

Annual Report 2012



Equity Trust, Inc.

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



Strength through Collaboration

Dear Friends,

In this annual report, the third that I get to present on behalf of Equity Trust's board and staff, collaboration is again a dominant theme. As a small organization, we rely on our networks' strengths, our friends' support, and our partners' efforts to amplify the work we do in building toward an economically just and sustainable society.

In 2012, Equity Trust was active in the Land Access Project, a New England-wide collaboration led by Land For Good (whose director, Kathy Ruhf, serves on our board) addressing beginning farmers' challenges in accessing land. We've continued as Strategic Partners to the National Community Land Trust Network and as a participating lender in the PVGrows Loan Fund supporting farms and food businesses in Western Massachusetts' Pioneer Valley.

This report is full of stories of the people and organizations with whom we are privileged to work. From the spread of efforts to preserve affordable working farms to the personal connections that led to a loan in support of two co-ops, I hope you enjoy reading about these collaborations and I thank you for your part in this work.

Jim Oldham
Executive Director

Front cover photos: ETF lender Mary Lu Lageman at Grailville Farm, OH (©Elizabeth Murphy); barn gathering at TLC Farm, OR; rooftop solar at Brattleboro Food Coop, VT.
Back cover: Cotton gin, Nicaragua.

Equity Trust

Board of Directors:

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

Staff:

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

Loan Fund Committee:

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

177 Avenue A, P.O. Box 746, Turners Falls, MA 01376
Tel: 413-863-9038/9034, Fax: 413-863-9082
administration@equitytrust.org, www.equitytrust.org

Farms for Farmers

Preserving affordable farms

In 2012, Equity Trust provided on-going technical assistance to farm preservation projects in **California, Massachusetts, New Mexico, New York, and Vermont**. In addition, we responded to requests for assistance from dozens of farmers, land trusts, and others from around the country, answering questions by email and providing telephone consultations for a wide range of projects and groups.

Each project we work with is different. A key part of our role involves helping the parties involved to understand one another's needs and goals as they explore ways to share resources for the benefit of current and future farmers and the communities they serve.

Sometimes the challenges are financial: How to make the farm affordable for farmers without overburdening the community groups stewarding the land? Sometimes challenges revolve around what activities or buildings will or won't be permitted on the land.



Cows and solar power at Roxbury Farm, NY.

Projects take time—many we worked with in 2012 are continuing into 2013—and they don't always work out: in one case the non-profit and the land owners decided that their visions were too different, so while each will continue their farm protection efforts, that particular partnership won't continue.

By providing guidance on how to create shared ownership, and by offering support for resolving the many challenging issues in designing such relationships, Equity Trust is increasing the number of communities around the country with permanently protected and affordable working farms.

ASSISTANCE TO FARMERS The top issues farmers sought our help with in 2012 included: establishing long-term tenure and opportunities to build equity; gaining access to affordable land (a particular challenge for new farmers); and preserving farms during generational transfer.

Farms for Farmers

Living on the land

In addition to our work in support of sustainable commercial farming, we have been providing support for groups seeking to protect the affordability and use of land and properties for homesteading, where intensive food growing for personal consumption takes place. Combining two of our core interests—affordable housing and land access for agriculture—homesteading is a natural fit for Equity Trust. The goals of these projects include creating affordable access to land for productive work, ecosystem restoration, and the opportunity to live more lightly and interdependently.



Brookfield Farm CSA potato dig at Bramble Hill Farm, MA.

In 2012 we worked with the **Good Life Center (GLC)** in Maine to develop affordability and use restrictions for a Vermont property donated to that organization, to ensure its continued availability to homesteaders. We helped GLC, and the incoming homesteaders who will buy the property, to develop a shared vision for an easement and to identify a local community land trust to hold the easement. We also provided advice to groups in **Massachusetts, New York, and Maine** at different stages in accessing land and developing shared ownership and use agreements to preserve the land as affordable home sites for current and future homesteading families.

WHO DOES EQUITY TRUST SERVE? In 2012, we responded to technical assistance requests from: twenty-six farmers, four homesteading groups, four community farms/community gardens, six conservation land trusts, four community land trusts, nine other nonprofits, and one religious order.

A good idea spreads

We've been thrilled to see other organizations embracing and adapting shared ownership models for affordable farms and carrying out projects independently from us.

In Massachusetts, 2012 saw Mount Grace Land Conservation Trust launch the *Campaign for Affordable Farms* in partnership with Red Fire Farm, a 1,500-member CSA. This capital campaign aims to use community dollars to lower the farm's cost and create shared ownership to ensure the farm's future affordability and use for food production. After the protection of Red Fire Farm, which Mount Grace describes as "building on the work of Equity Trust," the Land Trust anticipates applying the model with additional farms to address "the urgent local and national need for permanently protected and affordable working farms."

In California, the *One Farm at a Time* initiative created by the Sacramento Natural Foods Co-op, Davis Food Co-op, and other partners is raising funds to protect regional small farms, starting with long-time Equity Trust partner Good Humus Produce. A 20-acre farm in Yolo County that sells fruits, vegetables, herbs, and flowers through farmers markets and a thriving CSA, Good Humus is the first farm to benefit from an initiative offering shoppers the chance to invest in the sustainability of the small farms they care about. By the end of 2012, the co-op initiative, combined with earlier fundraising supported by Equity Trust, had raised almost 90% of the funds needed to for a perpetual easement that will ensure sustainable farming and future farmer access to this beautiful farm.



Mountains beyond Good Humus Produce, CA.

WE RESPOND TO DIVERSE INQUIRIES We also enjoyed assisting: two author teams researching publications, three "Slow Money"-style investor advisors, several students, and a state representative. In total, we offered over 360 hours of pro-bono technical assistance in 2012!

Equity Trust Fund

Cumulative Activity, 1991 through 2012

| | |
|------------------------------------|-------------|
| 122 loans from Investors totaling: | \$3,228,921 |
| 90 loans to Borrowers totaling: | \$4,940,507 |
| 2061 gifts from Donors totaling: | \$5,731,078 |
| Gifts to Grantees totaling: | \$3,755,427 |

In 2012, the Equity Trust Fund welcomed thirteen new lenders, increasing funds available by \$320,500!

Lender Spotlight: Alison Clarke



The Rochester Peace and Justice Education Center (PJEC) was founded in 1975, at the end of the Viet Nam war, to address root causes of war in areas of hunger, human rights, disarmament, and energy issues. It was my first real entry into the social change community and I coordinated the hunger/food and human rights issues. We worked with others to bring speakers like Chuck Matthei to conferences on economic justice issues. Later I invited Chuck to come to

teach us not only about rural land trusts, but about the impact urban land trusts could have on alleviating poverty and offering a new sense of ownership. As “sustainable agriculture” came down the plank along with Community Supported Agriculture (CSA), Chuck realized 50% of those farmers had no “ownership” of their land. I believe this was part of his vision for initiating Equity Trust. Our PJEC task force “Politics of Food” joined with organic farm partners Elizabeth Henderson and David Stern to form the first CSA in western NY. Equity Trust continued after Chuck’s untimely death to continue his vision of land ownership in many forms both in the U.S. and Latin America. That vision coincides with my own in so many ways including my work with Christian Based Communities (Comunidades de Basa) in El Cercado and other Dominican Republic parishes on the border of Haiti. My only regret about being a community organizer has been not having more resources to contribute to Equity Trust’s outstanding work!

An Equity Trust Fund lender for sixteen years and long-time friend of the organization, Alison Clarke lives in Rochester, NY.

Mary Lu Lageman, Farmer and Lender

As an organic farmer involved in the local food movement, I am thankful for all those locally and around the world who are working toward a more just, equitable, healthy, and environmentally sustainable food system. A keen interest in working with elements of the natural world and a fascination with how we obtain our sustenance from the earth led me into farming 20 years ago. As a grower at the Grailville Educational and Retreat Center farm and Earth-Shares CSA, I work with a number of groups in the Cincinnati area to connect farmers with resources.

The work of Equity Trust fits with my passion for experiential and holistic education and for teaching Permaculture and various aspects of sustainable agriculture. Inspired by the work of Equity Trust making funding available to projects that deeply resonate with my interests, I joined the action and became a lender. Congratulations to Equity Trust for over 20 years of filling a unique and needed niche!



Mary Lu Lageman is the farm manager at Grailville in Loveland, OH and has been an Equity Trust Fund lender for ten years.

SHARING OUR WORK In 2012, we shared our ideas and approaches through presentations at a variety of events and gatherings, including:

Report to the investment committee of **First Church, in Amherst, MA**, a Fund lender. This talk prompted Alice Maes, long-time friend of Equity Trust and member of Co-op Power's Southern VT Local Organizing Committee, to share Co-op Power's interest in the Brattleboro Food Co-op solar array, which led to our loan in support of that project.

Panelist at Co-op Power's **Move Your Money** summit, Northampton MA.

Workshop on "Strategies and Tools for Saving Local Farms" at the **Northeast Organic Farming Association (NOFA)** summer conference in Amherst, MA.

Course on "Preserving Farms for Farmers and Communities: Opportunities for CLTs" co-presented with Andy Jones of the Intervale Community Farm, at the **National Community Land Trust Network** annual conference in Burlington, VT.

Presentation on "Strategies and Tools for Saving Local Farms" at the annual meeting of **Farm Catskills**, in Delhi, NY.

2012 Equity Trust Fund loans

In 2012, we made five new loans totaling \$508,500!



Since 2007, the NEW LONDON HOMELESS HOSPITALITY CENTER (NLHHC) has offered an ever-widening array of programs and services for homeless people in New London, Connecticut. Last year, they received and/or retired four loans from Equity Trust to further their work. The first new loan was a bridge loan for the purchase and renovation of a building to serve as their new daytime hospitality center as

well as offices for the organization. Having recently added longer-term housing to its mission, NLHHC received a second loan for the purchase of a two-family home to provide lodging for up to six very-low-income veterans. The first loan is already paid off (along with one received in 2011), and at the end of the year, another loan for the acquisition of a multi-family rental property was approved for disbursement in 2013.



Photos: Shelter beds and veterans home.

JUBILEE HOUSE COMMUNITY (JHC) is a North Carolina-based nonprofit that has been working in Nicaragua since 1994 to organize thousands of small farmers into cooperatives to market their organic crops. Last year Equity Trust refinanced a high-interest loan JHC had taken from a Nicaraguan microfinance institution on behalf of the Genesis Spinning Cooperative to purchase machinery for their new factory. This more affordable loan will enable JHC to redirect funds to its other highly successful program work in support of sustainable agriculture in Nicaragua.



Tasting coffee beans in Nicaragua. See cotton gin on back cover.

CO-OP POWER is a consumer-owned renewable energy cooperative functioning as a decentralized network of autonomous local organizing councils in New England since 2004. Last year, its Southern Vermont-area council spearheaded a collaboration with the Brattleboro (VT) Food Co-op (BFC) to construct a 30-kilowatt solar photovoltaic system on the roof of BFC's new downtown building – itself a partnership with local and state affordable housing agencies and containing a natural food market, offices, and mixed-income apartments. Co-op Power financed the project with the help of a loan from Equity Trust. BFC will lease the array for five years while benefiting from the power generated, and then purchase it from Co-op Power.



Crane lifting solar panels to roof of Brattleboro Food Co-op.

Equity Trust lender Marie Cirillo, whom we wrote about in our midyear “Snapshots” update in 2012 (available at www.equitytrust.org/reports), has been organizing in the remote and extremely poor northeast Tennessee community of Clearfork Valley since 1967, and has provided



Woodland CLT residents.

funds to be used for low-interest loans to benefit the people there. Our joint goal is to develop a network of lenders and borrowers and formally create an APPALACHIAN FUND to expand our impact in this region. Equity Trust has previously made loans to projects in the region through the Woodland CDC and the Woodland CLT, organizations that Marie helped to found. Marie’s loan enables us to reduce the interest rate on these loans, increasing their affordability and social benefit. In 2012, the first new loan in this fund went to homeowners in the Woodland CLT to pay off a crippling mortgage and build an addition onto their home in order to accommodate their adoption of a relative’s children.



STATEMENT OF FINANCIAL POSITION December 31, 2012
(with comparative totals for 2011)

| ASSETS | <u>2012</u> | <u>2011</u> |
|---|----------------------------|----------------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 1,253,980 | \$1,141,523 |
| Interest receivable | 9,726 | 9,262 |
| Pledges receivable | 5,148 | 5,533 |
| Other receivables | 4,088 | - |
| Net loans receivable—current portion | <u>462,718</u> | <u>501,990</u> |
| Total current assets | <u>1,735,660</u> | <u>1,658,308</u> |
| Noncurrent assets: | | |
| Net loans receivable—noncurrent portion | 1,032,540 | 869,623 |
| Furniture and equipment | - | - |
| Donated and acquired real property | <u>134,578</u> | <u>137,519</u> |
| Total noncurrent assets | <u>1,167,118</u> | <u>1,007,142</u> |
| Total assets | <u>\$ 2,902,778</u> | <u>\$ 2,665,450</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities: | | |
| Accounts payable | \$ 1,967 | \$ 2,528 |
| Accrued interest | 7,483 | 7,088 |
| Advance funds received | 5,000 | - |
| Loans payable—current portion | <u>513,595</u> | <u>598,161</u> |
| Total current liabilities | <u>528,045</u> | <u>607,777</u> |
| Noncurrent liabilities: | | |
| Loans payable—noncurrent portion | <u>1,634,304</u> | <u>1,291,262</u> |
| Total noncurrent liabilities | <u>1,634,304</u> | <u>1,291,262</u> |
| Total Liabilities | 2,162,349 | 1,899,039 |
| Net assets: | | |
| Unrestricted | 10,282 | 11,239 |
| Temporarily restricted | 730,147 | 755,172 |
| Permanently restricted | - | - |
| Total net assets | <u>740,428</u> | <u>766,411</u> |
| Total liabilities and net assets | <u>\$ 2,902,778</u> | <u>\$ 2,665,450</u> |

**STATEMENT OF ACTIVITY For the year ended December 31, 2012
(with comparative totals for 2011)**

| | 2012 | | | 2011 |
|---|-----------------------|---------------------------|------------------------|------------------------|
| | Unrestricted | Temporarily Restricted | Total | Total |
| REVENUES AND OTHER SUPPORT | | | | |
| Contributed support | \$ 27,945 | \$ 1,683 | \$ 29,628 | \$ 28,050 |
| Fundraising income | | - | - | - |
| Conference and rental fees | 994 | 17,530 | 18,524 | 15,880 |
| Grants | | 16,000 | 16,000 | - |
| Interest income | 33 | 85,516 | 85,549 | 74,230 |
| Services provided and miscellaneous | 14,352 | | 14,352 | 12,380 |
| Donated services | 20,415 | | 20,415 | 37,988 |
| Net assets released from restrictions (satisfaction of program restriction) | <u>145,755</u> | <u>(145,755)</u> | <u>-</u> | <u>-</u> |
| Total Revenues and other support | <u>209,494</u> | <u>(25,026)</u> | <u>184,468</u> | <u>168,528</u> |
| EXPENSES | | | | |
| Programs: | | | | |
| Program services | 160,913 | - | 160,913 | 174,399 |
| Project grants | - | - | - | - |
| Interest | <u>18,683</u> | <u>-</u> | <u>18,683</u> | <u>17,825</u> |
| Total Program | <u>179,596</u> | <u>-</u> | <u>179,596</u> | <u>192,229</u> |
| Management and general | 21,794 | - | 21,794 | 19,686 |
| Fundraising | <u>9,061</u> | <u>-</u> | <u>9,061</u> | <u>9,659</u> |
| Total Expenses | <u>210,451</u> | <u>-</u> | <u>210,451</u> | <u>221,569</u> |
| Change in net assests before adjustment | <u>(957)</u> | <u>(25,026)</u> | <u>(25,983)</u> | <u>(53,041)</u> |
| Adustment-revaluation of real property | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Change in net assets | <u>(957)</u> | <u>(25,026)</u> | <u>(25,983)</u> | <u>(53,041)</u> |
| Net assets- beginning of year | <u>11,239</u> | <u>755,172</u> | <u>766,411</u> | <u>819,452</u> |
| Net assets- end of year | <u>10,282</u> | <u>730,147</u> | <u>740,428</u> | <u>766,411</u> |

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



Cotton gin at cooperative factory in Nicaragua, financed by a loan from Equity Trust.

Return Service Requested