



neverthirst

2021 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, 2021*

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 2022

NOTICE

Version 1.0, October 2022. Copyright © 2022 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 2021 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.



neverthirst

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 2022, 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 4 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 *2021 Statement of ROI*, created by CEC, constitutes an independent verification that the program efficiently and effectively used funds in 2021 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, Ethiopia, Democratic Republic of Congo, Chad, and Niger

STRATEGY

To bring clean and Living water to unreached communities worldwide, NT partners with local pastors to execute a comprehensive water and sanitation strategy in villages that improves community health. 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

Thirteen

BOARD

4 Yes, twelve members

INDEPENDENCE

5 All twelve members are independent.

BOARD DONORS

All twelve 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 was 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 provided 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 little delay or gaps.

501(C)(3)

12 June 2009

DONATION DEDUCTIBILITY

Yes, U.S.

LATEST FORM 990 FILING

2020

FOUNDED

13 2008

LEGAL RELATIONSHIP TO OTHER ENTITIES

None

PROGRAM COMPONENTS

NT provides clean water and advances the gospel through a single program with the following components:

- ✓ **EMPOWERMENT & PARTNERSHIP:** NT equips churches and pastors with the tools and skills necessary to provide clean water. NT's work

provides physical water and 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 provides equipment and technology, such as pumps, water tanks, and sanitation systems.



A young boy in Sabarou Village, Niger, demonstrates the Neverthirst system that provides water out near his home.

- ✓ **HYGIENE EDUCATION**—NT and its partners teach in communities on the importance of clean water and sanitation.

STATEMENT OF FINANCIAL POSITION, 12/31/21

Assets	\$3,438,495
Liabilities	\$54,504
Net assets	\$3,383,991
Portion restricted	\$2,664,959

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

STATEMENT OF ACTIVITIES, 1/1/21 – 12/31/21

Revenue	\$7,543,524
Expenses	\$7,068,960
Net income	\$3,383,991

Source: Audited 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 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 execute a comprehensive water and sanitation strategy in villages that improves community health. 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, raise a repair fund amongst community members, provide a bank statement confirming the pooled repair funds have been deposited into a proper account,



Women and children in Triltoli Village, India, gather around their new hand pump. They used to walk more than 2 miles to reach a dirty water source. Now they have clean water minutes from their homes.

and show a common land agreement signed by the community for the location of the water project. After due diligence, applicants are approved. NT, the local church, and the community jointly contribute the funds and labor to carry out the project—a well, bio-sand filter, or rain tank.

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, 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.

RATIONALE FOR THE STRATEGY

The program provides a platform for the pastors to share the gospel with nearby people whom they typically cannot reach despite being well-suited to reach. Partnering with local pastors, community leaders, and community members enables long-term sustainability.

CURRENT STATUS

Neverthirst operates a mature program. Therefore, the focus of the organization is primarily on the execution of the current strategy rather than aggressive growth. A total of 6,748 projects are planned for 2022 in eight countries.

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 2021: 5,341 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: 2,392
- ✓ Nepal: 763
- ✓ Uganda: 656
- ✓ India: 787
- ✓ Niger: 12
- ✓ Chad: 17
- ✓ Democratic Republic of Congo: 700
- ✓ Ethiopia: 14

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 2021, NT’s program, Providing Clean and Living Water, resulted in 166,803 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 3,336,060. 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.

Outcome
3,336,060 people with clean water for a year

DATA COLLECTION METHOD

In-country NT staff 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 annually and compiled for a global total.

COST OF ACHIEVING THE OUTCOME

The cost to achieve this outcome was \$7,068,960. 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, 7.15% management and general expenses, and 8.55% fundraising and public relations expenses.

Cost
\$7,068,960

COST PER OUTCOME

Therefore, the cost per outcome is:

\$7,068,960 prog. cost ÷ 3,336,060 people with clean water for a year =

CEC calculated NT’s cost per outcome for prior years: 2020, \$1.64; 2019, \$1.09; 2018, \$1.14; 2017, \$1.19; 2016, \$0.66; 2015, \$0.85; 2014, \$0.60; 2013, \$0.63.¹

Cost Per Outcome
\$2.12 per person with clean water for a year

RETURN ON INVESTMENT

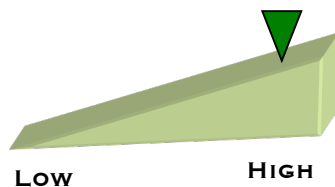
The return on investment of a \$1,000 investment by a donor would be:

\$1,000 investment ÷ \$2.12² cost per person per year with clean water =

CONFIDENCE RATING

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

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



¹ The increase in cost per outcome from 2019 to 2020 is attributed to increased travel costs and complexity brought on by the COVID-19 pandemic. The change in cost per outcome between 2016 and 2017 was due, in part, to a shift in the method of calculation.

² The exact number used for this calculation was 2.1189.

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.