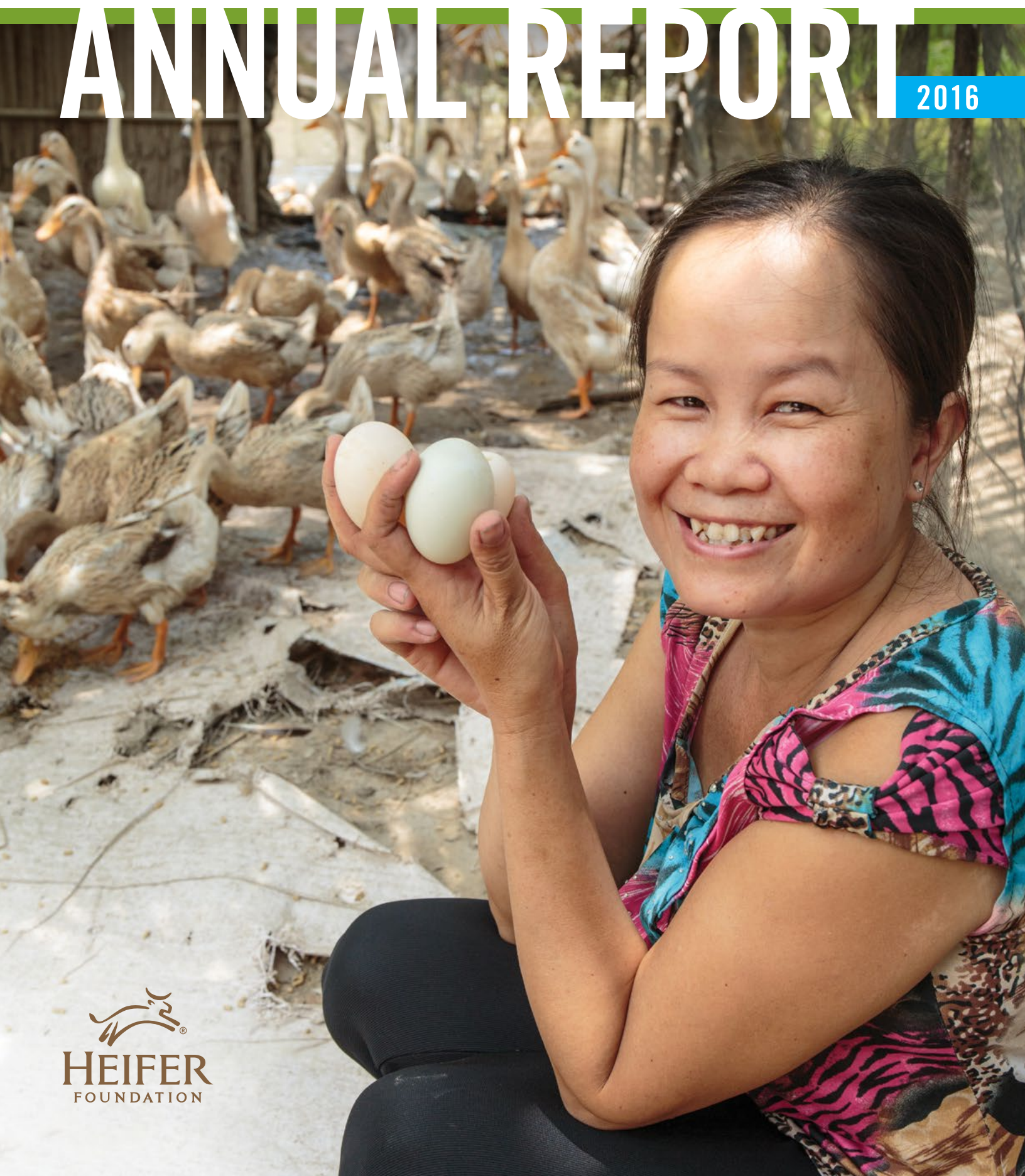


HEIFER FOUNDATION

ANNUAL REPORT

2016





RESEARCH PROVES IT: Livestock gifts reduce hunger and poverty.

Thanks to your extraordinary generosity and shared passion for our mission, Heifer Foundation had a phenomenal year.

We ended fiscal year 2016 with total assets in excess of \$100 million for the first time ever, an increase of more than 28 percent since fiscal year 2013. This growth will give Heifer International more options for programmatic spending.

Researchers studying our interventions in Zambia found the benefits of a livestock gift are greater than providing a cash gift of equivalent value.

The study revealed a 200 percent increase in revenue and dietary diversity among the farming families included in

the research. This is precisely the scientific evidence that illustrates the need for our work in developing countries.

Where there were highs, there were also lows. Hurricane Matthew dealt a devastating blow to Haitian families that depend on farming and agriculture. We continue to work to build resiliency among all beneficiaries.

I remain awestruck by our project participants' ability to leverage Heifer livestock gifts into self-reliance. We are working toward our goal of helping 4 million families achieve living incomes by 2020, allowing them to feed their families daily; educate all their children; and have proper housing, water, hygiene and other essential resources.

The Foundation's internal growth includes an enthusiastic staff ready to execute your desired legacy plan and we are working to introduce new products to assist with more planned giving instruments, like Heifer Donor Advised Funds and a new Heifer 2020 Legacy Challenge Matching Bequest program.

I am truly proud to serve this foundation and mission committed to breaking the stronghold of poverty. Together, we can help our project families step into cycles of renewal and hope.

Wishing you peace and goodwill,

Ardyth Neill
President, Heifer Foundation

STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2016

Assets	June 30, 2016	June 30, 2015	\$ Change from 6/30/2015
Cash and cash equivalents	\$6,855,815	3,830,774	3,025,041
Contributions receivables	330,365	346,391	(16,026)
Prepaid expenses & other assets	274,656	542,397	(267,741)
Investments	98,135,342	94,681,163	3,454,179
Certificate of Deposit	-	469,764	(469,764)
Property and equipment, net	-	6,302	(6,302)
Total assets	\$105,596,178	99,876,791	5,719,387
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued liabilities	205,116	219,089	(13,973)
Refundable advances	4,867,387	3,653,479	1,213,908
Annuities payable	4,836,797	4,861,870	(25,073)
Trusts payable	9,728,728	9,197,059	531,669
Total liabilities	\$19,638,028	17,931,497	1,706,531
Net Assets:			
Unrestricted - Board	9,067,521	8,753,342	314,179
Unrestricted - undesignated	(7,076,560)	(7,220,095)	143,535
Temporarily restricted	4,308,209	5,577,007	(1,268,798)
Permanently restricted	79,658,980	74,835,040	4,823,940
Total net assets	85,958,150	81,945,294	4,012,856
Total liabilities and net assets	\$105,596,178	\$99,876,791	\$5,719,387

STATEMENT OF ACTIVITIES FOR THE 12 MONTH PERIOD ENDED JUNE 30, 2016

Revenue, gains and other support	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Contributions related to:				
General	\$628,231	-	4,858,866	5,487,097
Annuities and trusts	-	-	891,922	891,922
Investment return	761,359	345,186	-	1,106,545
Net assets released from restrictions	1,613,984	(1,613,984)	-	-
Change in value of split interest obligations	-	-	(926,848)	(926,848)
Total revenue, gains and other support	\$3,003,574	(1,268,798)	4,823,940	6,558,716
Expenses:				
Program services	1,840,879	-	-	1,840,879
Management and general	702,195	-	-	702,195
Fundraising	2,786	-	-	2,786
Total expenses	2,545,860	-	-	2,545,860
Change in net assets	457,714	(1,268,798)	4,823,940	4,012,856
Net assets, beginning of year	1,533,247	5,577,007	74,835,040	81,945,294
Net assets, end of year	\$1,990,961	\$4,308,209	\$79,658,980	\$85,958,150

STATEMENT OF ACTIVITIES FOR THE 12 MONTH PERIOD ENDED JUNE 30, 2015

Revenue, gains and other support	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Contributions related to:				
General	\$365,037	-	3,494,368	3,859,405
Annuities and trusts	-	-	435,891	435,891
Investment return	(420,309)	813,277	-	392,968
Change in value of split interest obligations	-	-	483,010	483,010
Net assets released from restrictions	1,423,482	(1,423,482)	-	-
Total revenue, gains, (losses) and other support	\$1,368,210	(610,205)	4,413,269	5,171,274
Expenses:				
Program services	1,335,400	-	-	1,335,400
Management and general	708,773	-	-	708,773
Fundraising	13,650	-	-	13,650
Total expenses	2,057,823	-	-	2,057,823
Change in net assets	(689,613)	(610,205)	4,413,269	3,113,451
Net assets, beginning of year	2,222,860	6,187,212	70,421,771	78,831,843
Net assets, end of year	\$1,533,274	\$5,577,007	\$74,835,040	\$81,945,294

This condensed financial information is derived from Heifer International Foundation 2015 and 2016 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/about/financial-transparency.html. 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.



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