

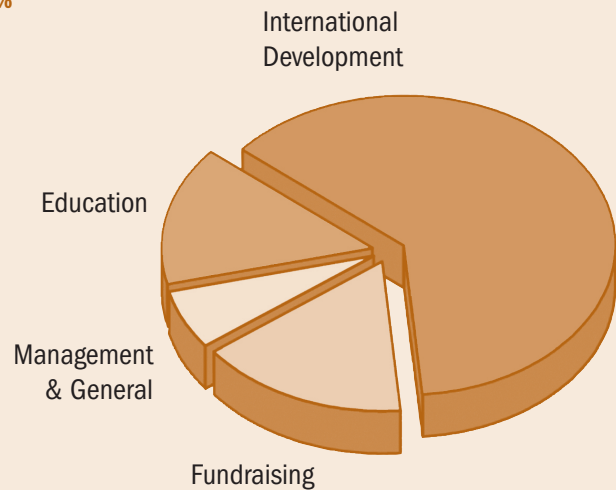
**STATEMENT OF ACTIVITIES FOR THE  
YEAR ENDED JUNE 30, 2008**

REVENUES, GAINS AND OTHER SUPPORT	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Contributions	\$120,011,481	\$7,950,319		\$127,961,800
Government grants	\$478,280			\$478,280
Educational programs	\$1,075,631			\$1,075,631
Promotional events and material sales, net of cost	\$197,875			\$197,875
Investment return	\$766,658			\$766,658
Other	\$383,022			\$383,022
Change in interest in the net assets of Heifer International Foundation		(\$5,583,098)	\$7,404,024	\$1,820,926
Net assets released from restrictions	\$9,405,897	(\$9,405,897)		
<b>Total revenues, gains and other support</b>	<b>\$132,318,844</b>	<b>(\$7,038,676)</b>	<b>\$7,404,024</b>	<b>\$132,684,192</b>
<b>EXPENSES AND LOSSES</b>				
Program services	\$87,900,388			\$87,900,388
Fundraising	\$18,205,871			\$18,205,871
Management and general	\$7,278,476			\$7,278,476
<b>Total expenses and losses</b>	<b>\$113,384,735</b>			<b>\$113,384,735</b>
Change in Net Assets	\$18,934,109	(\$7,038,676)	\$7,404,024	\$19,299,457
Net Assets, Beginning of Year	\$48,914,191	\$25,075,918	\$41,885,472	\$115,875,581
Net Assets, End of Year	\$67,848,300	\$18,037,242	\$49,289,496	\$135,175,038

**FY 2008 EXPENSES—\$113,384,735**

**PROGRAMS: 77.5%**  
**ADMINISTRATION: 22.5%**

**Expenses:**  
International  
Development: **62.6%**  
Education: **14.9%**  
Fundraising: **16.1%**  
Management  
& General: **6.4%**



**HEIFER INTERNATIONAL BOARD OF DIRECTORS, FY 2008**

COVENANT AGENCY DIRECTORS	AT-LARGE DIRECTORS— GEOGRAPHICAL	AT-LARGE REPRESENTATIVES, INTERNATIONAL REGIONS
<b>Church of the Brethren</b> Kathleen Campanella New Windsor, Md.	<b>Northeast</b> Don Hammond New York, NY	<b>Africa</b> Florence Asaa Awasom Bamenda, Cameroon
<b>Christian Church</b> C. Douglas Smith Mechanicsville, Va.	<b>Southeast</b> Stephen A. Mondora Ft. Myers, FL	<b>Asia/South Pacific</b> Fu Changxiu Chengdu, Sichuan, China
<b>Evangelical Lutheran Church in America</b> — <b>Global Mission</b> Franklin Ishida Chicago, IL	<b>Midwest</b> Julia Hall Wilson Stillwater, MN	<b>Central Eastern Europe</b> Dr. Ladislav Hetenyi Nitra, Slovakia
<b>United Church of Christ</b> Susan Sanders Cleveland, OH	<b>Northwest</b> Gary Tabasinske Lopez Island, WA	<b>Americas</b> Efrain Diaz Arrivillaga Tegucigalpa, Honduras
<b>Presbyterian Church (U.S.A.) — Presbyterian Hunger Program</b> Andrew Kang Bartlett Louisville, KY	<b>Southwest</b> Arlene Withers Glendale, CA	<b>North America</b> Alejandra Caballero Tlaxco, Tlaxcala Mexico
	<b>Central</b> Charles Stewart Little Rock, AR	<b>Heifer International Foundation Representation</b> Miller Davis, Chair Westminster, MD
	<b>Mid-Atlantic</b> Susan B. Fulton Bethesda, MD	James Howell Honolulu, HI

**OFFICERS**

<b>Jim DeVries</b> Secretary	<b>Jo Luck</b> President and CEO	<b>James Neal</b> Treasurer
<b>Stephen A. Mondora</b> Chair	<b>C. Douglas Smith</b> Vice Chair	<b>Tom Peterson</b> Assistant Secretary

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 10.5 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 animals' 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 individual animals from donation to distribution to specific families. 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 more than 191,000 families last year with gifts of animals, training and passing on the gift. In addition, members of 280,000 more families received special training that included sustainable farming techniques. And another 539,000 families received significant benefits indirectly.



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



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# 2008 ANNUAL REPORT



**STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2008**

<b>ASSETS</b>	
Cash and equivalents	\$50,275,642
Accounts and interest receivable	\$21,081
Grant reimbursement receivable	\$132,717
Prepaid expenses and other	\$1,518,153
Contributions receivable	\$1,745,962
Interest in net assets of Heifer International Foundation	\$50,481,202
Property and equipment, net of accumulated depreciation	\$46,950,215
<b>Total assets</b>	<b>\$151,124,972</b>
<b>Total assets \$151,124,972</b>	
<b>LIABILITIES</b>	
Accounts payable	\$2,101,748
Accrued expenses	\$5,983,205
Refundable advances	\$261,688
Long-term debt	\$7,603,293
<b>Total liabilities</b>	<b>\$15,949,934</b>
<b>NET ASSETS</b>	
Unrestricted	\$67,848,300
Temporarily restricted	\$18,037,242
Permanently restricted	\$49,289,496
<b>Total net assets</b>	<b>\$135,175,038</b>
<b>Total liabilities and net assets</b>	<b>\$151,124,972</b>

In accordance with the requirements of the Financial Accounting Standards Board these financial statements include Heifer International's interest in the net assets of Heifer International Foundation (HIF), a financially interrelated entity. HIF was established to build an endowment to provide ongoing support for the work of Heifer International. As of June 30, 2008, Heifer International's interest in the net assets of HIF was \$50,481,202. These endowment funds are held by HIF and are restricted, with transfers to Heifer International limited to earnings as designated by HIF donors, and further limited to an annual distribution of up to 5.5%.

**FY 2008 INCOME—\$130,863,266\***

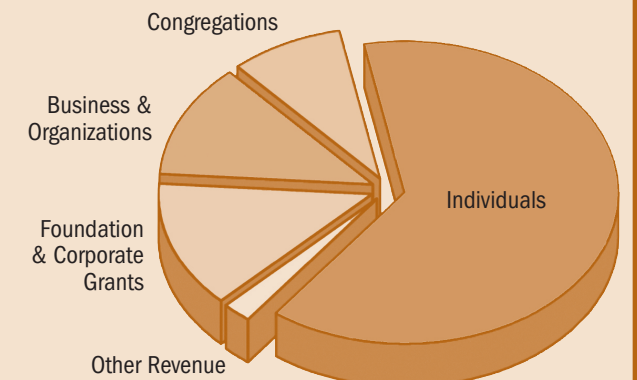
**CONTRIBUTIONS: 97.8%**  
**OTHER REVENUE: 2.2%**

**Contributions:**

Individuals: **63.3%**  
Foundation & Corporate Grants: **13.6%**  
Business & Organizations: **12.3%**  
Congregations: **8.6%**

**Other Revenue:**

Government Support: **0.4%**  
Educational Programs: **0.8%**  
Other: **1.0%**



\*\$132,684,192 total revenue less \$1,820,926 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.

# Progress Toward Our Mission

The mission of Heifer<sup>®</sup> International is to work with communities to end hunger and poverty and care for the Earth. In 2005, Heifer began a five-year cycle of evaluations to measure the impact of our work. The goal is to allow Heifer supporters, staff and volunteers to see that donations are used to change lives productively.

To ensure impartiality, Heifer contracted with the Evaluation Center of Western Michigan University to visit our project sites. Researchers use "The Heifer Impact Model" as an evaluation tool in all site

evaluations to measure the scope of impact on beneficiaries and communities, chronicle best practices and make recommendations for strengthening Heifer's overall program. The Impact Model attempts to look beyond the obvious changes projects bring to families and communities to the material circumstances of recipients on their values and attitudes.

To date, researchers have visited sites in Albania, Cameroon, China, Kenya, Peru, Nepal, Tanzania, Thailand and the United States. In the past year, Cambodia, Ghana, Guatemala, Honduras and Vietnam were added to that list. More than 1,900 people were interviewed and 37 projects seen.

Results from all five countries showed that, as a result of Heifer's efforts, *there is evidence of a strong community spirit; more accountability and transparency; more gender equity... a higher quality of training; improved diets... increased income from the sale of livestock; an improved environment through compost, biogas, reduced deforestation, fuel efficient stoves; and improved livestock care and management.*

*Dorca Selvester (10) feeding a kid goat. Getenga Village, Tarime District, Mara Region, Tanzania.*



*Nicolas Cespedes Ramirez and his wife Maria Benedicta Garcia Cuenca with water barrels outside their home.*

El Morante, Peru, is situated in the country's coastal zone — an exceedingly dry area with light, loose sand that covers every surface with a fine dust and makes farming difficult. The almost total lack of water makes El Morante a very difficult place to earn a living.

Nicolas Cespedes Ramirez and his wife, Maria Benedicta Garcia Cuenca, moved here in 1998. The hardest part for the couple was providing enough water for themselves and their 70 animals. The nearest well was an 8-hour round trip for Nicolas. He would begin walking at 2 a.m. and arrive at the well about 6 a.m. He was only able to carry 800 liters: 200 for people and 600 for their animals.

"We suffered a lot from dehydration because we couldn't get enough water," he said.

The shortage of water worried Nicolas, so in 2000 he began digging a well near his house by hand. According to Nicolas he needed more water for "everyone and everything." He dug roughly 131 feet by himself but didn't hit water.

In 2002, Heifer International

started a project in the community. Nicolas and Maria received ten goats from Heifer, an improved kitchen, and two carts and barrels. They have also received a variety of trainings including: animal husbandry, conservation of the dry forest and beekeeping.

"Through the trainings we received from Heifer I am caring for my animals and protecting the environment," Nicolas said.

Heifer also recognized his determined spirit in building a well and decided to lend a hand. Now the well is at about 279 feet, all dug by hand by community members. The well is now too deep to continue digging by hand, and a machine will dig the remainder of the well.

Although the well is unfinished Nicolas and Maria are not discouraged. Their life continues to get better day by day.

They now have approximately 353 animals: 200 sheep, 100 goats, 20 hens and one rooster, seven pigs, six turkeys, one mule, and nine donkeys. Now, the trip to the well only takes him five hours and he goes every other day. With the cart and barrels, he is also able to bring home more water, a total of 1,400 liters: 200 for people and 1,200 for the animals.

Additionally, the family's income before the project was about \$175 per month from selling goats, but now they are earning about \$700 from selling a variety of animals. "We can have a quieter life because we have a source of income," said Nicolas.

They have saved money and begun to build a house in Piura, where their 5-year-old daughter lives with relatives because the school there is much better and they want her to get the best education possible. "I want to keep working so that my little child can have an education," said Nicolas. "I don't want my child to have to work in the field as I did."

## MORE THAN JUST ANIMALS

Heifer International is a nonprofit, humanitarian organization dedicated to ending world hunger and poverty and caring for the Earth. Heifer currently provides 30 kinds of livestock, trees, seeds and training in environmentally sound agriculture to families to help them build sustainable futures. These are not one-time gifts. Recipients agree to share one or more of their animals' offspring with others in need in what Heifer calls Passing on the Gift<sup>®</sup>, which multiplies

the impact of the original gift. Since 1944, this commonsense approach has allowed Heifer to reach 10.5 million families in 125 countries around the world to improve their quality of life.

## CARING FOR THE EARTH

Caring for the Earth is integral to Heifer's mission, and Heifer has intentionally included environmental components in each project since the early 1990s. This inclusion ensures that the introduction of livestock and trees has

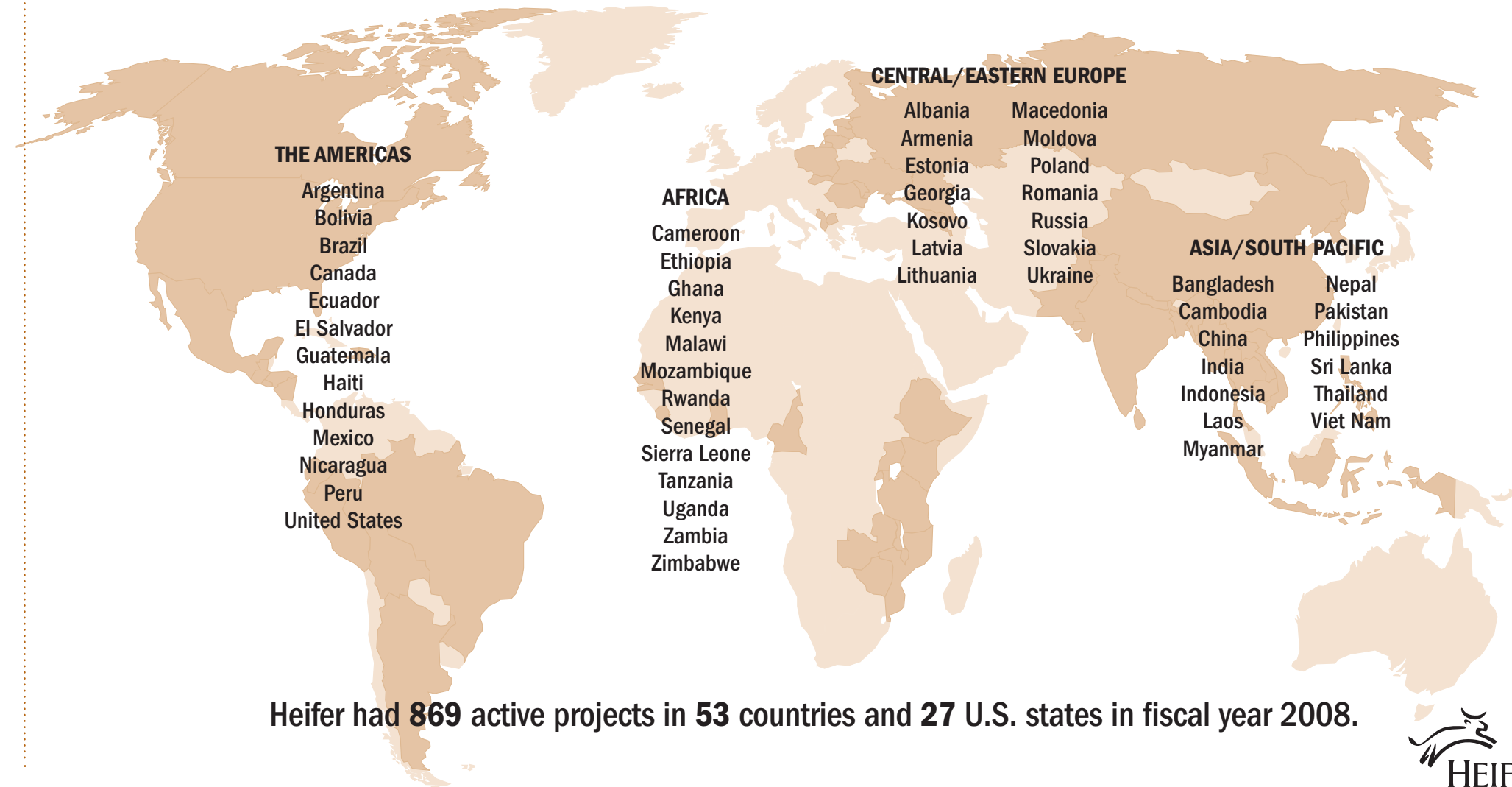
a positive impact on soil erosion, pollution, biodiversity and watershed conditions. Heifer's dedication to sustainability is also reflected in every square foot of our headquarters in Little Rock, Arkansas. In 2008, the Heifer International Center was awarded Platinum Leadership in Energy and Environmental Design certification, the highest honor for environmental responsibility given by the U.S. Green Building Council.

## HEIFER VILLAGE

Heifer's new building scheduled for opening in June 2009 — will be a hands-on global education facility with more than 80 exhibits designed to highlight solutions to hunger and poverty. While education is an integral element to Heifer's success in the field, passing on the gift of knowledge about solutions to hunger and poverty here in the United States has been a focus of our work for decades at our learning centers and global villages.

## Countries & U.S. states where Heifer had projects in FY08

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



Heifer had 869 active projects in 53 countries and 27 U.S. states in fiscal year 2008.

