

# HEICHER FOUNDAATION ANNUAL REPORT 2007

g r o w i n g   s t r o n g  
g i v i n g   b a c k





*Thanks to the generosity of our faithful donors, we experienced an increase of 15% in managed assets at the conclusion of the year.*

Dear *friends*,

What a remarkable year 2006 was for Heifer Foundation, our donors and the organizations we support. It is doubly rewarding to have the opportunity to serve those in need around the world, as well as our dedicated and faithful donors. I know with certainty that, because of our growth this year, both our donors and recipients will feel the ripple effect for years to come and future generations will have opportunities like never before. For this we are eternally grateful.

As I look back on the year, I can hardly believe what Heifer Foundation has accomplished during a mere twelve months! These accomplishments would not have been possible without the focus, trust and dedication of our donors, trustees and staff. Thanks to the generosity of our faithful donors, we experienced an increase of 15% in managed assets at the conclusion of the year. As we all joined together, we set another record securing more than \$13,000,000 (irrevocable gifts, commitments, and investment income) which translates into thousands of lives changed. All of this was done in keeping within our board-mandated budget range of 3-4% of our total assets averaged over three years.

We have also experienced some dramatic physical changes to our organization that will help us better serve donors and potential donors. In January 2006, we were a staff of 13 packed into a cramped office suite atop a bakery. With careful consideration and negotiation, as well as thought to both staff and donors, on February 15, 2006 we officially opened the first headquarters of Heifer International Foundation.

Now 18 employees work in a facility that has a long history with Heifer and we are pleased to be able to carry on the legacy that began here at 1015 Louisiana more than 25 year ago.

While there are many other highlights to share with you, two stand out because of their importance to the future of the Foundation. *Circle of Giving: Donors' Stories of Wisdom* was published and is being sold nationally. Concerned and caring donors and leaders who are looking to find their solution for a changing world have openly embraced it, with the first printing selling out and a second printing already on the shelves. The Hope Equity program was also launched, offering a new approach to philanthropy through an online social networking community. Donors can create a portfolio for social change by investing in the end of hunger and poverty through sustainable means. In creating Hope Equity, we were responding to donors who want to be more in control of their gifts and expect more from their giving.

You will also be pleased to know that as a newly appointed member of the CFRE International Board of Directors, we are now at the table with countries around the world which are making a stand for integrity and ethical principles in the philanthropic arena. It is truly exciting to be a part of an organization that will impact the future of philanthropy.

Thank you to our donors for their faith and trust in the organization and their deep commitment to making a difference in our world! What an awesome opportunity we have been given to be a part of Heifer Foundation.

*Janet K. Ginn*

Janet K. Ginn, CFRE  
President and CEO

*“With Hope Equity  
you can track the  
money you gave—  
otherwise, you  
just give the  
money and don’t  
see the results as  
clearly. We really  
like that idea.”*

*Erik Schneider,  
Hope Equity donor*



*“By raising a person’s awareness,  
they can then do something positive  
for themselves and for others.”*



## HEIFER INTERNATIONAL FOUNDATION

*Statement of Financial Position*

As of December 31, 2006 and 2005

	December 31, 2006	December 31, 2005
<b>Assets</b>		
Cash and cash equivalents	\$ 5,415,966	\$ 3,740,345
Contributions receivables	1,170,030	987,509
Accounts and interest receivable	86,217	151,612
Notes receivable	218,173	—
Prepaid expenses	10,414	64,130
Investments	55,219,905	49,304,269
Other assets	221,175	153,400
Property and equipment, net	1,202,341	1,012,512
<b>Total assets</b>	<b>\$ 63,544,221</b>	<b>\$ 55,413,777</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable	101,389	80,087
Accrued expenses	88,735	59,249
Refundable advances	1,896,764	1,629,356
Annuities and trusts payable	14,181,125	13,027,743
<b>Total liabilities</b>	<b>\$ 16,268,013</b>	<b>\$ 14,796,435</b>
Net Assets:		
Unrestricted	4,311,444	2,821,219
Temporarily restricted	2,466,084	1,451,857
Permanently restricted	40,498,680	36,344,266
<b>Total net assets</b>	<b>47,276,208</b>	<b>40,617,342</b>
<b>Total liabilities and net assets</b>	<b>\$ 63,544,221</b>	<b>\$ 55,413,777</b>

*“The trust helped us avoid a major capital gains tax on a piece of property. It provided us with a lifetime of income. At our death it is our charitable gift, with half going to Heifer Foundation and the other half going to assist our local church and several other entities we have given to on a regular basis.”*

*Miller Davis,  
Foundation donor*

HEIFER INTERNATIONAL FOUNDATION

*Statement of Activities*

For the Years Ended December 31, 2006 and 2005

2006

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, gains and other support:				
Contributions related to:				
General	\$	\$	\$ 3,721,398	\$ 3,721,398
Annuities and trusts			1,004,527	1,004,527
Investment return	3,594,197	1,145,272		4,739,469
Net assets released from restrictions	131,045	(131,045)		—
Decrease in value of split interest obligations				
			(571,511)	(571,511)
Total revenue, gains and other support	3,725,242	1,014,227	4,154,414	8,893,883
Expenses:				
Program services	1,213,922			1,213,922
Fund raising	117,923			117,923
Management and general	903,172			903,172
Total expenses and losses	2,235,017	—	—	2,235,017
Change in net assets	1,490,225	1,014,227	4,154,414	6,658,866
Net assets beginning of year	2,821,219	1,451,857	36,344,266	40,617,342
Net assets end of year	\$ 4,311,444	\$ 2,466,084	\$40,498,680	\$47,276,208

## HEIFER INTERNATIONAL FOUNDATION

*Statement of Activities*

For the Years Ended December 31, 2006 and 2005 (continued)

2005

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, gains and other support:				
Contributions related to:				
General	\$	\$	\$ 3,843,423	\$ 3,843,423
Annuities and trusts			520,149	520,149
Investment return	949,636	545,793		1,495,429
Net assets released from restrictions	99,029	(99,029)		—
Increase in value of split interest obligations			238,764	238,764
Total revenue, gains and other support	1,048,665	446,764	4,602,336	6,097,765
Expenses:				
Program services	1,054,306			1,054,306
Fund raising	103,793			103,793
Management and general	615,310			615,310
Total expenses and losses	1,773,409	—	—	1,773,409
Change in net assets	(724,744)	446,764	4,602,336	4,324,356
Net assets beginning of year	3,545,963	1,005,093	31,741,930	36,292,986
Net assets end of year	\$ 2,821,219	\$ 1,451,857	\$ 36,344,266	\$ 40,617,342

This condensed financial information is derived from Heifer Foundation 2006 financial statements audited by certified public accountants. Audited financial statements are available upon request by calling 888.422.1161. Heifer Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and contributions to Heifer Foundation are tax deductible.

*“Financial awareness is something that I think is really valuable. If you can latch it onto your values, all the better.”*

*James Howell,  
Foundation donor*



Heifer Foundation  
P.O. Box 727  
Little Rock, AR 72203  
(888) 422-1161  
[foundation@heifer.org](mailto:foundation@heifer.org)  
[www.heiferfoundation.org](http://www.heiferfoundation.org)

