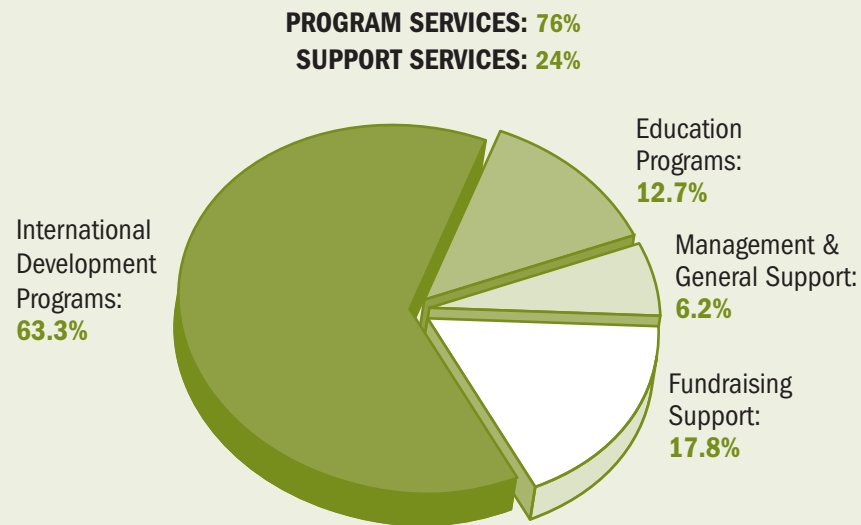


**CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2009**

REVENUES, GAINS AND OTHER SUPPORT				(in thousands) Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Contributions	\$96,399	\$5,120		\$101,519
Federal government grants	313			313
Other grants	230	769		999
Educational programs	1,381			1,381
Promotional events and material sales, net of cost	230			230
Investment return	467			467
Other	1,431			1,431
Change in interest in the net assets of Heifer International Foundation	(10,496)		2,393	(8,103)
Net assets released from restrictions	20,547	(20,547)		
<b>Total revenues, gains and other support</b>	<b>\$110,502</b>	<b>(\$14,658)</b>	<b>\$2,393</b>	<b>\$98,237</b>
<b>EXPENSES AND LOSSES</b>				
Program services	\$95,154			\$95,154
Fundraising	22,281			22,281
Management and general	7,799			7,799
<b>Total expenses and losses</b>	<b>\$125,234</b>			<b>\$125,234</b>
Change in Net Assets, current year	(\$14,732)	(\$14,658)	\$2,393	(\$26,997)
Foreign currency translation adjustment	(1,736)			(1,736)
Net Assets, Beginning of Year	88,335	18,037	49,289	155,661
Prior period adjustment	(10,217)	13,074		2,857
<b>Net Assets, End of Year</b>	<b>\$61,650</b>	<b>\$16,453</b>	<b>\$51,682</b>	<b>\$129,785</b>

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.

**CONSOLIDATED EXPENSES - FISCAL YEAR 2009**



**HEIFER INTERNATIONAL BOARD OF DIRECTORS, FY 2009**

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> Dr. Johnson Nkuue Kampala, Uganda
<b>Christian Church (Disciples of Christ)</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 – Global Mission</b> Franklin Ishida Chicago, IL	<b>Midwest</b> Julia Hall Wilson Stillwater, MN	<b>Central and 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> Ronald H. McLean, Chair Chesapeake, VA
	<b>Mid-Atlantic</b> Susan B. Fulton Bethesda, MD	James Howell, Vice Chair Honolulu, HI

\*NOTE: Partial year only.

**OFFICERS**

<b>Steve Denne</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>Tanya Wright</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 12 million families in more than 125 countries move toward greater self-reliance through the gifts of livestock, plants 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 287,000 families last year with gifts of animals, training and passing on the gift. In addition, members of 423,000 more families received special training that included sustainable farming techniques, and another 812,000 families received significant benefits indirectly.



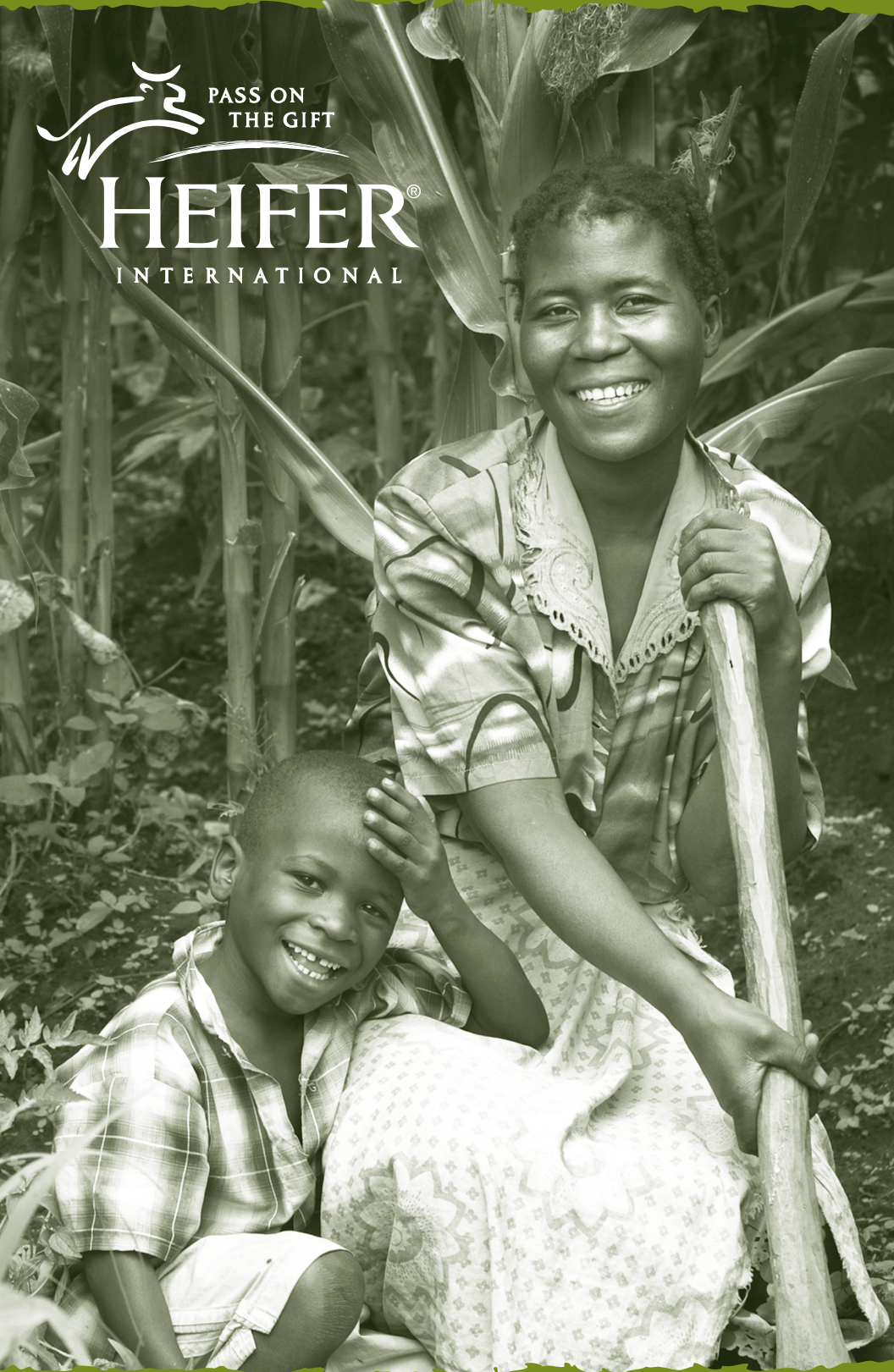
**Heifer International**  
1 World Avenue | Little Rock, AR 72202  
(800) 422-0474 | www.heifer.org



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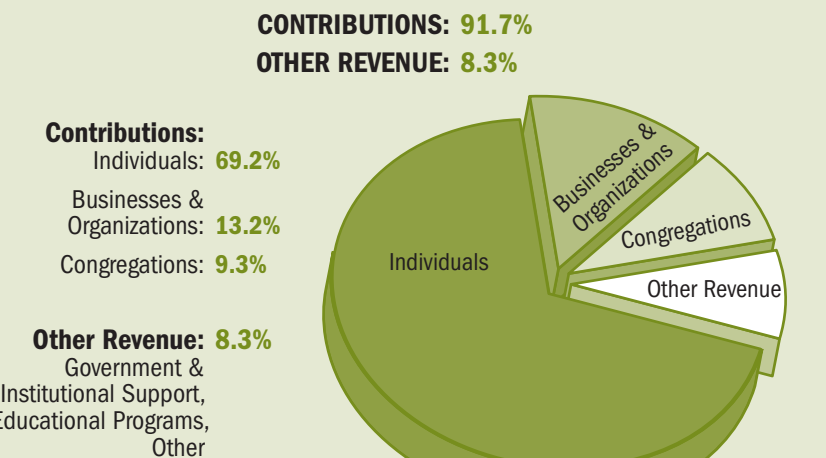
**2009 ANNUAL REPORT**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2009**

ASSETS	(in thousands)
Cash and equivalents	\$38,198
Restricted cash	10,636
Accounts and interest receivable	2,306
Grant reimbursement receivable	217
Prepaid expenses and other	1,909
Investments	1,560
Contributions receivable	397
Interest in net assets of Heifer International Foundation	40,072
Property and equipment, net of accumulated depreciation	62,221
<b>Total assets</b>	<b>\$157,516</b>
<b>LIABILITIES</b>	
Accounts payable	\$3,251
Accrued expenses	4,764
Refundable advances	416
Long-term debt	19,300
<b>Total liabilities</b>	<b>\$27,731</b>
<b>NET ASSETS</b>	
Unrestricted	\$61,650
Temporarily restricted	16,453
Permanently restricted	51,682
<b>Total net assets</b>	<b>\$129,785</b>
<b>Total liabilities and net assets</b>	<b>\$157,516</b>

We are pleased to present Heifer International's 2009 Annual Report in consolidated format. This presentation differs from our annual reports in years past in that it offers a more comprehensive snapshot of Heifer's financial statements. The consolidated financial statements as presented now include the financial position and activities of all Heifer International branch offices. 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, 2009, Heifer International's interest in the net assets of HIF was \$40.1 million, including an \$8.1 million net reduction for the year from unrealized losses in investments held at the Foundation. These endowment funds are held by HIF and are restricted, with transfers to Heifer International limited to earnings as designated by HIF donors, and are further limited to an annual distribution of up to 5.5%.

**CONSOLIDATED REVENUE - FISCAL YEAR 2009**



# The Results are in: Heifer's Model Works

Heifer International® works with communities to end hunger and poverty and care for the Earth. In 2005, Heifer began working with evaluators from Western Michigan University to find out how well our model works to improve the lives of poor families around the world. We have the results, and here is what they said:

"It is beyond doubt that in all 20 of the countries we have examined, Heifer has brought large overall benefits to very large numbers of low-income rural families."

Over five years, the team of evaluators visited more than 139 Heifer projects, talking to 5,000 participants. In nearly every project, the evaluators saw positive changes in diet and income, hope and opportunity, access to health care and medicine, and a chance to build a better life.

The evaluators especially highlighted our work on gender equity as a strength that deserves more attention, because it yields such remarkable results. In some countries where we work, notably in Asia and the South Pacific, men and women rarely share resources and responsibilities. Gender equity is not present in the dominant cultural rules. Our efforts to change this reality often result in women taking on new leadership roles and men taking on household and livestock chores.

In Nepal, the power of Heifer's model to transform the lives of women—and an entire culture traditionally dismissive of their role in society—has never been more apparent. Our work with thousands of Nepalese women began by providing two goats each and simple training in Heifer's 12 Cornerstones. Once timid and lacking hope, these women are now a force of powerful change that is turning back the tide of ignorance, poverty and hunger.

Left: Meena Chaudhary of Belsi, Nepal, with her goats.

Top: Nepalese women's group.



"I was very shy before I joined the group," said Pabrita Chaudhary of Bhandara, in the Chitwan area of Nepal. Her women's group is a young one that has been training on Heifer's Cornerstones and animal practices for just one year. Its members received their goats in July 2009. "I couldn't talk in front of people; I couldn't say 'namaste' and introduce myself. I would shake and was very nervous."

Yet her group members, recognizing her natural talent to lead and encourage others, elected her president. "I now can express my feelings and talk about my rights and what I need and want," she says. "I feel I can do many things now."

In Belsi, many of the women have been working together 10 years since their Heifer training began and nine years since they passed on goats to others to continue the cycle of sustainability. Their profound accomplishments reflect realistic goals and a fierce commitment to Heifer's Cornerstones.

In just 10 years, these women bought back farmland their husbands and fathers had squandered on alcohol and gambling, and they began to save money from their crops and animals. They built a dam to protect their village from floods and a community center for their meetings. They sent their children to school and even college, replaced thatched-roof huts with snug concrete homes. Now they are planning to pool money and ideas from

smaller groups into a larger cooperative that will sell agricultural products they and their neighbors need every day.

Once unable and unwilling to share even a handful of rice with their neighbors, these women sent 1,500 rupees (about \$20) to help tsunami victims in Indonesia and 2,500 rupees (\$34) to those shattered by China's earthquake. "I'm most happy when I give," said Meena Chaudhary of Belsi. "I've found even small efforts can have a large effect, so I feel very happy with myself and my group that now we can do this."

It's empowerment on an individual level that can uplift a neighborhood, a village, and someday perhaps the whole country. This was Dan West's vision for Heifer from its creation.

What's more, the Western Michigan University evaluators found in Nepal that, "This success was automatically multiplied beyond their borders." Heifer projects in neighboring India, inspired by the examples set by these Nepalese women, are applying gender equity principles. Women's groups are beginning to own livestock, earn and save money, and learn to read and write.

"This report... affirms the progress Heifer is making against hunger and poverty; but it reminds us, too, of how far we have yet to go," said Rienzzie Kern, Heifer International's senior director of planning, monitoring and evaluation. "We are excited and optimistic of the changes we can be a part of in the future."

## WHAT IS GENDER EQUITY, AND WHY DOES IT MATTER?

Gender equity, also called gender justice, is the fair sharing of both resources and responsibilities between men and women. Gender equity is women and men owning livestock and land. It is girls and boys having the same access to education and medical care. It is the entire family caring for their animals and crops. In cultures where inequity is persistent, poverty lasts for generations; conversely, communities that embrace gender equity have been found to be more peaceful, educated and successful. Heifer

facilitates equity among beneficiaries through training in the 12 Cornerstones, especially Sharing and Caring, Gender and Family Focus, and Full Participation. By including women in leadership training and decision-making, and by encouraging men to truly partner with their wives, we help them break the cycle of lasting poverty.

## MORE THAN JUST ANIMALS

One of Heifer International's goals is to educate and advocate on behalf of the world's resource-poor and hungry, whose voices so often go unheard. We work with local and global partners to influence

and change policies, systems and practices in ways that improve people's lives. We also provide classroom resources, professional development opportunities for educators, public education campuses and study tours. Our current goal is to inspire at least 1 million individuals by June 2012 to make a meaningful effort to help end hunger and poverty and care for the Earth. Whether by giving time or money or by recycling cans or rebuilding villages, each of us can do our part.

## HEIFER VILLAGE

The grand opening of Heifer Village, Heifer's newest

global education facility, brought more than 5,000 supporters to the Little Rock, Arkansas, campus during the first weekend of June 2009. Heifer Village offers interactive exhibits to educate visitors about solutions to global hunger and poverty, as well as a "Make a Difference Lab," which helps visitors choose future actions they can take. The building boasts a sustainable and environmentally-sensitive design and is adjacent to wetlands that support native Arkansas plant and animal species. Heifer Village serves as an anchor for Heifer International's commitment to education, advocacy and environmental responsibility.

## Countries where Heifer had projects in FY09

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

