



neverthirst

2018 Statement of ROI

*THE RETURN ON INVESTMENT CREATED BY **PROVIDING CLEAN AND LIVING WATER,**
A PROGRAM OF **NEVERTHIRST,**
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2018*

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

October 2019



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NOTICE

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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 **Neverthirst** and its program, **Providing Clean and Living Water**.

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.

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’.

Neverthirst completed the application process for its program, Providing Clean and Living Water, and it was selected by ROIM from a pool of applicants. This *2018 Statement of ROI*, created by CEC, constitutes an independent verification that the program efficiently and effectively used funds in 2018 to reach the lost with the gospel.

Neverthirst

LEGAL NAME

Neverthirst, Inc. (NT)

ADDRESS

1112A Edenton Street
Birmingham, AL 35242

TELEPHONE

205.991.7757

WEBSITE

www.neverthirstwater.org

SENIOR EXECUTIVE

Matt Letourneau, executive director

EMAIL

admin@neverthirstwater.org

MISSION

"To advance the gospel through clean water worldwide."

GEOGRAPHIC FOCUS

India, Cambodia, Nepal, Uganda, Myanmar, and Chad

STRATEGY

To advance the gospel through clean water 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.

BOARD

4 Yes, eight members

INDEPENDENCE

5 All eight members are independent.

BOARD DONORS

All eight have contributed within the past 12 months.

MEETING FREQUENCY

6 Quarterly

NUMBER OF PAID STAFF

Six

SENIOR EXECUTIVE



Before being appointed as Neverthirst'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 Acceptable. Responded to questions with some delays or gaps.

501(C)(3)

12 June 2009

DONATION DEDUCTIBILITY

Yes, U.S.

LATEST FORM 990 FILING

2018

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 visiting a new clean water well in Northeast Uganda

✓ HYGIENE EDUCATION—NT instructs communities on the importance of clean water and sanitation.

STATEMENT OF FINANCIAL POSITION, 12/31/18

Assets	\$541,099
Liabilities	\$47,159
Net assets	\$493,940
Portion restricted	\$493,940

Source: Unaudited financial statements. A Statement of Financial Position is the balance sheet of a nonprofit organization.

STATEMENT OF ACTIVITIES, 1/1/18 – 12/31/18

Revenue	\$2,640,357
Expenses	\$2,644,935
Net income	(\$4,578)

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 advance the gospel through clean water worldwide.

PROGRAM STRATEGY

The program strategy also replicates the organization's strategy. 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, 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



A girl collecting clean water from a new spring protection tap stand in Nepal

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 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.

RATIONALE FOR THE STRATEGY

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

CURRENT STATUS

Neverthirst continues its work in six countries in Asia and Africa and has planned an expansion into South Sudan. A total of 3,751 projects are planned for 2019: 1,740 in Cambodia, 400 in India, 400 in Myanmar, 636 in Nepal, 130 in Chad, 435 in Uganda, and 10 in South Sudan.

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 NT generated the following outputs for the program in 2017: 4,229 water projects were completed (including wells; WASH projects that provide for water, sanitation, and hygiene education at schools; bio-sand filters; and tap stands):

- ✓ 2,010 in Cambodia
- ✓ 591 in India
- ✓ 548 in Uganda
- ✓ 653 in Nepal
- ✓ 227 in Chad
- ✓ 200 in Myanmar

PRIMARY OUTCOME

15 The return generated by this program is expressed in terms of the number of people with access to clean water. The ROI calculation on the following page refers to this outcome.

SECONDARY OUTCOMES

15 NT has implemented a system that involves follow-up visits to the sites of water projects at one-, three-, six-, 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.

EXPENSE TRACKING

16 NT tracks costs associated with outputs and outcomes.

DONOR REPORTING FREQUENCY

17 Donors receive reports on each well 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 116,018 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 2,320,360. 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
2,320,360

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 by year.

COST OF ACHIEVING THE OUTCOME

The cost to achieve this outcome was \$2,644,935. 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 84% program expenses, 6% supporting services, and 10% fundraising and public relations.

Program Cost
\$2,644,935

COST PER OUTCOME

Therefore, the cost per outcome is:

$$\text{\$2,644,935 program cost} \div \text{2,320,360 people with clean water for a year} =$$

Cost Per Outcome
\$1.14 per person with clean water for a year

Calvin Edwards & Company calculated NT's cost per outcome for prior years: 2017, \$1.19; 2016, \$0.66; 2015, \$0.85; 2014, \$0.60; 2013, \$0.63.¹

RETURN ON INVESTMENT

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

$$\text{1,000 investment} \div \text{\$1.14 cost per person per year with clean water} =$$

Return on \$1,000 Investment
877 people with clean water for a year

¹ The change in cost per outcome from earlier years is due, in part, to a shift in the method of calculation, from evaluating one program among several within NT to treating Providing Clean and Living Water as the single program of NT. Previously, administrative and fundraising costs were allocated to various programs and the ROI-reported program (Water Is Life) carried a portion of the cost. Now, the full burden of overhead costs is assigned to Providing Clean and Living Water.

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. Financial statements are prepared according to GAAP and any exceptions are noted.
 - c. Financial statements are 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. 1.2, May 2018.

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.