

2012

HEIFER
INTERNATIONAL
FOUNDATION

ANNUAL REPORT



www.heiferfoundation.org



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Over my 15 years of working for Heifer International and Heifer Foundation, I have witnessed the powerful impact these two organizations have made toward ending hunger and poverty in the world. I have seen firsthand how women in Nepal have been empowered to work together to bring about change in their community. In addition, I personally know Beatrice Biira, who, when she was a young girl in Uganda, came from a family who could not afford to send her to school. As a result of Heifer's intervention in her village, her family received a goat, and she went on to graduate college in the United States and earn a Master's Degree. Today, she works for Heifer International in community engagement. More recently, I have witnessed how Heifer is working right here in the United States to help people overcome poverty in the Arkansas Delta and in Appalachia in the southeastern United States.

As the newly appointed president of Heifer Foundation, I am more optimistic than ever about our organizations' ability to bring about global change and lead the fight against hunger and poverty. Ending hunger and poverty takes a long-term commitment.

The mission of Heifer Foundation is to manage and grow an endowment to provide long-term support for our sister organization, Heifer International. Heifer Foundation's endowment is built through charitable gifts, such as gifts of cash, property and stock, as well as funds from bequests, trusts and annuities. These gifts are invested, and the investment earnings provide annual support for Heifer for many years in the future. This sustainable cycle of support provides lasting resources for Heifer's sustainable solution to hunger and poverty. Together, we can provide a more sustainable and flexible approach to accomplishing our mission.

As always, I intend to continue to hold our organization to the highest standards of stewardship and transparency so that we may help Heifer International promote peace through ending hunger and poverty. I am grateful for our donors who are committed to helping us accomplish this mission.

Yours for a better world,

Ardyth Neill
President, Heifer Foundation

STATEMENT OF ACTIVITIES For the six months ended June 30, 2012

REVENUE, GAINS AND OTHER SUPPORT	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Contributions related to:				
General	\$1,041,355		\$1,270,207	\$2,311,562
Annuities and trusts			124,822	124,822
Investment return	1,752,056	451,782		2,203,838
Change in split interest obligations			(175,182)	(175,182)
Net assets released from restrictions	479,198	(479,198)		
Total revenue, gains, (losses) and other support	3,272,609	(27,416)	1,219,847	4,465,040
EXPENSES:				
Program services	1,254,187			1,254,187
Fund raising	650,267			650,267
Management and general	7,676			7,676
Total expenses	1,912,130	-	-	1,912,130
Change in net assets	1,360,479	(27,416)	1,219,847	2,552,910
Net assets beginning of year	(7,148,501)	1,771,799	62,195,973	56,819,271
Net assets end of year	\$(5,788,022)	\$1,744,383	\$63,415,820	\$59,372,181



HEIFER INTERNATIONAL FOUNDATION

STATEMENT OF FINANCIAL POSITION

As of June 30, 2012

ASSETS

Cash and cash equivalents	\$6,220,170
Contributions receivable	525,783
Interest receivable	128,633
Notes receivable	122,122
Prepaid expenses and other assets	37,180
Certificates of deposit	198,370
Investments	68,446,179
Property and equipment, net	35,843
Total assets	\$75,714,280

LIABILITIES:

Accounts payable	169,424
Accrued expenses	23,265
Refundable advances	2,403,752
Annuities payable	5,173,263
Trusts payable	8,572,395
Total liabilities	\$16,342,099

NET ASSETS:

Unrestricted:	
Board designated	5,295,519
Undesignated	(11,083,541)
Unrestricted, net	(5,788,022)
Temporarily restricted	1,744,383
Permanently restricted	63,415,820
Total net assets	\$59,372,181
Total liabilities and net assets	\$75,714,280

+ Change

* This past year, the Heifer Foundation board of trustees voted to change Heifer Foundation's financial reporting from a calendar year to a fiscal year to coincide with Heifer International's process. Therefore, this 2012 Annual Report represents the six months ending June 30, 2012.

Please visit our "Financial Transparency" section of our website at HeiferFoundation.org/Transparency where we keep our financial documents updated for your review (including current IRS forms, annual reports and year-end financial statements).

This condensed financial information is derived from Heifer International Foundation 2012 financial statements audited by certified public accountants. Audited financial statements are available upon request by calling (888) 422-1161, Ext. 0, or online at www.HeiferFoundation.org/Transparency. Heifer International Foundation is qualified as a charitable organization under Section 501(c)(3) of the Internal Revenue Code, and contributions to Heifer International Foundation are tax deductible to the extent permitted by law.