A close-up photograph of a young child with dark skin and hair, looking directly at the camera while holding a clear glass filled with white milk. The child is wearing a yellow shirt with a graphic design. The background is softly blurred, suggesting an outdoor setting.

HEIFER INTERNATIONAL  
ANNUAL REPORT 2015

# CLOSING THE POVERTY GAP

  
HEIFER®  
INTERNATIONAL

WE WORK WITH COMMUNITIES TO STRENGTHEN LOCAL ECONOMIES. OUR VALUES-BASED, HOLISTIC COMMUNITY DEVELOPMENT APPROACH FOCUSES ON FIVE KEY AREAS FOR LASTING CHANGE: INCREASE IN INCOME AND ASSETS, FOOD SECURITY AND NUTRITION, THE ENVIRONMENT, WOMEN'S EMPOWERMENT AND SOCIAL CAPITAL.

WOMEN'S EMPOWERMENT



IMPROVED NUTRITION



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**“IN OUR WORK TO END HUNGER AND POVERTY, WE CAN NO LONGER SETTLE FOR SUCCESS BEING DEFINED AS JUST BARELY ABOVE THE EXTREME POVERTY LINE. ANYONE WHO HAS LIVED ON \$1.26 A DAY WILL PROBABLY TELL YOU IT’S NO CAUSE FOR CELEBRATION.”**

—Pierre Ferrari, Heifer International President and CEO

This annual report captures our progress, successes and major milestones for Fiscal Year 2015. I would like to provide you with a glimpse of what is ahead for Heifer International.



We are establishing a defined **Living Income** for every country where we work, allowing us to target and measure what truly constitutes “out of poverty.”



We are researching the impact of **social capital** in our development work. We are engaged in two independent research projects, both of which are randomized control trials, to evaluate the effect of social capital improvements on impact goals such as income, gender equity, nutrition, etc.



In the past year, we have worked for a solution to a burning question: What will the landscape look like for international development organizations over the next 5, 10 or 15 years, and **how can Heifer adapt to fit?** An organization called Reos Partners have led us through several possible scenarios for this future that will enable us to be nimble enough to adjust to the demands of a changing world.



As we are increasingly committed to **value chain development** as an important tool in helping smallholder farmers achieve living incomes, we are implementing a global project, across all of our program areas, called the Farmer Owned Agribusiness project. This project will allow us to develop staff capacity to facilitate the development of viable farmer-owned agribusinesses in project communities.



We are engaged in a **prototype development** project in the Sahel region of Africa using Human-Centered Development techniques.



We thank and look forward to continuing work with our **424,000 donors, 354 volunteers and 801 staff** who made 2015 a successful year.

Heifer International is on the move. Our impact is growing, and your continued support is invaluable. We humbly thank you for it.

Yours for a better world,

*Pierre A. Ferrari*  
Pierre Ferrari

## OUR MISSION

# LEADING US FORWARD



Heifer International's mission is to end hunger and poverty while caring for the Earth. For more than 70 years, we have provided livestock and environmentally sound agricultural training to improve the lives of those who struggle daily for reliable sources of food and income. And we continue to make incredible progress toward that mission in the 30 countries in which we work.

**Over the course of the past year, we have set a refined goal within the context of our original mission: to help 4 million families, within the communities where we work, achieve living incomes by 2020.** This income will allow them to educate all their children; feed themselves adequately every day; and have proper housing, water, hygiene and other essential resources.

We say "living income" because we cannot be satisfied with incremental gains in the lives of the smallholder farmers we're working alongside. The livestock and training and other inputs we give small-scale farming families must help them close the gap between the hunger and poverty they experience when we meet them, and the dignified lives they wish for themselves.

## OUR APPROACH

There are 12 ideas at the heart of every Heifer project that distinguish our approach from other development organizations. We call these ideas the **12 Cornerstones for Just and Sustainable Development** because they are the essential values we apply to our projects that help individuals and whole communities build lives of self-reliance.

Heifer project participants learn these Cornerstones by heart through training and by living them out in practice. The core of these principles is Passing on the Gift®, which allows recipients to become donors, evoking the powerful transformation from gratitude to generosity. Therefore, even when a Heifer project has technically ended, our participants will carry their new knowledge and abilities with them for the rest of their lives.



### PASSING ON THE GIFT

Passing on the Gift is at the heart of our sustainable community development philosophy. Every family who receives an animal, seeds, seedlings, assets or training is committed to pass on one or more of their animal's offspring or other inputs received to another family in need, along with the training and skills that they have acquired. This unique approach creates a ripple effect that transforms lives and communities.



### ACCOUNTABILITY

We provide training in personal leadership and guidelines for planning projects, screening recipients, monitoring progress and conducting self-evaluations. The groups define their own needs and goals and plan appropriate strategies to achieve them. Accountability in the management of group resources and project activities increases the ownership of the achievements by members of the group. Group members are also responsible for documentation and communication of their activities for increased transparency.



### SHARING AND CARING

Sharing and caring is an integral part of our vision for a just world. We believe global problems can be solved if all people are committed to sharing what they have (animals, seeds, information and skills), and caring about others, especially the most vulnerable people. This cornerstone creates solidarity among people, communities and groups.



### FULL PARTICIPATION

Members of the group own the project and have control over all key decisions. We are committed to involving all members in decision-making, working with grassroots groups to develop strong leadership and organization. Full participation ensures ownership and sustainability of the project.



### SUSTAINABILITY AND SELF-RELIANCE

Because we fund projects for a limited time, project groups must devise strategies for their continuity. In our experience, self-reliance is most easily achieved when a group has strong social capital and diverse activities allowing them to access support from various sources and stakeholders in the project area.



### GENDER AND FAMILY FOCUS

Gender refers to the socially-defined roles of women and men in each culture. Heifer encourages women and men to share in decision-making, animal ownership, labor and benefits. We believe gender equity is an important component of social justice. Heifer makes a deliberate effort to ensure that men, women, boys and girls have equitable access to project's inputs and services, and we empower women to take leadership roles.



### IMPROVED ANIMAL MANAGEMENT

Improved animal management is a pre-condition for increased production, productivity and efficiency. We build capacities of smallholder farmers in improved livestock management beyond subsistence level to enterprise level. Access to health and breeding services are improved by training community facilitators such as community animal health workers and artificial insemination technicians. This concept of improved management of resources applies to other enterprises as well.



### GENUINE NEED AND JUSTICE

Social and economic injustice lead to marginalization and exclusion. We partner with marginalized communities and like-minded organizations to fight the root causes of injustice. Projects focus on the communities with most need regardless of their social, economic or religious background.



### TRAINING AND EDUCATION

Training and education empowers people to determine their own training needs, manage projects and interact with their environment. Training includes formal sessions in technical areas like livestock husbandry, environmental conservation, nutrition and marketing, as well as informal farm visits, passing on the gift of knowledge and skills, peer-to-peer learning and demonstrations.



### IMPROVING THE ENVIRONMENT

Improved environment through sound conservation practices is key to sustain development gains. Our programs and projects adopt agroecological farming practices, promote natural resource management and adapt to climate change, contributing to resilient livelihoods.



### NUTRITION AND INCOME

Our projects are designed so the interventions contribute to improved household income and nutrition. Livestock products such as eggs, meat and milk provide protein and nutrients essential for growth and development. Kitchen gardens provide families with fresh, nutritious vegetables. We build capacity of farmer groups and link them to lucrative markets, which offer fair and competitive prices for their produce.



### SPIRITUALITY

Spirituality is a process of personal transformation that helps grow a person from a state of "self-centeredness" to a higher state of "altruism" regardless of their religion or beliefs. It is expressed in people's values and sense of connectedness with one another. Spirituality creates a strong bond among group members giving them faith, hope and a sense of responsibility to work together for a better future.

# OUR WORK

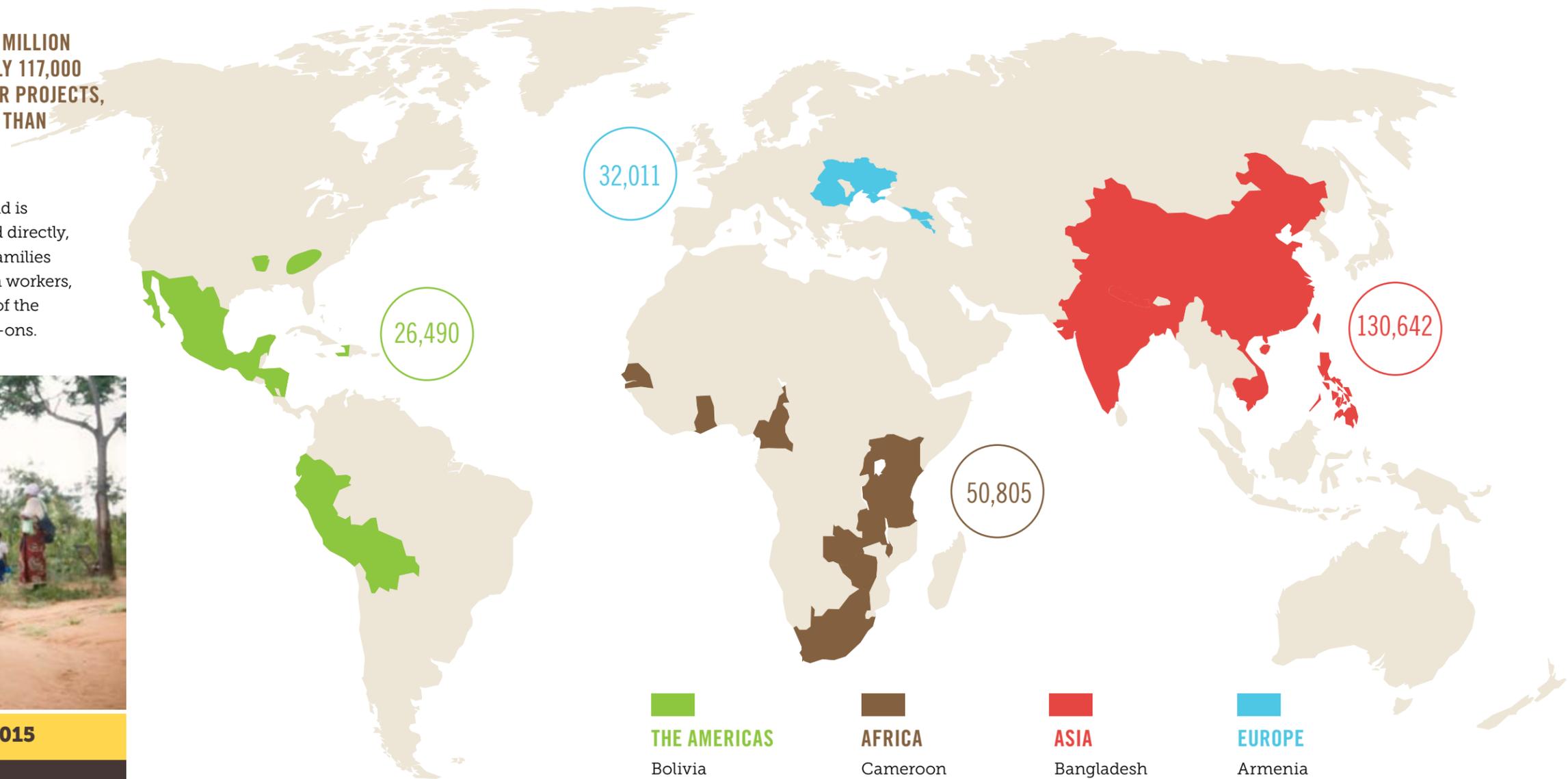
IN FISCAL YEAR 2015, WE ASSISTED MORE THAN 3 MILLION FAMILIES EITHER DIRECTLY OR INDIRECTLY. NEARLY 117,000 FAMILIES WERE REGISTERED PARTICIPANTS IN OUR PROJECTS, AND PARTICIPANTS PASSED ON THE GIFT TO MORE THAN 123,000 FAMILIES.

Indirect assistance has been monitored since 2003 and is based on research that shows for every family assisted directly, 12 families are assisted indirectly. Indirectly assisted families receive other benefits like services from animal health workers, trainings of farmers by other farmers, continued use of the values-based model and multiple generations of pass-ons.



## Registered Heifer Families Fiscal Year 2015

	Original	Passing On the Gift	Total
<b>Africa</b>	34,701	16,104	50,805
<b>Americas</b>	16,747	9,743	26,490
<b>Asia</b>	52,143	78,499	130,642
<b>Europe</b>	13,093	18,918	32,011
<b>Total</b>	116,684	123,264	239,948



### THE AMERICAS

- Bolivia
- Ecuador
- Guatemala
- Haiti
- Honduras
- Mexico
- Nicaragua
- Peru
- United States

### AFRICA

- Cameroon
- Ghana
- Kenya
- Malawi
- Rwanda
- Senegal
- South Africa
- Tanzania
- Uganda
- Zambia
- Zimbabwe

### ASIA

- Bangladesh
- Cambodia
- China
- India
- Nepal
- Philippines
- Vietnam

### EUROPE

- Armenia
- Georgia
- Romania
- Ukraine

\* Map represents FY15 countries.



# NEPAL

## THOUSANDS OF FAMILIES REBUILDING IN WAKE OF DEVASTATING EARTHQUAKES

The initial 7.8 magnitude earthquake on April 25, 2015, and a second large earthquake on May 12, 2015, affected 17 of the 32 districts where Heifer Nepal works. A damage assessment reported that 108 people had been killed in Heifer project communities, thousands of homes were destroyed or damaged and at least 3,100 livestock died.

In response to the mega earthquake and its aftershocks, Heifer Nepal, in coordination with Nepal's District Disaster Relief Committees (DDRCs), provided relief support to more than 22,000 earthquake victims in 13 districts. Heifer provided temporary housing materials including tents, tarps and foam mattress rolls, as well as ropes and other supplies.

In May 2015, earthquake relief efforts in Nepal began giving way to activities focused on recovery and rehabilitation projects. These efforts are providing our participants with more stable shelters where they can securely store belongings, including grains and other foodstuffs, and also escape heavy monsoon rains.

Because of the wide range of needs, Heifer Nepal has established a revolving fund for



communities in six districts that saw the worst damage. This approach will allow the communities to identify the most immediate needs and make joint decisions about how to best distribute funds.

The revolving fund will support pre-approved activities that were co-created by Heifer and the community. The fund is interest-free for three years. Participants will begin to pay back the funds 24 months after the initial period, and all money will stay in the community to provide continuous support in the future. Cash flow in the communities will help boost the local economies as well.

**In all of our work, we aim to help people establish lasting livelihoods rather than only immediate relief.** To that end, our disaster relief efforts include rehabilitating our participants' long-term sources of income and support in addition to short-term needs so that they might not only recover, but come back stronger than ever in the wake of disaster.

Building a strong social fabric has long been a focus of Heifer's work. When a community works well together and families look out for each other, they are better able to recover from disasters like earthquakes and typhoons.

**ACCORDING TO HEIFER INTERNATIONAL GLOBAL IMPACT MONITORING DATA, TRUST AMONG COMMUNITY MEMBERS AND PARTICIPATION IN COMMUNITY GROUPS HAVE BOTH INCREASED IN THE POPULATIONS SAMPLED.**



### Trust Among Community Members

Group 1  
Data not available

Group 2



57.71%

Baseline



84.56%

After One Year

### Participation in Community Groups

Group 1



63.04%

Baseline



91.25%

After Two Years

Group 2



75.40%

Baseline



91.24%

After One Year

# GUATEMALA CARDAMOM

Late in the morning, Miguel Xo Pop leaves his home in the Sierra de las Minas mountain range, on his way to a melon farm across the country. There, he will earn 45 *quetzales* (\$5.89) for an 8-hour day, despite the fact that the Guatemala minimum wage is 75 *quetzales* (\$9.82).

Back in the mountains, Xo farms his own plot. Everyone in the mountains depends on two crops, cardamom and coffee. In recent years, insects called thrips have cut cardamom prices in half, and coffee rust fungus has reduced coffee income to nothing. Even with healthy cardamom, small-scale farmers struggle, selling to middlemen for only a fraction of the commodity's high value.

So three times annually, Xo spends a month working away from his wife and five kids to supplement their meager income. "It's hard to leave them because I don't know if they will be able to eat," Xo said. "It happens every time."

Recently, Xo has joined a Heifer Guatemala project that will help him improve his cardamom harvests while diversifying his farm.

The approach to get rid of thrips starts simply, with a yellow plastic glue trap. As it turns out, the insects are attracted to certain colors—yellow especially. Combine that with a biopesticide, derived from natural materials, and harvests are increasingly more productive.

Another aspect of the project is finding supplemental income sources. One of the first products introduced was honey. Although



families in the Sierra de las Minas don't traditionally consume honey, they can sell it for about 66 *quetzales*, (\$8.50) per liter in the towns below.

One of the biggest challenges, set for later stages of the project, is connecting farmers directly with domestic and potentially international buyers so families don't have to succumb to the prices set by *coyote*, or middleman, monopolies.

According to Heifer Guatemala's research, families in rural parts of the country need \$4,174.80 annually to cover basic needs; however, most cardamom farming families only earn about one-fourth that. **Heifer Guatemala's goal is to bridge that gap and then some—helping families move themselves into resiliency.**

After working on the melon farm, Xo will return with cash in his pocket to pay some of his family's expenses. But he will also return to a farm that shows more promise every month. It's his hope that the improvements will be the beginning of the end of his trips away from his family.



HELPING FAMILIES INCREASE THEIR INCOMES IS A KEY STRATEGY HEIFER EMPLOYS TO END HUNGER AND POVERTY. ACCORDING TO OUR GLOBAL IMPACT MONITORING REPORT, FAMILIES SURVEYED HAVE SEEN INCREASES IN INCOME.

## Average Monthly Increase Per Family



Baseline After Two Years



Baseline After One Year

## Per Capita Daily Income



Baseline After Two Years



Baseline After One Year

# LEADERSHIP



**Pierre Ferrari**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER



**Cindy Jones-Nyland**  
CHIEF MARKETING OFFICER



**Bob Bloom**  
CHIEF FINANCIAL OFFICER



**Hilary Haddigan**  
CHIEF OF MISSION EFFECTIVENESS



**Mahendra Lohani**  
SENIOR VICE PRESIDENT FOR PROGRAMS



**Oscar Castaneda**  
VICE PRESIDENT FOR THE AMERICAS PROGRAM



**Rene Rockwell**  
BOARD LIAISON AND EXECUTIVE OFFICE DIRECTOR

Our Board of Directors is comprised of 19 members:

Three covenant agency directors, representing various faith-based groups; 14 at-large directors, holding board-specific skill sets; and the Chair and Vice-Chair of Heifer International Foundation's Board of Trustees. At least one director resides in each of the program areas where Heifer carries out our work.



**Norman Doll**  
CHAIR, HEIFER INTERNATIONAL FOUNDATION



**Nicholas Hutter**  
AT-LARGE DIRECTOR



**Eduardo Stein Barillas**  
AT-LARGE DIRECTOR

# BOARD MEMBERS



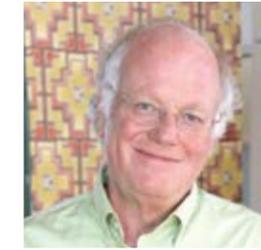
**Arlene Withers**  
CHAIR, AT-LARGE DIRECTOR



**Susan Grant**  
VICE CHAIR, AT-LARGE DIRECTOR



**Francine Anthony**  
AT-LARGE DIRECTOR



**Ben Cohen**  
AT-LARGE DIRECTOR



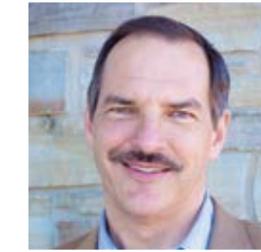
**Dr. Sandra A. Godden**  
AT-LARGE DIRECTOR



**George Petty**  
VICE CHAIR, HEIFER INTERNATIONAL FOUNDATION



**Jay Wittmeyer**  
COVENANT AGENCY, CHURCH OF THE BRETHREN



**Pete Kappelman**  
AT-LARGE DIRECTOR



**Jerry Jones**  
AT-LARGE DIRECTOR



**Andrew Kang Bartlett**  
COVENANT AGENCY, PRESBYTERIAN HUNGER PROGRAM



**Esther Cohen**  
COVENANT AGENCY, EPISCOPAL RELIEF AND DEVELOPMENT



**Ashley Stone**  
AT-LARGE DIRECTOR



**Doug Galen**  
AT-LARGE DIRECTOR



**Carolyn House Stewart**  
AT-LARGE DIRECTOR



**Josephine Oguta**  
AT-LARGE DIRECTOR



**Steven Yung**  
AT-LARGE DIRECTOR

# OUR PARTNERS

## FOUNDATIONS

### BILL & MELINDA GATES foundation

Guided by the belief that every life has equal value, the **Bill & Melinda Gates Foundation** works to help all people lead healthy, productive lives. Heifer International is the lead partner for the East Africa Dairy Development (EADD) program, which is designed to boost the milk yields and incomes of small-scale farmers in Africa so they can lift their communities out of hunger and poverty. With help from a \$25.5 million grant, the second phase of EADD will work with 136,000 farmers to improve dairy production and access to markets by 2018.



**Silicon Valley Community Foundation (SVCF)** advances innovative philanthropic solutions to challenging problems, engaging donors to make our region and world a better place for all. The SVCF supports a wide variety of Heifer projects across the globe from East African dairy farmers, to women entrepreneurs in Nepal, to coffee growers in Mexico. We are grateful for the Foundation's donor advised investments that help Heifer farmers thrive and prosper.

The **Margaret A. Cargill Foundation** supports our work in the Philippines through the Resilience Initiatives through Sustainable Enterprises and Upgrade of Community Preparedness (RISE UP) Project. The RISE UP project goal is to improve the capacity and resiliency of 4,000 families in communities affected by Typhoon Bopha by providing training and resources to reduce risk, improve resilience, and increase family income and food security.



The **W.K. Kellogg Foundation** works with communities to create conditions so all children can realize their full potential in school, work and life. The Foundation supports Heifer in both Mexico and Haiti. The Foundation's support is allowing Heifer Mexico to work with 1,200 families to increase income and improve nutrition through better livestock production and management. In Haiti, the Scale-Up Haiti project will reduce the vulnerability of 5,400 families through sustainable agricultural value chains (including rice, coffee and plantains). The project will also enhance the capacity of families and their communities to manage their own social transformation through leadership development and community planning.



## CORPORATIONS



**Elanco** is a global, innovation-driven company that develops and markets products to improve the health and production of animals in more than 75 countries. Elanco has partnered with Heifer since 2007 to help end hunger and improve food security for thousands of families in Zambia, China and India. In fiscal year 2015, Elanco partnered with Heifer's second phase East Africa Dairy Development Project to help reach 136,000 farmers in Kenya, Tanzania and Uganda, in addition to leveraging the time, talents and capabilities of Elanco employees.

In 2014, Heifer International was awarded a grant of \$750,000 by the **Starbucks Foundation** to help fund the Mbozi Farmer Livelihood

Improvement Project in Tanzania, which will improve livelihoods and quality of life for smallholder coffee growing communities in the East African country. The project will assist at least 5,000 smallholder coffee farmers and their families over a five-year period by providing livestock, solutions to water scarcity, and access to better sanitation and hygiene facilities for their children.



**Keurig Green Mountain, Inc.** (Keurig), is a leader in specialty coffee, coffee makers, teas and other beverages. Keurig has supported Heifer projects since 2002. Heifer and Keurig are committed to empowering individuals and families; helping coffee growers diversify their incomes and improve their diets; helping communities become more self-reliant; and protecting the environment through sustainable, agroecological practices. In fiscal year 2015, Keurig supported Heifer projects in the coffee lands of Guatemala, Honduras, Mexico, Nicaragua and Peru.



**The Doug Jeffords Company**, a Nashville-based spice purveyor, is supporting the efforts of smallholder cardamom farmers in Guatemala through its contributions of 10 cents per sale of every spice blend sold through their J.M. Thomason line of spices. Heifer and the Doug Jeffords Company are committed to empowering smallholder cardamom farmers to diversify their access to markets; improve the quality of their cardamom; and find solutions to the devastating problem of thrips, an insect blighting cardamom spice production in the Latin American country.



**KONG Company LLC.** (KONG) has been delighting dogs and cats worldwide for nearly 40 years. While they are helping pet parents in the home, KONG has had a personal touch in making a difference in the world. This has come to life by being a long-term supporter of Heifer's work.



**Zynga** is a leading developer of the world's most popular social mobile games, including evergreen franchises FarmVille and Words With Friends. Zynga and Heifer International have been partnered since 2013, and since that time Zynga has supported Heifer projects in Malawi, Zimbabwe and the USA through a number of in-game campaigns. Currently, Heifer is featured in an ongoing campaign in FarmVille where players can collect limited-edition items with proceeds benefiting the East Africa Dairy Development Project.

**NOTE:** The corporate partners listed here started new projects or fundraising programs with Heifer in fiscal year 2015. For a more complete list of partners, visit [www.heifer.org/partners](http://www.heifer.org/partners).

## INSTITUTIONS



The **Development Fund of Norway** is a non-governmental organization founded in 1978 by Erik Dammann, a Norwegian author. The Development Fund addresses the challenges of small-scale farmers in advancing food security and sustainable agricultural practices when facing the effects of climate change. The Development Fund of Norway contributed \$1.7 million to our Sustainable Agriculture Lead Farmers Program in Malawi, which focuses on food security and climate change risk management through household agriculture and integrated farming systems, while building the capacity of the local government.



The **European Union** contributed \$2.1 million to Heifer International's Climate Change Adaptation Project in Igunga Eco-Village in Tanzania in partnership with Heifer Nederland. This project, which establishes an eco-village in nine villages in two wards of Igunga district, will build communities' resilience against the impact of climate change. Furthermore, it will deepen the understanding of the effects of climate change for all involved in order to provide successful adaptation strategies for rural communities in the future.



The **Food and Agriculture Association**, or FAO, is an agency of the United Nations that leads international efforts to defeat hunger. The FAO contributed \$1 million to Heifer International's Livelihood Project in Zimbabwe. This project works to improve nutrition and food security by enabling women and men to better manage their farm enterprises in climate-resilient ways; increasing the demand, production and consumption of diverse, nutritious foods; increasing the responsiveness of commercial markets, traders and processors to farmers' needs; and generating evidence and effective communication to influence policies and investments, both public and private.



The **International Fund for Agricultural Development**, or IFAD, is a specialized agency of the United Nations dedicated to eradicating rural poverty in developing countries. IFAD contributed \$5 million to Heifer International's Rural Livelihoods and Economic Enhancement Program in Malawi, which was developed to improve the income of 1,000 smallholder farmers by focusing on dairy value chain activities to stimulate productivity, service provision and market pull.



The **Department for International Development**, or DFID, is a UK government agency that leads the UK's work to end extreme poverty. DFID contributed \$4.5 million to support our Northern Dairy Scale-Up Project in Malawi, which was designed to enhance the efficiency, productivity and proficiency of the dairy industry to increase incomes and employee benefits for smallholder producers and increase access to safe and nutritional dairy products for low-income consumers.

# FINANCIALS

## 2015 FISCAL YEAR

### Consolidated Expenses



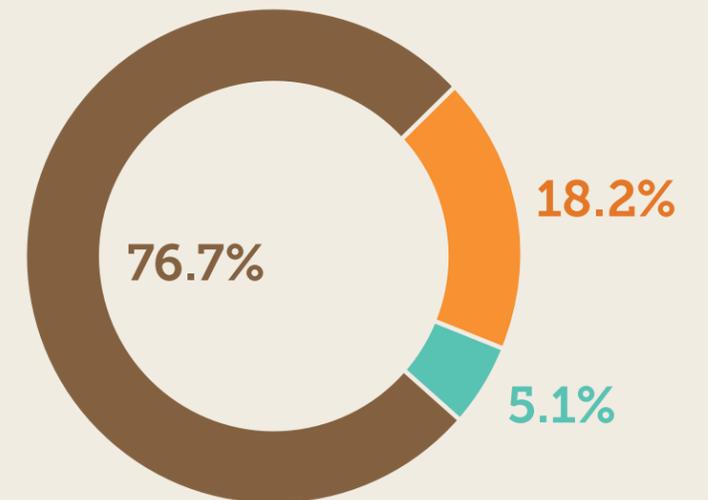
**Programs: 76.7%**



**Fundraising: 18.2%**



**Management: 5.1%**



## LEVERAGING LOCAL RESOURCES

Heifer International grows our programmatic impact in exponential ways at the local level. Heifer China and Heifer South Africa are two legally separate entities whose program spending and activities are not recorded in this FY15 annual report, and yet the impact of the Heifer model on hunger and poverty in these countries continues to grow. Heifer also works with implementing partners at the field level. These partners contribute additional program resources directly to the communities where Heifer serves around the world. And finally, when Heifer farmers pass on the gift of livestock to another family, the value of this transfer is not part of the financials found in this report.

On a pro-forma basis, these additional resources, including one generation of *Passing on the Gift*, would increase programmatic spending and impact by \$25 million and increase Heifer's overall programmatic percentage from 76.7 percent to more than 80 percent.

## 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.



## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2015 and 2014

Assets	2015	2014
Cash and Cash Equivalents	\$41,363,972	\$39,478,375
Restricted Cash	12,673,410	16,196,227
Accounts and Interest Receivable, Net of Allowance	2,686,339	5,316,369
Grant Reimbursements Receivable	375,313	204,486
Prepaid Expenses and Other	1,547,193	2,075,489
Contributions Receivable, Net of Allowance	2,144,351	1,019,332
Interest in Net Assets of Heifer International Foundation	81,945,295	78,831,843
Property and Equipment, Net of Accumulated Depreciation	49,029,156	50,342,014
<b>Total Assets</b>	<b>\$191,765,029</b>	<b>\$193,464,135</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts Payable	\$3,131,003	\$3,135,057
Accrued Expenses	4,719,563	4,845,064
Deferred Revenue	590,311	743,342
Bonds Payable	13,285,000	14,375,000
<b>Total Liabilities</b>	<b>\$21,725,877</b>	<b>\$23,098,463</b>
<b>Net Assets</b>		
Unrestricted	69,259,169	67,363,137
Temporarily Restricted	25,944,943	32,580,764
Permanently Restricted	74,835,040	70,421,771
<b>Total Net Assets</b>	<b>\$170,039,152</b>	<b>\$170,365,672</b>
<b>Total Liabilities and Net Assets</b>	<b>\$191,765,029</b>	<b>\$193,464,135</b>

## CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2015

Revenues, Gains and Other Support	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Contributions	\$106,240,624	\$7,172,161	-	\$113,412,785
Federal Government Grants	669,270	-	-	669,270
Other Grants	2,957,336	4,164,225	-	7,121,561
Educational Programs	1,111,821	-	-	1,111,821
Promotional Events and Material Sales, Net of Cost	390,952	-	-	390,952
Other	1,099,178	-	-	1,099,178
Change in Interest in Net Assets of Heifer International Foundation	(1,627,608)	(1,299,817)	4,413,269	1,485,844
Net Assets Released from Restrictions	16,672,390	(16,672,390)	-	-
<b>Total Revenues, Gains and Other Support</b>	<b>\$127,513,963</b>	<b>\$(6,635,821)</b>	<b>\$4,413,269</b>	<b>\$125,291,411</b>
<b>Expenses and Losses</b>				
Program Services	94,786,428	-	-	94,786,428
Fundraising	22,506,884	-	-	22,506,884
Management and General	6,320,374	-	-	6,320,374
<b>Total Expenses and Losses</b>	<b>123,613,686</b>	<b>-</b>	<b>-</b>	<b>123,613,686</b>
<b>Change in Net Assets from Operations</b>	<b>\$3,900,277</b>	<b>\$(6,635,821)</b>	<b>\$4,413,269</b>	<b>\$1,677,725</b>
<b>Other Changes in Net Assets</b>				
Consolidation of Heifer Ecuador	185,871	-	-	185,871
Deconsolidation of Heifer Romania	(717,356)	-	-	(717,356)
Deconsolidation of Heifer Ukraine	(525,998)	-	-	(525,998)
Foreign Currency Translation Adjustment	(946,762)	-	-	(946,762)
<b>Total Change in Net Assets</b>	<b>\$1,896,032</b>	<b>\$(6,635,821)</b>	<b>\$4,413,269</b>	<b>\$(326,520)</b>
<b>Net Assets, Beginning of Year</b>	<b>\$67,363,137</b>	<b>\$32,580,764</b>	<b>\$70,421,771</b>	<b>\$170,365,672</b>
<b>Net Assets, End of Year</b>	<b>\$69,259,169</b>	<b>\$25,944,943</b>	<b>\$74,835,040</b>	<b>\$170,039,152</b>

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2015 and 2014

Cash Flows from Operating Activities	2015	2014
Change in Net Assets	\$(326,520)	\$26,272,627
<b>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:</b>		
Depreciation	3,281,744	2,998,513
Change in Allowance for Bad Debts	150,857	22,549
Change in Interest in Net Assets of Heifer International Foundation	(1,485,844)	(12,033,882)
(Gain) on Disposals of Equipment	(331,384)	(407,163)
Unrealized Foreign Exchange Differences of Fixed Assets	828,971	233,172
Net Realized and Unrealized Gains on Investments	(5,199)	(35,950)
Stock Donation	(1,572,702)	(1,378,360)
Proceeds from Sales of Donated Stock	1,554,356	1,385,046
<b>Changes In:</b>		
Restricted Cash	3,522,817	(9,809,772)
Accounts and Interest Receivable	2,479,173	(1,839,539)
Grant Reimbursements Receivable	(170,827)	(195,604)
Prepaid Expenses and Other	507,328	(574,329)
Contributions Receivable	(1,125,019)	(131,298)
Accounts Payable	(4,054)	(577,557)
Accrued Expenses	(125,501)	1,202,142
Deferred Revenue	(153,031)	199,378
<b>Net Cash Provided by Operating Activities</b>	<b>7,025,165</b>	<b>5,329,973</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Property and Equipment	(3,012,680)	(3,021,464)
Proceeds from Disposals of Property and Equipment	419,726	1,172,235
Net Effect in Fixed Assets Due to Consolidation/Deconsolidation	170,994	-
Proceeds from Distributions from Heifer International Foundation	1,185,569	1,776,499
Contributions to Heifer International Foundation	(2,813,177)	(2,739,329)
<b>Net Cash (Used in) Investing Activities</b>	<b>(4,049,568)</b>	<b>(2,812,059)</b>
<b>Cash Flows from Financing Activities</b>		
Principal Payments on Bonds Payable	(1,090,000)	(1,055,000)
<b>Net Cash (Used in) Financing Activities</b>	<b>(1,090,000)</b>	<b>(1,055,000)</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>1,885,597</b>	<b>1,462,914</b>
Cash and Cash Equivalents - Beginning of Year	39,478,375	38,015,461
Cash and Cash Equivalents - End of Year	\$41,363,972	\$39,478,375
<b>Noncash Operating and Investing Activities</b>		
Purchases of Property and Equipment in Account Payable	179,028	-
Donation of Stock	1,572,702	1,378,360
	<b>\$1,751,730</b>	<b>\$1,378,360</b>
Supplemental Disclosure of Cash Flow Information - Interest Paid	\$504,990	\$548,512

Everyone talks about Cornerstones my friend  
And I wonder what they are.  
I tried to understand them with all my heart  
And realized that they entail all that we need my friends.

Today, these Cornerstones have embedded in my heart  
I'm moving forward in your given direction with the  
determination of being able to make a difference.

You are the one who educates the uneducated  
You are the one who teaches us not to be enemies, but friends

You are like the fireflies that bring the light of hope  
Maybe to awaken our sleepy minds

Even the rooster crows to the wake of the new dawn  
And the dew drops dance to the sound of the chirping birds to celebrate our new beginning  
Now we have a new hope of shining as bright as the twinkling stars of the dark sky.

We have destroyed the roots of pessimism that were implanted in our minds  
Now we understand your good deeds, Heifer (International)  
You have been appreciated nationwide

Now we do not discriminate against anyone, but walk the path of equity  
You have taught us the importance of helping the poor and needy

Heifer, we are following your footsteps and  
Moving forward to develop not only our families but our communities and our country

Let us help others to do something by their own for sustainability  
12 Cornerstones are the core to change from poverty to self-sufficiency

We need to ignite and transfer the knowledge and values gained through Heifer  
That is where we get unexplainable courage and self-esteem

Friends, let us bring the light of Heifer in nooks and corners of the village  
Let us show solidarity and joy to say –Long live Cornerstones

–Translated from Nepali  
by Bharat and Kopila (Partner staff)



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