

**LAUSANNE COMMITTEE  
FOR WORLD EVAGELIZATION  
FINANCIAL STATEMENTS  
DECEMBER 31, 2007**

**BYEMAN & CLEARY**  
CERTIFIED PUBLIC ACCOUNTANTS

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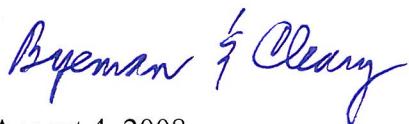
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To the Administrative Committee of  
Lausanne Committee for World Evangelization  
Glendora, California

We have reviewed the accompanying statement of financial position of Lausanne Committee for World Evangelization as of December 31, 2007 and 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.



August 4, 2008

**LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2007 and 2006

	2007	2006
<b><u>ASSETS</u></b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 134,575	\$ 90,385
Prepaid Expense	1,180	-
<b>Total Current Assets</b>	<b>135,755</b>	<b>90,385</b>
<b>Property and Equipment:</b>		
Property and equipment	58,207	-
Less: accumulated depreciation	(2,376)	-
<b>Net Property and Equipment</b>	<b>55,831</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>191,586</b>	<b>90,385</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities:</b>		
Accounts payable	190,219	10,245
Accrued Expense	13,812	-
Notes payable	90,000	-
<b>Total Current Liabilities \ Total Liabilities</b>	<b>294,031</b>	<b>10,245</b>
<b>Net Assets:</b>		
Unrestricted	(102,445)	79,140
Temporarily restricted	-	1,000
<b>Total Net Assets</b>	<b>(102,445)</b>	<b>80,140</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 191,586</b>	<b>\$ 90,385</b>

*See accompanying notes and accountant's review report.*

**LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION**  
STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2007 and 2006

	2007			2006		
	Unrestricted	Temporarily		Unrestricted	Temporarily	
		Restricted	Total		Restricted	Total
<b><u>SUPPORT AND REVENUE:</u></b>						
Contributions	\$ 522,582	\$ 337,772	\$ 860,354	\$ 562,311	\$ 381,118	\$ 943,429
Royalties	3,268	-	3,268	2,118	-	2,118
Registration fees	98,982	-	98,982	195,909	-	195,909
Gifts-in-kind	160,338	-	160,338	145,670	-	145,670
Miscellaneous income	670	-	670	(529)	-	(529)
Net assets released due to satisfaction of restrictions	338,772	(338,772)	-	396,118	(396,118)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>1,124,612</u>	<u>(1,000)</u>	<u>1,123,612</u>	<u>1,301,597</u>	<u>(15,000)</u>	<u>1,286,597</u>
<b><u>EXPENSES:</u></b>						
Program Services	1,095,465	-	1,095,465	1,141,339	-	1,141,339
Management & General Fundraising	185,663	-	185,663	140,685	-	140,685
	25,069	-	25,069	6,981	-	6,981
<b>TOTAL EXPENSES</b>	<u>1,306,197</u>	<u>-</u>	<u>1,306,197</u>	<u>1,289,005</u>	<u>-</u>	<u>1,289,005</u>
<b>CHANGE IN NET ASSETS</b>	(181,585)	(1,000)	(182,585)	12,592	(15,000)	(2,408)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>79,140</u>	<u>1,000</u>	<u>80,140</u>	<u>66,548</u>	<u>16,000</u>	<u>82,548</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ (102,445)</u>	<u>\$ -</u>	<u>\$ (102,445)</u>	<u>\$ 79,140</u>	<u>\$ 1,000</u>	<u>\$ 80,140</u>

*See accompanying notes and accountant's review report.*

# LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION

## STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2007 and 2006

	2007			2006				
	Program Service	Management & General	Fundraising	Total Expenses	Program Service	Management & General	Fundraising	Total Expenses
Conferences & events	\$ 511,797	\$ 6,503	\$ -	\$ 518,300	\$ 775,744	\$ 3,819	\$ -	\$ 779,563
Office	8,841	23,381	-	32,222	2,257	9,992	-	12,249
Depreciation	-	2,376	-	2,376	-	-	-	-
Telecom	16,075	9,590	-	25,665	801	2,583	-	3,384
Marketing & communications	222,318	973	-	223,291	144,190	4,212	-	148,402
Bank & broker fees	2,784	9,390	-	12,174	635	156	-	791
Missionary support	205,523	45,154	-	250,677	151,550	12,348	-	163,898
Travel	45,130	29,724	33	74,887	8,925	22,384	-	31,309
Staff development	616	-	-	616	-	1,139	-	1,139
Gifts & honorariums	2,762	601	2,288	5,651	-	2,600	-	2,600
Gifts-in-kind	79,619	57,971	22,748	160,338	57,237	81,452	6,981	145,670
<b>Total expenses</b>	<u>\$ 1,095,465</u>	<u>\$ 185,663</u>	<u>\$ 25,069</u>	<u>\$1,306,197</u>	<u>\$ 1,141,339</u>	<u>\$ 140,685</u>	<u>\$ 6,981</u>	<u>\$1,289,005</u>

*See accompanying notes and accountant's review report.*

# LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION

## STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$(182,585)	\$ (2,408)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	2,376	-
Loss on disposal of equipment	-	637
(Increase) decrease in:		
Prepaid Expense	(1,180)	-
Increase (decrease) in:		
Accounts payable	179,974	10,245
Accrued Expense	<u>13,812</u>	<u>-</u>
<b>Net cash provided by operating activities</b>	<u>12,397</u>	<u>8,474</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	<u>(58,207)</u>	<u>-</u>
<b>Net cash used by investing activities</b>	<u>(58,207)</u>	<u>-</u>
<b>Cash flows from financing activities:</b>		
Proceeds from loan payable	<u>90,000</u>	<u>-</u>
<b>Net cash provided by financing activities</b>	<u>90,000</u>	<u>-</u>
<b>Net increase in cash</b>	44,190	8,474
Cash and cash equivalents at beginning of year	<u>90,385</u>	<u>81,911</u>
Cash and cash equivalents at end of year	<u>\$ 134,575</u>	<u>\$ 90,385</u>

*See accompanying notes and accountant's review report.*

**LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007

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 54.8% and 43.8% of total support and revenue for the years ended December 31, 2007 and 2006, respectively. Contributions received as support for projects and missionaries were 21.8% and 29.5% of total support and revenue for the years ended December 31, 2007 and 2006, respectively. One donor contributed 44.5% and 38.9% of total support and revenue for the years ended December 31, 2007 and 2006, respectively.

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.

**LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION**  
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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, 2007 or 2006.

LCWE has received a promise to give from a single donor to provide matching funds of up to \$500,000 per year over the next 2 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.



**LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007

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 years ended December 31:

	<u>2007</u>	<u>2006</u>
Salaries & Benefits:		
Executive International Chairman	\$113,741	\$ 69,811
Administrative & Program Support Staff	<u>46,597</u>	<u>75,859</u>
Total contributed services	<u>\$160,338</u>	<u>\$145,670</u>

3. LOAN PAYABLE

The loan payable is due to an officer. The loan has no stated term or interest rate. Subsequent to December 31, 2007, interest was paid to the officer in an amount equal to that paid by the officer on a personal equity line of credit which was the source of the funds advanced to LCWE.

4. CONCENTRATION OF CREDIT RISK

At times during the year balances in bank accounts exceeded federal insurance limits.

5. 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.

6. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets represent unspent contributions received with donor-imposed stipulations. The stipulations are removed when funds are expended for the purpose specified. There are no restricted net assets at December 31, 2007. At December 31, 2006, there was \$1,000 of net assets restricted for Lausanne Work Groups.

**LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

7. NEGATIVE NET ASSETS

Net assets at December 31, 2007 are negative \$102,445. Management believes that there will be a significant increase in contribution income in the future. LCWE is starting a major fundraising drive in preparation for a major event in 2010 in Cape Town, South Africa. A gift of \$500,000 was received in January, 2008. LCWE has also adopted a policy of spending only what it can raise as revenue and contributions. It is expected therefore that a positive position in net assets will be achieved in 2008.