

**STATEMENT OF ACTIVITIES FOR THE  
YEAR ENDED JUNE 30, 2007**

REVENUES, GAINS AND OTHER SUPPORT	Temporarily		Permanently Restricted	Total
	Unrestricted	Restricted		
Contributions	\$97,703,883	\$5,638,182		\$103,342,065
Federal government grants	\$317,999			\$317,999
Other grants	\$62,457	\$909,054		\$971,511
Investment return	\$2,086,471			\$2,086,471
Educational programs	\$1,111,458			\$1,111,458
Promotional events and material sales, net of cost	\$435,041			\$435,041
Other	\$140,907			\$140,907
Change in interest in the net assets of Heifer International Foundation		\$4,647,686	\$5,210,369	\$9,858,055
Net assets released from restrictions	\$4,141,597	(\$4,141,597)		
<b>Total revenues, gains and other support</b>	<b>\$105,999,813</b>	<b>\$7,053,325</b>	<b>\$5,210,369</b>	<b>\$118,263,507</b>
<b>EXPENSES AND LOSSES</b>				
Program services	\$71,107,835			\$71,107,835
Fundraising	\$16,621,209			\$16,621,209
Management and general	\$6,260,366			\$6,260,366
<b>Total expenses and losses</b>	<b>\$93,989,410</b>			<b>\$93,989,410</b>
Change in Net Assets	\$12,010,403	\$7,053,325	\$5,210,369	\$24,274,097
Net Assets, Beginning of Year	\$36,903,788	\$18,022,593	\$36,675,103	\$91,601,484
Net Assets, End of Year	\$48,914,191	\$25,075,918	\$41,885,472	\$115,875,581

**HEIFER INTERNATIONAL BOARD OF DIRECTORS, FY 2007**

COVENANT AGENCY DIRECTORS	AT-LARGE DIRECTORS— GEOGRAPHICAL	AT-LARGE REPRESENTATIVES, INTERNATIONAL REGIONS
<b>Church of the Brethren</b> Kathleen Campanella <i>New Windsor, Md.</i>	<b>Northeast</b> Donald Hammond <i>Ossining, N.Y.</i>	<b>Africa</b> Florence Asaa Awasom <i>Cameroon, Africa</i>
<b>Christian Church (Disciples of Christ)</b> C. Douglas Smith <i>Mechanicsville, Va.</i>	<b>Southeast</b> Stephen A. Mondora <i>Fort Myers, Fla.</i>	<b>Asia and South Pacific</b> Fu Changxlu <i>Chengdu, Sichuan</i>
<b>Episcopal Relief and Development</b> Lorenzo Martinez <i>New York, N.Y.</i>	<b>Midwest</b> Julia Hall Wilson, DVM <i>Stillwater, Minn.</i>	<b>Central and Eastern Europe</b> Henryk Antoni Jasiorowski <i>Warsaw, Poland</i>
<b>National Catholic Rural Life Conference</b> Brother David Andrews, CSC <i>Chicago, Ill.</i>	<b>Northwest</b> Gary Tabasinske <i>Lopez Island, Wash.</i>	<b>Americas</b> Vacant
<b>Presbyterian Church (U.S.A.) — Presbyterian Hunger Program</b> Andrew Kang Bartlett <i>Louisville, Ky.</i>	<b>Southwest</b> Arlene Withers <i>Glendale, Calif.</i>	<b>North America</b> Alejandra Caballero <i>Tlaxco, Tlaxcala</i>
	<b>Central</b> Charles Stewart <i>Little Rock, Ark.</i>	<b>Heifer International Foundation Representation</b> Miller Davis, Chair <i>Westminster, Md.</i>
	<b>Mid-Atlantic</b> Ronald H. McLean <i>Chesapeake, Va.</i>	James Howell, Vice Chair <i>Honolulu, HI.</i>

**OFFICERS**

<b>Jim DeVries</b> <i>Secretary and Senior VP of Programs</i>	<b>Jo Luck</b> <i>President and CEO</i>	<b>James Neal</b> <i>Treasurer and Chief Financial Officer</i>
<b>Stephen A. Mondora</b> <i>Chair</i>	<b>Tom Peterson</b> <i>Assistant Secretary</i>	<b>C. Douglas Smith</b> <i>Vice Chair</i>
	<i>Senior VP of Communications and Marketing</i>	

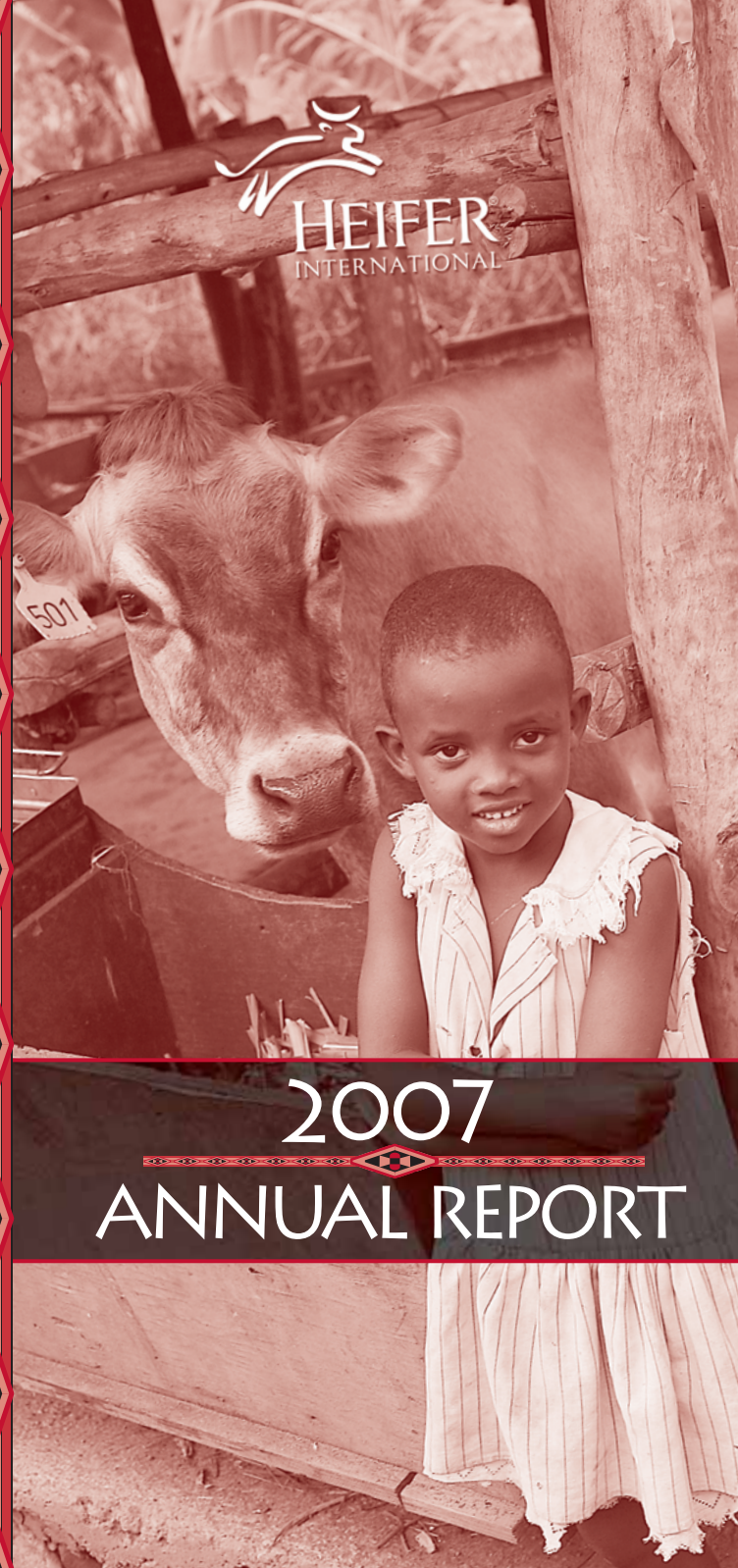
The mission of Heifer International is to work with communities to end hunger and poverty and care for the earth. Since 1944, Heifer has helped 9.2 million families in more than 125 countries move toward greater self-reliance through the gifts of livestock and training in environmentally sound agriculture. The impact of each initial gift is multiplied as recipients agree to "pass on the gift" by giving one or more of their animal's offspring, or the equivalent, to another in need.

**Where does my gift go?**

To help the greatest number of families move toward self-reliance, Heifer does not use its limited resources to track gift animals from donation to distribution. Instead, your gift supports the entire Heifer Mission. We use your gift where it can do the most good by combining it with the gifts of others to help transform entire communities. Heifer's unique community development model assisted 130,041 families last year with gifts of animals, training and passing on the gift. In addition, 191,161 more families received special training in sustainable farming techniques and 367,029 received other benefits, bringing the total number of families assisted by Heifer to 688,231. (Source: Board Ends Report.) Heifer also educated the general public about world hunger, poverty and the environment and promoted ways for each individual to make a difference.

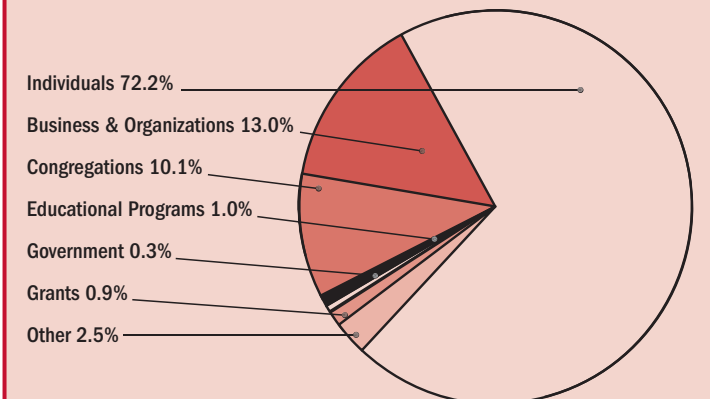


**Heifer Project International**  
1 World Avenue | Little Rock, AR 72202  
(800) 422-0474 | www.heifer.org



**2007  
ANNUAL REPORT**

**FY 2007 INCOME—\$108,405,452\***



\*\$118,263,507 total revenue less \$9,858,055 change in interest in net assets of HIF

Heifer International is qualified as a charitable organization under Section 501(c)(3) of the Internal Revenue Code. Contributions to Heifer International are tax-deductible to the extent permitted by law.

**STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2007**

ASSETS	
Cash and equivalents	\$38,612,877
Accounts and interest receivable	\$57,502
Grant reimbursement receivable	\$190,275
Prepaid expenses and other	\$647,589
Contributions receivable	\$1,816,116
Interest in net assets of Heifer International Foundation	\$50,392,470
Property and equipment, net of accumulated depreciation	\$40,004,108
<b>Total assets</b>	<b>\$131,720,937</b>
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<b>\$131,720,937</b>	
LIABILITIES	
Accounts payable	\$1,745,823
Accrued expenses	\$4,660,269
Refundable advances	\$269,724
Long-term debt	\$9,169,540
<b>Total liabilities</b>	<b>\$15,845,356</b>
NET ASSETS	
Unrestricted	\$48,914,191
Temporarily restricted	\$25,075,918
Permanently restricted	\$41,885,472
<b>Total net assets</b>	<b>\$115,875,581</b>
<b>Total liabilities and net assets</b>	
<b>\$131,720,937</b>	

Heifer International Foundation (HIF) and Heifer International are financially interrelated entities, and Statement No. 136 of the Financial Accounting Standards Board requires that Heifer International's financial statements include its interest in the net assets of HIF. As of June 30, 2007, Heifer International's interest in the net assets of HIF was \$50,392,470.

# Measuring Our Progress



In 2005, Heifer International began a five-year cycle of evaluations to measure the impact of our programs on participants and their communities. These evaluations are expanded to different countries every year and show the extent to which Heifer's work is changing lives, while illuminating ways to improve our approach.

The goal is to ensure the efforts and donations of Heifer staff, volunteers and supporters are used as productively as possible to further the mission of ending hunger and poverty and caring for the Earth.

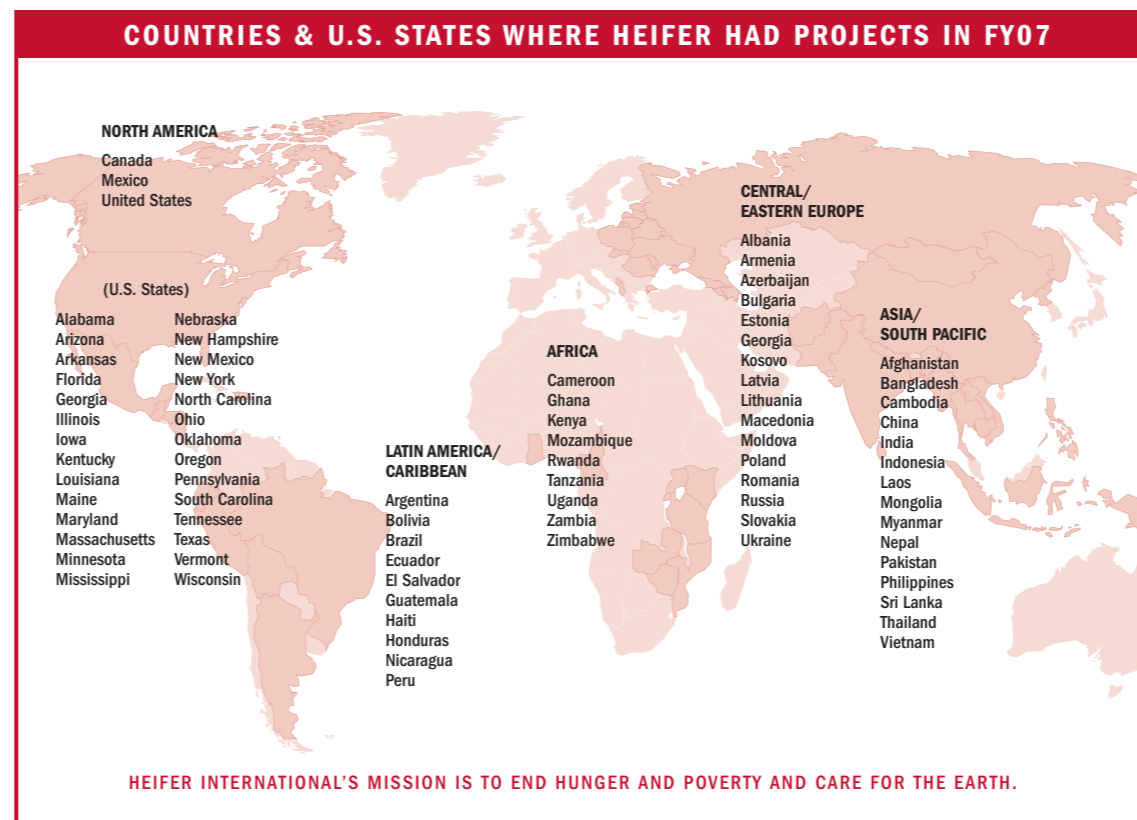
Researchers from the Evaluation Center of Western Michigan University have studied Heifer project

sites in Albania, Cameroon, China, Kenya, Peru, Nepal, Tanzania, Thailand and the United States. The results offer inspiring proof that Heifer's efforts are working well.

After visiting projects in Albania, Nepal and Thailand, researchers gave a glowing report. "Very substantial benefits are demonstrable by the strong improvements in meeting basic needs through food and economic security at all sites," they reported at the conclusion of their study.

In the 2006 assessment, the Evaluation Center developed the "Heifer Hoofprint Model" as an evaluation tool for Heifer's work. The Hoofprint Model outlines three levels of impact: above the ground (beyond the project site), on the ground (on the material circumstances of recipients) and below the ground (on their values and attitudes).

This model will be employed in all site evaluations to measure the scope of impact, chronicle best practices and make recommendations for strengthening Heifer's overall program.



## Journey to Jakiri

In June 2007, Justine Takhar proudly received her diploma from the National Veterinary School in Jakiri, Cameroon. At first glance, the thin sheet of paper does not seem like much. But for Justine, it is the culmination of a string of victories since she became a Heifer International project participant.

Originally from Ngomgham, the capital of Cameroon's northwestern Bamenda province, Justine's journey to Jakiri was paved with hard work and determination. Her childhood was cut short at age 15 when she was married off because her father could no longer afford her education. Years later, Justine found herself alone in rearing five sons as her husband worked 180 miles away in Yaounde. Failed attempts at subsistence agriculture and pig-raising prompted her to seek support.

Justine rallied women in her community to form the Musang Women Animal Farming Group and eventually a partnership with Heifer. After a series of trainings on pig husbandry and sustainable agriculture, she transformed her Heifer animal into an annual production of 40 piglets. Manure composting tripled the output of her small garden, yielding maize, beans, tomatoes, lettuce and cocoyam. She also began raising chickens. For the first time, her family ate protein daily and had a variety of vegetables all year.



After receiving piglets and training from Heifer International, Justine Takhar was able to feed her family and realize her dream of returning to veterinary school and earning her diploma (inset).

The benefits for her family and community are countless. The family's health improved. All five sons are now in secondary school. Her annual income increased from US\$65 to US\$2,000. And after "passing on the gift," she has never stopped. A community mentor, she has facilitated the formation of three other farming groups and become a Heifer-trained village animal health worker. She has also shared 28 piglets with other needy families and provides manure to fertilize the gardens of 30 farm families every season.

In 2003, she realized her dream of returning to school. "I decided to finalize what Heifer Cameroon started in my life. And while in school I sat in the same class with advanced degree holders, but none could measure up, thanks to everything Heifer taught me."

*Heifer had 867 active projects in 53 countries and 28 U.S. states in fiscal year 2007.*

### MORE THAN JUST ANIMALS

Heifer International is a nonprofit, humanitarian organization dedicated to ending world hunger and poverty and caring for the earth. We pursue this mission by providing livestock, trees, seeds and other resources to help struggling families build sustainable futures. These are not merely one-time gifts. Heifer project participants receive training and support to enable them to achieve self-sufficiency. Recipients agree to "pass on the gift" of one or more of their

animal's offspring and training to others in need, multiplying the impact of the initial gift. Since 1944, this commonsense approach has allowed Heifer International to partner with 9.2 million families in 125 countries around the world to improve their quality of life.

### CARING FOR THE EARTH

Heifer's World Headquarters building in Little Rock, Arkansas, has been awarded a Platinum LEED® (Leadership in Energy and Environmental Design) certification rating

by the U.S. Green Building Council. The innovative green design reflects Heifer's dedication to sustainability as a core element of our mission. The building also serves as a valuable resource for teaching and learning, further increasing Heifer's impact in the local community and the world.

### MURPHY KELLER EDUCATION CENTER

In April 2007, Heifer International broke ground on the Murphy Keller Education Center at the campus of the international

headquarters in Little Rock, Arkansas. When completed in 2009, the new facility will be an interactive and dynamic learning center where people can discover why hunger, poverty and environmental degradation exist in the world, and learn about simple, everyday solutions.

### HOPE FOR THE FUTURE

Through the decade-long "Hope for the Future" campaign, Heifer is expanding outreach to directly and indirectly improve the lives of 23 million men, women and

children by 2010. The aim is to reach a greater number of the world's 850 million people facing chronic hunger and undernourishment.

Another focus of Heifer's "Hope for the Future" campaign is to raise public awareness about the root causes of world hunger, poverty and environmental degradation. Through these efforts, Heifer will increase our impact by motivating people to be more responsible global citizens and join the movement to end world hunger.

**To learn more about Heifer International and our Hope for the Future Campaign, please visit [www.heifer.org](http://www.heifer.org)**