



Youth With A Mission

2022 Statement of ROI

THE RETURN ON INVESTMENT CREATED BY **HOMES OF HOPE**,
A PROGRAM OF **YOUTH WITH A MISSION SAN DIEGO/BAJA**,
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2022

Prepared by:

CALVIN EDWARDS
& COMPANY

Maximizing the Good of Giving



for:

ROI Ministry

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in collaboration with:

Youth With A Mission San Diego/Baja

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November 2023

NOTICE

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Youth With A Mission

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 2022, the list includes **Youth With A Mission San Diego/Baja** (YWAM SDB) and its program, **Homes of Hope**.

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 YWAM SDB 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) findings from examination of the organization’s claims pertaining to compliance with standards, and (ii) analysis of the quality of the data and explanations provided to perform the calculation.

YWAM SDB completed the application process for its program, Homes of Hope, 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.

Youth With A Mission San Diego/Baja

LEGAL NAME

Youth With A Mission San Diego/Baja (YWAM SDB)

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MISSION

“GO – SERVE – TRANSFORM:
Mobilizing Others to serve the Least
and the Lost into Transformed Lives”

GEOGRAPHIC FOCUS

Baja California, Mexico

STRATEGY

YWAM SDB accomplishes its mission by discipling youth through guided study to deepen their relationship with God and equipping them to minister to others through hands-on service.

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 local church.

NUMBER OF PAID STAFF

20 (plus 230 full-time volunteer staff)

BOARD

4 18 members

INDEPENDENCE

5 12 members are independent; six are local management.¹

BOARD DONORS

All members have contributed within the past 12 months.

MEETING FREQUENCY

6 Four times per year—three times in person and once virtually

SENIOR EXECUTIVE

Sean Lambert serves as president and executive director of YWAM SDB, which he and his wife, Janet, launched in 1991. He has served in over 50 nations with YWAM since 1979 and founded the Mission Adventures outreach program in 1997.

AUDITED FINANCIAL STATEMENTS

7 Yes, by Capin Crouse LLP, according to GAAP

TRANSPARENCY

8 10 Yes, board members receive financial statements quarterly.

Audited financial statements are available to the public upon request.

ACCOUNTING CONTROLS

9 Yes, internal accounting controls have been implemented.

RESPONSIVENESS

11 Acceptable—responded with no significant delays or gaps

501(C)(3)

12 May 1994

DONATION DEDUCTIBILITY

Yes, U.S. and Canada

LATEST FORM 990 FILING

Recognized by the IRS as a religious order, YWAM SDB is not required to file 990 forms.

FOUNDED

13 1991

LEGAL RELATIONSHIP TO OTHER ENTITIES

YWAM Society (Mexico)

PROGRAMS

✓ **HOMES OF HOPE:** YWAM SDB enables volunteer groups to build homes for needy families in the Baja area and overseas.



A family stands in front of their new home.

✓ **UNIVERSITY OF THE NATIONS (UOFN):** YWAM SDB is one site of YWAM International's UofN. On-campus biblical study is combined with outreach to nurture faith and equip youth for mission work.

✓ **MISSION ADVENTURES:** YWAM SDB enables youth groups and families to do short-term mission trips. Trips develop participants' faith through hands-on service and instill a missional mindset.

✓ **HOPE ZONE:** YWAM SDB provides services and discipleship in the places it builds homes.

STATEMENT OF FINANCIAL POSITION, 12/31/22

Assets	\$26,233,467
Liabilities	\$1,726,371
Net assets	\$24,507,096

Source: Audited financial statement

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

Revenue	\$16,924,533
Expenses	\$13,600,578
Net income	\$3,323,955

Source: Audited financial statement

MINISTRY UNIQUENESS

At a crucial time of life, YWAM SDB helps Christian young people become more rooted in their faith and experience purposeful work for God's kingdom. In doing so, it also provides significant services to the needy and mobilizes believers.

¹ YWAM SDB is part of YWAM International (YWAMI), a decentralized family of autonomous local ministries sharing the same purpose and values. YWAM SDB's board follows the structure YWAMI encourages: 1/3 local YWAM management, 1/3 YWAM leaders from other locations, and 1/3 independent Christians. This allows for strong YWAM understanding and representation while maintaining a non-management majority.

Homes of Hope

PROGRAM PURPOSE

The purpose of YWAM SDB's Homes of Hope program is to provide homes for needy families in Baja California and around the globe.

PROGRAM STRATEGY

To provide homes for needy families in Baja California and around the globe, YWAM SDB orchestrates home-building projects, enabling volunteer groups to construct a house in two days.

PROGRAM DESCRIPTION

The HoH community selection team works with families who apply to receive a home, using strict criteria to find the neediest families. One significant prerequisite is that a family must already own the land on which a house is to be built and must be up-to-date on payments.

The HoH registration team works with church groups, families, business teams, and other groups who apply to build a home. This team establishes project dates and other logistical details, then pairs each group with a selected family. During a project, YWAM SDB provides all of the transportation, housing, and meals necessary. It also supplies builders, translators, and tools. Volunteer groups provide all of the labor and typically cover the cost of the home. Construction of the house is usually completed in two days, then YWAM SDB provides basic furnishings.

The family is responsible for ongoing maintenance of the home. Properly maintained, the finished home provides approximately 25 years of clean, dry, living accommodation for the family.



A visiting team is at work constructing a home.

RATIONALE FOR THE STRATEGY

HoH efficiently provides homes where the need for adequate shelter is great. Requiring families to own the land enhances community development, helping families up, rather than simply giving them a handout. Projects

encourage volunteers to continue giving and serving; teams show up one day and complete the house the next day, seeing a finished product and knowing the transformation it will bring about in people's lives.

CURRENT STATUS

HoH is an established program that has continued to flourish. 2023 has been its busiest year yet, building over 360 homes in Baja. In 2022, Homes of Hope built 100 emergency shelters in Ukraine for war victims and dozens more in other nations.

PROGRAM IMPACT

Since its inception in 1990, over 130,000 Homes of Hope volunteers have taken part in constructing homes for the needy. These volunteers have built over 8,000 homes in 27 nations.

YWAM SDB sees the families who receive homes experience positive change in five key areas:

- ✓ **Economic impact.** A debt-free home helps lift families out of poverty and stimulates hope for a better future.
- ✓ **Educational impact.** A stable home environment deters the distraction and obstacles to staying in school that come with homelessness. It promotes learning and academic success, with long-term implications for a person's prospects.
- ✓ **Health impact.** Homes having a cement floor instead of a dirt one significantly reduces parasitic infestations, diarrhea, anemia, and other physical ailments.
- ✓ **Transformational impact.** A home provides a safe environment and enables hospitality. Families can relate and function in a healthy way without the persistent disruptions of life that come with homelessness.
- ✓ **Spiritual impact.** The gift of a home is a practical demonstration of God's love for a family. And families who have received are inspired to give to others in need.

OUTPUTS

14 The program generated the following outputs in 2022:

- ✓ Mobilized 7,000 people to complete a short-term mission trip
- ✓ Provided 279 home-recipient families with a Bible and an invitation to a local church

PRIMARY OUTCOME

15 The return generated by this program is expressed in terms of the number of **days of housing for one family**. The ROI calculation on the following page is based on this outcome.

EXPENSE TRACKING

16 YWAM SDB tracks costs associated with program outputs and outcomes.

DONOR REPORTING FREQUENCY

17 There is a main annual report, but board financial reports are available to donors on request.

DONOR ACCESS

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

Return on Investment Calculation

OUTCOME ACHIEVED

In 2022, YWAM SDB’s program, Homes of Hope, resulted in 279 needy families receiving a home in which to live. YWAM SDB estimates that a home will last an average of 25 years. To convert this into days, 25 years is multiplied by 365 days (25 X 365 = 9,125) and six days are added to account for leap years over this period (9,125 + 6 = 9,131). One home will last an estimated 9,131 days. Therefore, the 279 homes built through the program in 2022 will provide 2,547,549 days of housing for one family.

Outcome	
2,547,549	days of housing for one family

DATA COLLECTION METHOD

YWAM SDB documents its home-building activities. It keeps records of the projects it undertakes in a calendar year and tracks all expenses involved in hosting groups and constructing the homes. YWAM SDB’s estimate of homes lasting 25 years is based on: 33 years of experience building the homes; anecdotal follow-up with families served; and examination of data from other area ministries that build homes using similar materials and in similar climates. YWAM SDB does not track every house for the 25 years thus, a certain proportion of homes may fall into despair due to non-upkeep, which would lower the reported outcome. That is not factored into the calculation.

COST OF ACHIEVING THE OUTCOME

The cost to achieve this outcome was \$3,085,569. According to YWAM SDB, the direct expenses for this program, Homes of Hope, were \$2,932,515. This includes the cost of materials to construct houses and the cost of arranging the builds. It also includes all administrative costs and overheads involved (accounting fees and vehicle expenses, for example). Homes of Hope’s expenses represent 23% of the organization’s combined program expenses (\$11,614,241) and management and general expenses (\$1,320,884). Added to Homes of Hope’s direct costs are 23% of YWAM SDB’s fundraising costs (\$665,453 X 23% = \$153,054) to calculate the total program cost.

Total Cost of Program	
\$3,085,569	

COST PER OUTCOME

Therefore, the cost per outcome is:

$$\text{\$3,085,569 program cost} \div \text{2,547,549 days of housing for one family} =$$

Cost Per Outcome	
\$1.21	per day of housing for one family

RETURN ON INVESTMENT

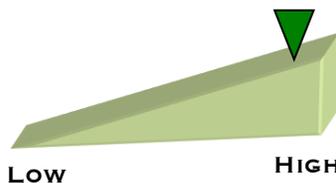
The return on investment of a \$1,000 investment by a donor would be:

$$\text{\$1,000 investment} \div \text{\$1.21}^2 \text{ cost per day of housing for one family} =$$

Return on \$1,000 Investment	
825	days of housing for one family

CONFIDENCE RATING

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



² The exact number used for this calculation was 1.2112.

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

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.