



2022 Statement of ROI

THE RETURN ON INVESTMENT CREATED BY **HEART FOR AFRICA HUNGER INITIATIVE**,
A PROGRAM OF **HEART FOR AFRICA**,
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2022

Prepared by:

CALVIN EDWARDS
& COMPANY
Maximizing the Good of Giving



for:

ROI Ministry
780 Old Roswell Place
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Roswell, GA 30076

in collaboration with:

Heart for Africa
1005 Alderman Drive
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Alpharetta, GA 30005

November 2023

NOTICE

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Introduction

ROI Ministry (ROIM) seeks to identify, 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 2023, the list includes **Heart for Africa** and its program, **Heart for Africa Hunger Initiative**.

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 ROIs exceed 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 Heart for Africa and its program align with these standards is indicated on the following pages with color-coded symbols.

The Confidence Rating presented on page 4 indicates CEC’s estimated confidence that the ROI calculation is reasonably accurate. It is based on (i) verification of the organization’s claims about complying with standards, and (ii) analysis of the quality of the data and its collection method.

Heart for Africa completed the application process for its program, Heart for Africa Hunger Initiative, and it was selected by ROIM from a pool of applicants. This *2022 Statement of ROI*, created by CEC, constitutes an independent verification that the program efficiently and effectively used funds in 2022 to reach the lost with the gospel.

Heart for Africa

LEGAL NAME

Heart for Africa, Inc. (HFA)

ADDRESS1005 Alderman Drive
Suite 111
Alpharetta, GA 30005**TELEPHONE**

678.566.1589

WEBSITE

www.heartforafrica.org

MISSION

"Heart for Africa shares HOPE in Eswatini by fighting Hunger, caring for Orphans, decreasing Poverty, and providing Education."

GEOGRAPHIC FOCUS

Eswatini, Africa

STRATEGY

To bring hope to Eswatini in the areas of hunger, orphans, poverty, and education, HFA operates a large multi-purpose campus from which it battles the nation's greatest crises. It involves churches and the populace in its work, providing substantial short-term relief while also implementing long-term solutions.

STATEMENT OF FAITH

1 Yes, consistent with historic Christian creeds

LAUSANNE COVENANT

2 Yes, subscribes to the Covenant

LEADERSHIP FAITH COMMITMENT

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

NUMBER OF PAID STAFF

11 in the U.S. and over 400 in Eswatini

BOARD

4 HFA has 18 board members.

INDEPENDENCE

5 16 board members are independent. The CEO and COO also serve as board members.

BOARD DONORS

All board members have contributed in the past year. 12 donate monthly.

MEETING FREQUENCY

6 Quarterly

SENIOR EXECUTIVES

Ian (CEO) and Janine (COO) Maxwell are co-founders of HFA. Mr. Maxwell is the former vice

president of operations for Onyx Marketing Group, a company that Mrs. Maxwell founded. They closed the company in 2004 and began focusing full-time with HFA in 2005.

EMAIL

ian@heartforafrica.org

janine@heartforafrica.org

AUDITED FINANCIAL STATEMENTS

7 Yes, by Elliott Davis, LLC/PLLC, according to GAAP

TRANSPARENCY

8 **10** Yes, financial statements are posted on the website, and the board receives updates quarterly.

ACCOUNTING CONTROLS

9 Yes, internal accounting controls have been implemented.

RESPONSIVENESS

11 Acceptable—responded to questions with no significant delay or gaps

501(C)(3)

12 July 2003

DONATION DEDUCTIBILITY

Yes, U.S. and Canada

LATEST FORM 990 FILING

2021

FOUNDED

13 2002

LEGAL RELATIONSHIP TO OTHER ENTITIES

None

PROGRAMS

✓ HUNGER: HFA delivers food—including produce from its farm—to 30 rural partner churches throughout Eswatini, which

distribute it to malnourished children in their communities.

✓ ORPHANS: HFA provides rescue to vulnerable children, taking in orphans under two years old and providing a safe, loving home until they reach adulthood.

✓ POVERTY: HFA's multi-purpose site, Project Canaan, is the largest employer in its area, giving gainful work to over 400 people in nearby communities.



A young girl receives a meal through HFA's hunger program.

✓ EDUCATION: HFA equips children and adults for success through academic and vocational training programs.

STATEMENT OF FINANCIAL POSITION, 12/31/22

Assets	\$8,306,682
Liabilities	\$678,073
Net assets	\$7,628,609

Source: Audited financial statements

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

STATEMENT OF ACTIVITIES, 1/1/22 – 12/31/22

Revenue	\$5,129,490
Expenses	\$4,797,252
Currency Adj.	(\$406,604)
Net income	(\$74,366)

Source: Audited financial statements

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

MINISTRY UNIQUENESS

One of the only Eswatini organizations that takes orphans under the age of two, HFA provides a Christ-centered upbringing from earliest years into productive adulthood. HFA has established a presence in an impoverished country with much suffering, using its extensive campus to serve needs on numerous fronts.

Heart for Africa Hunger Initiative

PROGRAM PURPOSE

The Heart for Africa Hunger Initiative's purpose is to eradicate malnutrition among vulnerable children in Eswatini.

PROGRAM STRATEGY

In order to eradicate malnutrition among vulnerable children in Eswatini, HFA has developed partnerships with rural churches throughout Eswatini to provide daily nutritious meals. HFA has leveraged partnerships with food suppliers to source the majority of the food so that HFA can focus most of its resources on distribution. HFA establishes a feeding program at each partner church, which then takes on the hiring and training of employees or volunteers who prepare the food and serve it to the children.

PROGRAM DESCRIPTION

HFA identifies communities with malnourished children and selects churches with which to partner that have good reputations in their community.

When a church becomes a partner, HFA first builds a cooking structure and provides a water tank, cooking pots, new serving bowls and spoons, a garden and fence poles, and tools for gardening. The church then hires and trains two local employees or volunteers (women from the community) to cook and serve the food. HFA has



Children from all over the country come to 30 different church partners to eat a warm meal each day.

leveraged partnerships with two organizations, Feed My Starving Children and Gleanings for the Hungry, to provide the raw foodstuffs for the program. It then supplements that with fresh food from its own Project Canaan Farm. HFA ensures the quality of nutrition that is

provided to children. The act of serving food can provide an opportunity to share a gospel message with children. Church pastors and leaders are present and have regular check-ins with children. Consistent contact allows HFA to see problems over and above malnutrition more quickly and respond to these needs through its church partners.

RATIONALE FOR THE STRATEGY

HFA's church partners are established and trusted entities in the communities they serve, so working with them is the most reliable way to get nourishment to children in hard-to-reach areas. Utilizing the churches to find and train two women at each location allows the churches to have ownership over the program. Leveraging partnerships with

food-providing nonprofits allows HFA to keep its food costs low.

CURRENT STATUS

This program is mature and has been implemented in 30 rural communities across the country. HFA has observed that the number of children that face malnutrition in the communities is growing. So, while the number of communities may not change, HFA expects the number of children served to increase in the future. The COVID-19 pandemic made the feeding program even more essential as many schools faced a nationwide closure order which eliminated the only meal many children received. In 2022, 4,500 children attended HFA feeding centers 5–7 days per week to receive a meal. HFA employed the cooks at each church until 2021. Now each church is responsible for the hiring and training of the cooks—some of whom are volunteers and some of whom are paid by the church. HFA believes this shift will increase local ownership of the of the program's success. Only one of the 30 churches struggled to find staffing for the initiative.

PROGRAM IMPACT

The primary impact of the Hunger Initiative is that vulnerable children are no longer malnourished. This reality affects many aspects of their lives, especially increasing school attendance and reducing illness. The combination of HFA's efforts and the Hunger Initiative's valuable partnerships provides a holistic solution to help the children it serves.

OUTPUTS

14 The program generated the following outputs in 2022:

✓ 1,632,960 meals were provided to vulnerable children.

PRIMARY OUTCOME

15 The outcome generated by this program is expressed in terms of **meals received by malnourished children.**

SECONDARY OUTCOME

15 Heart for Africa does not track secondary outcomes, but it has observed additional impact for those it serves, such as reduced sickness and increased school attendance because of improved nutrition.

EXPENSE TRACKING

16 HFA tracks the costs associated with program outputs and outcomes.

DONOR REPORTING FREQUENCY

17 Quarterly or upon request

DONOR ACCESS

18 Yes, provides donors access to the program's operations

Return on Investment Calculation

OUTCOME ACHIEVED

In 2022, HFA’s program—Heart for Africa Hunger Initiative—resulted in 1,632,960 meals being provided to malnourished children. A meal is defined as one eight-ounce serving of nutrient-filled food. This outcome is achieved by leveraging partnerships with other nonprofits that provide much of the food and with churches that serve the meals to children.

Outcome	
1,632,960	meals received by malnourished children

DATA COLLECTION METHOD

HFA’s Hunger Initiative project manager is based in-country at Project Canaan and is responsible for the reports of meals served at each location. All meals that are delivered are tracked in a spreadsheet. The project manager also tracks how long delivered meals should last based on the number of children eating at each church. HFA has indicated that it believes this spreadsheet to be very accurate (though perhaps not perfect).

COST OF ACHIEVING THE OUTCOME

The cost to achieve this outcome was \$87,192. HFA’s program expenses include shipping costs for donated food and transportation costs for food deliveries to churches. There is a significant decrease from last year’s cost. In previous years, HFA was raising capital funds to build secure cooking structures, provide necessary cooking supplies, and pay for two cooks at all partner churches. Now, all cooking structures have been completed, cooking supplies have been provided, and the churches cover the cost of the cooks. Moreover, the cooking structures can securely store food, so HFA is now able to deliver food once a month instead of twice a month. HFA does not track overhead costs on the program level. Therefore, the Hunger Initiative’s share of overhead is calculated as a percentage of HFA’s overhead. The Hunger Initiative program expenses comprised approximately 1.8% of HFA’s total program expenses. In 2022, HFA incurred \$566,870 in management and general expenses and \$233,389 in fundraising expenses. The Hunger Initiative’s portion of each is estimated to be \$10,303 and \$4,060, respectively.

Total Cost of Program
\$87,192

PARTNER COSTS¹: HFA’s outcome is leveraged by its partnerships with other ministries, thus increasing its impact. The contributed partner costs are not included in this analysis as they are provided to HFA free of charge. Thus donors to HFA benefit by having their gift leveraged through the collaboration between ministries.

COST PER OUTCOME

Therefore, HFA’s cost per outcome is:

$$\text{\$87,192 program cost} \div \text{1,632,960 meals for malnourished children} =$$

CEC calculated HFA’s cost per outcome for prior years: 2021, \$0.28; and 2020, \$0.30.

Cost Per Outcome
\$0.05 per meal for a malnourished child

RETURN ON INVESTMENT

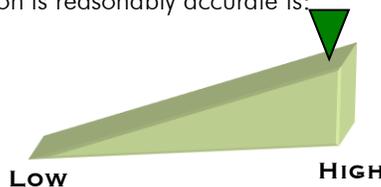
The return on investment of a \$1,000 investment by a donor would be:

$$\text{\$1,000 investment} \div \text{\$0.05² cost per meal for a malnourished child} =$$

Return on \$1,000 Investment
18,727 meals for malnourished children

CONFIDENCE RATING

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



¹ HFA’s partners contributed food valued at \$437,578 in 2022. It is unknown how much cooks are being paid since HFA has handed off their management to the local churches. If the cooks were paid at the same rate as 2020 and the cost of the food were included, the total expenses dedicated to achieving this outcome would be \$0.39 per meal compared to \$0.74 per meal in 2021.

² The exact number used for this calculation was 0.0534.

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 with 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. Partner expenses from leveraged partnerships are noted when they occur but are not included in the calculation.
7. 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%)
8. 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 10 below).
9. All financial numbers are derived from the ministry’s financial statements; if estimates are used, those estimates are based on financial statements.
10. 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.