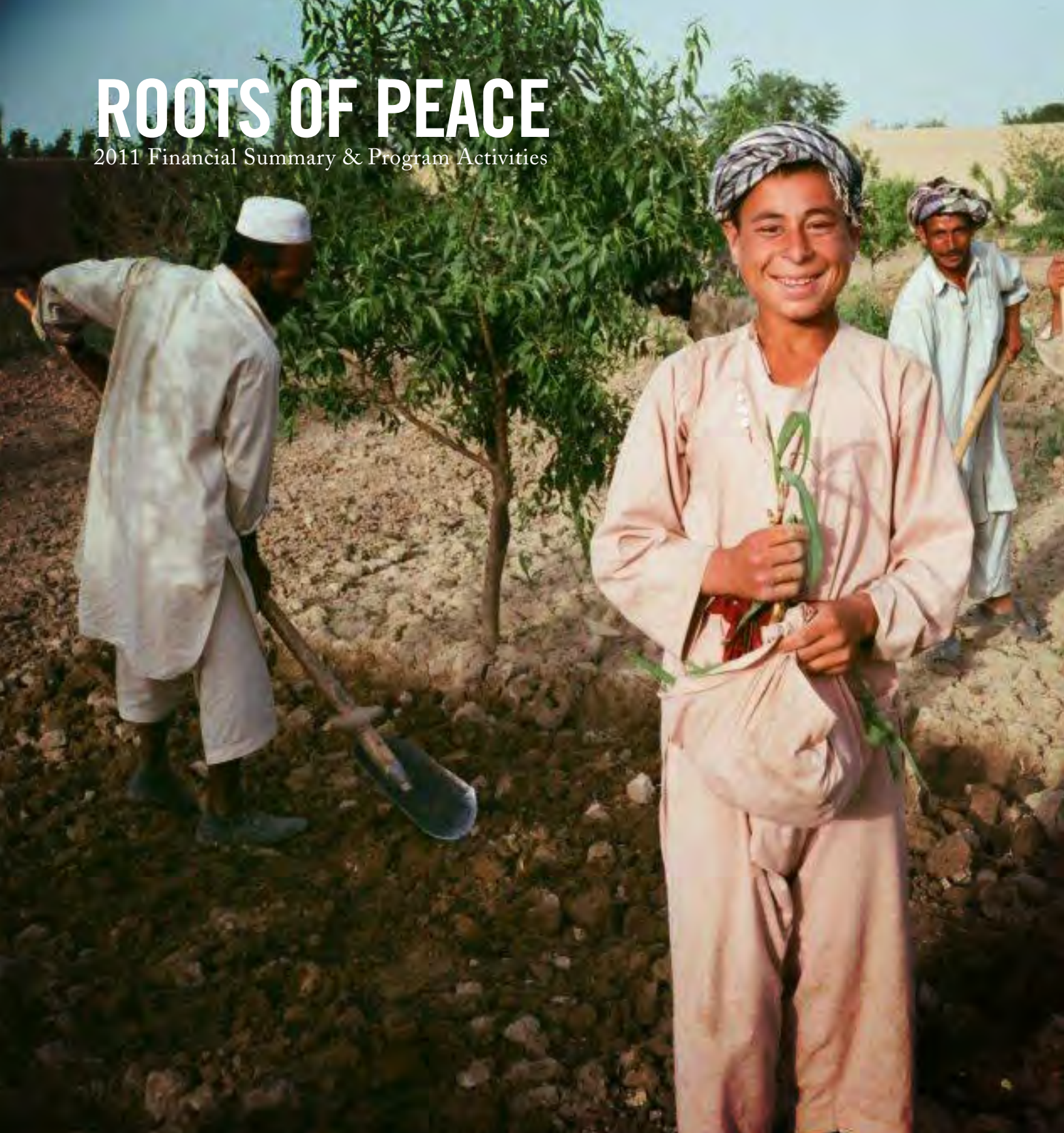


ROOTS OF PEACE

2011 Financial Summary & Program Activities



DEMINE. REPLANT. REBUILD.®

A non-profit humanitarian organization dedicated to restoring economic vitality in war-torn regions of the world.



ROOTS OF PEACE



Roots of Peace (ROP) is dedicated to its model of working with families, communities and nations to help them work together to rebuild their lives and reclaim land ravaged by conflict. Since 1997, ROP has worked in Angola, Bosnia-Herzegovina, Cambodia, Croatia, the West Bank of Israel - Occupied Territories. In 2011, ROP opened an office in Vietnam.

**f Demine~Replant~Rebuild® in communities
economic development organization, ROP
plant crops, build resilient agricultural liveli-
removing landmines and other war debris to
P has worked in eight countries: Afghanistan,
Iraq, the Kyrgyz Republic, Vietnam and West
P had active programs in Afghanistan, Croatia**



ROOTS of PEACE

THE YEAR IN REVIEW

In 2011, Roots of Peace increased its funding under contract and expanded our programs in Afghanistan, expanded our programs in South Viet Nam and added work in Central Viet Nam with a new program in Quang Tri Province, and organized the first humanitarian mine clearance in the West Bank.

Roots of Peace ended the year with total revenues of over \$13 million, up 43% from 2010.

ROP began 2011 with \$60 million under contract in Afghanistan with the USAID CHAMP (Commercial Horticulture and Agricultural Marketing Program) in 16 provinces, now the largest national orchard and trellising program in the history of Afghanistan. In addition to enabling farmers to double their incomes over the next few years through grape trellising, ROP is also piloting gender programs and testing new international markets. Our export activity under CHAMP, USDA and European Community Programs includes shipments to 10 countries.

Our team further refined our value chain model by introducing new products and elements in our Asian Development Bank Rural Business Support Program in Afghanistan. Farmers benefited from the construction of “root cellars” – we constructed 100 in 2009, added 400 more in 2010, and in 2011 we completed 600. By allowing farmers to store potatoes rather than flood the market all at once, farmers incomes’ for the year’s yield ultimately doubled while storage losses were reduced from over 30% to less than 1%.

Carpet weaving was transformed by introducing spinners and metal looms (to replace the warped wooden looms). By providing poor women, often widows who are the head of household, with looms and materials for several carpets, these women are lifted from poverty and servitude to entrepreneurial status, allowing them to choose who they sell these new, higher quality rugs to at a more competitive price. Not only is the quality superior, but also traders are now working with the women to advise them of the type of rugs that are more desirable and providing them with current designs. Through CHAMP we also provided seedlings for kitchen gardens and chicks for egg production to create micro-business opportunities for women who are unable to work publicly but still need income to support their families.

It is ROP’s conviction, based on the successes of our worldwide programs, that through consistent and focused support the dedicated and hard working individuals involved in our programs, be they farmers, traders, carpet weavers, etc., can sow a path to sustained economic viability if they have the necessary tools they need to provide for their families and educate their children for a better life. We thank our donors, partners and most importantly, our employees – your support and commitment enables us to improve the quality of life for countless individuals in these postwar regions.



Heidi Kuhn
Founder & CEO



Gary Kuhn
Executive Director





Photo by Ruvan Wijesooriya



Photo by Ruvan Wijesooriya



Photo by Ruvan Wijesooriya

Our Demine-Replant-Rebuild® Model

The innovative Demine~Replant~Rebuild® model of ROP offers a comprehensive approach to restoring rural agricultural communities to economic self-sufficiency. ROP focuses its efforts in post-conflict countries where agriculture is a fundamental industry and major source of employment. ROP programs clear landmines and remnants of war from fertile



farmlands, and develop agricultural infrastructure and routes to markets so farmers can work their fields, process their crops, and sell their produce safely, thereby allowing them to support their families and educate their children. Further, ROP provides technical assistance to farmers and processors, helping them meet the demands of local, regional, and international markets in order to maximize their income. This benefits large numbers of smallholder farmers while stimulating service and supply industries such as trading, credit, processing, distribution, and agricultural input suppliers.

PROGRAMS

Roots of Peace is implementing ten programs in Afghanistan, Croatia, Vietnam and the West Bank. Our programs follow our Demine~Replant~Rebuild® model and are each in different phases. In Quang Tri, Vietnam, ROP is clearing UXO from the massive bombing campaigns before we follow-up with black pepper and highland coffee replanting programs. The programs in West Bank are preparing for the historic first humanitarian mine clearance programs following the passage of key legislation in Israel. The program there will establish a village park after the clearance of mines. In Croatia, ROP is establishing a living library of grape vines to help research new wine varieties and clones. In Afghanistan, our work is now totally focused on replanting and rebuilding after our demine phase is completed.

AFGHANISTAN

ROP's focus in Afghanistan continues to be to improve the economic situation of as many Afghan farmers as possible. Our targets are to double net income within 4 years. During 2011, ROP was working directly with over 50,000 farmers, weavers, spinners, traders and processors.

ORCHARDS

ROP has analyzed the different economic alternatives for Afghans living in rural regions. We evaluated grain crops, livestock, poppies, vegetables and perennial crops. Our conclusions were that perennial crops held the most promise. Afghanistan growing climate is similar in many ways to California's Central Valley, and the crops are also similar -- grapes, almonds, walnuts, citrus, plums, pomegranates, apricots and cherries, to name a few. There are over 300,000 grape growers in Afghanistan. ROP found that if these crops are cultivated properly, they have the potential to provide an income 2-3 times more than that of the grain crops typically grown by Afghan farmers, and even far exceed income from opium.

ROP began its orchard planting programs in 2006 and has planted over 4 million fruit and nut trees in Afghanistan. Our programs now have expanded to 26 of 33 provinces in the country with plans for planting an additional 2.5 million trees.

New orchards planted will increase average income for small rural farmers from below \$1,000 per year to over \$3,500.

EXPORTS

ROP has been working to increase yields and production by planting new orchards and vineyards throughout Afghanistan. In addition, ROP is overseeing the development of improved processing and value add for Afghan products, and helping traders to connect to larger global markets in India, the Gulf States and Europe. ROP has pioneered new trade corridors from Afghanistan to India, Dubai, Moscow and Kiev, and now has export programs to markets throughout Central and South Asia and the Middle East. Working with the Afghan Almond Industry Development Organization, ROP established trade offices in Delhi, India and has plans for a trade office in Dubai, UAE.

CARPETS

ROP teams work with all aspects of carpets in Afghanistan. The carpet industry was severely disrupted during the prolonged conflict. Most of the industry went into exile in Peshawar in the refugee camps. Peshawar became a melting pot of differing Afghan tribes. When the refugees returned, they brought back with them skills learned in Peshawar. Today carpets are weaved throughout the country with Mazar and the northern provinces remaining the largest concentration. Bamyan, Jalalabad and Kabul are all now heavily involved. ROP has introduced improvements for wool spinning, dying, pattern designs, weaving, cut and wash finishing operations and marketing. With ownership of looms, women can now negotiate with multiple traders on designs and prices. Funding for this program has come from the Japanese Fund For Poverty Reduction through Asian Development Bank.

POTATOES

With funding from ADB, ROP implemented numerous improvements for the potato value chain in Afghanistan's central province of Bamyan. ROP agriculture advisors trained farmers so as to improve their yields and developed the concept of seed potato storage for the following planting season. Over 1,100 potato storage units have been built to the tremendous benefit of the Afghan farmers. The potato farmers were able to store some of their harvest and earn prices double the normal rate during the off-season.

EDIBLE OILS

Through ADB, ROP worked with 4,000 farmers in the Eastern Region to introduce production and processing of edible oils. Two processing centers with pressing, filtering and bottling lines were established. Afghanistan currently imports almost all of the edible oil it consumes. Production, processing and marketing of edible oil in Afghanistan represents new jobs for the country.

Rural Business Support Program

Funded by Asian Development Bank

Funded by Asian Development Bank with funding from Japanese Fund for Poverty Reduction Agriculture is a way of life for 70% of Afghanistan's people and traditionally the largest and most important sector of the Afghan economy. Agricultural development must be market-driven in order to be sustainable. In Afghanistan, the agribusiness sub-sector, which includes agro-processors and traders, is an important key to driving market demand for agricultural products and growth in the agriculture sector. While the agribusiness sub-sector has grown since 2003, its growth is only a small percentage of its potential. The outlook for agribusiness development in Afghanistan depends on eliminating or reducing some of the many constraints faced by stakeholders in the agriculture value chain. Asia Development Bank funded Roots of Peace to implement a project linking farmers, agro-processors, and traders into profitable production, processing, and marketing industries.

Beginning in November 2007, Roots of Peace, working in partnership with the Afghan Ministry of Finance and Ministry of Agriculture, Irrigation and Livestock ("MAIL") led a three-year project to promote potato, carpet and edible oil value chains in Nangarhar, Bamyán and Balkh. The program benefited over 10,000 farm families annually through participation in new business opportunities, boosting family incomes by over \$6M per year.

Almond Industry Development

Perennial Horticulture Development Program (PHDP)

Funded by European Community

The program was designed to build a vigorous almond industry in Afghanistan that supplies local markets and expands exports to regional markets. The program supported four major components to achieve the overarching objective of growing the Afghan almond industry -- improving and expanding production, improving the quality of post-harvest, packing and delivery, expanding marketing and launching AAIDO as a stand-alone, self-supporting organization to carry on the first three components long after this PHDP project is over.

Population: **44.6%** under the age of 14

Landmines: **300 m. tones of UXO**

ROP programs: **6**

Commercial Horticulture and Agricultural Marketing Program (CHAMP)

Funded by USAID

CHAMP began in February 2010, as a four year, \$34.9 million activity to reduce poverty among rural Afghan farmers by assisting them to shift from relatively low-value annual crops, such as wheat, to relatively high-value perennial crops, such as almonds, grapes and pomegranates. Further, because improved trellising dramatically improves productivity of existing grape vineyards, a second component of CHAMP assists grape producers in installing more effective steel trellising systems in new or existing vineyards. ROP is establishing 7,865ha (hectares) of new orchards and vineyards and 1,330ha of trellising in new and existing vineyards. Participants contribute \$4.5 million of their own funds as a “partnership” portion of the costs of the materials for the orchards and vineyards. A new marketing program supports the increased production by linking producers to merchants in a system that rewards farmers and merchants for higher quality production with higher prices and profits. ROP works with farmers to improve quality and traders to improve harvesting, packing, cooling, shipping and marketing methods. Profits will be increased through interventions targeting higher paying, non-traditional, export markets and better access to trade credit. CHAMP is implementing programs in 16 provinces in the Eastern, South Eastern, and Southern and Central regions of Afghanistan. To ensure that women specifically benefit, and to provide tangible opportunities for women, CHAMP is implementing a pilot women’s program to increase vegetable and egg production and marketing by women through home businesses.

Horticulture and Livestock Program (HLP)

Funded by World Bank

The objective of the Emergency Horticulture and Livestock Project for Afghanistan was to assist producer households in adopting improved practices so as to increase horticulture and livestock productivity and production in focus areas. The program objectives were to increase in the productivity and production of horticulture and poultry, and reduce mortality in large and small ruminants in the project focus areas. ROP managed the extension team for this program with over 152 extension advisors in the field. During the program ROP planted over 1 million apricot, almond and grape trees and vines.

Afghan produce exported to India earns prices that are 2 to 4 times higher than local markets.



Food for Peace Orchard Program

Funded by US Department of Agriculture

This project was designed to increase the agriculture-based incomes of smallholder farmers of Ghazni, Logar and Wardak Provinces in Afghanistan. By demonstrating improved fruit production and marketing techniques with higher revenue potential than traditional crops such as wheat, the project assisted farmers in establishing commercial fruit orchards on land traditionally used for lower value crops. The program also assisted grape producers to install trellising in traditional grape vineyards to increase yields, and assisted producers and merchants to adopt more profitable marketing techniques such as appropriate processing and packaging. Lastly, ROP provided training to farmers in business management and credit access. The program helped farmers plant 6,827 new orchards and vineyards.

Panjshir Cherry Project

Funded by US Department of Defense

Roots of Peace implemented this project to assist Afghan farmers in the Panjshir Valley to establish commercial cherry and apricot orchards on their small farms. ROP's objective is to establish cherry production in this historic valley to make it the premier cherry production area of Afghanistan. ROP established 6 cherry and 3 apricot nurseries that will continue to provide high-quality saplings for commercial orchard establishment for many years into the future. Using saplings from these nurseries, ROP assisted the farmers of Panjshir to establish 600 cherry orchards and 100 apricot orchards over the 2-year implementation period of this project. The first cherry harvests came in June 2011.

Roots of Peace Penny Campaign Bam Saray School, Bamyam Province

Funded by private donations, primarily US school children

Funded by private donations, primarily US school children. 50 million American pennies were raised to build schools in Afghanistan; Bam Saray, the name of which translates to "Rooftop of the World", is the most recent school built at 10,000 foot elevation where 600 boys and girls up to grade level 8 would otherwise not be able to get an education. The main building was completed on May 2010. The local community contributed labor to help build the school and the Afghan government funds the teachers, curriculum and materials for the school. Construction of a soccer field, well and additional rest rooms are now underway and will be completed in 2012.



Agriculture is a way of life for



80% of Afghanistan's people.



VIETNAM

Local Capacity Building

The main objective of our work in Vietnam is to allow communities to become self-sufficient after we have cleared the remnants of war. We achieve this by following a two-tiered approach, beginning by providing local government and community leaders with the training and tools needed to collaborate more effectively with their communities. We then organize farming families into groups for educational sessions, which in turn provide a readymade structure for permanent cooperatives after we complete training. These groups are designed to solve collective problems, coordinate development of market linkages and negotiate fairer prices for their produce with local traders.

Unexploded Ordnance (UXO) Clearance

To deal with the problems associated with the presence of UXO, which is a tragic and unfortunate consequence of modern warfare, ROP has devised the Demine~Replant~Rebuild® model. For this project, we have partnered with the Quang Tri Department of Foreign Affairs and Mines Action Group to clear areas affected by UXO so that farming families can begin building their livelihoods without the continual fear of being maimed or killed. Uncleared UXO poses both a very real physical danger to anyone working in fields and an economic obstacle to families who lose breadwinners and/or are unable to work in their fields because of its presence. UXO clearance and replacement with sustainable crops is ROP's main objective in Quang Tri and all areas affected by conflict.

Demine-Replant-Rebuild®

1st

ROP helped arrange the first international shipment of fresh fruit out of Afghanistan in over 30 years

47

Amount of projects completed by ROP worldwide.

60,000

Amount of households participating in ROP projects



Education of Farming Families

Education forms the cornerstone of our work, providing families with the knowledge and skills to substantially improve their livelihoods long after the project is completed. Training is comprehensive and interactive as ROP's team of agricultural specialists first train local government and community leaders in the most productive and sustainable techniques at our farmer field schools (FFS). These leaders then serve as our trainers in the field, training the participating families from their local community in the techniques learned at FFS.

Market Competitiveness

Cultivating cooperation between all stakeholders in the value chain is the best way to optimize the returns of everyone involved. The efficiency provided by these connections permits feedback and information to travel easily between farmers and the market, supplying them with the current price of their product, the standards that are expected and any new techniques/technologies that are developed. With the cacao value chain, international traders are so eager to find cacao that they have set up collection centers in every producing province. In Binh Phuoc, a very poor but high potential region, ROP has created cacao clubs so farmers can work collaboratively to gather their product and sell to these buying stations at the best prices available. In order to realize this target in Quang Tri, our team will organize the farming communities into an association at the provincial level. The association's role will be to develop a branding and marketing plan for Quang Tri pepper, while also providing farming families with up-to-date market information to ensure their crops are sold to traders at a fair, competitive price. Combined with our specialized agricultural training, these steps will nourish the long-neglected roots of the province's pepper trade for a productive and sustainable future.

6 Schools built/improved

6000 Trainings conducted by ROP projects to help spread knowledge to local people

4 mil Amount of trees planted by ROP project farmers worldwide

100 Associations established



Training and Follow-up

ROP establishes project and contributes funds for package and training



Farmers Contribution to package and training to ensure full commitment to the project



ROP arranges TOT



ROP works with local trainers to help teach farmers



Binh Phuoc Cacao Project

Located 100 miles from north of Saigon, Binh Phuoc Province suffered terrible ecological damage from Agent Orange and heavy fighting during the war. Today it is still a province in transition.

After evaluating Binh Phuoc's agricultural possibilities, ROP decided to introduce cacao as an intercrop with cashew. Cacao was chosen as it produces the highest income over time for small landholders and flourishes in the shade provided by the existing cashew trees. Binh Phuoc has the most cashew of any province in Vietnam, but cashew prices have fallen and families are considering cutting down their carefully nurtured cashew orchards to grow rubber, which is fast producing but not as profitable as cacao over time. Our SHADE project encourages farmers to keep their cashew orchards as they provide needed shade for the cacao trees while also promoting biodiversity -- a perfect symbiosis.

ROP has already engaged 840 farming families of the pilot communities to plant 252,000 seedlings, and will engage an additional 160 farmers in 2012. ROP experts have already instructed our trainers who are currently training farmers in the techniques needed to produce high-quality, healthy cacao trees. ROP is helping to make links to markets, including connections to international cocoa processors and chocolate producers and the internationally recognized UTZ "Good Inside" Certification trainings. Farmers working with ROP have been linked with Cargill and Mars for cacao sales.

ROP stresses follow up to ensure farmers understand and apply new training methods



Repeat the training and follow up process so that govt and CL can become fully independent of ROP

40

Binh Phuoc Government and Farming Community Leaders whom participated in the training of the trainers conducted by ROP expert Dr. Phuoc

200

Trainings Conducted



Quang Tri UXO Removal and Pepper Planting Project

Located in central Vietnam, the province of Quang Tri was the scene of heavy bombardment during the war. Spanning both sides of the demilitarized zone (DMZ) that separated the warring forces, its people have suffered profound devastation to their families and livelihoods. For every civilian in Quang Tri, a metric ton of explosives was dropped on the province, making it one of the most heavily bombarded areas in the world.


ROP has tailored a Demine~Replant~Rebuild® program for farming families in Quang Tri to enable them to now set their vision on a hopeful future. With over 40,000 casualties nationwide from UXO since the war ended in 1975 and over 80% of the province still contaminated by UXO, many Quang Tri families do not have the luxury of leaving the past behind them. Quang Tri pepper was once coveted as the finest in Southeast Asia, but its production has declined in the last decade due to pests and disease against which local farmers have previously had no means of sustainable defense. ROP is urgently addressing these problems before farmers change to less productive crops and Quang Tri loses the industry altogether.

By closely working with its local partners from the Mine Advisory Group (MAG) ROP first identifies areas recently cleared of unexploded ordnance (UXO) that would benefit from its agricultural projects. ROP then engages community leaders and informs the local government of the prospective benefits of the agricultural project for the community. ROP's team of agricultural specialists then works in partnership with these local leaders to bring farmers the skills needed to establish or revitalize pepper farming.

Pepper is an especially profitable crop that grants farming families the opportunity to build a sustainable livelihood for generations to come. The people of Quang Tri also value the spice as part of their cultural heritage; thus this project provides pepper-farming families with a unique sense of pride.

89%

**of the land in Quang Tri is contaminated
with landmines and UXO**



**Cultivating cooperation
between all of the
stakeholders in a value chain
is the best way to optimize
the returns of everyone
involved.**

**The main objective of our work in Vietnam is to allow communities
to become self-sufficient after we have cleared the remnants of war.**



Bethlehem, West Bank

ISRAEL AND THE WEST BANK

ROP Programs in West Bank

Roots of Peace has a historic and precedent-setting opportunity to begin its innovative Demine~Replant~Rebuild® work in Israel and the West Bank, where these minefields occupy agricultural and grazing lands.

Hundreds of thousands of landmines and UXO remain within and surrounding Palestinian communities throughout the West Bank, putting innocent civilians at risk of injury and death. Since marking and fencing is poorly maintained and mine risk education virtually non-existent, most of the recent casualties have been children. During the past year, Roots of Peace has been working intensively with the Government of Israel, Palestinian Authority, U.S. Department of State, the UN Mine Action Service (UNMAS) and have now received approval with these groups to undertake the initial project located in the Fields of Bethlehem at Husan village, a Palestinian community dating from the 3rd century A.D.

Once the minefields are removed, Christian, Jewish and Muslim religious pilgrims and cultural tourists from Israel, Palestine, Jordan and around the world will be able to visit this sacred place, helping to build interfaith bridges of peace and tolerance throughout the Middle East.

Achievements in 2011

Roots of Peace secured the private funding for the historic demining of the Fields of Bethlehem. The legal, geopolitical and socioeconomic precedents established with this initial project will lay the foundation for the longer-term Roots of Peace Initiatives for the entire 50,000 acres of land and sacred sites for Christian, Jewish and Muslim people alike within 10 years. Assessments are underway now to determine the costs and time-frame to complete humanitarian demining in the West Bank and Israel



Qasr al Yahud, baptismal site of Jesus, Israel

Plan for 2012

Located 4 miles west of Bethlehem, Husan, which means “beauty” in Arabic, dates back to the 3rd century A.D. Today, nearly 6,000 Palestinian residents live in the central village area of 55 acres, with surrounding arable land of 900 acres. The village suffers from high rates of unemployment, a shortage of drinking water, no public sewage system and the presence of a minefield within its residential area.

An old Jordanian minefield of about one and a half acres in the midst of the village is preventing farmers from accessing their lands and homes, and putting the lives of dozens of Palestinian children at risk, who pass by it daily on their way to school. Fences and signs that had been installed in the past have disintegrated long ago, and this minefield, open and unmarked, has claimed the lives of four people and injured more than ten people, mostly children who pass through this minefield on their way to kindergarten and school and are constantly under risk of losing limbs and lives.

For years the world has hoped for peace in the Middle East between Israel and Palestine. Roots of Peace has been entrusted by the Israelis and Palestinians to broker the removal of thousands of land-mines currently littering the Holy Land. That removal of mines will re-open village lands and revered religious sites for global visitation and re-start the economy of this shared region to the benefit of both Israelis and Palestinians. Completing this task will be a monumental first step towards a collaborative, mutually-beneficial effort to demine the Holy Land.

determine the costs and time-frame to complete humanitarian demining in the West Bank and Israel and based on the experience in Jordan, who has successfully demined its border with Israel, initial estimates are that the Palestinian Authority and Israel can be mine-free within 10 years for a cost of approximately \$70 million.



CROATIA

Roots of Peace began its initial program turning Mines to Vines® in Croatia shortly after The Balkan War in September 1997. Our efforts to turn vision into reality has resulted in the demining of war-torn wine regions such as Dragalic, Vukovar, Ilok, Ciste Male, Ciste Velika, Bibijne, and Karlovac.

In 2011, Milkenko 'Mike' Grgich, owner, Grgich Hills Estate, in Napa Valley continued his legacy donation towards demining his homeland along The Dalmatian coastline of Croatia. The town of Bastica, located 20 miles inland from Zadar, continues to be demined through his personal donations. The Rotary Club of San Francisco #2 has joined this effort, and has matched District and RI International funds. This Demine~Replant~Rebuild® program, in conjunction with the Rotary Club of Zadar and the University of Zadar, has produced 40,000 grapevines and 15,000 apple trees on lands once riddled with landmines.

Rural farmers now produce fine Croatian wines that are sold at market to increase their family income. This program remains true to our 'roots' to Demine~Replant~Rebuild® war-torn economies worldwide.



Turning Mines to Vines in Croatia since January 2000



Financials

The revenues for 2011 increased by 43% from \$9,192,435 to \$13,277,952. Revenue grew primarily due to the USAID funded CHAMP Program in Afghanistan. ROP is reporting our shared program services for field offices separately this year. These are program services expenses from the country offices that support multiple programs. Overall overhead for ROP Home Office operations cost is 14.6% of total expenses. Shared program costs in the field were 5.3% of total expenses.

Overhead costs as a percent of total expenses fell for the fourth consecutive year. This year it declined from 16.5% to 14.6%. We achieved our goal for this year to reduce overhead rate to below 16%.

Net Assets increased to \$568,482, our strongest position ever.

Our cash position has steadily improved over the last months of 2011. 2012 cash flow projections are very positive. Accounts receivables increased during the year, but is expected to improve during 2012.

The 2011 audit was completed with no substantial issues, but a conversion to a new financial accounting system caused delays in the completion of the audit.

ROP expects slightly less revenues in 2012 as three programs ended and one started up. ROP's donor base now includes private funding, USAID, US State Department, US Department of Defense and the European Union. We ended 2011 with six programs. The largest amount of funding from any one organization is 56%.

The following pages are the results of ROP's audited financials. The audit was managed by Job Quesada, a partner of Harrington Group, LLC.

STATEMENT OF FINANCIAL POSITION ¹

As of December 31, 2011, with comparative totals for the year ended December 31, 2010

Assets		
Cash	\$260,473	\$941,645
Accounts Receivable	2,835,564	2,556,104
Pledge Receivable	75,000	0
Prepaid Expenses	55,926	55,269
Inventory	114,840	118,680
Property & Equipment	27,300	31,200
	<hr/>	<hr/>
Total Assets	\$3,369,193	\$3,702,898
	<hr/> <hr/>	<hr/> <hr/>
Liabilities		
Accounts Payable	\$686,050	\$953,454
Accrued Liabilities	325,554	153,053
Deferred Revenue	1,485,946	2,173,987
Line of Credit	303,161	320,260
	<hr/>	<hr/>
Total Liabilities	\$2,800,711	\$3,600,754
	<hr/>	<hr/>
Net Assets		
Unrestricted	\$493,482	(\$400,090)
Temporary Restricted	75,000	502,234
	<hr/>	<hr/>
Total Net Assets	\$568,482	\$102,144
	<hr/>	<hr/>
Total Liabilities & Net Assets	\$3,369,193	\$3,702,898
	<hr/> <hr/>	<hr/> <hr/>

¹ Financial and A-133 audit performed by Harrington Group, LLC

STATEMENT OF ACTIVITIES

Revenue

Fees from Gov't Agencies	\$9,293,314	\$5,227,251
Contributions	1,052,656	562,768
Program Service Fees	2,916,463	3,390,819
In Kind Contributions	7,920	20,921
Interest	133	205
Merchandise Sales	410	0
Currency Exchange (loss)	3,091	(19,076)
Other Revenue	3,965	9,547

Total Revenue	\$13,277,952	\$9,192,435
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Expenses

Program Services	\$10,136,272	\$7,154,095
Management & General	2,549,344	1,791,396
Fundraising	125,998	171,281

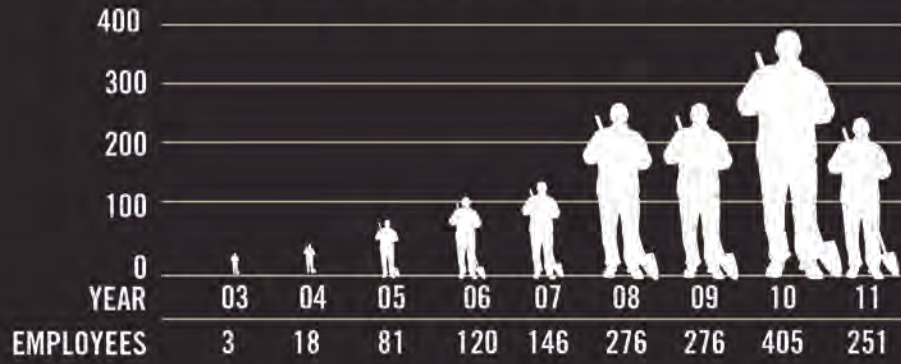
Total Expenses	\$12,811,614	\$9,116,772
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Change in Net Assets	\$466,338	\$75,663
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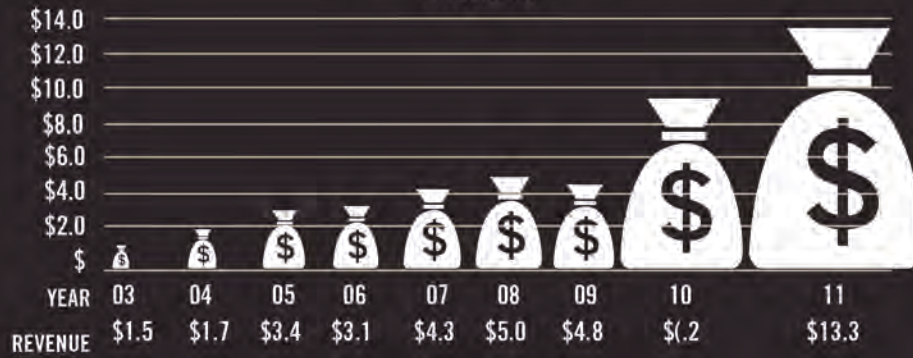
Net Assets Beginning of Year	\$102,144	\$26,481
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Net Assets, End of Year	\$568,482	\$102,144
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ROOTS OF PEACE EMPLOYEES



TOTAL REVENUE MILLIONS



Managing Directors

Heidi Kühn

Chairwoman of the Board & Chief Executive Officer
Roots of Peace

Gary Kühn

Secretary of the Board & Executive Director
Roots of Peace

David J. Jhirad, Ph.D

Professor and Director, John Hopkins University: Energy, Resources
and Environment Program

Ann Laurence

Treasurer of the Board
Former Chapter President, American Red Cross

Charles Ansbach

Consultant

Edward N. Bachand, J.D.

Partner, Dorsey & Whitney LLP

Diane Baker

Executive Director, School of Acting,
Motion Pictures and Television,
SF Academy of Art

Chris Benziger

President & Owner, Benzinger Family Winery

Noel Brown

Director (former), United Nations Environmental Programs

M. Ashraf Haidari

Deputy Assistant National Security Advisor of Afghanistan, and Senior
Policy & Oversight Advisor, Office of National Security Council,
Afghanistan

Jan Hartke

Senior Advisor, William Jefferson Clinton Foundation

Tor Kenward

Owner, Tor Kenward Family Wines

Warren "Scooter" Simmons

CEO, Simco Restaurant Group

Tom Tully

Group Director, Engineering, Organic, Inc.

Key Staff

United States of America

Heidi Kuhn, Founder and Chief Executive Officer

Gary Kuhn, Executive Director

Marguerite Bachand, Chief Operating Officer

Michael Washington, Financial Director

Kathy Budzinski, Executive Assistant to the CEO

Spencer Baird, Financial Controller

Robert Thomas, Director of Technology

Jesse Vermont, Operations Assistant

Afghanistan

Sharif Osmani, Country Director

Peter Dickrell, Chief of Party

Gerhard Zechner, Chief of Party

Ferenc Sandor, Deputy Chief of Party

Hazman Abu Kasim, Finance Director

Jean-Pierre Detry, PhD, Program Director

Sultan Hamid, Deputy Program Director

Ahmad Shah Shafaq, Deputy Chief of Party

Alvaro Pacheco, Program Director

Nisar Mohammed, Deputy Program Director

Kenneth Neils, PhD, Team Leader

Eamal Earman, PhD, Deputy Team Leader

Alem Alemi, Deputy Team Leader

Key Staff

Italy

Flavia Taggiasco, European Director

Viet Nam

Tucker Kühn, Deputy Country Director

Nguyen Quang Ngan, Project Manager

Nguyen Ngoc Ha, Office Manager

Israel

Dhyan Or, Country Manager

West Bank

Fadwa Abu Laban, Representative for

Roots of Peace, Palestine

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University of California, Davis



ROOTS *of* PEACE

Roots of Peace
990 A Street, Suite 402
San Rafael, California, 94901
United States of America
+1 415 455 8008
www.rootsofpeace.org

Ayoub Khan Mina Road District
Near Mosque, Ayoub Khan Mina
Kabul, Afghanistan
+93(0)799 403 248

650 Highway 14
Tan Phu Đông Xoài
Binh Phuoc Province
Vietnam
+84(0)1255 704 767

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