

Form **990**

**Return of Organization Exempt From Income Tax**

OMB No. 1545-0047

**2011**

Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A For the 2011 calendar year, or tax year beginning** JAN 1, 2012 **and ending** JUN 30, 2012

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C Name of organization</b> HEIFER INTERNATIONAL FOUNDATION Doing Business As HEIFER FOUNDATION Number and street (or P.O. box if mail is not delivered to street address) Room/suite P. O. BOX 727 City or town, state or country, and ZIP + 4 LITTLE ROCK, AR 72203 <b>F Name and address of principal officer:</b> ARDYTH NEILL SAME AS C ABOVE	<b>D Employer identification number</b> 71-0699939 <b>E Telephone number</b> 501-907-4900 <b>G Gross receipts \$</b> 34,053,368. <b>H(a) Is this a group return for affiliates?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b) Are all affiliates included?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c) Group exemption number</b>
<b>I Tax-exempt status:</b> <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J Website:</b> HEIFERFOUNDATION.ORG & HOPEEQUITY.ORG		
<b>K Form of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
<b>L Year of formation:</b> 1991		<b>M State of legal domicile:</b> AR

**Part I Summary**

	<b>1</b> Briefly describe the organization's mission or most significant activities: HEIFER INTERNATIONAL FOUNDATION'S PURPOSE IS TO PRIMARILY SUPPORT THE EFFORTS OF HEIFER			
Activities & Governance	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) .....	3		9
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) .....	4		9
	<b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a) .....	5		0
	<b>6</b> Total number of volunteers (estimate if necessary) .....	6		0
	<b>7 a</b> Total unrelated business revenue from Part VIII, column (C), line 12 .....	7a		0.
	<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 .....	7b		0.
Revenue	<b>8</b> Contributions and grants (Part VIII, line 1h) .....	5,697,404.	Prior Year	2,436,384.
	<b>9</b> Program service revenue (Part VIII, line 2g) .....	0.	Current Year	0.
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) .....	4,672,002.		1,889,347.
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) .....	0.		0.
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) .....	10,369,406.		4,325,731.
	Expenses	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) .....	1,174,863.	
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) .....		0.		0.
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) .....		879,345.		402,383.
<b>16 a</b> Professional fundraising fees (Part IX, column (A), line 11e) .....		0.		0.
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 7,676.				
<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) .....		1,083,231.		549,464.
Net Assets or Fund Balances	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) .....	3,137,439.		1,912,130.
	<b>19</b> Revenue less expenses. Subtract line 18 from line 12 .....	7,231,967.		2,413,601.
	<b>20</b> Total assets (Part X, line 16) .....	73,128,442.	Beginning of Current Year	75,714,280.
	<b>21</b> Total liabilities (Part X, line 26) .....	16,309,171.	End of Year	16,342,099.
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20 .....	56,819,271.		59,372,181.

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer  ARDYTH NEILL, PRESIDENT Type or print name and title	Date	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name MICHELLE MANN Preparer's signature  Date 9/28/12 Check if self-employed <input type="checkbox"/> PTIN P01064483 Firm's name ▶ JPMS COX, PLLC Firm's EIN ▶ 20-1776739 Firm's address ▶ 11300 CANTRELL ROAD, SUITE 301 LITTLE ROCK, AR 72212 Phone no. 501-227-5800		

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission: THE MISSION OF HEIFER INTERNATIONAL FOUNDATION IS TO BUILD AN ENDOWMENT TO GENERATE ONGOING SUPPORT FOR THE WORK OF HEIFER PROJECT INTERNATIONAL, TO EDUCATE PEOPLE ON HOW PLANNED CHARITABLE GIVING SUPPORTS HEIFER PROJECT INTERNATIONAL'S WORK, AND TO SERVE AS A

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 960,283. including grants of \$ 960,283. ) (Revenue \$ ) ATTRIBUTED EARNINGS PAID TO HEIFER PROJECT INTERNATIONAL FOR SPECIFIC PURPOSES AS DESIGNATED BY DONOR RESTRICTIONS AND BY ARTICLES OF INCORPORATION AND BYLAWS OF HEIFER INTERNATIONAL FOUNDATION (230 GRANTS ISSUED)

4b (Code: ) (Expenses \$ 293,904. including grants of \$ ) (Revenue \$ ) HEIFER INTERNATIONAL FOUNDATION EDUCATES ON HOW PLANNED CHARITABLE GIVING SUPPORTS THE WORK OF HEIFER PROJECT INTERNATIONAL AND OTHER 501(C)(3) ORGANIZATIONS. (322,975 INDIVIDUALS EDUCATED)

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 1,254,187.

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	X	
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	X	
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>	X	
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b <i>If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?</i>		

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....	x	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		x
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....		x
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i> .....		x
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
25a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		x
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		x
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> .....		x
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> .....		x
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		x
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		x
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....		x
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....	x	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		x
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		x
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		x
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....		x
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> .....		x
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....		x
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		x
36 <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		x
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		x
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O .....	x	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Input box for Schedule O response

Table with columns for question ID, question text, and Yes/No response boxes. Includes questions 1a through 14b regarding IRS filings and tax compliance.

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year ..... If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent .....		
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? .....		X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? .....		X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? .....	X	
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets? .....		X
<b>6</b>	Did the organization have members or stockholders? .....		X
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? .....		X
<b>7b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? .....		X
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8a</b>	The governing body? .....	X	
<b>8b</b>	Each committee with authority to act on behalf of the governing body? .....	X	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O .....		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates? .....		X
<b>10b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? .....		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? .....	X	
<b>11b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990. ....		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13 .....	X	
<b>12b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? .....	X	
<b>12c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done .....	X	
<b>13</b>	Did the organization have a written whistleblower policy? .....	X	
<b>14</b>	Did the organization have a written document retention and destruction policy? .....	X	
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>15a</b>	The organization's CEO, Executive Director, or top management official .....	X	
<b>15b</b>	Other officers or key employees of the organization .....	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? .....	X	
<b>16b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? .....	X	

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed ► SEE SCHEDULE O
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website     Another's website     Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ►  
 ARDYTH NEILL, PRESIDENT - (501) 907-4900  
 1 WORLD AVE, LITTLE ROCK, AR 72203

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MARCIA WILLIAMS CHAIR OF BOARD	1.00	X						0.	0.	0.
(2) NORMAN DOLL VICE CHAIR OF BOARD	1.00	X						0.	0.	0.
(3) STEPHANIE BUCKLEY SECRETARY OF BOARD	1.00	X						0.	0.	0.
(4) TOM NICKELL TRUSTEE	1.00	X						0.	0.	0.
(5) BAYARD U LIVINGSTON TRUSTEE	1.00	X						0.	0.	0.
(6) DOUGLAS NUNN TRUSTEE	1.00	X						0.	0.	0.
(7) GEORGE PETTY TRUSTEE	1.00	X						0.	0.	0.
(8) DON HAMMOND TRUSTEE	1.00	X						0.	0.	0.
(9) C DOUGLAS SMITH TRUSTEE	1.00	X						0.	0.	0.
(10) ARDYTH NEILL PRESIDENT	42.00			X				59,314.	0.	6,245.
(11) JESSE SCHALK VP OF ASSET MANAGEMENT	42.00			X				39,898.	0.	10,583.



**Part VIII Statement of Revenue**

				(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	2,436,384.				
	g	Noncash contributions included in lines 1a-1f: \$		124,863.				
	h	<b>Total.</b> Add lines 1a-1f		2,436,384.				
Program Service Revenue	2 a		Business Code					
	b							
	c							
	d							
	e							
	f	All other program service revenue						
	g	<b>Total.</b> Add lines 2a-2f						
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		740,210.	740,210.			
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross rents	(i) Real	(ii) Personal				
		b	Less: rental expenses					
		c	Rental income or (loss)					
		d	Net rental income or (loss)					
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other	30,876,774.			
		b	Less: cost or other basis and sales expenses		29,727,637.			
		c	Gain or (loss)		1,149,137.			
		d	Net gain or (loss)		1,149,137.	1,149,137.		
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
		b	Less: direct expenses	b				
		c	Net income or (loss) from fundraising events					
	9 a	Gross income from gaming activities. See Part IV, line 19	a					
b		Less: direct expenses	b					
c		Net income or (loss) from gaming activities						
10 a	Gross sales of inventory, less returns and allowances	a						
	b	Less: cost of goods sold	b					
	c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue			Business Code					
11 a								
	b							
	c							
	d	All other revenue						
	e	<b>Total.</b> Add lines 11a-11d						
12	<b>Total revenue.</b> See instructions.			4,325,731.	1,889,347.	0.	0.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	737,647.	737,647.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	222,636.	222,636.		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	116,040.	4,143.	111,897.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	212,623.	138,308.	74,315.	
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	11,488.	9,508.	1,980.	
9 Other employee benefits	38,550.	21,779.	16,771.	
10 Payroll taxes	23,682.	10,715.	12,967.	
11 Fees for services (non-employees):				
a Management				
b Legal	11,955.	64.	11,890.	1.
c Accounting	33,605.		33,605.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	217,433.		217,433.	
g Other	66,597.	6,764.	59,777.	56.
12 Advertising and promotion	43,153.	42,183.	970.	
13 Office expenses	34,426.	21,385.	12,506.	535.
14 Information technology	25,017.	8,662.	9,490.	6,865.
15 Royalties				
16 Occupancy	17,557.	5,421.	11,994.	142.
17 Travel	20,481.	8,340.	12,132.	9.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	895.	16.	879.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	8,407.	2,596.	5,743.	68.
23 Insurance	23,353.		23,353.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a OTHER EMPLOYEE EXPENSES	31,476.	8,119.	23,357.	
b STATE REGISTRATION FEES	9,085.		9,085.	
c PUBLICITY	5,925.	5,901.	24.	
d BUSINESS MEMBERSHIPS &	99.		99.	
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	1,912,130.	1,254,187.	650,267.	7,676.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing .....		1	
	2	Savings and temporary cash investments .....	3,293,786.	2	6,418,540.
	3	Pledges and grants receivable, net .....		3	
	4	Accounts receivable, net .....	1,072,085.	4	525,783.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) .....		6	
	7	Notes and loans receivable, net .....	148,680.	7	122,122.
	8	Inventories for sale or use .....		8	
	9	Prepaid expenses and deferred charges .....	4,659.	9	37,180.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	10a 751,980.		
	b	Less: accumulated depreciation .....	10b 98,137.		
	11	Investments - publicly traded securities .....	64,989,288.	11	61,974,832.
	12	Investments - other securities. See Part IV, line 11 .....	2,778,847.	12	5,853,347.
	13	Investments - program-related. See Part IV, line 11 .....		13	
	14	Intangible assets .....		14	
	15	Other assets. See Part IV, line 11 .....	128,347.	15	128,633.
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	73,128,442.	16	75,714,280.	
Liabilities	17	Accounts payable and accrued expenses .....	235,887.	17	192,689.
	18	Grants payable .....		18	
	19	Deferred revenue .....		19	
	20	Tax-exempt bond liabilities .....		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D .....		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		22	
	23	Secured mortgages and notes payable to unrelated third parties .....		23	
	24	Unsecured notes and loans payable to unrelated third parties .....		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	16,073,284.	25	16,149,410.
	26	<b>Total liabilities.</b> Add lines 17 through 25 .....	16,309,171.	26	16,342,099.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets .....	-7,148,501.	27	-5,788,022.
	28	Temporarily restricted net assets .....	1,771,799.	28	1,744,383.
	29	Permanently restricted net assets .....	62,195,973.	29	63,415,820.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds .....		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund .....		31	
	32	Retained earnings, endowment, accumulated income, or other funds .....		32	
	33	<b>Total net assets or fund balances</b> .....	56,819,271.	33	59,372,181.
	34	<b>Total liabilities and net assets/fund balances</b> .....	73,128,442.	34	75,714,280.

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	4,325,731.
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,912,130.
3	Revenue less expenses. Subtract line 2 from line 1	3	2,413,601.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	56,819,271.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	139,309.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	59,372,181.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

Form 990 (2011)

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Public Charity Status and Public Support**

OMB No. 1545-0047

**2011**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization: **HEIFER INTERNATIONAL FOUNDATION** Employer identification number: **71-0699939**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I
  - b  Type II
  - c  Type III - Functionally integrated
  - d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?		
(ii) A family member of a person described in (i) above?		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?		
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

LHA For Paperwork Reduction Act Notice, see the instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2011

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	3,723,691.	5,012,669.	4,269,922.	4,163,573.	1,403,610.	18,573,465.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
3 The value of services or facilities furnished by a governmental unit to the organization without charge .....						
4 <b>Total.</b> Add lines 1 through 3 .....	3,723,691.	5,012,669.	4,269,922.	4,163,573.	1,403,610.	18,573,465.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						188,257.
6 <b>Public support.</b> Subtract line 5 from line 4.						18,385,208.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4 .....	3,723,691.	5,012,669.	4,269,922.	4,163,573.	1,403,610.	18,573,465.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....	1,455,157.	1,146,420.	1,312,370.	1,441,728.	740,210.	6,095,885.
9 Net income from unrelated business activities, whether or not the business is regularly carried on .....						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
11 <b>Total support.</b> Add lines 7 through 10 .....						24,669,350.
12 Gross receipts from related activities, etc. (see instructions) .....					12	
13 <b>First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) .....	14	74.53 %
15 Public support percentage from 2010 Schedule A, Part II, line 14 .....	15	76.12 %
16a <b>33 1/3% support test - 2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization .....		<input checked="" type="checkbox"/>
b <b>33 1/3% support test - 2010.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
17a <b>10% -facts-and-circumstances test - 2011.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
b <b>10% -facts-and-circumstances test - 2010.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
18 <b>Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
3 Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
5 The value of services or facilities furnished by a governmental unit to the organization without charge .....						
6 Total. Add lines 1 through 5 .....						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
c Add lines 7a and 7b .....						
8 Public support (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6 .....						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
c Add lines 10a and 10b .....						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
13 Total support (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f)) .....	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15 .....	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f)) .....	17	%
18 Investment income percentage from 2010 Schedule A, Part III, line 17 .....	18	%

19a **33 1/3% support tests - 2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b **33 1/3% support tests - 2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**Part IV** **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

THIS FILING IS A SHORT YEAR RETURN FOR THE PERIOD BEGINNING JANUARY 1,  
2012 AND ENDING JUNE 30, 2012.

PART II, SECTION A AND B:

THE TITLES FOR COLUMNS (A) THROUGH (E) ARE MODIFIED AS FOLLOWS:

(A) = 2008 CALENDAR YEAR

(B) = 2009 CALENDAR YEAR

(C) = 2010 CALENDAR YEAR

(D) = 2011 CALENDAR YEAR

(E) = 2012 FISCAL YEAR, SHORT YEAR BEGINNING JANUARY 1, 2012 AND

ENDING JUNE 30, 2012

PART II, SECTION C, LINE 14:

THE PERCENTAGE VALUE IS THE PUBLIC SUPPORT PERCENTAGE FOR SHORT YEAR 2012.

PART II, SECTION C, LINE 15:

THE PERCENTAGE VALUE IS THE PUBLIC SUPPORT PERCENTAGE FOR CALENDAR YEAR

2011.

**SCHEDULE D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2011**  
Open to Public Inspection

Name of the organization **HEIFER INTERNATIONAL FOUNDATION** Employer identification number **71-0699939**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year	7	
2 Aggregate contributions to (during year)	0.	
3 Aggregate grants from (during year)	2,000.	
4 Aggregate value at end of year	367,644.	

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?  Yes  No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?  Yes  No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply):

Preservation of land for public use (e.g., recreation or education)  Preservation of an historically important land area

Protection of natural habitat  Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

b Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange programs
  - e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

b If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	48,268,917.	45,585,382.	37,810,290.	30,659,016.	
b Contributions	2,399,555.	5,677,606.	6,191,047.	6,692,547.	
c Net investment earnings, gains, and losses	1,854,149.	39,946.	4,146,605.	5,029,173.	
d Grants or scholarships	960,283.	1,174,863.	367,046.	1,880,606.	
e Other expenditures for facilities and programs	293,904.	358,941.	440,630.	662,386.	
f Administrative expenses	649,535.	1,500,213.	1,754,884.	2,027,454.	
g End of year balance	50,618,899.	48,268,917.	45,585,382.	37,810,290.	

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment  10.46 %
  - b Permanent endowment  89.54 %
  - c Temporarily restricted endowment  \_\_\_\_\_ %
- The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations		X
(ii) related organizations		X
b If "Yes" to 3a(i), are the related organizations listed as required on Schedule R?		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	618,000.			618,000.
b Buildings				
c Leasehold improvements				
d Equipment		133,980.	98,137.	35,843.
e Other				
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				653,843.

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely-held equity interests .....		
(3) Other .....		
(A) ALWIN LLC	59,174.	END-OF-YEAR MARKET VALUE
(B) GORDON EDGEWATER LLP	180,801.	END-OF-YEAR MARKET VALUE
(C) HARBOURVEST FUNDS	283,626.	END-OF-YEAR MARKET VALUE
(D) MOLPUS WOODLANDS FUND III	5,329,746.	END-OF-YEAR MARKET VALUE
(E)		
(F)		
(G)		
(H)		
(I)		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶	5,853,347.	

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶	

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) SPLIT INTEREST OBLIGATIONS	13,745,658.
(3) REFUNDABLE ADVANCES	2,403,752.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶	16,149,410.

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	4,325,731.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,912,130.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	2,413,601.
4	Net unrealized gains (losses) on investments	4	545,566.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	-406,257.
9	Total adjustments (net). Add lines 4 through 8	9	139,309.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	2,552,910.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	4,465,040.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	545,566.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	-406,257.
e	Add lines 2a through 2d	2e	139,309.
3	Subtract line 2e from line 1	3	4,325,731.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	4,325,731.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	1,912,130.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	1,912,130.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	1,912,130.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4: ENDOWMENT FUNDS ARE USED TO SUPPORT THE EFFORTS OF

HEIFER PROJECT INTERNATIONAL AS STIPULATED BY DONOR RESTRICTIONS, ARTICLES

OF INCORPORATION AND BYLAWS OF HEIFER INTERNATIONAL FOUNDATION.

**PART XI, LINE 8 - OTHER ADJUSTMENTS:**

REALIZED GAIN ON UNITRUST TRANSFERED TO LIABILITY ACCOUNTS -231,075.

ACTUARIAL LOSS ON SPLIT INTEREST OBLIGATIONS -175,182.

TOTAL TO SCHEDULE D, PART XI, LINE 8 -406,257.

**Part XIV** Supplemental Information (continued)

PART XII, LINE 2D - OTHER ADJUSTMENTS:

ACTUARIAL LOSS ON SPLIT INTEREST OBLIGATIONS

REALIZED GAIN ON UNITRUSTS TRANSFERRED TO LIABILITY

ACCOUNTS

Multiple horizontal lines for supplemental information.



**Part II** Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Check this box if no one recipient received more than \$5,000

Part II can be duplicated if additional space is needed.

(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
		CENTRAL AMERICA AND THE CARIBBEAN	GENERAL SUPPORT	32,062	CHECK	0		FMV
		EAST ASIA AND THE PACIFIC	GENERAL SUPPORT	19,726	CHECK	0		FMV
		EUROPE	GENERAL SUPPORT	12,302	CHECK	0		FMV
		NORTH AMERICA	GENERAL SUPPORT	43,925	CHECK	0		FMV
		RUSSIA AND NEWLY INDEPENDENT STATES	GENERAL SUPPORT	5,198	CHECK	0		FMV
		SOUTH AMERICA	GENERAL SUPPORT	19,494	CHECK	0		FMV
		SOUTH ASIA	GENERAL SUPPORT	18,076	CHECK	0		FMV
		SUB-SAHARAN AFRICA	GENERAL SUPPORT	71,853	CHECK	0		FMV

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantees or counsel has provided a section 501(c)(3) equivalency letter 1

3 Enter total number of other organizations or entities 0



**Part IV Foreign Forms**

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* .....  Yes  No
- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)* .....  Yes  No
- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471)* .....  Yes  No
- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)* .....  Yes  No
- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865)* .....  Yes  No
- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)* .....  Yes  No

Schedule F (Form 990) 2011

**SCHEDULE I  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990.

OMB No. 1545-0047

**2011**

Open to Public  
Inspection

Name of the organization: **HEIFER INTERNATIONAL FOUNDATION** Employer identification number: **71-069939**

**Part I General Information on Grants and Assistance**

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed. ▶

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
HEIFER PROJECT INTERNATIONAL ONE WORLD AVENUE LITTLE ROCK, AR 72202	35-1019477	501(C)(3)	737,647.	0.			ONGOING SUPPORT BASED ON DONOR RESTRICTIONS, ARTICLES OF INCORPORATION AND BYLAWS OF HEIFER

- 2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ..... 1.
- 3** Enter total number of other organizations listed in the line 1 table ..... 0.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. SEE PART IV FOR COLUMN (H) DESCRIPTIONS

**Part III** Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

**Part IV** Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

SCHEDULE I, PART I, LINE 2: HELPER INTERNATIONAL FOUNDATION, BASED ON BOARD GOVERNANCE, RECEIVES THE FOLLOWING REPORTS ANNUALLY FROM ALL ORGANIZATIONS

RECEIVING GRANTS FROM ENDOWMENT FUNDS:

IRS FORM 990

ANNUAL REPORT

EXECUTIVE SUMMARY QUESTIONNAIRE

AUDITED FINANCIAL STATEMENTS

**Part IV Supplemental Information**

THESE DOCUMENTS ARE REVIEWED BY PRESIDENT & CFO TO ENSURE THAT FUNDS WERE  
 USED FOR THE PURPOSE AS STATED IN THE GRANT APPLICATION, AS WELL AS DONOR  
 RESTRICTIONS. THIS REVIEW ALSO ENSURES THE ORGANIZATION IS A CURRENT  
 TAX-EXEMPT ORGANIZATION AS RECOGNIZED BY THE IRS. THE EXECUTIVE SUMMARY  
 QUESTIONNAIRE IS SIGNED BY THE CEO OF THE RECEIVING ORGANIZATION ATTESTING  
 TO THE FACT THAT THE GRANTS RECEIVED WERE USED FOR THE ORGANIZATIONS  
 CHARITABLE PURPOSE, AS STIPULATED BY THE DONOR AND THAT THE ORGANIZATION  
 UPHOLDS THE DONOR BILL OF RIGHTS.

THIS INFORMATION IS DISTRIBUTED ANNUALLY TO THE BOARD OF TRUSTEES OF HEIFER  
 INTERNATIONAL FOUNDATION FOR THEIR REVIEW AND IS A PART OF THE INDEPENDENT  
 AUDITORS REVIEW AND THE AUDIT OF THE MONITORING REPORTS OF THE BOARD  
 GOVERNANCE.

PART II, LINE 1, COLUMN (H):

NAME OF ORGANIZATION OR GOVERNMENT: HEIFER PROJECT INTERNATIONAL

(H) PURPOSE OF GRANT OR ASSISTANCE: ONGOING SUPPORT BASED ON DONOR

RESTRICTIONS, ARTICLES OF INCORPORATION AND BYLAWS OF HEIFER  
 INTERNATIONAL FOUNDATION

**SCHEDULE M  
(Form 990)**

**Noncash Contributions**

OMB No. 1545-0047

**2011**

Department of the Treasury  
Internal Revenue Service

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.  
▶ Attach to Form 990.

Open to Public Inspection

Name of the organization: **HEIFER INTERNATIONAL FOUNDATION**  
Employer identification number: **71-0699939**

Part I	Types of Property	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded	X	4	124,863.	MEDIAN VALUE-RECPT DATE
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ( )				
26	Other ( )				
27	Other ( )				
28	Other ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement: **29** (Yes) **4** (No)

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	X	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	X	
b If "Yes," describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule M (Form 990) (2011)

**Part II**

**Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

SCHEDULE M, LINE 32B: HEIFER INTERNATIONAL FOUNDATION USES A BROKER TO

SELL GIFTS OF SECURITIES.

Multiple horizontal lines for supplemental information.

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

**2011**

Open to Public  
Inspection

Name of the organization

HEIFER INTERNATIONAL FOUNDATION

Employer identification number

71-0699939

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

PROJECT INTERNATIONAL, AN ARKANSAS NON-PROFIT CORPORATION. SECONDARILY  
TO CONDUCT ANY OTHER NONPROFIT ACTIVITY THAT IS NOT INCONSISTENT WITH  
LAW.

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

FIDUCIARY FOR OUR DONORS.

FORM 990, PART VI, SECTION A, LINE 4: THE BOARD ADOPTED A RESOLUTION TO

CHANGE THE YEAR END OF THE ORGANIZATION TO JUNE 30, WHICH REQUIRED A SHORT  
PERIOD RETURN FOR THE PERIOD JANUARY 1 THROUGH JUNE 30, 2012.

FORM 990, PART VI, SECTION B, LINE 11: 11 - YES, HEIFER INTERNATIONAL

FOUNDATION DISTRIBUTES A DRAFT COPY OF THE FORM 990 TO A COMMITTEE OF  
TRUSTEES FOR REVIEW PRIOR TO FILING. AFTER REVIEW BY THE COMMITTEE, THE  
990 IS THEN DISTRIBUTED TO THE FULL BOARD OF TRUSTEES PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C: YES, HEIFER INTERNATIONAL

FOUNDATION'S BOARD OF TRUSTEES OPERATES WITHIN A POLICY GOVERNANCE MODEL  
WITH EFFECTIVE WRITTEN GOVERNANCE AND MONITORING SYSTEMS IN PLACE REGARDING  
THE BOARD OF TRUSTEE'S CODE OF CONDUCT, WHICH INCLUDES SPECIFIC CONFLICT OF  
INTEREST STATEMENTS. EACH MEMBER OF THE BOARD OF TRUSTEES IS REQUIRED TO  
COMPLETE, SIGN AND SUBMIT A CODE OF CONDUCT FORM ANNUALLY IN WHICH THEY  
INDICATE COMPLIANCE WITH SPECIFIC CONFLICT OF INTEREST STATEMENTS. THESE  
FORMS ARE SUBMITTED TO THE BOARD LIAISON, AT THE ANNUAL MEETING OF THE

BOARD OF TRUSTEES AND ISSUES OF NON-COMPLIANCE ARE REPORTED TO THE BOARD

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2011)

132211  
01-23-12

Name of the organization HEIFER INTERNATIONAL FOUNDATION	Employer identification number 71-0699939
---	--

CHAIR. IN ADDITION, A REPORT TO THE FULL BOARD IS INCLUDED IN THE  
MONITORING REPORTS REGARDING COMPLIANCE BY INDIVIDUAL TRUSTEES AND THE  
BOARD AS A WHOLE. MATTERS OF CONCERN REGARDING AN INDIVIDUALS  
NON-COMPLIANCE AND/OR CONFLICT OF INTEREST ARE ADDRESSED BY THE BOARD CHAIR  
AND BROUGHT BEFORE THE FULL BOARD WHEN APPROPRIATE.

FORM 990, PART VI, SECTION B, LINE 15: YES, WE USE QUATT ASSOCIATES,  
INDEPENDENT CONSULTING SERVICE, FOR THE REVIEW OF THE FOUNDATION'S SALARY  
PROCESS. QUATT EVALUATES EACH POSITION, INCLUDING THE PRESIDENT, BASED ON  
THE SPECIFIC JOB FUNCTIONS AND A MARKET ANALYSIS OF THE POSITION IS  
CONDUCTED USING SURVEYS OF RELEVANT COMPARATOR ORGANIZATIONS. DEPENDING ON  
THE POSITION AND ITS REQUIREMENTS, POSITIONS ARE COMPARED EITHER  
INTERNATIONALLY, NATIONALLY OR REGIONALLY TO ENSURE COMPENSATION IS  
COMPETITIVE FOR THE JOB MARKET FOR EACH POSITION. RANGES ARE THEN  
ESTABLISHED BY POSITION WITH A MINIMUM, A TARGET AND A MAXIMUM. THE TARGET  
OF THE RANGE IS BASED ON THE MEDIAN SALARY FOR EQUIVALENT JOB DESCRIPTIONS  
IN THE MARKET PLACE AND FACTORS IN THE EMPLOYEES SKILL LEVEL AND HISTORY  
WITH THE ORGANIZATION.

THE BOARD CONDUCTS AN ANNUAL REVIEW OF THE PRESIDENT'S PERFORMANCE OVER THE  
PRIOR YEAR. BASED ON THE PERFORMANCE AND THE SALARY RECOMMENDATIONS  
OBTAINED FROM QUATT, THE BOARD THEN DETERMINES WHAT THE SALARY OF THE  
PRESIDENT SHOULD BE FOR THE NEXT YEAR. THE BOARD IS ALSO GIVEN A COPY OF  
THE QUATT RECOMMENDED SALARY RANGES FOR EACH STAFF MEMBER OF HEIFER  
INTERNATIONAL FOUNDATION AND THEIR BUDGETED SALARY.

FORM 990, PART VI, LINE 17, LIST OF STATES RECEIVING COPY OF FORM 990:

AL, AK, AZ, AR, CA, CO, CT, DC, FL, GA, IL, KS, KY, ME, MD, MA, MI, MN, MS, MO, NH, NJ, NM, NY, NC

132212  
01-23-12

Name of the organization HEIFER INTERNATIONAL FOUNDATION	Employer identification number 71-0699939
---	--

ND, OK, OR, PA, RI, SC, TN, UT, VA, WA, WV, WI

FORM 990, PART VI, SECTION C, LINE 19: HEIFER INTERNATIONAL FOUNDATION'S ANNUAL IRS FORM 990 IS AVAILABLE THROUGH GUIDESTAR.ORG GOING BACK TO 1998. THE ANNUAL REPORT IS AVAILABLE AT WWW.HEIFERFOUNDATION.ORG STARTING WITH YEAR 2001. IRS FORM 990 AND AUDITED FINANCIAL STATEMENTS ARE AVAILABLE AT WWW.HEIFERFOUNDATION.ORG STARTING WITH YEAR 2010. IRS FORM 990, ANNUAL REPORT, AUDITED FINANCIAL STATEMENTS AND OTHER GOVERNANCE INFORMATION IS AVAILABLE UPON REQUEST EITHER IN PERSON, PER PHONE CALL TO 888-422-1161, EMAIL REQUEST AT INFO@HEIFERFOUNDATION.ORG, OR WRITTEN REQUEST.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED GAINS ON INVESTMENTS:	545,566.
REALIZED GAIN ON UNITRUST TRANSFERED TO LIABILITY ACCOUNTS	-231,075.
ACTUARIAL LOSS ON SPLIT INTEREST OBLIGATIONS	-175,182.
TOTAL TO FORM 990, PART XI, LINE 5	139,309.

FORM 990, PART XII, LINE 2C

OVERSIGHT PROCESS FOR INDEPENDENT ACCOUNTANT

HEIFER INTERNATIONAL FOUNDATION HAS MAINTAINED THE SAME PROCESSES FROM PREVIOUS YEARS IN RELATION TO THE OVERSIGHT OF THE AUDIT OF THE FINANCIAL STATEMENTS BY AN INDEPENDENT ACCOUNTANT.