LAUSANNE COMMITTEE
FOR WORLD EVAGELIZATION
FINANCIAL STATEMENTS
DECEMBER 31, 2006

BYEMAN & CLEARY
CERTIFIED PUBLIC ACCOUNTANTS

412 W. BROADWAY • SUITE 206 • GLENDALE, CALIFORNIA 91204-1297
TELEPHONE 818 • 247-3223 • FACSIMILE 818 • 247-9066

To the Administrative Committee of
Lausanne Committee for World Evangelization
Glendora, California

We have reviewed the accompanying statement of financial position of Lausanne Committee for World Evangelization as of December 31, 2006, and the related statements of activities, functional expenses, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these statements is the representation of the management of Lausanne Committee for World Evangelization.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles in the United States of America.

Byeman & Cleary

September 19, 2007

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2006

ASSETS	
Current assets:	
Cash and cash equivalents	$ 90,385
TOTAL ASSETS	90,385
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	10,245
Total current liabilities \ total liabilities	10,245
Net assets:	
Unrestricted	79,140
Temporarily restricted	1,000
Total net assets	80,140
TOTAL LIABILITIES AND NET ASSETS	$ 90,385

See accompanying notes and accountant's review report.

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2006

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:			
Contributions	$ 562,311	$ 381,118	$ 943,429
Royalties	2,118	-	2,118
Registration fees	195,909	-	195,909
Gifts-in-kind	145,670	-	145,670
Miscellaneous income	(529)	-	(529)
Net assets released due to satisfaction of restrictions	396,118	(396,118)	-
TOTAL SUPPORT AND REVENUE	1,301,597	(15,000)	1,286,597
EXPENSES:			
Program Services	1,141,339	-	1,141,339
Management & General	140,685	-	140,685
Fundraising	6,981	-	6,981
TOTAL EXPENSES	1,289,005	-	1,289,005
CHANGE IN NET ASSETS	12,592	(15,000)	(2,408)
NET ASSETS AT BEGINNING OF YEAR	66,548	16,000	82,548
NET ASSETS AT END OF YEAR	$ 79,140	$ 1,000	$ 80,140

See accompanying notes and accountant's review report.

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2006

	Program Service	Management & General	Fundraising	Total Expenses
Conferences & events	$ 775,744	$ 3,819	$ -	$ 779,563
Office	2,257	9,992	-	12,249
Telecom	801	2,583	-	3,384
Marketing & communications	144,190	4,212	-	148,402
Bank & broker fees	635	156	-	791
Missionary support	151,550	12,348	-	163,898
Travel	8,925	22,384	-	31,309
Staff development	-	1,139	-	1,139
Gifts & honorariums	-	2,600	-	2,600
Gifts-in-kind	57,237	81,452	6,981	145,670
Total expenses	$ 1,141,339	$ 140,685	$ 6,981	$1,289,005

See accompanying notes and accountant's review report.

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2006

Cash flows from operating activities:	
Change in net assets	$ (2,408)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Loss on disposal of equipment	637
Increase (decrease) in:	
Accounts payable	10,245
Net cash used by operating activities	8,474
Net increase in cash	8,474
Cash and cash equivalents at beginning of year	81,911
Cash and cash equivalents at end of year	$ 90,385

See accompanying notes and accountant's review report.

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

1. NATURE OF ORGANIZATION

Lausanne Committee for World Evangelization (LCWE) is incorporated in California under the Nonprofit Religious Corporation Law, exclusively for religious purposes. It is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and Section 23701 of the California Revenue and Taxation Code.

LCWE exists to encourage and stimulate the involvement of churches, denominations, ministries, networks and individuals in the cause of world evangelization by providing a forum for theological discussion and the development of practical strategies to address crucial issues facing the church in spreading the Gospel of Jesus Christ.

The organization is supported primarily through donor contributions solicited by missionary staff and charitable foundation grants. Grants and contributions are received from donors throughout the United States. Foundation grants received were approximately 59.8% and contributions received as support for projects and missionaries were 40.2% of total support and revenue for the year ended December 31, 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
These financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Cash and Cash Equivalents
Cash consists of balances in deposit accounts at financial institutions, primarily a bank. All unrestricted highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

Classes of Net Assets
Unrestricted amounts are those currently available at the discretion of the board of directors and management for use in the organization's operations and those resources invested in equipment.

Temporarily restricted amounts are those which are stipulated by donors for specific operating purposes or for the acquisition of equipment.

Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Expense Allocation
The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Investments
Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Promises Receivable
Contribution revenue is recognized when a donor makes a promise to give to the organization that is, in substance, unconditional. Unconditional promises expected to be collected within one year are reported at net realizable value. Those expected in more than one year are reported at the net present value of their estimated future cash flow. There were no promises receivable at December 31, 2006.

LCWE received a promise to give from a single donor to provide matching funds of up to $500,000 per year over the next 3 years provided that LCWE obtains an equal amount of unconditional promises to give. This conditional promise is not recognized as an asset in the statements of financial position because none of the required matching funds have been obtained.

Property and Equipment
Property and Equipment is recorded at cost or estimated fair value if received by donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Absent donor directions regarding how long those donated assets must be maintained, the organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. Property and equipment are depreciated on the straight-line method based on estimated useful lives of 3 to 7 years for furniture and equipment.

Revenues and Expenses
Unrestricted contributions are recognized when cash or ownership of donated assets is unconditionally promised to the organization.

Temporarily restricted contributions are recognized as contribution income when cash or ownership of donated assets is unconditionally promised to the organization and subsequently released to unrestricted net assets when expenses have been incurred in satisfaction of those donor stipulated restrictions. When a restricted donation is recognized, a portion is allocated to unrestricted net assets to offset the cost of processing the transaction.

Gifts-in-Kind

Gifts-in-kind are donated materials and services reflected as contributions in the financial statements at their estimated values on date of receipt. Contributions of services are recognized if the services received create or enhance nonfinancial assets, or require specialized skills and are provided by persons with those skills, and would be purchased if not provided by donation.

Executive and administrative services are provided to LCWE by another nonprofit organization. The following services received were recorded as income and corresponding expense in the year ended December 31, 2006:

Salaries & Benefits:	
Executive International Chairman	$ 69,811
Administrative & Program Support Staff	75,859
Total contributed services	$145,670

3. CONCENTRATIONS

A single donor contributed 53% of public support during 2006.

4. ALLOCATION OF JOINT COSTS

There has been no allocation of joint costs of activities containing elements of program, management and general, and fund raising. Fund raising activities conducted in conjunction with program or management and general activities were incidental and did not require allocation.

5. RESTRICTIONS ON NET ASSETS

The temporarily restricted net assets represent unspent contributions received with donor-imposed stipulations. The stipulations are removed when funds are expended for the purpose specified. At December 31, 2006, $1,000 of net assets is restricted for Lausanne Work Groups.