

Faith Comes By Hearing®

2020 Statement of ROI

THE RETURN ON INVESTMENT FROM

FORMING AUDIO BIBLE LISTENING GROUPS IN MALAYSIA & INDONESIA,

A PROGRAM OF **FAITH COMES BY HEARING,**

FOR THE FISCAL YEAR ENDING MARCH 31, 2021

Prepared by:

CALVIN EDWARDS
& COMPANY

Maximizing the Good of Giving



for:

ROI Ministry

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Roswell, GA 30076

in collaboration with:

Faith Comes By Hearing

2421 Aztec Road NE

Albuquerque, NM 87107

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NOTICE

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Faith Comes By Hearing®

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 2020, the list includes **Faith Comes By Hearing** and its program, **Forming Audio Bible Listening Groups in Malaysia & Indonesia**.

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 Faith Comes By Hearing and its program align with these standards is indicated on the following pages with color-coded symbols. The Confidence Rating that appears on page 5 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.

Faith Comes By Hearing completed the application process for its program, Forming Audio Bible Listening Groups in Malaysia & Indonesia, and it was selected by ROIM from a pool of applicants. This *2020 Statement of ROI*, created by CEC, constitutes an independent verification that the program efficiently and effectively used funds in FY 2021 to reach the lost with the gospel.

Faith Comes By Hearing

LEGAL NAME

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MISSION

"To record and provide the Word of God in every translated language."

GEOGRAPHIC FOCUS

Worldwide

STRATEGY

To record and provide the Word of God in every translated language, FCBH works with partners to produce and distribute word-for-word recordings of the Bible, prioritizing those language groups who are primarily oral communicators.

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

51

BOARD

4 Twelve members

INDEPENDENCE

5 The president serves on the board, and three other members are either ministry employees or family members of a ministry employee.

BOARD DONORS

Eleven of 12 board members have contributed within the past 12 months.

MEETING FREQUENCY

Every six weeks

SENIOR EXECUTIVE



Gerald Jackson, FCBH's founder and president, and his wife Anet, were serving as missionaries when they founded FCBH.

Under Mr. Jackson's leadership, FCBH

pioneered audio scripture production and engagement. He has a bachelor of science degree in agronomy from California State Polytechnic University.

AUDITED FINANCIAL STATEMENTS

7 Yes, by Ricci & Company, LLC

TRANSPARENCY

8 **10** Yes, financial statements are presented to the board every six weeks and the public upon request.

ACCOUNTING CONTROLS

10 Yes, internal accounting controls have been implemented.

RESPONSIVENESS

11 Acceptable; responded to questions with no significant delay or gaps.

501(C)(3)

August 1973

DONATION DEDUCTIBILITY

Yes, the U.S. and Hong Kong

LATEST FORM 990 FILING

2020

FOUNDED

1972

LEGAL RELATIONSHIP TO OTHER ENTITIES

None

PRODUCTS/PROGRAMS

- ✓ **AUDIO BIBLE RECORDINGS**—translated scriptures are recorded using a variety of technologies, including Oral Bible Translation, to ensure high quality.
- ✓ **BIBLE BRAIN (FORMERLY DIGITAL BIBLE PLATFORM)**—the world's largest collection of Bible text,

audio, and video is made available through websites, radio, podcasts, Bible.is, Global Bible Apps, and partner apps and websites.

- ✓ **LISTENING GROUPS**—dedicated Audio Bible playback devices are freely provided to groups that agree to meet, listen, and discuss the Bible on a regular basis.



A Bible listening group in Malaysia during a 21-day Christmas campaign.

- ✓ **GOSPEL FILMS**—FCBH combines Audio Bible recordings with LUMO films to create high-quality gospel films in minority languages. The films are available via projectors, online, through Bible.is, and on social media platforms.

STATEMENT OF FINANCIAL POSITION, 03/31/21

Assets	\$63,072,469
Liabilities	\$3,140,619
Net assets	\$59,931,850
Portion restricted	\$16,866,548

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

STATEMENT OF ACTIVITIES, 4/1/20 – 03/31/2021

Revenue	\$25,880,986
Expenses	\$18,321,636
Net income	\$7,559,350

Source: Unaudited financial statement. A Statement of Activities is the income statement or profit & loss statement of a nonprofit organization. FCBH is having its 2020 financials audited, however, this Statement was prepared prior to completion of the audit.

MINISTRY UNIQUENESS

FCBH creates audio and video recordings of Scripture in indigenous languages and makes these recordings freely and widely available, together with playback devices and through digital means.

Forming Audio Bible Listening Groups in Malaysia & Indonesia

PROGRAM PURPOSE

To enable people in Malaysia and Indonesia to be disciplined in their native languages.

PROGRAM STRATEGY

To enable people in Malaysia and Indonesia to be disciplined in their native languages, FCBH partners with a network of church leaders to launch Audio Bible listening groups, using Audio Bible devices (“Proclaimers”) for evangelism and discipleship.

PROGRAM DESCRIPTION

With its partners, FCBH trains, equips, and empowers local Christian leaders to establish listening groups in their areas. FCBH provides dramatized audio recordings of the New Testament in the heart languages of the people on playback devices and educates leaders on facilitating listening groups. A program coordinator generally trains 40-200 pastors and Christian workers at a time in a central location. These then return to their homes and places of ministry to launch Audio Bible listening groups. Many of these groups also take the initiative to launch



Malaysian Bible Listening Group

additional groups for an ongoing multiplication effect. Some household or family-sized listening groups have up to 15 people. Others, in churches, villages, schools, and prisons, may have up to 100 people. Most Audio Bibles are used by several groups. An average of 90 people hear the Bible from each device over its lifetime.

Listening through the New Testament requires 20 to 30 minutes per week for 40 weeks. Some groups meet twice a week and finish in 20 weeks. A group that establishes a regular meeting schedule and has a consistent membership may develop into a house church. Such church plants are usually led by the original group leader and are often assisted by a sister or mother church. Currently, FCBH works with 35 ministry partners throughout Malaysia and Indonesia to provide Audio Scriptures.

RATIONALE FOR THE STRATEGY

FCBH’s partner organizations provide access to an extensive network of church leaders capable of launching Audio Bible listening groups. This allows FCBH to focus on training leaders, thereby expanding the reach of FCBH. In addition, the culture in Malaysia and Indonesia typically dictates that group members defer to one leader so these listening groups provide a unique opportunity for all who hear to openly share what they learn, which builds unity and better discipleship. Finally, a focus on the Bible

addresses deep spiritual hunger and helps to counter false doctrines.

CURRENT STATUS

FCBH’s work in Malaysia and Indonesia is more recent than many other FCBH programs. FCBH and its partner ministries continue to try to grow the program’s reach by developing more Bible listening programs using physical devices and digital initiatives to further promote audio Scripture and gospel film use.

FCBH pivoted its strategies due to the Covid-19 pandemic by expanding its efforts to engage people with Scripture digitally.

PROGRAM IMPACT

FCBH receives testimonies of people becoming Christians, growing in faith, and of becoming active church members.

OUTPUTS

14 For FY 2021, the following Audio Bible listening programs were implemented:

- ✓ Malaysia – 3,298
- ✓ Indonesia – 5,360
- ✓ Total languages – 23
- ✓ People potentially reached – 779,220

PRIMARY OUTCOME

15 The return generated by this program is expressed in terms of **the number of people disciplined** by participating in Audio Bible listening groups. Participants hear the Word of God in their own language, discuss it, and apply it to their lives. The ROI calculation on the following page refers to this outcome.

SECONDARY OUTCOME

15 Also, the program generates the following secondary outcome:

- ✓ **Digital Bible.is downloads.** FCBH documents the number of Bible.is downloads that occur as a result of digital campaigns within the program.

The metric associated with this outcome is reported below the ROI calculation on the following page.

EXPENSE TRACKING

16 Costs associated with program outputs are tracked.

DONOR REPORTING FREQUENCY

17 Every three to six months

DONOR ACCESS

18 Yes

Return on Investment Calculation

OUTCOME ACHIEVED

In FY 2021, FCBH’s program, Forming Audio Bible Listening Groups in Malaysia & Indonesia, resulted in an estimated 779,220 people disciplined. A person disciplined is defined as a person who participates in an Audio Bible listening group, hears the gospel in their own language, and discusses what they have heard with the group.

Outcome
779,220 people disciplined

DATA COLLECTION METHOD

Outcome numbers are provided by FCBH’s partners in Malaysia and Indonesia. They collect testimonies and gather statistics from each worker entrusted with an Audio Bible device. Some Bible listening group leaders recorded exact numbers of people in attendance; others reported averages. Nearly all Audio Bible devices (“programs”) are used with multiple listening groups. The average number of people disciplined through each “program” is 90. Thus, FCBH’s 8,658 “programs” could result in 779,220 people disciplined.

COST OF ACHIEVING THE OUTCOME

The cost to achieve this outcome was \$976,162. FCBH’s total expenses in FY 2021 for their global ministries were \$16,211,555. According to FCBH, the direct expenses for this program, Forming Audio Bible Listening Groups, were \$864,328 (5.3% of FCBH’s total direct program expenses). That included the cost of building and shipping the Audio Bible devices, related costs at headquarters, and a portion of the distribution and training costs of partners. Some partners contribute some distribution and training costs; those contributions are not included in the FCBH program cost here. If they were, the cost to achieve the outcome would be higher. 5.3% of FCBH’s total fundraising costs (\$59,519) and 5.3% of its management and general costs (\$52,315) were added to determine the total cost for this program.

Program Cost
\$976,162

COST PER OUTCOME

Therefore, the cost per outcome is:

$$\mathbf{\$976,162 \text{ program cost} \div 779,220 \text{ persons disciplined} =}$$

Comparisons with prior years are not available as this is the first year ROIM has calculated a cost per outcome for HFA.¹

Cost Per Outcome
\$1.25 per person disciplined

RETURN ON INVESTMENT

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

$$\mathbf{\$1,000 \text{ investment} \div \$1.25^2 \text{ cost per person disciplined} =}$$

Return on \$1,000 investment
800 people disciplined

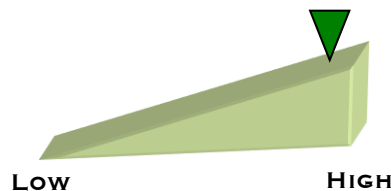
SECONDARY OUTCOME

In addition, the program produced the following secondary outcome:

6,648+ Bible.is downloads

CONFIDENCE RATING

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



¹ CEC has calculated the ROI for FCBH in prior years on the same metrics but for different countries. FCBH’s current ROI is comparable to prior results: 2019, \$1.27; 2018, \$1.30; 2017, \$1.29; 2016, \$1.96; and 2015, \$1.82.

² The exact number used for this calculation was \$0.9707.

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.