



# 2019 Statement of ROI

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THE RETURN ON INVESTMENT CREATED BY **PROVIDING CLEAN AND LIVING WATER**,  
A PROGRAM OF **NEVERTHIRST**,  
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:

**Neverthirst**

1112A Edenton Street  
Birmingham, AL 35242

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](mailto:info@calvinedwardscompany.com). To learn more about ROIM and its "Top 10" ministry list, contact ROIM at 678.264.7587 or [timothycbarker@gmail.com](mailto:timothycbarker@gmail.com). This 2019 Statement of ROI was prepared using information and materials provided by Neverthirst (NT), discussions with NT personnel, 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 2020, the list includes **Neverthirst** and its program, **Providing Clean and Living Water**.

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 Neverthirst 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.

Neverthirst completed the application process for its program, Providing Clean and Living Water, and 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.



# Neverthirst

## LEGAL NAME

Neverthirst, Inc. (NT)

## ADDRESS

1111 Edenton Street  
Birmingham, AL 35242

## TELEPHONE

205.991.7757

## WEBSITE

www.neverthirstwater.org

## EMAIL

admin@neverthirstwater.org

## MISSION

"Bringing clean and Living water to unreached communities worldwide."

## GEOGRAPHIC FOCUS

India, Cambodia, Nepal, Uganda, Myanmar, Ethiopia, Democratic Republic of Congo, and Chad

## STRATEGY

To bring clean and Living water to unreached communities worldwide, NT partners with local pastors to improve community health by executing a comprehensive water and sanitation strategy in villages. The water project becomes a platform to share the gospel.

## 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

Nine

## BOARD

4 Yes, nine members

## INDEPENDENCE

5 All nine members are independent.

## BOARD DONORS

All nine have contributed within the past 12 months.

## MEETING FREQUENCY

6 Quarterly

## SENIOR EXECUTIVE



Prior to appointment as NT's executive director in April 2019, Matt Letourneau served as a business consultant in the

Atlanta technology start-up market for four years. Prior to that, he held a variety of leadership roles with The Navigators.

## AUDITED FINANCIAL STATEMENTS

7 Yes, by Dixon Hughes Goodman, LLP

## TRANSPARENCY

8 10 Yes, financial statements are made available to the board monthly 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 or gaps.

## 501(C)(3)

12 June 2009

## DONATION DEDUCTIBILITY

Yes, U.S.

## LATEST FORM 990 FILING

2019

## FOUNDED

13 2008

## LEGAL RELATIONSHIP TO OTHER ENTITIES

None

## PROGRAM COMPONENTS

NT provides clean water and advances the gospel through these program components:

✓ **EMPOWERMENT & PARTNERSHIP**—NT equips churches and pastors with the tools and skills necessary to provide clean water. Wherever NT provides physical water it also

provides witness to the Living water, Jesus Christ.

✓ **SUSTAINABILITY**—NT provides or improves local infrastructure to help communities develop self-sustaining water and health systems.

✓ **RESOURCES**—NT supplies equipment and technology, such as pumps, water tanks, and sanitation systems.



A girl in India enjoys clean water from a new well provided by Neverthirst.

✓ **HYGIENE EDUCATION**—NT teaches in communities on the importance of clean water and sanitation.

## STATEMENT OF FINANCIAL POSITION, 12/31/19

Assets	\$1,019,358
Liabilities	\$136,312
Net assets	\$883,046
Portion restricted	\$626,160

Source: Unaudited financial statements.

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

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

Revenue	\$3,016,235
Expenses	\$2,627,129
Net income	\$389,106

Source: Unaudited financial statements.

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

## MINISTRY UNIQUENESS

NT partners with local pastors in some of the world's most unreached areas to enable them to use water as a way to be welcomed into villages where they previously had limited or no access to share the gospel.

## Providing Clean and Living Water

### PROGRAM PURPOSE

Neverthirst is a single-program ministry; therefore, the program purpose is the same as the organization's purpose, to bring clean and Living water to unreached communities worldwide.

### PROGRAM STRATEGY

The program strategy also replicates the organization's strategy. To bring clean and Living water to unreached communities, NT partners with local pastors to improve community health by executing a comprehensive water and sanitation strategy in villages. The water project provides an opening to share the gospel, improving spiritual health alongside physical health.

### PROGRAM DESCRIPTION

NT's ministry is built on providing and maintaining a clean water source in a community, that is then owned locally. NT partners with local pastors serving in poverty-stricken areas with little or no access to the gospel, sometimes due to persecution. Pastors submit applications to local NT in-

country offices. Applicants are required to demonstrate majority community participation, to provide a bank statement confirming funds have been deposited into a proper account, and to show a common land agreement signed by the community for the location of the water project. After some due diligence, applicants are approved. NT, the local church, and the community jointly contribute the funds and labor needed to



*For this mother in northern Chad, the only source for water is a murky stream four hours away.*

carry out the project, which may include wells, bio-sand filters, and rain tanks. Throughout the process, local churches have a platform to share the gospel, demonstrate Christ's love, and serve their communities. NT is involved with the community for 12-18 months to guide the water project and follow-up. NT has implemented a system that involves follow-up visits to water project sites at one-month, three-month, six-month, and 12-month intervals. It also revisits 20% of its well projects annually and issues follow-up reports. This allows it to gather information on the status of well maintenance, and on outcomes related to how the water project has helped local church ministry, the number of new believers, and family health.

### RATIONALE FOR THE STRATEGY

Partnering with local pastors, community members, and community leaders enables long-term sustainability. It provides a platform for the pastors to share the gospel with nearby people they are well-suited to reach.

### CURRENT STATUS

Neverthirst operates a mature program. A total of 2,678 projects are planned for 2020, in seven countries including Ethiopia, a new country for NT. It also plans expansion into the Democratic Republic of Congo.

### PROGRAM IMPACT

NT has observed that villages have improved health, less incidents of premature death, and, in some places, increased numbers of people putting their faith in Christ as savior.

### OUTPUTS

**14** The program generated the following outputs in 2019: 3,861 completed water projects. These included wells; WASH projects that provide for water, sanitation, and hygiene education at schools; bio-sand filters; and tap stands.

- ✓ Cambodia: 1,742
- ✓ Nepal: 636
- ✓ Uganda: 535
- ✓ India: 400
- ✓ Myanmar: 400
- ✓ Chad: 138
- ✓ South Sudan: 10

### PRIMARY OUTCOME

**15** The return generated by this program is expressed in terms of the number of people who are provided access to clean water for a year. The ROI calculation on the following page refers to this outcome.

### EXPENSE TRACKING

**16** NT tracks costs associated with program outputs and outcomes.

### DONOR REPORTING FREQUENCY

**17** Donors receive reports on each project they fund.

### DONOR ACCESS

**18** Yes



## Return on Investment Calculation

### OUTCOME ACHIEVED

In 2018, NT's program, Providing Clean and Living Water, resulted in 120,649 people provided with access to clean water. Each water project is estimated to last a minimum of 20 years, so the number of people provided with clean water for a year is 2,412,980. A person with clean water is defined as someone with access to an NT project that provides clean, safe, potable water. Access is defined as living within two miles of an NT water project.

People with Clean Water for a Year
<b>2,412,980</b>

### DATA COLLECTION METHOD

NT staff on the ground gather data from a villager, village leader, or pastor, about the estimated number of people that use a water project at each location. This number could include people from nearby villages. The information is provided to NT headquarters and compiled for a global total each year.

### COST OF ACHIEVING THE OUTCOME

The cost to achieve this outcome was \$2,627,129. Because NT operates only one program, the program cost is the same as the overall ministry expenses for the year. It is broken down into approximately 76% program expenses, 13% supporting services, and 11% fundraising and public relations.

Program Cost
<b>\$2,627,129</b>

### COST PER OUTCOME

Therefore, the cost per outcome is:

$$\text{\$2,627,129 prog. cost} \div \text{2,412,980 people with clean water for a year} =$$

CEC calculated NT's cost per outcome for prior years: 2018, \$1.14; 2017, \$1.19; 2016, \$0.66; 2015, \$0.85; 2014, \$0.60; 2013, \$0.63.<sup>1</sup>

Cost Per Outcome
<b>\$1.09</b> per person with clean water for a year

### RETURN ON INVESTMENT

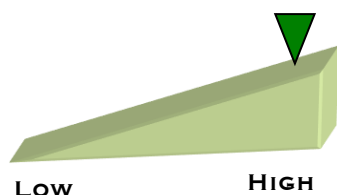
The return on investment of a \$1,000 investment by a donor would be:

$$\text{1,000 investment} \div \text{\$1.09}^2 \text{ cost per person per year with clean water} =$$

Return on \$1,000 Investment
<b>918</b> people with clean water for a year

### CONFIDENCE RATING

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



<sup>1</sup> The change in cost per outcome between 2016 and 2017 was due, in part, to a shift in the method of calculation. Previously, administrative and fundraising costs were allocated to various programs and the ROI-reported program (Water Is Life) carried only a portion. Now those costs are all assigned to NT's single program, Providing Clean and Living Water.

<sup>2</sup> The exact number used for this calculation was 1.0887.



## 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.*



## 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.