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Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2011Open to Public
Inspection

A For the 2011 calendar year, or tax year beginning and ending

B Check if applicable:
☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization
ROOT CAPITAL, INC.
 Doing Business As
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
955 MASSACHUSETTS AVENUE 5TH FLOOR
 City or town, state or country, and ZIP + 4
CAMBRIDGE, MA 02139-3309

D Employer identification number
04-3478123

E Telephone number
617-661-5792

G Gross receipts \$ **18,481,412.**

H(a) Is this a group return for affiliates? ☐ Yes ☒ No
H(b) Are all affiliates included? ☐ Yes ☐ No
 If "No," attach a list. (see instructions)
H(c) Group exemption number ▶

I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ **WWW.ROOTCAPITAL.ORG**

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: **1999** **M** State of legal domicile: **MA**

Part I Summary

1 Briefly describe the organization's mission or most significant activities **SEE PART III, LINE 1.**

2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a) **3** **10**

4 Number of independent voting members of the governing body (Part VI, line 1b) **4** **12**

5 Total number of individuals employed in calendar year 2011 (Part V, line 2a) **5** **72**

6 Total number of volunteers (estimate if necessary) **6** **0**

7a Total unrelated business revenue from Part VIII, column (C), line 12 **7a** **0.**

b Net unrelated business taxable income from Form 990-T, line 34 **7b** **0.**

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	7,037,823.	9,166,388.
9 Program service revenue (Part VIII, line 2g)	4,145,417.	6,173,301.
10 Investment income (Part VIII, column (A), lines 9, 4, and 7d)	145,785.	147,790.
11 Other revenue (Part VIII, column (A), lines 5, 6, 8c, 9c, 10c, and 11e)	0.	0.
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	11,329,025.	15,487,479.
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	3,354.	1,000.
14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	2,998,262.	4,523,744.
16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b Total fundraising expenses (Part IX, column (D), line 25)	659,261.	
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	4,850,456.	8,149,143.
18 Total expenses - Add lines 13-17 (must equal Part IX, column (A), line 25)	7,852,072.	12,673,887.
19 Revenue less expenses - Subtract line 18 from line 12	3,476,953.	2,813,592.

	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	64,723,838.	87,752,805.
21 Total liabilities (Part X, line 26)	45,977,924.	66,284,006.
22 Net assets or fund balances - Subtract line 21 from line 20	18,745,914.	21,468,799.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature of officer *William F. Foote* Date **11/2/12**
WILLIAM F. FOOTE, FOUNDER & CEO
 Type or print name and title

Paid Preparer Use Only
 Print/Type preparer's name **Andreas Alexandrou** Preparer's signature *Andreas Alexandrou* Date **10/31/12** Check ☐ PTIN **P01330558**
 Firm's name ▶ **GELMAN, ROSENBERG & FREEDMAN** Firm's EIN ▶ **52-1392008**
 Firm's address ▶ **4550 MONTGOMERY AVE SUITE 650N**
BETHESDA, MD 20814-2930 Phone no. **(301) 951-9090**

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

32001 01-23-12

LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2011)**SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION**

SCANNED DEC 03 2012

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

☒

1 Briefly describe the organization's mission:

SEE SCHEDULE O FOR FULL MISSION STATEMENT.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code) (Expenses \$ 7,215,245. including grants of \$ 1,000.) (Revenue \$ 6,173,301.)
ROOT CAPITAL'S MODEL: FINANCE, ADVISE, CATALYZE**ROOT CAPITAL'S CORE ACTIVITIES - LENDING, PROVIDING FINANCIAL ADVISORY SERVICES TO CURRENT AND PROSPECTIVE CLIENTS, AND THE DEVELOPMENT OF INNOVATIVE APPROACHES TO FINANCING RURAL SMALL AND GROWING BUSINESSES - COMPRISE A THREE-PRONG STRATEGY: FINANCE, ADVISE, CATALYZE.****FINANCE: ROOT CAPITAL TYPICALLY PROVIDES LOANS RANGING FROM \$25,000 TO \$2 MILLION TO RURAL SMALL AND GROWING BUSINESSES, ESPECIALLY THOSE BUSINESSES NOT CURRENTLY REACHED BY COMMERCIAL LENDERS. MOST ROOT CAPITAL LOANS CAN BE CATEGORIZED AS FOLLOWS:**4b (Code) (Expenses \$ 1,243,820. including grants of \$) (Revenue \$)
ADVISE: ROOT CAPITAL'S FINANCIAL ADVISORY SERVICES PROGRAM (FAS) PROVIDES TARGETED FINANCIAL MANAGEMENT TRAINING TO CURRENT AND PROSPECTIVE CLIENTS THAT MAY NOT OTHERWISE QUALIFY FOR A LOAN. FAS IS DESIGNED TO PREPARE BUSINESSES WITH GROWTH POTENTIAL TO QUALIFY FOR CREDIT, TO SHEPHERD MORE PROSPECTIVE CLIENTS INTO OUR PORTFOLIO, AND TO MITIGATE THE RISK OF LENDING TO THESE BUSINESSES.**SINCE ITS LAUNCH IN 2006, FAS HAS SUCCESSFULLY STRENGTHENED THE FINANCIAL MANAGEMENT CAPACITY OF 150 PRODUCER ASSOCIATIONS REPRESENTING THOUSANDS OF PEOPLE. THESE ENGAGEMENTS HAVE CONFIRMED THAT RURAL BUSINESS LEADERS, WHEN EQUIPPED WITH SOUND FINANCIAL MANAGEMENT PRACTICES AND PROCESSES, ARE BETTER POSITIONED TO ACCESS CREDIT,**4c (Code) (Expenses \$ 1,561,845. including grants of \$) (Revenue \$)
CATALYZE: ROOT CAPITAL SEEKS TO DEMONSTRATE AND INSPIRE OTHERS TO PRACTICE AN APPROACH TO RURAL LENDING THAT IS GROUNDED IN LONG-TERM CLIENT RELATIONSHIPS, A DEEP UNDERSTANDING OF RURAL BUSINESSES' FINANCING NEEDS, AND SHARED SOCIAL AND ENVIRONMENTAL VALUES. ROOT CAPITAL AIMS TO CATALYZE A NEW FINANCIAL MARKET AND TO SET THE STANDARD WITHIN THAT MARKET FOR SUSTAINABLE SOCIAL AND ENVIRONMENTAL PRACTICES OVER THE LONG TERM.**THROUGH INDUSTRY ASSOCIATIONS SUCH AS THE ASPEN NETWORK OF DEVELOPMENT ENTREPRENEURS AND THE GLOBAL IMPACT INVESTMENT NETWORK, ROOT CAPITAL PLAYS A LEADERSHIP ROLE IN BUILDING THE ENABLING ENVIRONMENT FOR RURAL SMALL AND GROWING BUSINESS FINANCE.**

4d Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses **10,020,910.**

Form 990 (2011)

Part IV Checklist of Required Schedules

- 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)?
If "Yes," complete Schedule A
- 2 Is the organization required to complete Schedule B, Schedule of Contributors?
- 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I
- 4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II
- 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III
- 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I
- 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II
- 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III
- 9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV
- 10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V
- 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable
- a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI
- b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII
- c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII
- d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX
- e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X
- f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X
- 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII
- b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional
- 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E
- 14a Did the organization maintain an office, employees, or agents outside of the United States?
- b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV
- 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV
- 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV
- 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I
- 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II
- 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III
- 20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H
- b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?

	Yes	No
1	X	
2	X	
3		X
4		X
5		X
6		X
7		X
8		X
9	X	
10		X
11a	X	
11b		X
11c	X	
11d		X
11e	X	
11f	X	
12a	X	
12b		X
13		X
14a	X	
14b	X	
15		X
16		X
17		X
18		X
19		X
20a		X
20b		

Form 990 (2011)

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	X	
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
28a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	X	
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
35b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

Form 990 (2011)

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	27	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	72	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	X	
b	If "Yes," enter the name of the foreign country KENYA, MEXICO, COSTA RICA See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	N/A	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	N/A	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	N/A	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12	N/A	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders	N/A	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	N/A	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O	N/A	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

Form 990 (2011)

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI ☒

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	10	
b Enter the number of voting members included in line 1a, above, who are independent	12	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6 Did the organization have members or stockholders?	6	X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a	X
b Each committee with authority to act on behalf of the governing body?	8b	X
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates?	10a	X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	X
13 Did the organization have a written whistleblower policy?	13	X
14 Did the organization have a written document retention and destruction policy?	14	X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a	X
b Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)	15b	X
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► MA, MD, NY, VA, CA, IL

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☒ Own website ☒ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ►
BONNIE COCKMAN - 617-299-2419
955 MASSACHUSETTS AVENUE 5TH FLOOR, CAMBRIDGE, MA 02139-3309

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response to any question in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) FRANK HICKS CHAIR	3.00	X		X				0.	0.	0.
(2) TOM KANEB VICE CHAIR	3.00	X		X				0.	0.	0.
(3) DAN CRISAFULLI BOARD MEMBER	3.00	X						0.	0.	0.
(4) HENRY CAULEY BOARD MEMBER	3.00	X						0.	0.	0.
(5) JEREMY MINDICH BOARD MEMBER	3.00	X						0.	0.	0.
(6) JOHN F. TAYLOR BOARD MEMBER	3.00	X						0.	0.	0.
(7) JUAN MORILLO BOARD MEMBER	3.00	X						0.	0.	0.
(8) KATHERINE BORSECNIK BOARD MEMBER	3.00	X						0.	0.	0.
(9) KEN ANSIN BOARD MEMBER	3.00	X						0.	0.	0.
(10) MARCELA ESCOBARI BOARD MEMBER	3.00	X						0.	0.	0.
(11) PAUL LEANDER-ENGSTROM BOARD MEMBER	3.00	X						0.	0.	0.
(12) PETER BERNARD BOARD MEMBER	3.00	X						0.	0.	0.
(13) WILLIAM F. FOOTE FOUNDER & CLERK	40.00			X				234,084.	0.	20,759.
(14) BONNIE COCKMAN SVP FIN. & OPS. & TREASURE	40.00			X				158,948.	0.	8,347.
(15) CARLOS CASTELLO SVP GLOBAL PROGRAMS	40.00					X		158,211.	0.	17,314.
(16) LIAM BRODY VP EXTERNAL AFFAIRS	40.00					X		142,825.	0.	16,580.
(17) BRIAN MILDER VP OF STRATEGY, KNOWLEDGE & INNOV.	40.00					X		124,168.	0.	9,577.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) CATHERINE GILL DIRECTOR OF INVESTOR	40.00					X		116,087.	0.	9,684.
(19) NATE SCHAFFRAN REGIONAL DIRECTOR, AFRICA	40.00					X		110,909.	0.	8,522.
1b Sub-total								1,045,232.	0.	90,783.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								1,045,232.	0.	90,783.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **9**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
MANEL MODELO, FRANCISCO L, 48-29259, SAN CRISTOBAL DE LA CASAS CHIAPAS, MX	FAS PROJECT MANAGEMENT	156,000.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **1**

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	9166388.				
	g Noncash contributions included in lines 1a-1f \$						
	h Total. Add lines 1a-1f			9166388.			
Program Service Revenue	2 a LOAN INTEREST	Business Code	900099	5008664.	5008664.		
	b LOAN FEES		900099	1092210.	1092210.		
	c RECOVERED LOANS		900099	72,427.	72,427.		
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			6173301.			
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			141,723.		
4 Income from investment of tax-exempt bond proceeds							
5 Royalties							
6 a Gross rents		(i) Real	(ii) Personal				
b Less rental expenses							
c Rental income or (loss)							
d Net rental income or (loss)							
7 a Gross amount from sales of assets other than inventory		(i) Securities	(ii) Other				
b Less cost or other basis and sales expenses							
c Gain or (loss)							
d Net gain or (loss)				6,067.			6,067.
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18		a					
b Less direct expenses		b					
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities See Part IV, line 19		a					
b Less direct expenses		b					
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances		a					
b Less cost of goods sold	b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue			Business Code				
11 a							
b							
c							
d All other revenue							
e Total. Add lines 11a-11d							
12 Total revenue. See instructions.				15,487,479.	6173301.	0.	147,790.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	1,000.	1,000.		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	422,189.	140,164.	231,056.	50,969.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	3,313,071.	2,123,134.	864,227.	325,710.
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	63,519.	41,635.	15,680.	6,204.
9 Other employee benefits	403,188.	248,241.	115,460.	39,487.
10 Payroll taxes	321,777.	195,516.	93,917.	32,344.
11 Fees for services (non-employees)				
a Management				
b Legal	78,397.	54,063.	24,334.	
c Accounting	40,165.	3,807.	36,358.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	2,305,435.	1,986,425.	262,466.	56,544.
12 Advertising and promotion				
13 Office expenses	307,881.	224,484.	64,472.	18,925.
14 Information technology	159,435.	121,877.	24,935.	12,623.
15 Royalties				
16 Occupancy	441,191.	315,855.	90,733.	34,603.
17 Travel	596,104.	524,705.	26,533.	44,866.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	303,141.	221,738.	55,195.	26,208.
20 Interest	1,267,760.	1,267,760.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	117,952.	86,958.	26,231.	4,763.
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a ALLOWANCE FOR LOAN LOSS	2,264,954.	2,264,954.		
b FOREIGN CURRENCY LOSS	145,232.	145,232.		
c OTHER DIRECT COSTS	120,981.	53,362.	61,604.	6,015.
d TEAM-BUILDING GRANTS	515.		515.	
e All other expenses				
25 Total functional expenses Add lines 1 through 24e	12,673,887.	10,020,910.	1,993,716.	659,261.
26 Joint costs Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	9,863,929.	1	19,919,980.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net	6,407,232.	3	5,835,073.
	4 Accounts receivable, net		4	268,111.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	46,841.	9	53,779.
	10a Land, buildings, and equipment - cost or other basis. Complete Part VI of Schedule D	10a 656,446.		
	b Less: accumulated depreciation	10b 324,808.		
		251,230.	10c	331,638.
	11 Investments - publicly traded securities	7,060,136.	11	6,097,736.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11	40,192,796.	13	54,137,506.
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	901,674.	15	1,108,982.
	16 Total assets. Add lines 1 through 15 (must equal line 34)	64,723,838.	16	87,752,805.
Liabilities	17 Accounts payable and accrued expenses	661,007.	17	865,294.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	637,515.	21	814,521.
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	251,562.	22	2,146,153.
	23 Secured mortgages and notes payable to unrelated third parties	44,264,119.	23	62,275,438.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	163,721.	25	182,600.
	26 Total liabilities. Add lines 17 through 25	45,977,924.	26	66,284,006.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	10,790,756.	27	11,004,883.
	28 Temporarily restricted net assets	7,955,158.	28	10,463,916.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	18,745,914.	33	21,468,799.
	34 Total liabilities and net assets/fund balances	64,723,838.	34	87,752,805.

Form 990 (2011)

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	15,487,479.
2	Total expenses (must equal Part IX, column (A), line 25)	2	12,673,887.
3	Revenue less expenses Subtract line 2 from line 1	3	2,813,592.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	18,745,914.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-90,707.
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	21,468,799.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

☐

- 1 Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
- b Were the organization's financial statements audited by an independent accountant?
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O
- d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both
☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

Form 990 (2011)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization

ROOT CAPITAL, INC.

Employer identification number

04-3478123

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.
- a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f ☐ If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box.
- g ☐ Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (i) ☐ A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) ☐ A family member of a person described in (i) above?
- (iii) ☐ A 35% controlled entity of a person described in (i) or (ii) above?
- h ☐ Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2011

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	2,429,067.	4,279,645.	8,409,396.	7,037,823.	9,166,388.	31,322,319.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	2,429,067.	4,279,645.	8,409,396.	7,037,823.	9,166,388.	31,322,319.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						14,832,596.
6 Public support. Subtract line 5 from line 4						16,489,723.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	2,429,067.	4,279,645.	8,409,396.	7,037,823.	9,166,388.	31,322,319.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	351,603.	182,166.	120,004.	145,785.	141,723.	941,281.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						32,263,600.
12 Gross receipts from related activities, etc. (see instructions)					12	16,246,353.

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	51.11 %
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	50.72 %
16a 33 1/3% support test - 2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ☒		
b 33 1/3% support test - 2010. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ☐		
17a 10% -facts-and-circumstances test - 2011. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ☐		
b 10% -facts-and-circumstances test - 2010. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ☐		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ☐		

Schedule A (Form 990 or 990-EZ) 2011

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► ☐						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

b 33 1/3% support tests - 2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► ☐

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**
► **Attach to Form 990. ► See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization

ROOT CAPITAL, INC.

Employer identification number

04-3478123

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		☐ Yes ☐ No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)	☐ Preservation of an historically important land area
☐ Protection of natural habitat	☐ Preservation of a certified historic structure
☐ Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1	► \$
(ii) Assets included in Form 990, Part X	► \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1	► \$
b Assets included in Form 990, Part X	► \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items

(check all that apply):

- a ☐ Public exhibition
 b ☐ Scholarly research
 c ☐ Preservation for future generations

- d ☐ Loan or exchange programs
 e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes☐ No**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes☒ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

- c Beginning balance
 d Additions during the year
 e Distributions during the year
 f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21?

☒ Yes☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10

1a Beginning of year balance

b Contributions

c Net investment earnings, gains, and losses

d Grants or scholarships

e Other expenditures for facilities and programs

f Administrative expenses

g End of year balance

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a					
1b					
1c					
1d					
1e					
1f					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a Board designated or quasi-endowment ► _____ %

b Permanent endowment ► _____ %

c Temporarily restricted endowment ► _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations

(ii) related organizations

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

	Yes	No
3a(i)		
3a(ii)		
3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
1b Buildings				
1c Leasehold improvements		215,404.	99,694.	115,710.
1d Equipment				
1e Other		441,042.	225,114.	215,928.
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				331,638.

Schedule D (Form 990) 2011

Part VII Investments - Other Securities. See Form 990, Part X, line 12

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) LOANS RECEIVABLE	54,137,506.	END-OF-YEAR MARKET VALUE
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶ 54,137,506.		

Part IX Other Assets. See Form 990, Part X, line 15

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶	

Part X Other Liabilities. See Form 990, Part X, line 25

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DEFERRED RENT	182,600.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶ 182,600.	

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	15,487,479.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	12,673,887.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	2,813,592.
4	Net unrealized gains (losses) on investments	4	-90,707.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 through 8	9	-90,707.
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	2,722,885.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	11,960,472.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-90,707.
b	Donated services and use of facilities	2b	241,646.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	150,939.
3	Subtract line 2e from line 1	3	11,809,533.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	1,267,760.
b	Other (Describe in Part XIV)	4b	2,410,186.
c	Add lines 4a and 4b	4c	3,677,946.
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	15,487,479.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	9,237,587.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	241,646.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	241,646.
3	Subtract line 2e from line 1	3	8,995,941.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	1,267,760.
b	Other (Describe in Part XIV)	4b	2,410,186.
c	Add lines 4a and 4b	4c	3,677,946.
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	12,673,887.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

PART IV, LINE 2B: AT TIMES, ROOT CAPITAL CO-LENDS WITH OTHER

ORGANIZATIONS AND ADMINISTERS THE ENTIRE LOAN. THE ESCROW FUNDS REPRESENT

A TIMING DIFFERENCE BETWEEN REPAYMENTS FROM BORROWERS AND TRANSFER OF

FUNDS DUE TO CO-LENDING PARTNERS. THE ESCROW ACCOUNT IS ALSO USED WHEN A

BUYER PAYS ROOT CAPITAL THE FULL AMOUNT OF THE MONEY OWED TO A

SUPPLIER/BORROWER. ROOT CAPITAL DEDUCTS THE PRINCIPAL AND INTEREST OWED ON

ITS LOAN AND FORWARDS THE REMAINING BALANCE TO THE SUPPLIER/BORROWER.

Part XIV Supplemental Information (continued)

PART X, LINE 2: IN JUNE 2006, THE FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) RELEASED FASB ASC 740-10, INCOME TAXES, THAT PROVIDES GUIDANCE FOR REPORTING UNCERTAINTY IN INCOME TAXES. FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010, ROOT CAPITAL HAS DOCUMENTED ITS CONSIDERATION OF FASB ASC 740-10 AND DETERMINED THAT NO MATERIAL UNCERTAIN TAX POSITIONS QUALIFY FOR EITHER RECOGNITION OR DISCLOSURE IN THE FINANCIAL STATEMENTS.

INFORMATION RETURNS FILED WITH THE INTERNAL REVENUE SERVICE AND WITH THE STATE OF MASSACHUSETTS FOR THE LAST THREE YEARS GENERALLY REMAIN SUBJECT TO EXAMINATION. ROOT CAPITAL DOES NOT EXPECT ANY TAX POSITIONS TO CHANGE SIGNIFICANTLY WITHIN THE NEXT TWELVE MONTHS.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

ALLOWANCE FOR LOAN LOSS, RECORDED AS AN ADJUSTMENT TO
REVENUE ON THE 2,264,954.
FINANCIAL STATEMENTS AND REPORTED AS AN EXPENSE ON FORM 990, PART IX
FOREIGN CURRENCY EXCHANGE LOSS, REPORTED AS REVENUE ON THE 145,232.
FINANCIAL STATEMENTS AND REPORTED AS AN EXPENSE ON FORM 990, PART IX
TOTAL TO SCHEDULE D, PART XII, LINE 4B 2,410,186.

PART XIII, LINE 4B - OTHER ADJUSTMENTS:

ALLOWANCE FOR LOAN LOSS, RECORDED AS AN ADJUSTMENT TO
REVENUE ON THE 2,264,954.
FINANCIAL STATEMENTS AND REPORTED AS AN EXPENSE ON FORM 990, PART IX
FOREIGN CURRENCY EXCHANGE LOSS, REPORTED AS REVENUE ON THE 145,232.
FINANCIAL STATEMENTS AND REPORTED AS AN EXPENSE ON FORM 990, PART IX
TOTAL TO SCHEDULE D, PART XIII, LINE 4B 2,410,186.

SCHEDULE F
(Form 990)Department of the Treasury
Internal Revenue Service**Statement of Activities Outside the United States**▶ Complete if the organization answered "Yes" to Form 990,
Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

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Inspection

Name of the organization

Employer identification number

ROOT CAPITAL, INC.**04-3478123****Part I** **General Information on Activities Outside the United States.** Complete if the organization answered "Yes"
to Form 990, Part IV, line 14b**1 For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance,
the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☐ No**2 For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the
United States**3 Activities per Region** (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
CENTRAL AMERICA AND THE CARIBBEAN	0	0	PROGRAM SERVICES	LOANS	25990282.
NORTH AMERICA	0	0	PROGRAM SERVICES	LOANS	12,254,214.
SOUTH AMERICA	0	0	PROGRAM SERVICES	LOANS	51119239.
SUB-SAHARAN AFRICA	0	0	PROGRAM SERVICES	LOANS	20107740.
CENTRAL AMERICA AND THE CARIBBEAN	0	0	PROGRAM SERVICES	FINANCIAL ADVISORY SERVICES	238,496.
NORTH AMERICA	0	0	PROGRAM SERVICES	FINANCIAL ADVISORY SERVICES	422,555.
SOUTH AMERICA	0	0	PROGRAM SERVICES	FINANCIAL ADVISORY SERVICES	51,548.
SUB-SAHARAN AFRICA	0	0	PROGRAM SERVICES	FINANCIAL ADVISORY SERVICES	6,729.
3 a Sub-total	0	0			110190803.
b Total from continuation sheets to Part I	0	0			1,917,102.
c Totals (add lines 3a and 3b)	0	0			112107905.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule F (Form 990) 2011

Part IV Foreign Forms

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926) ☐ Yes ☒ No
- 2 Did the organization have an interest in a foreign trust during the tax year? If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A) ☐ Yes ☒ No
- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations (see Instructions for Form 5471) ☐ Yes ☒ No
- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621) ☐ Yes ☒ No
- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships (see Instructions for Form 8865) ☐ Yes ☒ No
- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713) ☐ Yes ☒ No

Schedule F (Form 990) 2011

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No 1545-0047

2011

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For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990,
Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization

ROOT CAPITAL, INC.

Employer identification number

04-3478123

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990,
Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

- | | |
|--|--|
| ☐ First-class or charter travel | ☐ Housing allowance or residence for personal use |
| ☐ Travel for companions | ☐ Payments for business use of personal residence |
| ☐ Tax indemnification and gross-up payments | ☐ Health or social club dues or initiation fees |
| ☐ Discretionary spending account | ☐ Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or
reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors,
trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's
CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to
establish compensation of the CEO/Executive Director. Explain in Part III

- | | |
|---|---|
| ☒ Compensation committee | ☒ Written employment contract |
| ☒ Independent compensation consultant | ☒ Compensation survey or study |
| ☒ Form 990 of other organizations | ☒ Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing
organization or a related organization

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation
contingent on the revenues of:

- a** The organization?
- b** Any related organization?

If "Yes" to line 5a or 5b, describe in Part III

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation
contingent on the net earnings of:

- a** The organization?
- b** Any related organization?

If "Yes" to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments
not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the
initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in
Regulations section 53.4958-6(c)?

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

X

X

X

X

X

X

X

X

X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2011

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 WILLIAM F. FOOTE	(i)	234,084.	0.	0.	6,270.	14,489.	254,843.
	(ii)	0.	0.	0.	0.	0.	0.
2 BONNIE COCKMAN	(i)	158,948.	0.	0.	4,408.	3,939.	167,295.
	(ii)	0.	0.	0.	0.	0.	0.
3 CARLOS CASTELLO	(i)	158,211.	0.	0.	2,856.	14,458.	175,525.
	(ii)	0.	0.	0.	0.	0.	0.
4 LIAM BRODY	(i)	142,825.	0.	0.	2,175.	14,405.	159,405.
	(ii)	0.	0.	0.	0.	0.	0.
5	(i)						
	(ii)						
6	(i)						
	(ii)						
7	(i)						
	(ii)						
8	(i)						
	(ii)						
9	(i)						
	(ii)						
10	(i)						
	(ii)						
11	(i)						
	(ii)						
12	(i)						
	(ii)						
13	(i)						
	(ii)						
14	(i)						
	(ii)						
15	(i)						
	(ii)						
16	(i)						
	(ii)						

Department of the Treasury
Internal Revenue Service

► **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**

► **Attach to Form 990 or Form 990-EZ.** ► **See separate instructions.**

2011

Open To Public Inspection

ROOT CAPITAL, INC.

04-3478123

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

[illegible]

▶ \$ _____

▶ \$ _____

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
PAUL LEANDER-ENGS	X		2,000,000.	2,020,111.		X		X	X	
JOHN F TAYLOR TRU	X		125,000.	126,042.		X		X	X	
Total				\$ 2,146,153.						

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

[illegible]

Schedule L (Form 990 or 990-EZ) 2011

33

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
JOHN F TAYLOR TRUST	BOARD MEMBER	128,125.	REPAYMENT O		X

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

SCHEDULE L, PART II, LOANS TO AND FROM INTERESTED PERSONS:

(A) NAME OF PERSON: PAUL LEANDER-ENGSTROM

(A) PURPOSE OF LOAN: INVESTMENT

(A) NAME OF PERSON: JOHN F TAYLOR TRUST

(A) PURPOSE OF LOAN: INVESTMENT

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: JOHN F TAYLOR TRUST

(D) DESCRIPTION OF TRANSACTION: REPAYMENT OF PRINCIPAL AND INTEREST TO THE JOHN F. TAYLOR TRUST ON INVESTMENT LOAN.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization

ROOT CAPITAL, INC.

Employer identification number
04-3478123

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

ROOT CAPITAL IS A NONPROFIT ORGANIZATION THAT GROWS RURAL PROSPERITY IN
POOR, ENVIRONMENTALLY VULNERABLE PLACES IN AFRICA AND LATIN AMERICA BY
PROVIDING CAPITAL, DELIVERING FINANCIAL TRAINING, AND STRENGTHENING
MARKET CONNECTIONS FOR SMALL AND GROWING AGRICULTURAL BUSINESSES.

ROOT CAPITAL CLIENTS ARE ASSOCIATIONS AND PRIVATE BUSINESSES THAT BRING
TOGETHER SMALL-SCALE RURAL PRODUCERS. THESE ENTERPRISES HELP BUILD
SUSTAINABLE LIVELIHOODS IN SECTORS SUCH AS AGRICULTURE, WILD-HARVESTED
FOREST PRODUCTS, AND HANDCRAFTS.

SINCE 2000, ROOT CAPITAL HAS DISBURSED MORE THAN \$350 MILLION IN CREDIT
TO MORE THAN 350 ENTERPRISES. ROOT CAPITAL CLIENTS HAVE HELPED IMPROVE
LIVELIHOODS FOR MORE THAN 500,000 RURAL HOUSEHOLDS IN AFRICA AND LATIN
AMERICA. IN CALENDAR YEAR 2011, ROOT CAPITAL DISBURSED \$111 MILLION TO
193 SMALL AND GROWING BUSINESSES (SGBS) WHO REPRESENT MORE THAN 200,000
FARM HOUSEHOLDS THROUGHOUT AFRICA AND LATIN AMERICA.

ROOT CAPITAL CURRENTLY WORKS THROUGHOUT LATIN AMERICA AND SUB-SAHARAN
AFRICA. BEFORE ENTERING A NEW COUNTRY, ROOT CAPITAL ASSESSES MARKET
CONDITIONS TO ENSURE THAT THERE ARE ENOUGH POTENTIAL CLIENTS TO PROVIDE
ECONOMIES OF SCALE.

AS A NON-PROFIT COMMITTED TO ALLEVIATING RURAL POVERTY, ROOT CAPITAL
SEEKS TO MAXIMIZE THE POSITIVE SOCIAL AND ENVIRONMENTAL IMPACT OF OUR
WORK. SOCIAL IMPACT INCLUDES STABILIZING INCOMES IN RURAL COMMUNITIES

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2011)

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01-23-12

Name of the organization

ROOT CAPITAL, INC.

Employer identification number

04-3478123

AND CREATING NEW ECONOMIC OPPORTUNITIES FOR WOMEN, INDIGENOUS PEOPLES
AND OTHER MARGINALIZED GROUPS. ROOT CAPITAL CLIENTS ALSO PROMOTE BETTER
ENVIRONMENTAL PRACTICES, SUCH AS IMPROVED SOIL AND WATER MANAGEMENT.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

-SHORT-TERM TRADE CREDIT LOANS WITH TERMS OF UP TO ONE YEAR THAT ARE
GENERALLY ORIENTED AROUND A HARVEST OR PRODUCTION CYCLE. THESE LOANS
ARE TYPICALLY USED BY BORROWERS TO COVER COSTS DURING THE MONTHS
BETWEEN PURCHASING RAW PRODUCT FROM THEIR FARMER SUPPLIERS AND
RECEIVING PAYMENT FROM THEIR BUYERS.

-LONG-TERM FIXED-ASSET LOANS WITH TERMS OF UP TO FIVE YEARS FOR
INVESTMENT IN PROCESSING EQUIPMENT, INFRASTRUCTURE, AND GENERAL
OPERATIONS.

ROOT CAPITAL ASSESSES PROSPECTIVE CLIENTS AND EVALUATES THEM ON A
SERIES OF FINANCIAL, SOCIAL, AND ENVIRONMENTAL CRITERIA. SOCIAL
CRITERIA INCLUDE PRICES PAID TO SUPPLIERS, EMPLOYEE WAGES, AND WORKING
CONDITIONS, AND COMPANY SUPPORT FOR SOCIAL PROGRAMS SUCH AS TRAINING
AND MEDICAL CARE. ENVIRONMENTAL CRITERIA INCLUDE SOIL AND WATER
MANAGEMENT, THE IMPACT OF THE BUSINESS ON THE SURROUNDING COMMUNITY,
AND STANDARDS FOR PRODUCT HANDLING AND PROCESSING.

ROOT CAPITAL'S LENDING SUPPORTS SUSTAINABLE ENVIRONMENTAL PRACTICES
THAT PROTECT RURAL ECOSYSTEMS. CROPS PROCESSED AND MARKETING BY ROOT
CAPITAL CLIENTS INCLUDE WILD-HARVESTED PRODUCTS SUCH AS NUTS AND NATIVE

Name of the organization

ROOT CAPITAL, INC.

Employer identification number

04-3478123

PLANTS FOR OILS, AGRO-FORESTRY CROPS SUCH AS SHADE-GROWN COFFEE AND
COCOA, AND FARM-GROWN FRUITS AND VEGETABLES.

LENDING OFFICERS STAY ENGAGED WITH CLIENTS THROUGHOUT THE TERM OF EACH
LOAN, AND ROOT CAPITAL'S FINANCIAL ADVISORY SERVICES PROGRAM PROVIDES
TRAINING AS NEEDED. THIS LONG-TERM APPROACH TO CLIENT RELATIONSHIPS HAS
LED TO A 98% REPAYMENT RATE FOR ROOT CAPITAL LOANS.

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:
COMPETE IN THE MARKETPLACE, AND GROW THEIR BUSINESSES.

FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS:

ROOT CAPITAL'S SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACT

AS A NON-PROFIT COMMITTED TO ALLEVIATING RURAL POVERTY, ROOT CAPITAL
SEEKS TO MAXIMIZE THE POSITIVE SOCIAL AND ENVIRONMENTAL IMPACT OF OUR
WORK. ECONOMIC, COMMUNITY, AND ENVIRONMENTAL SUSTAINABILITY ARE ALL
PART OF OUR CORE VALUES.

ECONOMIC SUSTAINABILITY - ROOT CAPITAL CLIENTS LINK SMALL-SCALE FARMERS
TO MARKETS THAT CAN OFFER HIGHER AND MORE STABLE PRICES THAN THEY HAVE
HISTORICALLY RECEIVED. ROOT CAPITAL CLIENTS ALSO GENERATE EMPLOYMENT,
INCLUDING MANAGERS, ACCOUNTANTS, AGRICULTURAL EXTENSION STAFF, DRIVERS,
AND WORKERS AT PROCESSING PLANTS.

ROOT CAPITAL WORKS WITH MORE THAN 120 LEADING BUYERS OF AGRICULTURAL
SUSTAINABLE PRODUCTS WORLDWIDE. BUYERS OF GOODS FROM ROOT CAPITAL

Name of the organization

ROOT CAPITAL, INC.

Employer identification number

04-3478123

CLIENTS INCLUDE COMPANIES SUCH AS EQUAL EXCHANGE, GENERAL MILLS, GREEN MOUNTAIN COFFEE, PIER 1 IMPORTS, STARBUCKS, TAZA CHOCOLATE, THE BODY SHOP, AND WHOLE FOODS MARKET.

IN 2011, ROOT CAPITAL CLIENTS SPENT \$310 MILLION TO PURCHASE THE PRODUCTS OF SMALL-SCALE FARMERS AND ARTISANS.

COMMUNITY SUSTAINABILITY - FARMER ASSOCIATIONS ENCOURAGE PARTICIPATORY DECISION-MAKING AND ARE A SOURCE OF COMMUNITY OWNERSHIP AND PRIDE. THEY ALSO STEM MIGRATION TO URBAN AREAS BY MAKING TRADITIONAL AGRICULTURAL ACTIVITIES MORE VIABLE. SOCIAL IMPACT INCLUDES STABILIZING INCOMES IN RURAL COMMUNITIES AND CREATING NEW ECONOMIC OPPORTUNITIES FOR WOMEN, INDIGENOUS PEOPLES AND OTHER MARGINALIZED GROUPS.

ENVIRONMENTAL SUSTAINABILITY - ROOT CAPITAL CLIENTS TYPICALLY PROVIDE FARMERS WITH TRAINING IN SUSTAINABLE PRODUCTION TO AVOID DEFORESTATION, REDUCE CHEMICAL USE, IMPROVE WATER AND SOIL MANAGEMENT, AND OTHERWISE PROTECT THE HEALTH OF RURAL ECOSYSTEMS.

IN 2011, SMALL SCALE PRODUCERS WHO SELL TO ROOT CAPITAL CLIENTS SUSTAINABLY MANAGED 450,000 HECTARES OF LAND IN AFRICA AND LATIN AMERICA.

FORM 990, PART VI, SECTION A, LINE 4: THE ORGANIZATION COMBINED THE GOVERNANCE COMMITTEE AND THE PERSONNEL COMMITTEE. ALL DUTIES OF THE PERSONNEL COMMITTEE WERE ADOPTED TO THE CHARTER OF THE GOVERNANCE COMMITTEE.

Name of the organization

ROOT CAPITAL, INC.

Employer identification number

04-3478123

FORM 990, PART VI, SECTION B, LINE 11: THE SVP OF FINANCE & OPERATIONS, THE VP OF FINANCE AND ADMINISTRATION, AND THE SENIOR ACCOUNTING MANAGER MEET WITH THE AUDIT & FINANCE COMMITTEE AND THE PRESIDENT TO REVIEW AND APPROVE THE FORM 990 BEFORE IT IS FILED. THE VERSION OF THE FORM 990 APPROVED BY THE AUDIT & FINANCE COMMITTEE IS SENT TO THE FULL BOARD OF DIRECTORS VIA EMAIL TO PROVIDE AN OPPORTUNITY FOR QUESTIONS, COMMENTS, OR EDITS. ANY FINAL COMMENTS ARE INCORPORATED IN THE FORM 990 THAT IS FILED WITH THE IRS. ALL BOARD MEMBERS WILL RECEIVE A COPY OF THE FINAL VERSION OF THE FORM 990 PRIOR TO FILING WITH THE IRS.

FORM 990, PART VI, SECTION B, LINE 12C: THE PRESIDENT, TREASURER, COUNTRY REPRESENTATIVES, AND ALL BOARD MEMBERS SIGN A CONFLICT OF INTEREST STATEMENT ON A YEARLY BASIS. STAFF REVIEW THESE FORMS AND DISCUSS/RESOLVE ANY ISSUES WITH LEGAL COUNSEL AND THE BOARD COMMITTEES AS APPROPRIATE. SIMILARLY, ISSUES THAT ARISE DURING THE YEAR ARE DISCUSSED AND RESOLVED WITH LEGAL COUNSEL AND THE BOARD. IN ADDITION, LENDING MAKES SURE THERE IS NO CONFLICT OF INTEREST ON THE LOANS THEY MAKE. LENDING EMPLOYEES ALSO RECEIVED BASIC CONFLICT OF INTEREST TRAINING.

FORM 990, PART VI, SECTION B, LINE 15A: THE ROOT CAPITAL BOARD OF DIRECTORS' GOVERNANCE COMMITTEE REVIEWS THE PRESIDENT'S PERFORMANCE AND COMPENSATION ANNUALLY AND RECOMMENDS A SALARY FOR APPROVAL BY THE FULL BOARD. THIS SALARY RECOMMENDATION IS SUPPORTED BY A COMPENSATION STUDY PERFORMED BY AN OUTSIDE COMPENSATION EXPERT EVERY TWO YEARS. DOCUMENTATION OF THE DELIBERATION AND DECISION IS FILED IN THE PRESIDENT'S PERSONNEL FOLDER.

COMPENSATION OF OTHER OFFICERS AND KEY EMPLOYEES IS DETERMINED BY THE CEO

Name of the organization

ROOT CAPITAL, INC.

Employer identification number

04-3478123

OF THE ORGANIZATION USING THE RESULTS OF A COMPENSATION SURVEY CONDUCTED ON
A BI-ANNUAL BASIS.

SALARIES FOR ALL STAFF, INCLUDING THE CEO, WERE LAST REVIEWED IN APRIL
2012.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION'S AUDITED
FINANCIALS ARE AVAILABLE ON OUR WEBSITE. OTHER GOVERNING DOCUMENTS AND
CONFLICT OF INTEREST FORMS ARE AVAILABLE TO DONORS AND INVESTORS UPON
REQUEST AND TO THE GENERAL PUBLIC ON A CASE BY CASE BASIS.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED LOSSES ON INVESTMENTS: -90,707.

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box ☒

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the due date for filing your return. See instructions.	Enter filer's identifying number, see instructions	
	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
	ROOT CAPITAL, INC.	☒ 04-3478123
	Number, street, and room or suite no. If a P O box, see instructions	Social security number (SSN)
	955 MASSACHUSETTS AVENUE 5TH FLOOR	☐
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	CAMBRIDGE, MA 02139-3309	

Enter the Return code for the return that this application is for (file a separate application for each return)

01

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

BONNIE COCKMAN - 955 MASSACHUSETTS AVENUE 5TH FLOOR -

• The books are in the care of ☒ CAMBRIDGE, MA 02139-3309

Telephone No ☒ 617-299-2419

FAX No ☐

• If the organization does not have an office or place of business in the United States, check this box ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐ If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until NOVEMBER 15, 2012

5 For calendar year 2011, or other tax year beginning , and ending

6 If the tax year entered in line 5 is for less than 12 months, check reason ☐ Initial return ☐ Final return

☐ Change in accounting period

7 State in detail why you need the extension

ADDITIONAL TIME IS REQUIRED TO FILE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	0.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ☐

Title ☒ CPA

Date ☐

Form 8868 (Rev. 1-2012)