

**LAUSANNE COMMITTEE
FOR WORLD EVANGELIZATION
FINANCIAL STATEMENTS
DECEMBER 31, 2010**

BYEMAN & CLEARY
CERTIFIED PUBLIC ACCOUNTANTS

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

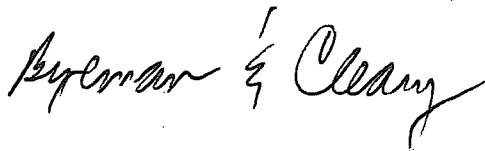
INDEPENDENT AUDITOR'S REPORT

Administrative Committee
Lausanne Committee for World Evangelization
South Hamilton, Massachusetts

We have audited the accompanying statements of financial position of Lausanne Committee for World Evangelization (a nonprofit organization) as of December 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lausanne Committee for World Evangelization as of December 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.



December 21, 2011

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2010 AND 2009

	2010	2009
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 431,897	\$ 65,083
Pledges Receivable	-	250,000
Tax and Credit Card Receivables	104,066	139,193
Prepaid Expense	18,501	199,475
Total Current Assets	554,464	653,751
Property and Equipment:		
Property and Equipment	127,863	141,121
Less: Accumulated Depreciation	(51,991)	(51,228)
Net Property and Equipment	75,872	89,893
TOTAL ASSETS	\$ 630,336	\$ 743,644
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 77,091	\$ 198,879
Accrued Expense	81,280	63,568
Unearned Registration Fees	-	392,917
Loans Payable	3,399,200	250,000
Total Current Liabilities \ Total Liabilities	3,557,571	905,364
Net Assets:		
Unrestricted	(2,927,235)	(271,881)
Temporarily Restricted	-	110,161
Total Net Assets	(2,927,235)	(161,720)
TOTAL LIABILITIES AND NET ASSETS	\$ 630,336	\$ 743,644

The accompanying notes are an integral part of these financial statements.

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<u>SUPPORT AND REVENUE:</u>						
Contributions	\$ 330,765	\$ 7,292,103	\$ 7,622,868	\$ 105,733	\$ 1,567,659	\$ 1,673,392
Royalties	2,414	-	2,414	809	-	809
Registration fees	1,653,441	-	1,653,441	8,523	-	8,523
Gifts-in-kind	-	-	-	-	-	-
Miscellaneous income	(29,986)	-	(29,986)	(4,410)	-	(4,410)
Net assets released due to satisfaction of restrictions	<u>7,402,264</u>	<u>(7,402,264)</u>	<u>-</u>	<u>1,990,855</u>	<u>(1,990,855)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>9,358,898</u>	<u>(110,161)</u>	<u>9,248,737</u>	<u>2,101,510</u>	<u>(423,196)</u>	<u>1,678,314</u>
<u>EXPENSES:</u>						
Program Services	11,324,021	-	11,324,021	1,871,699	-	1,871,699
Management & General	317,332	-	317,332	184,490	-	184,490
Fundraising	<u>372,899</u>	<u>-</u>	<u>372,899</u>	<u>143,861</u>	<u>-</u>	<u>143,861</u>
TOTAL EXPENSES	<u>12,014,252</u>	<u>-</u>	<u>12,014,252</u>	<u>2,200,050</u>	<u>-</u>	<u>2,200,050</u>
CHANGE IN NET ASSETS	(2,655,354)	(110,161)	(2,765,515)	(98,540)	(423,196)	(521,736)
NET ASSETS AT BEGINNING OF YEAR	<u>(271,881)</u>	<u>110,161</u>	<u>(161,720)</u>	<u>(173,341)</u>	<u>533,357</u>	<u>360,016</u>
NET ASSETS AT END OF YEAR	<u>\$ (2,927,235)</u>	<u>\$ -</u>	<u>\$ (2,927,235)</u>	<u>\$ (271,881)</u>	<u>\$ 110,161</u>	<u>\$ (161,720)</u>

The accompanying notes are an integral part of these financial statements.

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010					2009				
	Program Service	Supporting Services			Total Expenses	Program Service	Supporting Services			Total Expenses
		Management & General	Fundraising	Total Supporting			Management & General	Fundraising	Total Supporting	
Personnel	\$ 1,468,200	\$ 38,335	\$ 258,620	\$ 296,955	\$ 1,765,155	\$ 911,465	\$ 8,662	\$ 92,091	\$ 100,753	\$1,012,218
Travel	6,651,935	102,332	76,996	179,328	6,831,263	502,939	46,149	29,425	75,574	578,513
Marketing & Media	992,347	7,026	9,822	16,848	1,009,195	200,762	2,259	15,672	17,931	218,693
Program Grants	147,227	-	-	-	147,227	151,551	-	-	-	151,551
Conferences & Events	1,556,467	929	-	929	1,557,396	4,281	-	-	-	4,281
Office	454,056	13,636	956	14,592	468,648	73,710	16,257	2,388	18,645	92,355
Legal & Financial Services	51,377	91,154	675	91,829	143,206	23,827	61,992	260	62,252	86,079
Donor Relations	-	-	1,220	1,220	1,220	-	-	4,025	4,025	4,025
Depreciation	-	63,920	-	63,920	63,920	-	42,781	-	42,781	42,781
Interest Expense	411	-	24,610	24,610	25,021	3,164	6,390	-	6,390	9,554
Other Expense	2,001	-	-	-	2,001	-	-	-	-	-
Gifts-In-Kind Expense	-	-	-	-	-	-	-	-	-	-
Total expenses	<u>\$ 11,324,021</u>	<u>\$ 317,332</u>	<u>\$ 372,899</u>	<u>\$ 690,231</u>	<u>\$ 12,014,252</u>	<u>\$ 1,871,699</u>	<u>\$ 184,490</u>	<u>\$ 143,861</u>	<u>\$ 328,351</u>	<u>\$2,200,050</u>

The accompanying notes are an integral part of these financial statements.

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
Cash flows from operating activities:		
Change in net assets	\$(2,765,515)	\$(521,736)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	63,920	42,781
Loss on disposal of equipment	-	-
(Increase) decrease in:		
Advances	-	2,200
Prepaid Expense	180,974	(199,475)
Receivables	285,127	(139,193)
Pledges Receivable	-	250,000
(Decrease) increase in:		
Accounts payable	(121,788)	92,292
Accrued Expense	17,712	(1,581)
Unearned Registration Income	(392,917)	392,917
Net cash provided by operating activities	(2,732,487)	(81,795)
Cash flows from investing activities:		
Purchases of property and equipment	(49,899)	(65,318)
Proceeds from sale of property and equipment	-	-
Net cash used by investing activities	(49,899)	(65,318)
Cash flows from financing activities:		
Proceeds from loan payable	3,399,200	250,000
Payments of principal on notes payable	(250,000)	(90,000)
Net cash provided by financing activities	3,149,200	160,000
Net increase in cash	366,814	12,887
Cash and cash equivalents at beginning of year	65,083	52,196
Cash and cash equivalents at end of year	\$ 431,897	\$ 65,083
Supplemental disclosures:		
Interest paid:	\$ 3,576	\$ 9,554

The accompanying notes are an integral part of these financial statements.

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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 18% and 41% of total support and revenue for the years ended December 31, 2010 and 2009 respectively. Two individual donors contributed approximately 16% of total support and revenue for the year ended December 31, 2010.

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 banks. 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
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements 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 statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Pledges Receivable

Contribution revenue is recognized when a donor makes a promise to give to the organization that is, in substance, unconditional. Unconditional pledges 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 pledges receivable from a single donor at December 31, 2009 in the amount of \$250,000. There were no pledges receivable at December 31, 2010.

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, 2010

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.

No gifts-in-kind were recorded in the years ended December 31, 2010 or 2009.

3. UNEARNED REGISTRATION FEES

Registration for the Third Lausanne Congress that was held in October, 2010 was opened in October, 2009. Registration fees received prior to the event were recorded as unearned income. At the conclusion of the Congress, the unearned income was reclassified to current income.

4. LOANS PAYABLE

The loans payable at December 31, 2010 are unsecured notes due to four private parties. The loans are structured as commercial paper maturing within 30 days or less at an interest rate of 5% per year. The loans and accrued interest have been renewed for additional 30-day terms on the agreement of both parties. Subsequent to December 31, 2010, two notes were paid in full in the amount of \$1,335,000. Principal payments of \$100,000 each were made on the remaining notes.

The loan outstanding at December 31, 2009 was repaid in 2010.

5. 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. At December 31, 2010 and 2009, net assets were restricted for the following purposes:

	2010	2009
Lausanne III Cape Town Congress	\$ -	\$ 98,761
Missionary Support	-	11,400
	\$ -	\$ 110,161

6. CONCENTRATION OF CREDIT RISK

At December 31, 2010 no bank balances exceeded federal insurance limits. At other times during the year balances in bank accounts may have exceeded insurance limits.

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

7. NEGATIVE UNRESTRICTED NET ASSETS

Unrestricted net assets at December 31, 2010 are a negative \$2,927,235. Management believes that there will be a significant increase in contribution income in the future. LCWE is continuing a major fundraising drive to retire outstanding obligations from the Third Lausanne Congress on World Evangelization held in Cape Town, South Africa in October, 2010. These obligations have been consolidated into the four loans described in Note 4.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 21, 2011, the date which the financial statements were available to be issued.