

2019 Statement of ROI

THE RETURN ON INVESTMENT CREATED BY **COMMUNITY HEALTH EVANGELISM**,
A PROGRAM OF **MEDICAL AMBASSADORS INTERNATIONAL**,
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019

Prepared by:

CALVIN EDWARDS
& COMPANY

Maximizing the Good of Giving



for:

ROI Ministry

780 Old Roswell Place
Suite 100
Roswell, GA 30076

in collaboration with:

Medical Ambassadors International

Post Office Box 1302
Salida, CA 95368

July 2020

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NOTICE

Version 1.0, July 2020. Copyright © 2020 ROI Ministry (ROIM) and Calvin Edwards & Company (CEC), a philanthropic advisory firm. For additional information, contact CEC at 770.395.9425 or info@calvinedwardscompany.com. To learn more about ROIM and its “Top 10” ministry list, contact ROIM at 678.264.7587 or timothycbarker@gmail.com. This 2020 Statement of ROI was prepared using information and materials provided by Medical Ambassadors International (MAI), discussions with MAI personnel, research of public records, and other sources. It may be distributed to support the program it describes but may not be used for any commercial purpose.



Introduction

ROI Ministry (ROIM) seeks to find, support, and promote ministries that have high levels of impact per dollar invested. These organizations proclaim the gospel, bring people to faith, or help the poor and needy in the name of Christ—and do so in very effective ways, thus ensuring a high return on investment (ROI) for kingdom giving.

Each year, since 2011, ROIM has identified and published its list of “Top 10” ministries that operated programs in the prior year that reaped significant outcomes with the finances entrusted to them. For 2019, the list includes **Medical Ambassadors International** and its program, **Community Health Evangelism**.

Calvin Edwards & Company (CEC), a philanthropic advisory firm in Atlanta, GA, has extensive experience calculating ROI, and performing similar analyses, for many organizations worldwide. ROIM has engaged CEC to conduct a professional, third-party review and ROI calculation of each “Top 10” ministry program since 2014. CEC was not engaged to identify the ministry programs or verify that their ROI exceeds others’.

In addition to considering kingdom “return,” ROIM has adopted 18 standards that “Top 10” ministries should meet. These are presented in Appendix A. How Medical Ambassadors International and its program align with these standards is indicated on the following pages with color-coded symbols. The Confidence Rating that appears on page 5 is an estimate of CEC’s confidence that the ROI calculation is reasonably accurate. It is based on (i) findings when the organization’s claims pertaining to compliance with standards were examined, and (ii) analysis of the quality of the data and explanations provided to perform the calculation.

Medical Ambassadors International completed the application process for its program, Community Health Evangelism, and it was selected by ROIM from a pool of applicants. This *2019 Statement of ROI*, created by CEC, constitutes an independent verification that the program efficiently and effectively used funds in 2019 to reach the lost with the gospel.

Medical Ambassadors International

LEGAL NAME

Medical Ambassadors International (MAI)

ADDRESS

5012 Salida Boulevard, P.O. Box 1302, Salida, CA 95368

TELEPHONE

888.847.0960

WEBSITE

www.medicalambassadors.org

MISSION

"Medical Ambassadors International equips communities through Christ-centered health and holistic development."

GEOGRAPHIC FOCUS

40 countries directly, plus 35 through partnerships

STRATEGY

To equip communities, MAI develops Christ-centered community health curriculum, provides instruction, and trains instructors who facilitate and enable the empowerment of community level CHE volunteers

STATEMENT OF FAITH

1 Yes, consistent with historic Christian creeds

LAUSANNE COVENANT

2 Yes, subscribes to the Covenant.

LEADERSHIP FAITH COMMITMENT

3 Leadership manifests a personal commitment to Jesus and is actively involved in a church.

NUMBER OF PAID STAFF

234 (20 in the U.S. and 214 internationally)

BOARD

4 Ten members

INDEPENDENCE

5 The president serves on the board; the remaining nine are independent.

BOARD DONORS

All ten contributed in 2018.

MEETING FREQUENCY

6 Six times a year; three in person and three by phone

SENIOR EXECUTIVE



Ravi I. Jayakaran has held senior management positions in the corporate sector and in international NGOs, including World Vision

International, the Asian Development Bank, and the United Nations Development Program. He has lived and worked in India, Cambodia, China, and the U.S.

EMAIL

ravi@med-amb.org

AUDITED FINANCIAL STATEMENTS

7 Yes, by Capin Crouse LLP.

TRANSPARENCY

8 **10** Yes, financial statements are made available to the board on a regular schedule and to the public upon request.

ACCOUNTING CONTROLS

9 Yes, internal accounting controls have been implemented.

RESPONSIVENESS

11 Fair; responded to questions with some delays and gaps

501 (C) (3)

12 August 1980

DONATION DEDUCTIBILITY

Yes, U.S.

LATEST FORM 990 FILING

2018. 2019 in process, due for submission in October 2020

FOUNDED

13 1980, by Raymond Benson, M.D.

LEGAL RELATIONSHIP TO OTHER ENTITIES

None

PROGRAM COMPONENTS

✓ COMMUNITY HEALTH

EVANGELISM—Drawing on more than 5,000+ lesson plans, trained workers give instruction in holistic development, and train others.

✓ COMMUNITY DEVELOPMENT

EDUCATION (CDE)—Like CHE, but modified for use in sensitive contexts. CDE lessons include teaching on moral and godly values, without naming Christ.



A CHE committee member in Central America shows results from her weaving skills, a new income source for her family.

✓ SPECIALIZED TRAININGS—MAI covers topics such as Women's Cycle of Life, Men Matter, Children's CHE, and Birth Life-Saving Skills.

STATEMENT OF FINANCIAL POSITION, 12/31/2019

Assets	\$1,723,110
Liabilities	\$135,299
Net assets	\$1,587,811
Portion restricted	\$854,515

Source: Audited financial statements.

A Statement of Financial Position is the balance sheet of a nonprofit organization.

STATEMENT OF ACTIVITIES, 1/1/19 – 12/31/2019

Revenue	\$2,700,917
Expenses	\$2,643,601
Net income	\$57,316

Source: Audited financial statements.

A Statement of Activities is the income statement or profit & loss statement of a nonprofit organization.

MINISTRY UNIQUENESS

MAI offers its curriculum to many partner ministries, thus greatly expanding holistic transformation.

Community Health Evangelism (CHE)

PROGRAM PURPOSE

MAI is a single-program ministry; therefore, the program purpose is the same as the organization's purpose, to equip communities through Christ-centered health and holistic development.

PROGRAM STRATEGY

To equip communities through Christ-centered development, MAI makes holistic disciples who in turn make holistic disciples. CHE provides instruction in community health practices, together with the gospel, mainly through home visits. Staff provide partners with ongoing training and mentoring, and the curriculum is



A women's CHE class on health care in the Middle East/No. Africa region

given to persons who have completed certain preparatory courses. CHE topics include safe water, sanitation, fuel-efficient stoves,

savings groups, vegetable cultivation, evangelism, and much more. Instructors teach learners who then become instructors, thus developing and mobilizing a network of volunteers.

PROGRAM DESCRIPTION

CHE is designed to:

- ✓ **Empower people to do things for themselves**, to free them from a debilitating welfare mentality.
- ✓ **Reach the whole person**, addressing both spiritual and physical needs.
- ✓ **Equip leaders** to identify their community's assets and address multiple needs.
- ✓ **Build community ownership** by teaching people how to identify problems and find ways to solve them, using their own locally-available resources.

RATIONALE FOR THE STRATEGY

MAI wants Jesus to be recognized as Lord over all of creation. Trainers work for transformed beliefs and changed behavior, so God's peace, justice, mercy, love, and righteousness are reflected in the communities served. This goes beyond breaking the cycle of poverty or planting churches, though these also occur.

CURRENT STATUS

MAI and the CHE program are mature, having been in operation for some 40 years. MAI is now expanding, especially among unengaged and unreached people

groups in the eight global regions where it works. In 2019 MAI expanded its reach to an additional 42 communities.

PROGRAM IMPACT

The spiritual impact of MAI work differs greatly by context. The following typology describes the impact:

- ✓ **The "empty" field**, where MAI ministers mainly through deed. Typically, about 3% of the people become followers of Christ in a 7-9-year period.
- ✓ **The "seeded" field**, where the typical response to the gospel is about 7%, in the same time period.
- ✓ **The "growing" field**, where there is greater freedom to tell the gospel. Usually about 10% of the community comes to faith within four years.
- ✓ **The "ready for harvest" field**, where typically, in four years, about 33% are in households practicing CHE principles, and 16% of the people have become disciples of Christ.

OUTPUTS

- 14 The program generated the following outputs in FY 2019:
 - ✓ Deployed 222¹ staff members to train CHE volunteers in villages, who train others
 - ✓ Influenced lives in 2,582 communities in 75 countries.
 - ✓ Grew the number of CHE volunteers associated with MAI to a community of 50,602.

PRIMARY OUTCOME

- 15 The return generated by this program is expressed in terms of the number of people who receive CHE community health instruction. These people are taught practical lessons designed to prevent disease, enhance health, and promote holistic well-being; they also hear the gospel. The ROI calculation on the following page refers to this outcome.

SECONDARY OUTCOMES

- 15 Research has shown CHE results in reduced under-five mortality rates, increased nutrition, reduced incidence of disease, and more. From incidental reports, MAI knows that CHE results in people coming to Christian faith and joining churches or informal house fellowships.

EXPENSE TRACKING

- 16 MAI tracks costs associated with program outputs and outcomes.

DONOR REPORTING FREQUENCY

- 17 MAI sends monthly letters and emails; an annual report is provided online and to all who request it.

DONOR ACCESS

- 18 Yes

¹ Includes international staff and some U.S. staff noted on p. 2.

Return on Investment Calculation

OUTCOME ACHIEVED

In 2019, MAI’s program, Community Health Evangelism (CHE), resulted in an estimated 2,582,000 people “receiving CHE community health instruction.” This is defined as instruction of people through a series of lessons (usually weekly) in one or more community health topics from CHE curriculum, taught by CHE staff or trained volunteers. They are presented with development knowledge as well as with the gospel, except in certain places where it is inadvisable due to security considerations.

Outcome: People Instructed
2,582,000

DATA COLLECTION METHOD

MAI monitors the number of villages and communities where it works directly and where its partners work. For 2019, the number was estimated as 2,582 villages or communities. Based on field experience and observation, MAI estimates an average of 1,000 people receive instruction per site. Area coordinators provide statistics to MAI’s regional coordinators who compile them and send reports to headquarters. Each of the eight regional coordinators covers a global region and oversees 6-18 area coordinators.

COST OF ACHIEVING THE OUTCOME

The cost to achieve this outcome was \$2,643,601. Because MAI operates only one program, the program cost is the same as the overall ministry expenses for the year. It is broken down into approximately 77% program expenses, 8% fundraising expenses, and 15% management and general expenses.

Program Cost
\$2,643,601

COST PER OUTCOME

Therefore, the cost per outcome is:

$$\mathbf{\$2,643,601 \text{ program cost} \div 2,582,000 \text{ people instructed} =}$$

Calvin Edwards & Company calculated MAI’s cost per outcome for prior years: 2018, \$1.31; 2017, \$1.13.

Cost Per Outcome
\$1.02 per person instructed

RETURN ON INVESTMENT

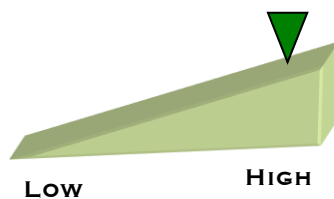
The return on investment of a \$1,000 investment by a donor would be:

$$\mathbf{\$1,000 \text{ investment} \div \$1.02^2 \text{ cost per person instructed} =}$$

Return on \$1,000 Investment
977 people instructed

CONFIDENCE RATING

CEC’s estimated confidence that the ROI calculation is reasonably accurate is:



² The exact number used for this calculation was 1.0239.

APPENDIX A

ROI Ministry Standards

ROI Ministry has established 18 standards—13 for the organization and 5 for the program on which “return on investment” is calculated—that it expects its “Top 10” ministries to meet. These standards are strongly recommended, though ROIM recognizes that circumstances may exist where variations are warranted. The organization’s compliance to these standards is shown on pages 2 and 3, by numbered, colored symbols.

STANDARDS FOR THE ORGANIZATION

CHRISTIAN

1. The organization has a statement of faith consistent with historic Christian creeds.
2. The organization subscribes to The Lausanne Covenant of 1974.
3. The organization’s leadership manifests a personal commitment to Jesus Christ and is actively involved in a local church congregation.

GOVERNANCE

4. The organization has an active board of directors with at least five members.
5. The board has no more than two non-independent members, and it has at least four independent members for every one non-independent member. An independent member is one who is not an employee or contractor, has no familial relation to any employee, and has no familial relation to another board member.
6. The board meets at least two times per year and at least one of those meetings is in-person.

FINANCIAL

7. The organization prepares financial statements according to GAAP and complies with FASB standards.
8. Financial statements are provided to the board on a regular schedule.
9. The organization has implemented internal accounting controls to prevent and detect fraud and financial misstatements, including:
 - a. Opening mail and receiving checks, preparation of bank deposits, and recording accounting entries are separated duties performed by different persons or by two persons who monitor each other’s work.
 - b. Reporting any variations from GAAP reporting requirements within financial statements.
 - c. Having financial statements prepared by an accountant without undue influence from management.

TRANSPARENCY

10. The organization makes its financial statements or Form 990 available to the public.
11. The organization responds appropriately to external requests for information.

LEGAL

12. The organization has 501(c)(3) tax-exempt status with the IRS.
13. The organization has existed in its current form for at least three years.

STANDARDS FOR THE PROGRAM

PROGRAM EFFECTIVENESS

14. Outputs for the program are measured and reported to its donors.
15. At least one primary outcome for the program is identified, and possibly some secondary outcomes, and efforts are made to measure or estimate these.
16. Costs associated with program outputs and outcomes are tracked.

REPORTING & ACCESS

17. The organization reports to its donors on the program’s progress and performance at least semi-annually.
18. The organization provides donors access to the program’s operations.

ROI Ministry used the professional services of Calvin Edwards & Company to develop these standards. Ver. 1.4, May 2020.

APPENDIX B

Principles for Calculating Return on Investment

There is not a well-established, standard method to calculate ROI for nonprofit organizations. When doing so, many issues arise, largely related to calculating the cost of generating outcomes. Calvin Edwards & Company used the principles below in the calculation presented.

1. ROI is calculated on a discrete program of a ministry. In some cases, a program may involve the whole ministry—this is a “single-program ministry.”
2. The metric for the “return” is the primary outcome of the program.
3. A program may also have secondary outcomes or outputs.
4. The secondary outcomes or outputs are also reported numerically, if available. However, the program cost is not split among outcomes; that is, multiple ROI statistics are not calculated.
5. Program costs include all direct and indirect program costs, including non-cash costs such as depreciation of equipment used for the program, amortization of product development costs, etc.
6. Also, all appropriate overhead is included in the program cost:
 - a. Program overhead—sometimes a ministry tracks overhead attributable to a program; if so, it is included
 - b. Ministry overhead—a proportion of the ministry’s overhead that matches program costs as a proportion of total expenses (for a single-program ministry this is 100%)
7. In some rare cases, all overhead is pre-funded by the board or one or more specific donors. In this case, others’ investments do not fund overhead, and it is excluded from the program cost (see point 9 below).
8. All financial numbers are derived from the ministry’s financial statements; if estimates are used, those estimates are based on financial statements.
9. There may be times when the principles stated here cannot or should not be applied; in these cases, the *Statement of ROI* states the variation, reason, and alternate calculation employed.