





## *A Letter from the President*

As I visited the homes of the Mwangaza Women's Group in Kenya, I saw unspeakable poverty- but I also saw a human revival in progress. With joy in their voices, one-by-one the women told me how receiving animals and training from Heifer had changed their lives. I have often seen the remarkable success of Heifer's work as I have visited Heifer families in the field. Many times I see mature programs where families have already improved their homes, their children's education and are prevailing against poverty with the income and nutrition that their animals provide. But it is rare that I get to see the transition in progress. I, once again, stood in awe of the transforming ability of an animal and training to bring people from the brink of poverty to become healthy, thriving, small business owners that are feeding their families and caring for the earth and its sustaining qualities. I feel the urgency of our work and the increased commitment needed to fulfill our mission.

This year has been a remarkable one of beginnings and endings. Heifer International Foundation began anew this year as it legally separated from Heifer Project International, and as I became president of the Foundation. Though our mission has not changed and we are still one family, we have now taken care of the legalities that protect both organizations, as well as our donors, so that we can face the future with security and confidence. This document also represents a beginning, in that it is the first annual report published for Heifer International Foundation as a separate entity.

Another important beginning for Heifer International Foundation in 2002 was the official launch of the country endowment program with the debut of the Endless Giving catalog. This program allows donors to establish and fund endowments that are earmarked for specific uses, such as countries, states, gender, education, environment, as well as other various facets of the work that Heifer is doing around the world. Country endowments allow donors to put their support where their heart is by getting personally involved with the work that goes on every day in the field. Because 100% of the income generated each year by the endowment will go directly to the field, donors are realizing the value in establishing and directing their own private endowments.

In the area of Investment Management, we have worked closely with our consultants to make sure that every step possible is taken to insure the integrity of our portfolios. We have turned to history for perspective and wisdom. In the past, the US stock market has shown resilience in the face of tragedy, disaster, and even war. Historically, there are numerous examples of overreactions to various crises -war, assassinations, and economic turmoil-since World War II. In each of these examples, we see a pattern of recovery one to two years after the crisis low. While the timeframe of such events-from crisis to panic to recovery-has varied, the pattern has been broadly consistent. We will continue to focus on the long-term and we

will preserve the trust and integrity of this organization.

The staff of Heifer International Foundation feels both humbled and honored to be the channel through which you are sharing with others in the United States and around the world. We are committed to helping you so that you may continue to help others. May you be blessed with all the joy and love you are so richly sharing with your neighbors. Words cannot express to you the excitement we feel to be a part of Heifer International Foundation and work along side people like you, who are so committed to making our world a place where dignity and respect are in every community and poverty exists no more. Thank you for keeping the dream alive!



*Janet K. Sinn*

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<b>Assets</b>	
Cash and cash equivalents	\$ 6,178,145
Contributions receivables	678,167
Accounts and interest receivable	30,263
Prepaid Expenses	23,078
Mortgage receivable	79,585
Investments	30,234,642
Equipment, net of accumulated depreciation of \$11,203	<u>44,145</u>
 Total assets	 \$ <u>37,268,025</u>
<b>Liabilities and Net Assets</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 132,807
Accrued expenses	51,204
Refundable advances	1,237,080
Annuities and trusts payable	7,828,719
Assets held for others	<u>524,534</u>
 Total liabilities	 <u>9,774,344</u>
<b>Net Assets:</b>	
Unrestricted	3,207,279
Temporarily restricted	662,282
Permanently restricted	<u>23,624,120</u>
 Total net assets	 <u>27,493,681</u>
 Total liabilities and net assets	 \$ <u>37,268,025</u>



	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Revenue, Gains and Other Support:</b>				
Contributions				
General	\$ -	\$ -	\$ 1,031,112	\$ 1,031,112
Annuities and trusts		-	218,421	218,421
Net assets released from restrictions	<u>15,846</u>	<u>(15,846)</u>	<u>-</u>	<u>-</u>
 Total revenue, gains and other support	 <u>15,846</u>	 <u>(15,846)</u>	 <u>1,249,533</u>	 <u>1,249,533</u>
<b>Expenses and Losses</b>				
Program Services	360,966	-	-	360,966
Fund raising	278,010	-	-	278,010
Management and general	217,741	-	-	217,741
Investment return	553,570	298,347	-	851,917
Change in value of split interest obligations	<u>-</u>	<u>-</u>	<u>581,385</u>	<u>581,385</u>
 Total expenses and losses	 <u>1,410,287</u>	 <u>298,347</u>	 <u>581,385</u>	 <u>2,290,019</u>
<b>Change in net assets</b>	<b>(1,394,441)</b>	<b>(314,193)</b>	<b>668,148</b>	<b>(1,040,486)</b>
<b>Net Assets, Beginning of Period</b>	<b><u>4,601,720</u></b>	<b><u>976,475</u></b>	<b><u>22,955,972</u></b>	<b><u>28,534,167</u></b>
<b>Net Assets, End of Period</b>	<b><u>\$ 3,207,279</u></b>	<b><u>662,282</u></b>	<b><u>23,624,120</u></b>	<b><u>27,493,681</u></b>

This condensed financial information is derived from Heifer International Foundation 2001 financial statements audited by certified public accountants. Audited financial statement are available upon request by calling 888.422.1161. Heifer International Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and contributions to Heifer International Foundation are tax deductible.