemployment reached record highs.

But the darkest times are when hope shines brightest.

At the time of this writing, HOPE was rising to meet the challenges brought by the pandemic, providing immediate help for the communities and people hit hardest and working on products and policies to assist in the long-term economic recovery.

An important way that HOPE funds response efforts is through transformational deposits. These low-interest, federally-insured deposits enable socially responsible investors to import capital into wealth-starved communities.

In times like the COVID-19 crisis, these deposits truly live up to their name, fueling development projects and financial services that transform uncertainty into opportunity.

Whether it’s the daily struggle to make ends meet or an unforeseen catastrophe, the journey to a brighter future begins with HOPE.

HOPE’s Transformational Deposits create opportunities in underserved communities for people like the Cavazos family.
Barriers Broken

**HOPE’S IMPACT IN 2019**

- **105,846** People Served in HOPE Member Households
- **3,340** Consumer Loans 77% in Distressed Communities
- **138** Mortgage Loans 91% First-Time Homebuyers 87% Homebuyers of Color 52% Homebuyers who are Women
- **50** Commercial Loans 62% Businesses and Nonprofits Owned or Led by Women and/or People of Color
- **3,059** Jobs Supported
- **7,403** Students Educated in Schools Financed by HOPE 86% from Low-Income Households
- **298,450** Patients Served in Healthcare Facilities Financed by HOPE
- **594** People Living in Affordable Housing Units Financed by HOPE

**HOPE’S FINANCIAL INCLUSION OFFICES**

- **ALABAMA**
  - BIRMINGHAM
  - MONTGOMERY
- **ARKANSAS**
  - PINE BLUFF
- **LOUISIANA**
  - BATON ROUGE
  - NEW ORLEANS
- **TENNESSEE**
  - BIRMINGHAM
  - MONTGOMERY
- **MISSISSIPPI**
  - BILoxi
  - CROSSTOWN
  - ElySIAn FIELDS
  - HarVester Lane
  - Medical Mall
  - Old River Place
  - Provine High School
  - University Boulevard
  - WEST POINT

**HOPE’S IMPACT IN 2019**

- Jobs Supported
- **3,059**

- Students Educated in Schools Financed by HOPE
- **7,403**

- People Served in HOPE Member Households
- **105,846**

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  - **138**
  - 91% First-Time Homebuyers
  - 87% Homebuyers of Color
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- **594**
CONSOLIDATED AND COMBINED FINANCIAL HIGHLIGHTS
HOPE ENTERPRISE CORPORATION/HOPE FEDERAL CREDIT UNION
(in Millions)

EARNED REVENUES AND EXPENSES

CONSOLIDATED AND COMBINED FINANCIAL HIGHLIGHTS
HOPE ENTERPRISE CORPORATION/HOPE FEDERAL CREDIT UNION
(in Millions)

RESULTS OF OPERATIONS
Total Revenues $40,145,641 $36,151,846
Operating Expenses 38,520,649 34,177,247
Loan Loss Reserve Expense 1,200,953 4,266,629
Change in Net Assets
(Net Income) 424,039 (2,292,029)

FINANCIAL POSITION
Total Assets $465,917,227 $422,272,690
Total Net Assets (Net Worth) 153,296,754 120,817,533

LOANS OUTSTANDING

RESULTS OF ACTIVITIES
Total Loans Closed 89,010,222 84,930,136

TOTAL ASSETS AND NET WORTH

Y E A R  E N D E D  D E C E M B E R  3 1

2019 2018

2019

2014

Earned Revenues
Total Expenses

Total Assets
Total Net Worth

2019

2018

2017

2016

2015

2014

2013

2012

2011

2010

2009

2008

2007

2006

Commercial Loans and Investments
Mortgage Loans
Consumer Loans
## COMBINED STATEMENT OF FINANCIAL POSITION

**FOR THE YEAR ENDED DECEMBER 31, 2019**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,830,170</td>
<td>$(27,912,759)</td>
<td>$(3,662,356)</td>
<td>$26,080,573</td>
<td>$38,743,255</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>$4,792,707</td>
<td>$4,792,707</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt and other securities</td>
<td>$28,290,535</td>
<td>$21,800,006</td>
<td>$(12,475,000)</td>
<td>$37,615,541</td>
<td>$24,737,453</td>
</tr>
<tr>
<td>Cash restricted for collateral on subsidiary's note</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in non-consolidated partnerships</td>
<td>$1,036,558</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and other receivables</td>
<td>$3,175,499</td>
<td>$2,627,116</td>
<td>$(2,317,019)</td>
<td>$3,485,596</td>
<td>$12,740,814</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$299,385</td>
<td>$465,545</td>
<td></td>
<td>$764,930</td>
<td>$694,372</td>
</tr>
<tr>
<td>Other assets</td>
<td>$42,640</td>
<td>$3,437,511</td>
<td></td>
<td>$3,480,151</td>
<td>$2,440,686</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>$175,427</td>
<td>$951,155</td>
<td></td>
<td>$1,126,582</td>
<td>$1,088,793</td>
</tr>
<tr>
<td>Consumer loans</td>
<td></td>
<td>$23,225,939</td>
<td></td>
<td>$23,225,939</td>
<td>$22,717,559</td>
</tr>
<tr>
<td>Commercial loans</td>
<td>$132,933,854</td>
<td>$100,863,402</td>
<td>$(816,740)</td>
<td>$232,980,516</td>
<td>$191,714,332</td>
</tr>
<tr>
<td>Residential mortgage loans</td>
<td>$4,793,357</td>
<td>$115,788,540</td>
<td></td>
<td>$120,581,897</td>
<td>$113,735,472</td>
</tr>
<tr>
<td>Allowance for loan losses</td>
<td>$(2,149,310)</td>
<td>$(4,291,081)</td>
<td></td>
<td>$(6,440,391)</td>
<td>$(7,528,789)</td>
</tr>
<tr>
<td><strong>Loans, net</strong></td>
<td>$135,577,901</td>
<td>$235,586,800</td>
<td>$(816,740)</td>
<td>$370,347,961</td>
<td>$320,638,574</td>
</tr>
<tr>
<td><strong>Foreclosed property</strong></td>
<td></td>
<td>$1,607,205</td>
<td></td>
<td>$1,607,205</td>
<td>$696,823</td>
</tr>
<tr>
<td><strong>Goodwill</strong></td>
<td></td>
<td>$146,683</td>
<td></td>
<td>$146,683</td>
<td>$171,131</td>
</tr>
<tr>
<td><strong>Property and equipment, net</strong></td>
<td>$2,309,325</td>
<td>$13,123,415</td>
<td></td>
<td>$15,432,740</td>
<td>$14,160,133</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$177,530,147</td>
<td>$307,658,195</td>
<td>$(19,271,115)</td>
<td>$465,917,227</td>
<td>$422,272,690</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$3,789,603</td>
<td>$3,608,639</td>
<td>$(2,317,019)</td>
<td>$5,081,223</td>
<td>$5,767,689</td>
</tr>
<tr>
<td>Dividends payable</td>
<td></td>
<td>$548,572</td>
<td></td>
<td>$548,572</td>
<td>$553,904</td>
</tr>
<tr>
<td>Member deposits</td>
<td></td>
<td>$236,208,660</td>
<td>$(3,662,356)</td>
<td>$232,546,304</td>
<td>$236,081,726</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>$23,097</td>
<td></td>
<td></td>
<td>$23,097</td>
<td>$21,522</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>$2,125,566</td>
<td></td>
<td></td>
<td>$2,125,566</td>
<td>$4,370,360</td>
</tr>
<tr>
<td>Notes payable and long-term loans</td>
<td>$23,931,483</td>
<td>$61,655,968</td>
<td>$(13,291,740)</td>
<td>$72,295,711</td>
<td>$54,659,956</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$29,869,749</td>
<td>$302,021,839</td>
<td>$(19,271,115)</td>
<td>$312,620,473</td>
<td>$301,455,157</td>
</tr>
<tr>
<td><strong>NET ASSETS AND EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uninsured capital and reserves</td>
<td></td>
<td>$5,636,356</td>
<td></td>
<td>$5,636,356</td>
<td>$5,135,292</td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td>$8,591,433</td>
<td></td>
<td></td>
<td>$8,591,433</td>
<td>$6,133,130</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>$119,554,915</td>
<td></td>
<td></td>
<td>$119,554,915</td>
<td>$88,252,979</td>
</tr>
<tr>
<td><strong>Total unrestricted</strong></td>
<td>$128,146,348</td>
<td>$5,636,356</td>
<td></td>
<td>$133,782,704</td>
<td>$99,521,401</td>
</tr>
<tr>
<td>With Donor Restrictions</td>
<td>$19,514,050</td>
<td></td>
<td></td>
<td>$19,514,050</td>
<td>$21,296,132</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>$147,660,398</td>
<td>$5,636,356</td>
<td></td>
<td>$153,296,754</td>
<td>$120,817,533</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$177,530,147</td>
<td>$307,658,195</td>
<td>$(19,271,115)</td>
<td>$465,917,227</td>
<td>$422,272,690</td>
</tr>
</tbody>
</table>

See accompanying notes.

## COMBINED STATEMENT OF ACTIVITY

**FOR THE YEAR ENDED DECEMBER 31, 2019**

<table>
<thead>
<tr>
<th></th>
<th>2019 Total</th>
<th>2018 Total</th>
<th>2017 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES AND GAINS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>$17,084,052</td>
<td>$19,396,756</td>
<td></td>
</tr>
<tr>
<td>Program income</td>
<td>$17,526,685</td>
<td>$15,580,265</td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>$1,624,116</td>
<td>$1,174,825</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues and Gains</strong></td>
<td>$36,234,853</td>
<td>$36,151,846</td>
<td></td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td></td>
<td>$20,994,840</td>
<td>$19,396,756</td>
</tr>
<tr>
<td>Satisfaction of program restrictions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prevention of program restrictions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues and Gains</strong></td>
<td>$40,145,641</td>
<td>$36,151,846</td>
<td>$20,994,840</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial lending and assistance</td>
<td>$10,389,483</td>
<td>$9,520,650</td>
<td></td>
</tr>
<tr>
<td>Mortgage lending and housing</td>
<td>$3,207,331</td>
<td>$3,347,899</td>
<td></td>
</tr>
<tr>
<td>HOPE and consumer lending</td>
<td>$12,397,461</td>
<td>$11,093,423</td>
<td></td>
</tr>
<tr>
<td>Other programs</td>
<td>$1,734,522</td>
<td>$1,390,621</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$27,728,797</td>
<td>$25,352,593</td>
<td></td>
</tr>
<tr>
<td>Development and communications</td>
<td></td>
<td>$609,612</td>
<td>$1,459,574</td>
</tr>
<tr>
<td>General Administration</td>
<td>$11,383,193</td>
<td>$11,631,708</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$39,721,602</td>
<td>$38,443,876</td>
<td></td>
</tr>
<tr>
<td><strong>EQUITY IN EARNINGS OF AFFILIATED COMPANY</strong></td>
<td>$5,636,356</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets before minority interests</td>
<td>$2,206,121</td>
<td>$(2,292,029)</td>
<td></td>
</tr>
<tr>
<td>Change in other comprehensive gains/losses</td>
<td>$260,700</td>
<td></td>
<td>$(113,943)</td>
</tr>
<tr>
<td>Minority interests in subsidiaries' losses</td>
<td>$492,546</td>
<td></td>
<td>$353,937</td>
</tr>
<tr>
<td><strong>Change in net assets attributable to controlling interest</strong></td>
<td>$2,959,367</td>
<td>$(1,782,082)</td>
<td>$2,052,035</td>
</tr>
<tr>
<td><strong>Acquisition of non-controlling interest</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets attributable to controlling interest</strong></td>
<td>$14,227,789</td>
<td>$33,741,839</td>
<td>$32,564,554</td>
</tr>
<tr>
<td><strong>Net assets of minority interests</strong></td>
<td>$119,554,915</td>
<td></td>
<td>$88,252,979</td>
</tr>
<tr>
<td><strong>Net assets and equity at the End of Year</strong></td>
<td>$153,296,754</td>
<td></td>
<td>$120,817,533</td>
</tr>
</tbody>
</table>

See accompanying notes.
HCU is the managing member of ECDA and ECDNM. A Limited Liability Company was formed in 2004 to raise capital to invest in ECDI through its ownership of all of ECDI’s outstanding Class A Shares. HEC holds the controlling interest by qualified institutional and individual investors less accumulated net unrealized appreciation. Subsidiaries of HEC include ECD Investments, LLC (ECDI), ECD New Markets 2, LLC, Hope New Markets 3, LLC, Hope New Markets 4, LLC, Hope New Markets 5, LLC, Hope New Markets 6, LLC, Hope New Markets 7, LLC, and Hope New Markets 8, LLC. ECD New Markets 2, LLC began operations in 2013 and is a commercial loan fund in partnership with a local bank. Hope New Markets 3, LLC began operations in 2013 and is a commercial loan fund in partnership with a local bank. Hope New Markets 4, LLC began operations in 2013 and is a commercial loan fund in partnership with a local bank. Hope New Markets 5, LLC began operations in 2013 and is a commercial loan fund in partnership with a local bank. Hope New Markets 6, LLC began operations in 2013 and is a commercial loan fund in partnership with a local bank. Hope New Markets 7, LLC began operations in 2013 and is a commercial loan fund in partnership with a local bank. Hope New Markets 8, LLC began operations in 2013 and is a commercial loan fund in partnership with a local bank. ECD New Markets 3, LLC began operations in 2014 and is a commercial loan fund in partnership with a local bank. Hope New Markets 9, LLC began operations in 2014 and is a commercial loan fund in partnership with a local bank. Hope New Markets 10, LLC began operations in 2015 and is a commercial loan fund in partnership with a local bank. OPIC, through its wholly owned subsidiary PeaceBridge, provides $24.4 million in loan guarantees to ECD New Markets 4, LLC. ECD New Markets 4, LLC began operations in 2013 and is a commercial loan fund in partnership with a local bank. ECD New Markets 5, LLC began operations in 2014 and is a commercial loan fund in partnership with a local bank. ECD New Markets 6, LLC began operations in 2015 and is a commercial loan fund in partnership with a local bank. ECD New Markets 7, LLC began operations in 2016 and is a commercial loan fund in partnership with a local bank. ECD New Markets 8, LLC began operations in 2017 and is a commercial loan fund in partnership with a local bank. ECD New Markets 9, LLC began operations in 2018 and is a commercial loan fund in partnership with a local bank. ECD New Markets 10, LLC began operations in 2019 and is a commercial loan fund in partnership with a local bank. ECD New Markets 11, LLC began operations in 2019 and is a commercial loan fund in partnership with a local bank. ECD New Markets 12, LLC began operations in 2019 and is a commercial loan fund in partnership with a local bank. Hope New Markets 11, LLC began operations in 2019 and is a commercial loan fund in partnership with a local bank. Hope New Markets 12, LLC began operations in 2019 and is a commercial loan fund in partnership with a local bank.

5. MORTGAGE LOANS

Hope New Markets 1, LLC, Hope New Markets 2, LLC, and Hope New Markets 3, LLC obtain mortgage financing and recovery consultation services from Home Again Hope Services, LLC. The services provided include asset management, property management, and legal services to manage properties acquired by ECDI. These services are provided at cost plus a profit margin of 10%

6. ACCEPTANCE COMMITMENTS

Acceptance commitments are recorded at cost plus a profit margin. The profit margin is determined using an analysis of probable loan losses. Acceptance commitments are discontinued when loans have been committed for disbursement. Acceptance commitments also generate a profit or loss based on changes in the fair value of an asset related to the acceptance commitment.

7. DIVIDENDS PAYABLE AND SHARES

There are two categories of shares, Class A and Class B. Class A shares are non-voting and are provided to the members of HEC in consideration of their investments in HCU. Class B shares provide an equal vote to each member of HEC and encompass the field of membership of HCU. HEC and HCU share staff and resources in operating terms. Separate audited financial statements of HEC and HCU are available at www.hopecu.org and www.hopecu.org.

8. NOTES PAYABLE AND LONG-TERM DEBT

Long-term debt consists of long-term debt at December 31, 2019 and 2018.

9. UNINSURED CAPITAL AND RESERVES

The uninsured capital and reserves include accumulated reserves, capital contributed by members, and undivided earnings of HCU.

10. DIVIDENDS

The board of directors of HCU declares dividends on Class A shares to its members. The amount of dividends declared on Class A shares is determined by the board of directors of HEC.

11. SHARE CAPITAL AND RESERVES

The capital and reserves of HEC and HCU are comprised of: (a) capital contributed by members and undivided earnings of HCU; (b) reserves established to provide for the payment of dividends and to ensure the solvency of HEC and HCU; and (c) any funds transferred to retained earnings as a result of currency translation differences.

12. INCOME TAXES

The minimum income tax liability at December 31, 2019 and 2018 was $5,400,784 and $4,108,258, respectively.

13. OTHER INCOME AND EXPENSES

Other income and expenses consist of interest income, interest expense, and any other income or expenses not included in the following table.

14. LEASES

The lessors of operating leases are local credit unions and other non-profit organizations.

15. REPORTING UNITS

The reporting units include: (a) Hope Credit Union; (b) Hope Enterprise Corporation; (c) Hope Enterprise Credit Union; and (d) Hope Credit Union Administration.

16. LIQUIDITY AND CAPITAL RESOURCES

The statement of cash flows includes the reporting of cash provided by investing and financing activities. The investing activities of the reporting units include the acquisition and disposition of assets, the receipt of dividends from investments in HCU, and the provision of mortgage financing and recovery consultation services. The financing activities of the reporting units include the issuance of debt and the receipt of dividends from investments in HCU.

17. OTHER INCOME AND EXPENSES

Other income and expenses consist of: (a) interest income; (b) interest expense; (c) the amortization of discounts and premiums on debt instruments; (d) gains and losses on the sale of investments; (e) gains and losses on the sale of property, plant, and equipment; (f) the amortization of capitalized costs; (g) the amortization of capitalized costs; and (h) any other income or expenses not included in the following table.

18. LEASES

The lessors of operating leases are local credit unions and other non-profit organizations.

19. REPORTING UNITS

The reporting units include: (a) Hope Credit Union; (b) Hope Enterprise Corporation; (c) Hope Enterprise Credit Union; and (d) Hope Credit Union Administration.

20. LIQUIDITY AND CAPITAL RESOURCES

The statement of cash flows includes the reporting of cash provided by investing and financing activities. The investing activities of the reporting units include the acquisition and disposition of assets, the receipt of dividends from investments in HCU, and the provision of mortgage financing and recovery consultation services. The financing activities of the reporting units include the issuance of debt and the receipt of dividends from investments in HCU.
Anyone can become a barrier breaker. All it takes is the determination to change the status quo, the creativity to explore new solutions, and the optimism that obstacles can be overcome.

To find out how you or your organization can become one of HOPE’s barrier-breaking partners, visit www.hopecu.org.
“HOPE recognizes that we are all bound to each other, that we are part of a common humanity.”

William Winter. 
Former Mississippi Governor