

Annual Report 2011



Equity Trust, Inc.

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



At 20, Growing, Connecting

Dear Friends,

The Equity Trust board and staff are pleased to offer you this 2011 annual report. After 20 years, the vision and values that gave root to Equity Trust two decades ago continue to deepen, and to find resonance in projects taking place around the country.



Every day we hear from people working on behalf of their communities, and planning for the needs for future generations, as they build community land trust housing, protect a local farm, or join with their neighbors to address other critical needs. In the face of economic uncertainty and growing inequality, such efforts seem to be on the rise.

Thanks to the resources provided by donors and lenders, we can offer many types of support for this work, from guidance for community-based planning, to technical assistance for establishing shared-equity property ownership; from making loans or offering fiscal sponsorship, to simply providing information and links to potential partners.

We also see more people seeking to invest their resources for the common good. Lending to the Equity Trust Fund is up 70% from two years ago, and we're proud that we're quickly deploying these new funds.

We are grateful to all of you—lenders, donors, borrowers, and other partners—for all you are doing to build the world we need.

Jim Oldham
Executive Director

Equity Trust

Board of Directors:

David Abromowitz
Jody Bolluyt
Madeline Cantwell
Monica McGloin
Mary O'Hara, Vice President
Scott Reed, President
Kathy Ruhf, Clerk

Staff:

Rob Crowner, Bookkeeper
Rebecca Fletcher, Program Manager
Jim Oldham, Executive Director

Loan Fund Committee:

David Abromowitz
Rachana Crowley
Mary O'Hara
Jim Oldham
Matt Schwartz

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A welcome and some thank yous



Rob Crowner joins Equity Trust as bookkeeper. He will keep our financial systems running; track project and grant spending; and support management of the Equity Trust Fund. An Amherst College graduate, Rob lives in Amherst, MA where he serves on the Planning Board. Rob is also a staff person with Holyoke Community Land Trust. He likes bicycling the hills and back roads of the Pioneer Valley.

Steve Hasbrouck kept Equity Trust's books for three years, sharing with us his humor, patience, precision, and warmth of spirit. We are grateful to have benefited from Steve's trove of financial management skills, and to have had the opportunity to work with such a remarkable individual. As Steve moves on, we wish him the very best in future projects.

Ariel Morales interned with Equity Trust in summer 2011, while studying for a Masters in City and Regional Planning at Cornell, which he has now completed. Ariel's thoughtful attention to detail, curiosity, and passion for exploring people's relationship to the land made it a treat to work with him. We thank Ariel for all he contributed.

Kirby White stepped down after five years on our Board of Directors as Treasurer. Previously, as staff member and consultant, he helped develop and refine the ownership strategies that Equity Trust uses to protect working farms. We have benefited greatly from Kirby's expertise, gained from years as an on-site TA provider to community land trusts, CLT executive director, and author of essential literature on CLTs and community investing. We are grateful for his tremendous generosity with his time and knowledge. Kirby's clarity of thought, depth of understanding, and commitment will be deeply missed. Happily, he's promised to continue to advise us!

Jean-Paul Courtens and **Jody Bolluyt**, of **Roxbury Farm**, made the 20th anniversary celebration of their CSA a celebration of Equity Trust's 20th year as well. In September, they opened their farm, land that we jointly own and steward, to CSA members and other friends of Roxbury and Equity Trust to celebrate the values of a shared, cooperative economics that underlie Roxbury's vision and our own.



2011 Conferences and Publications

We had a number of important opportunities throughout 2011 to spread the word about our work and the philosophy and vision that guide it.

We discussed the Equity Trust Fund's support for projects building



sustainable communities as part of a lender/investor panel at a **Slow Money NYC Entrepreneur Showcase** in the spring. Then, in the fall, we joined a panel on “investing in farmland preservation” at the **Slow Money National Gathering**, in San Francisco, where we also took part in a film showing and discussion of a California farm preservation project—Good Humus Produce—that Equity Trust has supported for years.

We led a discussion of property and values for **Hampshire College's Forum on Food, Farm, and Sustainability**, in Massachusetts, and joined a panel at the **American Farmland Trust** forum on **Transitioning Farms to a New Generation of Farmers**, in New York.

We co-taught a course on **Housing, Conservation, and the Working Landscape** at the annual conference of the **National Community Land Trust Network**, in Seattle. We also participated in a small national gathering of leaders in farm preservation in Minnesota, hosted by **On The Commons**, aimed at developing a “new vision for the future of farmland,” as well as a follow-up meeting at the **Glynwood Center**, in New York to explore the role of private capital in farmland preservation.

The Equity Trust Fund was featured in The Springcreek Foundation's July report, **Promoting Sustainable Food Systems Through Impact Investing**.



Other press coverage included a description of Equity Trust's work to preserve whole farms in the Land Trust Alliance's magazine, **Saving Land** (Fall 2011) and Walking the Talk, a piece about Program Manager, Rebecca Fletcher in the **Shambhala Sun** (Nov 11), part of a series on “young activists who are making the planet a better place.”

Farms for Farmers

Helping preserve affordable working farms
all across the country



As 2011 began, our Farms for Farmers program was wrapping up work in support of the creation of the Northampton (MA) Community Farm, including development of two long-term leases for Grow Food Northampton, the non-profit land holder, one establishing a CSA farm, the other community gardens. The year ended with us taking the first steps in three other exciting farm protection projects, one in La Puebla, NM, involving the Santa Fe Farmers Market Institute and the New Mexico Land Conservancy, another in Clermont, NY, in partnership with Hearty Roots Community Farm and Scenic Hudson, and a third in Amherst, MA, developing the terms of a long term shared ownership agreement between Simple Gifts Farm CSA and the landholding non-profit North Amherst Community Farm.

In between, Equity Trust continued what we do each year: act as a resource for those who are working to create, protect, or preserve affordable working farms, fielding calls and visits from farmers, members of land trusts and community groups, and others, and providing information, model documents, references to potential partners, and other assistance and tools to further their efforts and projects. Over the course of the year we responded to requests for assistance from 21 states as well as two Canadian provinces, and provided consultations to more than 30 farmers, close to 25 land trusts and community farm groups, as well as a dozen land owners and potential farmland investors interested in partnering with farmers, and several homesteading groups.

Equity Trust Fund

ETF Cumulative Activity, 1991 through 2011

142 loans from Lenders totaling:	\$3,793,425
82 loans to Borrowers totaling:	\$4,277,336
2,052 gifts from Donors totaling:	\$5,713,479
Funds disbursed to Equity Trust sponsored projects:	\$1,458,518
77 gifts to Grantees totaling:	\$3,755,427

In 2011, eleven new lenders joined us, together adding \$209,200 to the Equity Trust Fund. We are grateful for their participation and pleased to welcome them to the Equity Trust circle.

Spotlight on a Lender



As an activist working against war, nuclear power, the death penalty, and various “isms,” my former and also my present husband and I have been thankful to work FOR a more just world through providing loans to Equity Trust Fund. We were inspired to do so by our cherished friend and ETF founder, Chuck Matthei, who over thirty years ago at Peacemaker Orientations into Nonviolence extolled the work of Vinoba Bhave, Gandhian disciple who walked throughout India, seeking land gifts from the wealthy to be given to those who could not afford it.

In sharing stories about Chuck we have often chuckled that this Harvard-bound high school graduate who instead became a committed Peacemaker, never attended college as a student but became a passionate and persuasive invited speaker at colleges, religious institutions, and corporate headquarters (sharing similarly with friends and the hitch-hikers he picked up and occasionally housed). He was tireless in his efforts to create a more equitable social system.

As Chuck continues to live through the good work of Equity Trust, I will continue to give, as I am able, to further that work.

–Judy Collins [formerly Judy Cumbee], Equity Trust lender since 1998

2011 Equity Trust Fund loans

**It was a strong lending year for the Equity Trust Fund.
We disbursed six new loans with a total value of \$462,610.**

Riverland Farm, in Sunderland Massachusetts, had a growing business and a growing farm family. They needed an indoor space to wash, pack, and store their produce, especially during the winter. The birth of the farmers' son, Cayden, also necessitated creation of a new farm office space. They used an Equity Trust loan to convert an existing tobacco barn into the finished space they required. The new space enables the washing and storage of vegetables later into the season, and through the winter months, helping the farm to better provide for the 400 CSA member families, and other markets, with a diverse array of certified organic vegetables. It also now houses an office separate from the family's living quarters.



When **White Earth Land Recovery Project (WELRP)**, in Callaway, Minnesota, needed refinancing to reduce their debt load, the organization turned to Equity Trust because of our shared commitment to helping communities preserve the land resources they depend on. WELRP is dedicated to the recovery of the original land base of the White Earth Indian



Reservation, in northern Minnesota, 90% of which is no longer held by Ojibwe (Anishinaabeg) Indians. Their programs, including Native Harvest (a business marketing heritage crops, traditional crafts, and books), an independent Ojibwe radio station, and cultural events, all serve to promote traditional land stewardship and support community economic development. Equity Trust's loan, made in collaboration with White Earth Investment Initiative, a local nonprofit lender, enabled WELRP to obtain a lower interest rate while leveraging a \$30,000 debt write-off.

Holyoke Community Land Trust (HCLT), in Holyoke, Massachusetts recently emerged from several years of dormancy with the goals of reengaging its community and supporting community land trust residents. HCLT used a cash-flow loan from Equity Trust to help get back on its feet and now, having reaffirmed its mission of increasing homeownership for low-income families in South Holyoke and improving the quality of the community's housing, the organization is launching a program to assist HCLT homeowners with major repairs.

Jubilee House Community (JHC), a non-profit from Lewisville, North



Carolina, has worked in Nicaragua since 1994 in support of small farmers self-organized in producer cooperatives to market their organic crops.

Equity Trust provided JHC with a short-term loan for a project helping 2,500 small farmers to produce and sell a harvest of organic peanuts. Being

able to pay the farmers upfront for their crops was important to make the arrangement feasible for these very low-income farmers. JHC has already repaid this loan, which was for a term of seven months.

In addition to the above loans made through our general Equity Trust Fund, we made two loans through the **Francis Fund for Southeastern Connecticut**, our regional New London County, Connecticut, fund.

New London Homeless Hospitality Center (NLHHC), in New London, Connecticut is a rapidly growing organization that runs an overnight shelter serving an average of 50 people each night; a daytime hospitality center serving some 80 visitors/day; a rapid re-housing program; and assistance with access to services, including health care, substance abuse treatment, and job readiness. In addition to these services, when NLHHC saw a need for transitional housing for homeless veterans, they turned to donors to raise funds for the purchase, renovation and conversion of a four-family house to create into an eight-unit building for such a program, and they received Veterans Administration funding to provide services for the residents. A bridge loan from Equity Trust allowed the project to move ahead before all the funding was secured.

As an organization serving people recovering from substance abuse, **Community of Hope** (CoH), in Groton, Connecticut, recognizes that, for many people completing treatment, return to old neighborhoods, acquaintances, and families can trigger a return to addiction. They wanted to provide transitional “sober” housing to help women transition back into healthy, independent living after having completed drug treatment at one of several local facilities. CoH used their Equity Trust loan as the down payment for the purchase and conversion of a multi-family house. The building now offers housing for up to ten women, with support services including weekly counseling, in-house discussion groups, and a variety of life skills training.

CISA Emergency Farm Fund

After Hurricane Irene struck Western Massachusetts, Equity Trust joined a project to help local farmers who suffered damage in the storm and flooding. Community Involved in Sustaining Agriculture (CISA), a local nonprofit, raised \$100,000 to form a small revolving loan fund, the CISA Emergency Farm Fund. Equity Trust is providing management services for this Fund, including drawing up the documents and the payment schedules, communicating with borrowers, and receiving and tracking payments. Qualifying farmers can receive loans of up to \$10,000 at 0% interest for up to three years. To date, ten zero-interest loans totaling \$83,000, have been disbursed. The loans are geared to help meet farmers’ immediate needs for recovery from the storm’s impact, and borrowers include farmers who are still waiting for disaster relief funds to come through. After responding to the need generated by Hurricane Irene, the Fund will go dormant until such time as a similar natural disaster is faced by the farming community.

For more information, visit buylocalfood.org/page.php?id=619



Equity Trust has been there for us at CISA when we were starting an Emergency Farm Fund in response to the impact of Hurricane Irene. We knew we couldn't do it without a partner with lending experience and a deep respect for farmers. The staff at Equity Trust have been incredibly generous with their time and expertise and we value tremendously our partnership. Philip Korman, CISA Executive Director



STATEMENT OF FINANCIAL POSITION December 31, 2011
(with comparative totals for 2010)

ASSETS	<u>2011</u>	<u>2010</u>
Current assets:		
Cash and cash equivalents	\$1,141,523	\$1,377,800
Interest receivable	9,262	1,568
Pledges receivable	5,533	8,615
Other asset	-	259
Net loans receivable--current portion	<u>501,990</u>	<u>366,243</u>
Total current assets	<u>1,658,308</u>	<u>1,754,485</u>
Noncurrent assets:		
Net loans receivable--noncurrent portion	869,623	625,996
Donated and acquired real property	<u>137,519</u>	<u>135,685</u>
Total noncurrent assets	<u>1,007,142</u>	<u>761,681</u>
Total assets	<u>\$2,665,450</u>	<u>\$ 2,516,166</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 2,528	\$ 2,112
Accrued interest	7,088	6,437
Loans payable--current portion	<u>598,161</u>	<u>719,931</u>
Total current liabilities	<u>607,777</u>	<u>728,480</u>
Noncurrent liabilities:		
Loans payable--noncurrent portion	<u>1,291,262</u>	<u>968,234</u>
Total noncurrent liabilities	<u>1,291,262</u>	<u>968,234</u>
Total liabilities	<u>1,899,039</u>	<u>1,696,714</u>
Net assets:		
Unrestricted	11,239	26,675
Temporarily restricted	<u>755,172</u>	<u>792,777</u>
Total net assets	<u>766,411</u>	<u>819,452</u>
Total liabilities and net assets	<u>\$ 2,665,450</u>	<u>\$ 2,516,166</u>



**STATEMENT OF ACTIVITY For the year ended December 31, 2011
(with comparative totals for 2010)**

	2011			2010
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT				
Contributed support	\$ 26,363	\$ 1,687	\$ 28,050	\$ 60,180
Fundraising income				127
Rental & conference fees		15,880	15,880	23,165
Grants				44,310
Interest income	34	74,196	74,230	58,226
Services provided & misc.	12,380		12,380	17,579
Donated services	37,988		37,988	48,965
Net assets released from restrictions (satisfaction of program restriction)	<u>129,368</u>	<u>(129,368)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>206,133</u>	<u>(37,605)</u>	<u>168,528</u>	<u>252,552</u>
EXPENSES				
Programs:				
Program services	174,399	-	174,399	217,108
Project grants	-	-	-	275
Interest	<u>17,825</u>	<u>-</u>	<u>17,825</u>	<u>20,310</u>
Total program	<u>192,229</u>	<u>-</u>	<u>192,229</u>	<u>237,693</u>
Management and general	19,686	-	19,686	38,069
Fundraising	<u>9,659</u>	<u>-</u>	<u>9,659</u>	<u>14,637</u>
Total expenses	<u>221,569</u>	<u>-</u>	<u>221,569</u>	<u>290,399</u>
Change in net asset	<u>(15,436)</u>	<u>(37,605)</u>	<u>(53,041)</u>	<u>(37,847)</u>
Net assets, beginning of year	<u>26,675</u>	<u>792,777</u>	<u>819,452</u>	<u>857,299</u>
Net assets, end of year	<u>11,239</u>	<u>792,777</u>	<u>766,411</u>	<u>819,452</u>

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

Return Service Requested

