



# READER'S GUIDE TO THE FORM 990

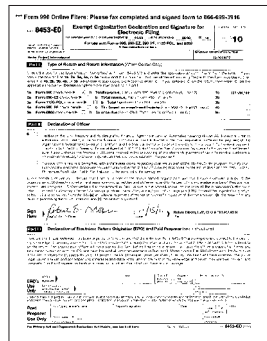
## I. INTRODUCTION

The annual Form 990 is a public document that provides useful information for the IRS and the public so they may evaluate nonprofits and how they operate. The IRS uses it to assess exempt status and other activities, finances, governance, compensation paid to certain persons and compliance with certain federal tax filings. Heifer Project International posts this form for download on the website, [www.heifer.org](http://www.heifer.org).

Heifer Project International collaborates with other legally separate entities (LSEs) that are excluded from financial consolidation and the Form 990. Under agreement, some of the legally separate entities carry the Heifer name and all are involved in either project implementation using a shared Heifer Model, funding of Heifer projects, and in some cases, both. Some of the legally separate entities include Stichting Heifer Nederland, Heifer International Hong Kong Limited, Heifer International Canada, Heifer Slovakia, Fundacion Heifer Ecuador, Heifer International Foundation and Heifer Project South Africa. Although not reflected in the Form 990 these LSEs contribute greatly to the numbers of families being assisted and the resulting impacts.

We hope that this Reader's Guide will help you gain a better understanding of the key information contained in the Form 990. To help you do this, we have provided information on significant pieces of information by topic found in the Form 990 as well as charts that show key data.

For more information on how Heifer Project International has helped 15.5 million families in more than 125 countries move toward greater self-reliance download the 2011 Annual Report on the website referenced above or the links below.



► **IRS FORM 990**



► **2011 ANNUAL REPORT**

## II. KEY DATA POINTS FOR THE 2010 FORM 990 FOR HEIFER PROJECT INTERNATIONAL

TOPIC	2010	FORM 990 REFERENCE	COMMENTS
Grants and other assistance in the U.S.	\$1.419 Million	Page 10, Part IX, Line 1	Heifer distributed over \$1.4 million in fiscal 2011 from contributions and temporarily restricted funds to projects in the United States.
Grants and other assistance outside the U.S.	\$59.545 Million	Page 10, Part IX, Line 3	Heifer distributed over \$59.4 million in fiscal 2011 from contributions and temporarily restricted funds to projects outside of the United States.
Compensation of Officers, Directors, and Highest Compensated Employees	\$1.833 Million	Page 8, Part VII, Line 1d, column (D)	Part VII provides a listing of compensation and benefits paid to officers and highest compensated employees. The directors receive no compensation.
Contributions and Grants	\$124.773 Million	Page 1, Line 8, Current Year	Contributions and grants increased from prior year primarily due to Bill & Melinda Gates Foundation grant.
Interest in Net Assets of Heifer International Foundation	\$57.911 Million	Page 11, Part X, Line 15, column (B)	Heifer Project International and Heifer International Foundation are legally separate entities but financially interrelated.

**At the top of page 1 of the Form 990 basic facts about Heifer Project International are reported.**

Line C, E and J provides name, address and phone number:

**Heifer Project International  
(Heifer International)  
1 World Avenue  
Little Rock, AR 72202  
(501) 907-2600**

Line F reports that Pierre Ferrari is the principal officer who has responsibility for implementing the decisions of the organization's governing body [Board].

Line A reports that this form includes information for fiscal year beginning 1 July 2010 and ending 30 June 2011.

Line K states that Heifer International is a corporation formed in 1953 and currently residing in Arkansas. The general corporate history is as follows:

**Indiana**

Heifer Project, Inc. was a not-for-profit corporation formed in Indiana on April 15, 1953. Heifer Project, Inc.'s Articles of Incorporation were amended on April 12, 1976, changing its name from Heifer Project, Inc. to Heifer Project International, Inc. This name change was recognized in Arkansas via a filing made with the Arkansas Department of State on April 26, 1976.

**Arkansas**

HPI, Incorporated was a not-for-profit corporation formed in Arkansas on April 24, 1997.

**Merger**

Heifer Project International, Inc., the Indiana not-for-profit corporation, merged with HPI, Incorporated, the Arkansas not-for-profit corporation, on April 29, 1997. The surviving entity was the Arkansas not-for-profit corporation, which changed its name in its Articles of Merger from HPI, Incorporated to Heifer Project International. Heifer Project International registered to use the fictitious name of Heifer International in Arkansas on October 2, 2001.

**Part 1 on page 1 is a summary of information found elsewhere in the Form 990 to give the reader a snapshot of the filer, in this case, Heifer International.**

Line 12 reports total revenue of \$127.6 million while line 18 reports total expenses of \$117.6 million. This provides an excess of revenue over expenses of \$10.0 million. Please note that Heifer International received the fourth installment, \$8.6 million, of the Bill & Melinda Gates Foundation grant restricted for the East Africa Dairy Development project on 30 June 2011, explaining the majority of the excess.

**Page 2 provides a description of Heifer International's mission, the three largest programs used to accomplish the mission and how much we spent on them.**

**HEIFER INTERNATIONAL'S MISSION IS TO WORK WITH COMMUNITIES TO END HUNGER AND POVERTY AND CARE FOR THE EARTH.**

<p><b>Food:</b> Heifer provides gifts of food and income-producing livestock, as well as education and information about their care and feeding, to families and communities in need so that they may become self-reliant and establish sustainable livelihoods with enhanced access to food and income. Heifer works in partnership with local organizations and each family is expected to Pass on the Gift of livestock and knowledge through the gift of the first female offspring and training to another family in need, multiplying the gift and thus benefiting entire communities.</p>	<p>\$70.7 Million</p>
<p><b>Education:</b> Heifer works to educate people of all ages in the United States and elsewhere around the world about the root causes, the contributors to and the challenges of global hunger and poverty, and to teach them how to become part of the solution. Heifer learning centers empower people to experience, through learning, what it feels like to be poor and hungry and provide programs and lessons that inspire them to take some action toward ending hunger and poverty.</p>	<p>\$14.4 Million</p>
<p><b>Agroecology:</b> Heifer provides gifts of seeds, grains and trees and teaches farmers and families geographically appropriate and resource-sound agricultural practices that enhance and increase crop productivity and are good for the environment. Heifer works with local organizations to increase farmers' access to markets to improve economic benefit and increase personal gain from what they grow. This allows farmers to enhance food security and sovereignty, increase local food options and availability and provide safe and affordable locally grown foods. Heifer's work is guided in its approach by its 12 Cornerstones, including Passing on the Gift, accountability, sharing and caring, gender and family focus, genuine need and justice and full participation. All contribute to Heifer's values-based and holistic approach to giving people a hand up, not a hand out to a better, richer life.</p>	<p>\$1.1 Million</p>

**Page 6 of the Form 990 provides information on the governance of Heifer International. This includes sections on the governing body, management and policies.**

Part VI, Section A states that Heifer International has 19 independent board members who do not have family or business relationships with each other or any other officer or key employee of the organization. It also states that all meetings are documented.

Also in Section A Heifer International states that it made a significant change to its governing document since the last 990 was filed. The change involves membership on the board of directors and is as follows:

Resolved to modify Bylaw, Article III, Board of Directors: Section 3.2 Membership of the Board of Directors, as follows: The Board of Directors shall include: A. Five (5) Covenant Agency Directors; one appointed by the Church of the Brethren, and four appointed by the Covenant Agency Committee; and B. Seven (7) At-Large Directors who shall hold board specific skill sets; and C. Five (5) At-Large Directors one of whom shall reside in each of the following international program areas of the corporation: Africa, Latin America/Caribbean, Asia/South Pacific, North America, and Central Eastern Europe, and D. The Chair and Vice-Chair of Heifer International Foundation.

**Page 7, 7-2 and 8 provide the reader with information regarding Heifer International Board Members, Officers and highest compensated employees and their respective total reportable compensation. As evident on these pages we do not compensate our board of directors. Further information on select officers is provided in schedule J towards the end of the Form 990.**

**Page 9 of Form 990 tells the reader how much revenue Heifer International received and from what sources. The majority of revenue continues to come from Individual donors, businesses and institutions.**

**The Statement of Functional Expenses on page 10 provides information on Heifer International spending.**

Part IX, Line 25 provides the total functional expenses of \$117.6 million. This includes \$86.1 million Program Service expenses, \$7.6 million Management and General Expenses and \$23.8 million Fundraising Expenses.

Line 1 indicates Heifer International expended \$1.5 million on grants and other assistance in the United States.

Line 3 indicates Heifer International expended \$59.5 million on grants and other assistance outside the United States.

Lines 5 -10 report on total compensation in the United States. Total compensation in the U.S. was \$20.2 million.

Line 26 reports joint costs. These expenses are fundraising solicitations that include program related educational material. Please note that these expenses are included in expenses above line 25, Part IX, Page 10.

**The Balance Sheet on page 11 of Form 990 helps assess Heifer International's ability to meet future financial obligations.**

Line 16 reports total assets of \$180.1 million and line 26 reports liabilities of \$23.5 million. Heifer ended the year with \$65.5 million in unrestricted assets. However, it must be noted that \$57.5 million of the unrestricted assets is attributable to property and equipment, net of accumulated depreciation and, therefore, is not readily available for operations.

### III. OTHER WAYS TO LEARN ABOUT HEIFER AND OUR WORK.

- ▶ **DOCUMENTS**
- ▶ **VOLUNTEER NETWORK (CVC)**
- ▶ **LEARNING CENTERS**
- ▶ **FACEBOOK**
- ▶ **TWITTER**
- ▶ **YOU-TUBE**
- ▶ **BLOG**
- ▶ **FLICKR**
- ▶ **SCRIBD**
- ▶ **VIMEO**
- ▶ **GOOGLE+**
- ▶ **LINKEDIN**