



neverthirst

2022 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, 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:

Neverthirst

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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 **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 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.

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

Neverthirst

LEGAL NAME

Neverthirst, Inc. (NT)

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Birmingham, AL 35242

TELEPHONE

205.991.7757

WEBSITE

www.neverthirstwater.org

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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

13

BOARD

4 12 members

INDEPENDENCE

5 Ten members are independent; two are related to one another.

BOARD DONORS

All 12 have contributed within the past 12 months.

MEETING FREQUENCY

6 Quarterly

SENIOR EXECUTIVE



Matt Letourneau was appointed NT's executive director in April 2019. Prior to taking this role, he was a business consultant in the

Atlanta technology start-up market for four years. Mr. Letourneau has also held a variety of leadership roles with The Navigators.

AUDITED FINANCIAL STATEMENTS

7 Yes, by Forvis, according to GAAP

TRANSPARENCY

8 **10** Yes, financial statements are provided to the board quarterly and to the public upon request.

ACCOUNTING CONTROLS

9 Yes, internal accounting controls have been implemented.

RESPONSIVENESS

11 Very good—responded to all questions in a timely and sufficient manner

501(C)(3)

12 June 2009

DONATION DEDUCTIBILITY

Yes, U.S.

LATEST FORM 990 FILING

2021

FOUNDED

13 2008

LEGAL RELATIONSHIP TO OTHER ENTITIES

None

PROGRAM COMPONENTS

✓ EMPOWERMENT & PARTNERSHIP: NT equips churches and pastors with the tools and skills necessary to provide clean water. Provision of physical water is coupled with 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.



An NT partner trains a family in Cambodia to use and maintain its new household biosand filter.

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

STATEMENT OF FINANCIAL POSITION, 12/31/22

| | |
|--------------------|-------------|
| Assets | \$2,547,546 |
| Liabilities | \$298,471 |
| Net assets | \$2,249,075 |
| Portion restricted | \$1,530,043 |

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 | \$8,211,041 |
| Expenses | \$9,345,957 |
| Net income | (\$1,134,916) |

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, enabling 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, which is then owned locally. NT partners with local pastors serving in poverty-stricken areas that have little or no access to the gospel, sometimes due to persecution. Pastors submit applications for water projects to local NT partners.

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, children, and men of Boyé Boyé, Niger gather around the tap stand nearest their homes. Before, most women went in the morning and the evening to an open well far from home to collect dirty water. They share that now, "we just turn on the tap to get clean water whenever we want."

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 check the status of well

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, solar-powered water system, piped water system, spring protection, or bio-sand filter.

maintenance and gather information on outcomes related to the water project—how it has augmented local church ministry, improved family health, and helped increase the number of new believers.

RATIONALE FOR THE STRATEGY

The program provides a platform for the pastors to share the gospel with nearby people whom they typically cannot 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 4,205 projects are planned for 2023 in eight countries.

PROGRAM IMPACT

NT has observed that villages have improved health, fewer 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 output in 2022: 6,136 completed water projects. These included wells; bio-sand filters; tap stands; and WASH projects that provide water, sanitation, and hygiene education at schools. The geographical distribution of projects was as follows:

- ✓ Cambodia: 2,095
- ✓ Nepal: 1,191
- ✓ Uganda: 734
- ✓ India: 775
- ✓ Niger: 66
- ✓ Chad: 47
- ✓ Democratic Republic of Congo: 1,205
- ✓ Ethiopia: 20
- ✓ Middle East: 3

PRIMARY OUTCOME

15 The return generated by this program is expressed in terms of the number of **years of clean water for one person**. 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, provides donors access to the program's operations

Return on Investment Calculation

OUTCOME ACHIEVED

In 2022, NT’s program, Providing Clean and Living Water, resulted in 240,892 people provided with access to clean water. NT defines a person with access to clean water as someone living within two miles of an NT project that provides clean, safe, potable water.¹ Each water project is estimated to last approximately 15 to 20 years.² Using the median duration of 17.5 years, the work of the program in 2022 provided 4,215,610 years of clean water for one person.

| Outcome | |
|------------------|-------------------------------------|
| 4,215,610 | years of clean water for one person |

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 \$9,345,957. 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 81.6% program expenses, 8.1% management and general expenses, and 10.3% fundraising and public relations expenses.

| Total Cost of Program | |
|-----------------------|--|
| \$9,345,957 | |

COST PER OUTCOME

Therefore, the cost per outcome is:

\$9,345,957 prog. cost ÷ 4,215,610 years of clean water for one person =

CEC calculated NT’s cost per outcome for prior years: 2021: \$2.12; 2020, \$1.64; 2019, \$1.09; 2018, \$1.14; 2017, \$1.19; 2016, \$0.66; 2015, \$0.85; 2014, \$0.60; and 2013, \$0.63.

| Cost Per Outcome | |
|------------------|--|
| \$2.22 | per year of clean water for one person |

RETURN ON INVESTMENT

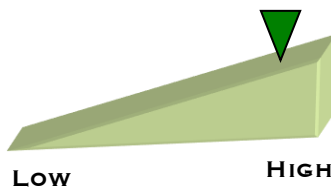
The return on investment of a \$1,000 investment by a donor would be:

\$1,000 investment ÷ \$2.12³ cost per year of clean water for one person =

| Return on \$1,000 Investment | |
|------------------------------|-------------------------------------|
| 451 | years of clean water for one person |

CONFIDENCE RATING

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



¹ NT chooses to define access using a two-mile radius. The World Bank defines access using collection time—the round trip for obtaining water must take no more than 30 minutes.

² This estimation comes from NT Director of Programs, Steve Chee, and an article presented by the Royal Society of Chemistry on June 26, 2020, titled, “Barriers to Handpump Serviceability in Malawi: Lifecycle Costing for Sustainable Service Delivery.”

³ The exact number used for this calculation was 2.217.

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.