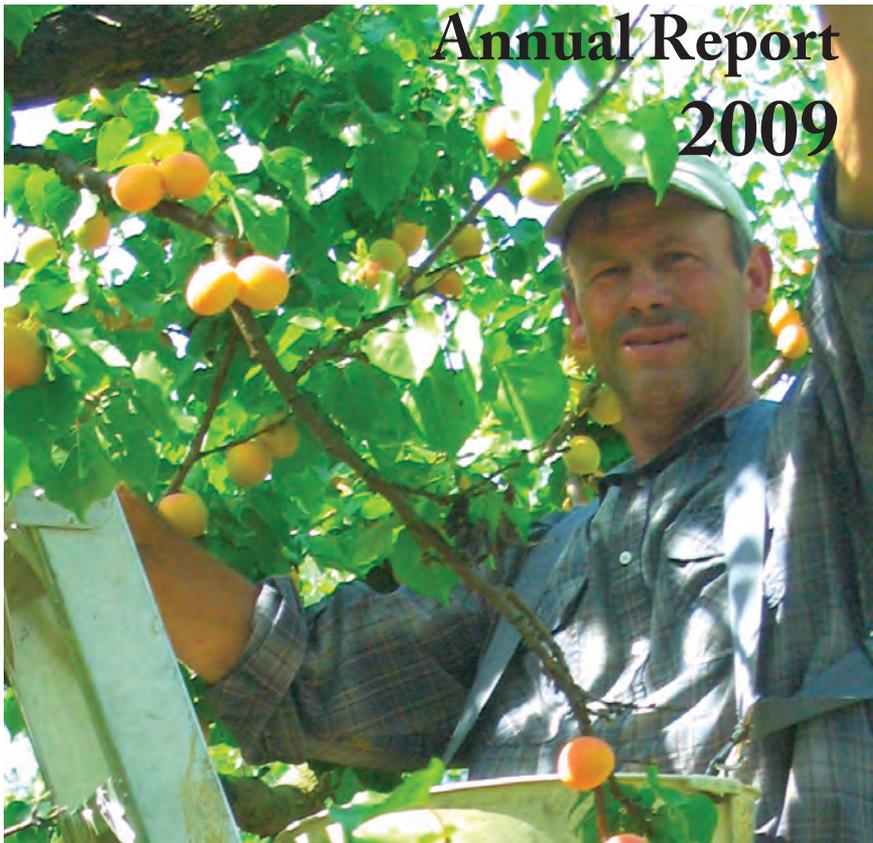


Annual Report 2009



Equity Trust, Inc.

Promoting equity in the world by changing the way
people think about and hold property



Change and Growth

Dear Friends,

The board and staff of Equity Trust are pleased to present our 2009 Annual Report. As you can see this year has been a time of change and growth for our organization.

When our Executive Director, Ellie Kastanopolous, decided to make some changes in her life, the board saw this as an opportune time for a new strategic plan. Our planning process enabled us to hire a new Executive Director, Jim Oldham, as well as reenergize our commitment to our mission.

As a national organization we will continue to develop educational materials and provide loans and technical assistance to projects that foster equitable relationships with land and other property. We envision strategic growth and collaboration with other organizations that share our vision.

We also want to take this opportunity to publicly thank Ellie for her leadership of Equity Trust and to wish her well in her future endeavors.

We are grateful to you too for your generous support, which has made this past year's achievements possible. Let us continue to work together to "promote equity in the world."

In Solidarity,

Monica McGloin OP

President of the Board

Equity Trust

Board of Directors:

David Abromowitz

Jody Bolluyt

Ellie Kastanopolous

Mary O'Hara, Vice President

Monica McGloin, President

Scott Reed

Kathy Ruhf, Clerk

Kirby White, Treasurer

Staff:

Rebecca Fletcher, Outreach Coordinator

Steve Hasbrouck, Bookkeeper

Jim Oldham, Executive Director

Loan Fund Committee:

David Abromowitz

Rachana Crowley

Ellie Kastanopolous

Mary O'Hara

Jim Oldham

Matt Schwartz

P.O. Box 746, 177 Ave. A, Turners Falls, MA 01376

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Program Areas

Farms for Farmers promotes alternative ownership approaches that benefit farmers who need farmland, and communities that want a secure source of locally grown food and a way to preserve their environmental heritage.

The Equity Trust Fund, our revolving loan fund, enables socially conscious lenders and donors to support projects that are creating new ways of owning, using, and stewarding property.

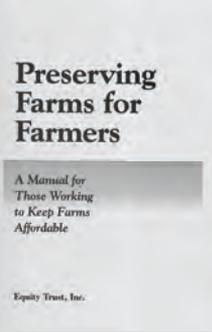


Gaining Ground in Maine

Over the last two years, Equity Trust has been reaching out to farmers and land trusts in Maine to introduce our ideas on farm preservation. We have surveyed 100 community supported agriculture (CSA) farmers on their land tenure issues and provided five workshops to 125 farmers and 8 land trusts. We have worked intensively with Crystal Spring Farm in Brunswick and Broadturn Farm in Scarborough to develop leases that meet the needs of the farmers and the land trusts that hold the land. We have also done initial consultations with Coastal Mountains Land Trust in Camden, Great Works Land Trust in Berwick, and H.O.M.E. in Orland.

With Gaining Ground in Maine, we are trying to make a case for our models on a statewide basis. Shifting from a farm-by-farm approach to this broader outreach presents new challenges, not least of which is the great diversity of needs in Maine itself. There are large tracts of farmland in Aroostook whose highest and best use is agriculture but whose distances from markets make successful farming difficult. In contrast, in the southern and coastal parts of the state, land values are through the roof and small farms have come close to disappearing. The effort to “speak to the needs of farmers” can be complicated in this environment, given that the farmers themselves have such diverse perspectives. Nevertheless, there are many people working on some incredibly exciting things in Maine and good opportunities to help design systems that better meet the needs of all farmers while creating more local access to good food. We are excited to be involved in this continuing conversation!

Preserving Farms for Farmers: A Manual for Those Working to Keep Farms Affordable



Preserving Farms for Farmers

A Manual for Those Working to Keep Farms Affordable

Equity Trust, Inc.

With publication of *Preserving Farms for Farmers*, we have distilled our experiences and the lessons we have learned in preserving farms over the last fifteen years. This 136-page manual is for farmers, community members, municipalities, conservation land trusts, and others undertaking farm protection projects.

The manual provides case studies from three of the farms we've helped preserve, including challenges faced and lessons learned as we sought to keep these farms affordable and growing food. It also provides our full model agricultural ground lease, and our model agricultural conservation easement, with commentaries on each. It is ideal for groups seeking to ensure food production for the local community; preserve farm affordability; protect the farmhouse as well as the land; enable the farmer to build equity in the farm; or promote land stewardship.

In developing *Preserving Farms for Farmers*, we received feedback and ideas from farmers, legal experts, farm protection specialists, land trust professionals, and others. Our heartfelt thanks go out to all of these people, and to the Maverick Lloyd Foundation and Land for Good for their financial support for the manual.

*We are a small new organization balancing interests in trails, wildlife conservation, farming and rural economic health in the Champlain Valley of New York. Our technical resources are slim. **Having the model documents in Preserving Farms for Farmers gives us a jumpstart on our mission.** It also shows potential funders that creative solutions can work and are not just crazy dreams in our heads!*—Katharine Preston, Board Member, Champlain Valley Conservation Partnership, New York

*The modern-day community land trust movement can be traced to the civil rights struggle in the American South to help African-American farmers to gain access to agricultural land. As CLTs have spread to cities and suburbs, the model's effectiveness in preserving homes for homeowners has come to overshadow the CLT's original purpose of "preserving farms for farmers." **Equity Trust reminds us that, in rural communities, keeping farms affordable is just as important as keeping homes affordable – and that new models of land tenure are the key to both.***—John Emmeus Davis, Dean, National CLT Academy and Editor, The Community Land Trust Reader

Local and regional land trusts committed to the protection of agricultural land and to supporting local farms will find new tools in Equity Trust's Preserving Farms for Farmers. While your organization's first whole-farm-affordability project may be a tough row to hoe, perseverance is required to produce a harvest more economically sustainable and environmentally sound for present and future generations than conventional farm policies and agricultural subsidies are designed to create. If land trusts are willing to work as hard as farmers for the land and fresh food we all love, many more farmers will have long-term tenure on the land they farm, and many more families will have access to healthy, local food.—Leigh Youngblood, Executive Director , Mount Grace Land Conservation Trust, Massachusetts

Public Education

During 2009, Equity Trust staff provided outreach and training to farmers, conservation land trusts, community land trusts, municipalities, farmland protection specialists, community groups, students, and the general public to share the tools that we use to keep small farms affordable and growing food.



Some of the venues we presented at in 2009 included:

Ellie presented at the **FarmLASTS Project's "Changing Lands, Changing Hands" National Conference** in Denver, Colorado. More than 160 agricultural extensionists, educators, agency and NGO staff, and policymakers gathered to share and evaluate approaches and tools to address land access, succession and stewardship.

Rebecca led a packed session at the **Forum on the Solidarity Economy** at University of Massachusetts, Amherst. The Center for Popular Economics and US Solidarity Economy Network convened resource organizations, solidarity economy practitioners, activists, workers, and academics to advance economic development that puts people and planet before profits.

Rebecca was guest lecturer in Keith Morton's "Food, Culture and Environmental Change" class at **Providence College**, in Rhode Island, examining the argument that agriculture, especially peri-urban agriculture, will be at the leading edge of the cultural transformations of the next 50 years.

Ellie led a workshop at the **National CLT Network's 2009 Conference**, the largest annual gathering of Community Land Trusts. Hosted by Athens Land Trust, in Georgia, where the CLT concept was born in the 1960s, the gathering focused on sustainability and stewardship.

Equity Trust Fund

Cumulative Activity, 1991 through 2009

122 loans from Investors totaling:	\$3,228,921
74 loans to Borrowers totaling:	\$3,500,926
2005 gifts from Donors totaling:	\$5,463,154
77 gifts to Grantees totaling:	\$3,755,427

During 2009, the Equity Trust Fund disbursed two new loans, and approved an additional loan:



Real Pickles, a small Western Massachusetts business producing organic raw pickled products, received an \$85,000 loan from the Equity Trust Fund to help finance a warehouse purchase. The purchase is enabling Real Pickles to expand its business and continue contributing to the local food movement. Real Pickles buys all its vegetables from local and regional family farms, and sells its delicious products only in the Northeast.

Alice Acres Farm and Greenhouses, a diversified 20-acre farm in Gales Ferry, Connecticut, received a \$52,000 loan from Equity Trust to strengthen the farming operation. Alice Acres offers a great variety of plants, flowers, fruits, vegetables, and animals, as well as educational fieldtrips for schoolchildren. 2009 was farmer Pete Bargmann's first year operating a CSA, but it was such a success that he plans to expand the CSA over time.



Three Springs Community in Northfork, California was approved for a construction loan to improve two houses on site. Community members live together, sharing resources and stewarding the land including a 2-acre garden, where they grow flowers and native plants that are sold at farmers markets and to local restaurants. Over the years, three Springs

has hosted many visitors, including Willing Workers on Organic Farms volunteers, who experience community living and learn about gardening.

Two Equity Trust Fund borrowers recently finished paying off their loans:



Windborn Farm in Ft. Jones, California operates a CSA that provides grain, beans, edible seeds, and cheese to 100 families. The crops are cultivated with a team of Fjord draft horses using biodynamic methods. Our loan financed start-up costs at a time when few people thought it would be possible to market grain using the CSA model. To our great satisfaction, Jennifer Green's farm has become extremely successful

and Windborne Farm has become a well-known model for sustainable grain farming.

Southside Community Land Trust in Providence, Rhode Island has environmental education programs for inner-city kids, and 14 community gardens serving over 200 low-income families. They also have a farm program that offers immigrant families the opportunity to start organic agriculture businesses. The Equity Trust Fund loan helped Southside Community Land Trust purchase their new main office building.



Spotlight on a Supporter



Martin Rudy Haase, is one of the many visionaries affiliated with Equity Trust. An Equity Trust Fund lender and donor, Martin was born in the United States but has made his home in Canada since the late sixties, where he lives now in East Chester, Nova Scotia with his wife of 61 years, Mickie. A passionate environmental activist, Martin is the founder of the Friends of Nature Conservation Society. He has been

instrumental in establishing wilderness areas in both the US and Canada, and has organized around multiple conservation issues including preventing clear-cutting and uranium mining.

Changing Roles— Thank you but not goodbye



At the close of 2009, Ellie Kastanopolous stepped down from her role as Executive Director after seven years in that position and a total of 12 working for Equity Trust. We are sorry to lose her day-to-day leadership, but pleased that she will remain on the Equity Trust board and our Loan Fund Committee.

Ellie first joined the Equity Trust board in 1994. Three years later Chuck Matthei hired Ellie to manage the loan fund, where in time

she oversaw the distribution of 65 loans to protect the affordability and use of community resources including farms and housing. Ellie also came to manage Equity Trust's finances, and provide technical assistance to farms and community land trusts around the country.

During Chuck's illness, and after his death, Ellie shepherded Equity Trust through its most difficult time. Determined to continue Chuck's work, she and the board struggled to find how to best carry on the organization's mission without him. Ellie moved the organization to a new home in Turners Falls, Massachusetts, where she guided important projects including the protection of Roxbury Farm, White Oak Farm, Caretaker Farm, and Dimond Hill Farm. She helped the Gullah community on Sapelo Island (SICARS) negotiate for land from the State of Georgia for their fledgling community land trust. She provided support for the creation of the Georgia Community Loan Fund, Newtown Florist's Club's community land trust, and the National CLT Network.

Ellie also strengthened Equity Trust itself—creating partnerships with other nonprofits, developing Equity Trust's board, growing our staff, and eventually guiding the transition to a new executive director who she felt confident could provide excellent leadership going forward.

We will miss Ellie's leadership—her expertise, her passion, her humor, and the tremendous heart that she brought to all of her work here with us. With this annual report we wish to express our deepest gratitude for her years of service, and the soul that she put into all she accomplished here. Thank you Ellie for your commitment during the past 16 years, for bringing Equity Trust to where we are today, and for continuing to help guide us through your work on the board and the loan committee.

New Faces at Equity Trust

Steve Hasbrouck, Bookkeeper



Steve, who joined us in March, keeps our financial systems running; tracks project and grant spending; and provides support for management of the Equity Trust Fund. As well as bookkeeping, Steve is well-versed in budgeting, computerizing bookkeeping systems, and audits; he has provided these services for organizations throughout the Pioneer Valley. A University of Massachusetts graduate, Steve lives in Belchertown, Massachusetts.

Jim Oldham, Executive Director



Jim joined Equity Trust in January 2010, after close to twenty years working for social and environmental justice nationally and internationally. Jim founded Las Lianas Resource Center, a bi-national US/Ecuadorian non-profit organization that partners with indigenous peoples for environmental protection, sustainable development, and cultural autonomy. Jim directed Las Lianas from from 2003 through 2009. Between 2006 and 2008, Jim also

worked as Environmental Justice Coordinator for the Regional Environmental Council in Worcester, Massachusetts. He began his work in non-profits as a community organizer and food bank worker in Seattle in the 1980s.

Rachana Crowley, Equity Trust Fund Committee Member



We welcomed Rachana Crowley to the Equity Trust Fund Committee in December. Committee members oversee the fund, reviewing and voting on each loan request. Rachana is a Project Manager at The Community Builders, a non-profit organization developing, financing, and operating high quality affordable housing. She is responsible for all aspects of project development in Western Massachusetts and Connecticut. Rachana has a Master's of Regional

Planning from University of North Carolina, and a Bachelor's degree from Connecticut College. She serves on the board of Valley Community Development Corporation, and lives in Northampton, Massachusetts.



STATEMENT OF FINANCIAL POSITION December 31, 2009
(with comparative totals for 2008)

ASSETS	<u>2009</u>	<u>2008</u>
Current assets:		
Cash and cash equivalents	\$ 1,111,953	\$906,505
Interest receivable	9,537	5,344
Pledges receivable	7,885	11,090
Grant receivable	96,649	96,649
Net loans receivable--current portion	<u>240,473</u>	<u>276,700</u>
Total current assets	<u>1,466,497</u>	<u>1,296,288</u>
Noncurrent assets:		
Net loans receivable--noncurrent portion	504,809	369,344
Furniture and equipment	-	381
Donated and acquired real property	<u>127,288</u>	<u>225,270</u>
Total noncurrent assets	<u>632,097</u>	<u>594,995</u>
Total assets	<u>\$ 2,098,594</u>	<u>\$ 1,891,283</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 3,526	\$ 1,384
Accrued interest	3,344	3,348
Advance funds received	14,860	-
Loans payable--current portion	<u>188,129</u>	<u>279,932</u>
Total curent liabilities	<u>209,859</u>	<u>284,664</u>
Noncurrent liabilities:		
Loans payable--noncurrent portion	<u>934,787</u>	<u>667,533</u>
Total noncurrent liabilities	<u>934,787</u>	<u>667,533</u>
Total Liabilities	1,144,646	952,197
Net assets:		
Unrestricted	72,677	72,100
Temporarily restricted	881,271	834,486
Permanently restricted	<u>-</u>	<u>32,500</u>
Total net assets	<u>953,948</u>	<u>939,086</u>
Total liabilities and net assets	<u>\$ 2,098,594</u>	<u>\$ 1,891,283</u>

**STATEMENT OF ACTIVITY For the year ended December 31, 2009
(with comparative totals for 2008)**

	2009			2008
	Unrestricted	Temporarily Restricted*	Total	Total
REVENUES AND OTHER SUPPORT				
Contributed support	\$ 40,699	\$ 206,001	\$ 246,700	\$ 108,318
Fundraising income		1,349	1,349	457
Conference and rental fees		20,400	20,400	17,850
Grants	10,148		10,148	66,000
Interest income	46	55,383	55,429	58,261
Services provided and miscellaneous	15,884		15,884	6,391
Donated services	46,400		46,400	39,955
Net assets released from restrictions (satisfaction of program restriction)	<u>168,436</u>	<u>(168,436)</u>	<u>-</u>	<u>-</u>
Total Revenues and other support	<u>281,613</u>	<u>114,697</u>	<u>396,310</u>	<u>297,232</u>
EXPENSES				
Programs:				
Program services	167,512	-	167,512	150,616
Project grants	5,000	-	5,000	-
Interest	<u>14,769</u>	<u>-</u>	<u>14,769</u>	<u>13,376</u>
Total Program	<u>187,281</u>	<u>-</u>	<u>187,281</u>	<u>163,992</u>
Management and general	49,892	-	49,892	33,022
Fundraising	<u>43,863</u>	<u>-</u>	<u>43,863</u>	<u>27,520</u>
Total expenses	<u>281,036</u>	<u>-</u>	<u>281,036</u>	<u>224,534</u>
Change in net assets before adjustment	<u>577</u>	<u>114,697</u>	<u>115,274</u>	<u>72,698</u>
Adjustment-revaluation of real property	<u>-</u>	<u>(100,412)</u>	<u>(100,412)</u>	<u>-</u>
Change in net asset	<u>577</u>	<u>14,285</u>	<u>14,862</u>	<u>-</u>
Net assets- beginning of year	<u>72,100</u>	<u>866,986</u>	<u>939,086</u>	<u>866,388</u>
Net assets- end of year	<u>72,677</u>	<u>881,271</u>	<u>953,948</u>	<u>939,086</u>

**Equity Trust, Inc.
P.O. Box 746
Turners Falls, MA 01376**



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